

# India's UPI and Singapore's PayNow

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**In news-** India's UPI and Singapore's PayNow integration was launched recently.

## What are UPI and PayNow?

- **Unified Payments Interface (UPI) is India's mobile-based fast payment system**, which facilitates customers to make round-the-clock payments instantly, using a Virtual Payment Address (VPA) created by the customer.
- It eliminates the risk of sharing bank account details by the remitter. UPI supports both Person-to-Person (P2P) and Person-to-Merchant (P2M) payments and it also enables a user to send or receive money.
- **PayNow is a fast payment system in Singapore. It enables peer-to-peer funds transfer service**, available to retail customers through participating banks and Non-Bank Financial Institutions (NFI) in Singapore.
- **It allows users to send and receive instant funds from one bank or e-wallet account to another in Singapore** by using just their mobile number, Singapore National Registration Identity Card (NRIC)/Foreign Identification Number (FIN), or VPA.

## The UPI-PayNow linkage-

- India's real-time retail payment system UPI, which has allowed for quick digital payments through apps like BharatPe and Paytm, and its equivalent network in Singapore called PayNow, were integrated recently to enable faster remittances between the two countries at a competitive rate.
- Cross-border retail payments are generally less transparent and more expensive than domestic

transactions.

- The **UPI-PayNow linkage is a significant milestone in the development of infrastructure for cross-border payments between India and Singapore** and closely aligns with the G20's financial inclusion priorities of driving faster, cheaper and more transparent cross-border payments.
- India is chairing the G20 on the basis of the rotational membership structure this year. Singapore, although not a G20 member, has been invited to participate in the G20 Summits and its related processes from 2010 to 2011 and from 2013 to 2023.
- **The project to link both the fast payment systems was initiated in September 2021 to facilitate faster, more efficient and transparent cross-border transactions** relating to trade, travel and remittances between the two countries.

#### **Benefits of UPI-PayNow linkage-**

- The UPI-PayNow linkage will **enable users of each of the two fast payment systems to make instant, low-cost fund transfers** on a reciprocal basis without a need to get on board the other payment system.
- It will also help the Indian diaspora in Singapore, especially migrant workers and students, through the instantaneous and **low-cost transfer of money from Singapore to India and vice-versa.**