

Bharat Bill Payment System [BBPS] Procedural Guidelines

Version 3.0

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About This Document

Date	Version	Section Number	Description
18.11.2015	1.0	NA	Final Procedural Guidelines approved by the Reserve Bank of India (RBI)
28.12.2017	1.1	6.7	Agent-Institution On-boarding Process
20.10.2023	2.0		Changes regarding new features in the Procedural Guidelines and company incorporation of NBBL
28.02.2024	2.1	6.5	Timeline for deactivation of biller
29.03.2024	3.0	All	As per Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024 and BBPS Circulars issued till 20th March 2024

1 Introduction

Bharat Bill Payment System (BBPS) is a Reserve Bank of India (RBI) conceptualized system driven by NPCI Bharat BillPay Limited (NBBL – a wholly owned subsidiary of National Payments Corporation of India) which offers integrated, accessible, interoperable payment and collection services to customers across geographies with certainty, reliability, and safety of transactions.

NBBL is the entity authorized as the Payment System Provider for BBPS. BBPS functions as a tiered structure for operating the bill payment and collection system in India with a single brand 'Bharat BillPay' providing the convenience of 'anytime anywhere' payments to the customers.

An entity other than a biller shall not engage in providing bill payment service outside the scope of BBPS, without authorization under chapter III of Payments and Settlement System Act, 2007. Please refer Section 3 (b) of Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024).

1.1 Objective

The objective of BBPS is to offer interoperable and accessible bill payment services to customers through digital/online channels or a network of agents, enabling multiple payment modes, and providing instant confirmation of payment; at the same time, providing a standardized bill collection platform and settlement guarantee to billers.

1.2 Scope

The scope of BBPS includes payments and collections, both recurring and non-recurring for all categories of billers. This makes the BBPS platform accessible to a wider set of individuals and businesses who can benefit from the transparent payment experience, faster access to funds, and improved efficiency.

1.3 Benefits

The benefits expected to be delivered to the customers and other participants of the BBPS ecosystem are mentioned below:

1.3.1 Customer Benefits

- i. BBPS facilitates “Anytime Anywhere” assured payment of all bills through all the Bharat BillPay enabled channels i.e., digital or physical channels including bank branches, business correspondents, customer service points, agents, Automated Teller Machines (ATM), kiosks, etc.
- ii. Provides options to choose from a variety of payment modes like UPI, cash, debit cards, credit cards, prepaid payment instruments including wallets, and other electronic payment options such as net banking, IMPS, NEFT, etc.
- iii. Provides interoperability so that customers can pay bills of any Biller through a single interface.

- iv. Provides accessibility to all segments including un-banked and under-banked population.
- v. Enables customers to fetch, view bill details and provides an instant confirmation of payment made via a payment receipt/confirmation message.
- vi. Provides high level of data security and customer data protection while ensuring certainty, reliability and safety of the transaction.
- vii. Assures trust and confidence amongst customers and provides centralized grievance redressal mechanism.

1.3.2 Biller Benefits

- i. Provides a platform and infrastructure for collection, payment and settlement of bill payments aiding to cost reduction for the billers.
- ii. Facilitates e-presentation of bills and quick e-payment of bills.
- iii. Reduces entry barriers for bill collection by small billers and billers with restricted geographic presence.
- iv. Offers an effective, transparent centralized mechanism for handling customer complaints and grievances.
- v. Offers improved efficiency in bill collection and management with reduction in administrative overheads.

1.3.3 Participant Benefits

- i. BBPS offers standardization in bill payment process through an integrated bill payment platform for its participants.
- ii. Offers a level playing field to all participants and allows them to offer several value-added services related to bill payments to customers, facilitating cost effectiveness.
- iii. For customer facing entities, provides unified and integrated platform to their customers, which facilitates bill collection of bills on a single interface.
- iv. For entities that on-board merchants, provides access to multiple digital and physical channels through a single integration
- v. Offers assured settlement of funds by implementing Settlement Guarantee Fund Mechanism, thereby mitigating settlement / liquidity risk.
- vi. Aligns with the government's Digital India initiative by promoting digital payments, contributes to a less cash economy and enhances financial literacy.
- vii. Provides a centralized platform for bill payments, streamlining the process for both citizens and government entities.

2 Participants

BBPS primarily consists of two categories of entities responsible for distinct functions:

2.1 Primary Participants

2.1.1 Bharat Bill Payment Central Unit (BBPCU)

BBPCU is the entity that operates BBPS; sets operational, governance, compliance, technical, and business standards, and also undertakes clearing and settlement activities for transactions routed through the BBPCU. BBPCU provides a platform connecting customers and billers, through COUs and BOUs, respectively. NPCI Bharat BillPay Ltd. (NBBL) is authorized to operate as the BBPCU.

2.1.2 Bharat Bill Payment Operating Unit (BBPOU)

BBPOUs are entities that operate under the BBPS in a tiered structure and further strengthen the BBPS network. BBPOUs may be banks as well as non-banks.

Banks (All Scheduled Commercial Banks including RRBs or Urban Cooperative Banks or State Cooperative Banks or District Central Cooperative Banks), non-bank Payment Aggregators (PAs) and other existing entities authorised as BBPOUs can participate in BBPS as Operating Units.

Banks and non-bank PAs, intending to operate as BBPOUs, will not require a separate authorisation. They shall intimate DPSS, RBI, and Central Office before commencing operations.

There are three categories in which a BBPOU can function either as a Biller Operating Unit or as a Customer Operating Unit or Both:

2.1.2.1 Biller Operating Unit (BOU)

Biller Operating Unit (BOU) is an entity that onboards biller(s), either directly or through biller aggregator(s), onto the BBPS platform for collection of its bills or other receivables, as the case may be.

2.1.2.2 Customer Operating Unit (COU)

Customer Operating Unit (COU) is an entity that provides its customers with an interface (physical/digital) to pay bills, either directly or through Agent Institution(s) or its Agents.

2.2 Other Participants

2.2.1 Billers

An entity (including Central and State Government Department or Public Sector Undertaking/individuals) which is connected to BBPS through a BOU (either directly or through a biller aggregator) for collection of bills payments.

Note: Bill means any notice for payment raised by a biller for recurring or non-recurring payments. Bill also includes notice or advice for recharge of prepaid services.

2.2.2 Agent Institution

Agent Institutions are entities which are certified by BBPCU and onboarded by COU. These entities are required to provide customer interface (physical or digital) for bill payments. COU may on-board Agent Institutions which may further on-board Agents as the physical last mile customer service points.

Participating AIs are the entities which are directly integrated with BBPCU. Participating AIs have the ownership of technical integration, safety and security of transaction, maintaining tech infrastructure, as they are connected with BBPCU directly. Participating AIs shall be on-boarded by a COU for fund settlement.

Agent Institution onboarded by COUs may also provide services pertaining to cross border remittances for customers located outside of India towards Bill payments in India.

2.2.3 Agent

Agents are last mile customer touch points onboarded by Customer Operating Unit (COU) in the form of branch offices, collection centers, business correspondents etc.

An Agent provides collection services for different biller categories and accepts payment primarily cash/ AEPS, along with other payment modes as applicable. Agent cannot further onboard Agents (sub-agents) and cannot extend their bill payment connectivity to any other entity(s) such as Technology Service Providers (TSP), Fintech etc.

2.2.4 Biller Aggregators

Biller Aggregators are entities that aggregate the billers for the purpose of enabling them to connect to a Biller Operating Unit (BOU). The requirements pertaining to due-diligence and other ongoing compliances of Biller Aggregator shall be governed by BBPOU.

2.2.5 Sponsor Bank

A sponsor bank is defined as a scheduled commercial bank which facilitates settlement of non-bank BBPOUs with BBPCU.

2.2.6 Technology Service Provider (TSP)

Entities certified by NBBL that provide technical services and solutions to BBPOUs, Billers, Agent Institutions or others to integrate with BBPS. TSPs shall not be part of the settlement flow or handle funds. They shall comply with data integrity and security regulations, ensuring secure and efficient operation of BBPS network.

3 Roles and Responsibilities

The indicative roles and responsibilities of the system participants are as below which may be modified and communicated by BBPCU from time to time.

3.1 Primary Participants

3.1.1 Bharat Bill Payment Central Unit (BBPCU)

Following are the roles and responsibilities of BBPCU vide Section 6(a) of Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024

- i. Setting the rules and regulations governing participation criteria and system operations.
- ii. Setting the technical standards for participation in the system.
- iii. Providing guaranteed settlement of all transactions routed through BBPCU.
- iv. Ensuring that all transactions have Bill Reference Number from the payment initiation stage.
- v. Ensuring no funds in the system flow through any TSP.
- vi. Providing a framework for redressal of customer complaints and resolution of disputes

Additional roles and responsibilities:

- i. Define appropriate measures and controls in case of any breach by the participants.
- ii. Responsible for marketing and brand positioning of BBPS
- iii. Setting up a mechanism for monitoring of suspicious transactions and generate timely warning to participants or implement other necessary controls.
- iv. Governing the due diligence and certification process for participants (BBPOU, Biller Aggregator, Biller, Agent Institutions, Agents, TSP, etc.)
- v. Maintaining a repository of relevant information for all bill payment for a prescribed period.
- vi. Defining procedures for on-boarding and de-boarding of participants, settlement, and other procedures.
- vii. BBPCU may carry out audits of the participating entities and their agents to verify compliance with the BBPS Operating Procedures, Standards and Guidelines.

3.1.2 Bharat Bill Payment Operating Unit (BBPOU)

Common roles and responsibilities of BBPOUs are given below:

- i. Compliance with provisions of the on-boarding agreements, other standards, circulars communicated by BBPCU from time to time.
- ii. A non-bank BBPOU shall open an Escrow account with a scheduled commercial bank exclusively for BBPS transactions and must ensure that necessary arrangements are made with their sponsor banks. Revised limits, if any, will be configured on the basis of the advice from their respective Sponsor banks to BBPCU.

- iii. Provide an accessible bill payment system to all the segments including un-banked/ under-banked population.
- iv. BBPOU or its Agent Institution / Agents shall not have bilateral arrangements with another BBPOU or the BBPS Billers for directly availing Bill payment / collection service which falls within the scope of BBPS, unless an approval has been granted by RBI.
- v. Ensure that all transactions have Bill Reference Number from the payment initiation stage.
- vi. Ensure availability of the required infrastructure, system, hardware, software, network, scanners, and other devices at central site and all physical & digital channels to comply with BBPS guidelines as communicated from time to time.
- vii. Ensure safety and security of transactions, verification of biller information, and adherence to transaction flow standards and rules set by the BBPCU.
- viii. Handle all transactions as per arrangements with the billers and Agent Institutions/ Agents in adherence to the standards set by the BBPCU.
- ix. Resolution of customer grievances and dispute within TAT as per procedures and standards prescribed by BBPCU through the centralized end-to-end complaint management system.
- x. Provide MIS & Reporting and other value-added services to the billers/ biller aggregators/ Agent Institutes/Agents.
- xi. Submit returns, reports, data, etc. in prescribed format within defined timelines, duly signed by the authorised signatory. It shall be noted that filing of timely and accurate returns, reports, data etc. is mandatory.
- xii. Ensure that their Net Debit Cap (NDC) values are adequately increased to comfortably accommodate transactions on all days including holidays (when there is no movement of funds) so as to ensure that there are no transaction declines in the event of the cumulative net transaction value exceeding the NDC limit.
- xiii. BBPS requires a second OU for Billers contributing significant volumes for the purpose of Business Continuity. Hence, every Biller that has two or more BOUs is required to connect with BBPCU through independent connectivity provided by each of these BOUs.
- xiv. Implement all APIs and enhancements released by BBPCU in a time-bound manner.
- xv. Ensure confidentiality and privacy standards are complied with diligence. Customers' data collected in the course of bill payment or customer registration, shall not be used without the consent of the customer or outside the framework prescribed by its BBPCU. Suitable "opt-out" option is to be provided to customers in such case. The BBPOUs shall ensure compliance with applicable Laws governing digital personal data protection.

- xvi. Ensure timely submission of data and other records which may be required by regulator from time to time.
- xvii. Select empanelled TSPs based on business needs, bearing all risks associated with the TSP capabilities, owning the liability, and responsibility of TSP connectivity, and shall not have bilateral arrangements for bill payment aggregation outside the BBPS. The BBPOU shall ensure the TSP complies with Procedures and Guidelines of BBPS and RBI, as may be prescribed from time to time.
- xviii. Ensure that all transactions emanating from the TSP's environment are routed through BBPCU for transaction governance and oversight.
- xix. Maintain Settlement Guarantee Fund as per the Settlement Guarantee Mechanism specified by BBPCU.
- xx. BBPOUs shall report fraud trends to BBPS on occurrence and in case of identifying any trends basis the frauds reported BBPCU may provide value added service in mitigating frauds across the ecosystem on analysis.

3.1.2.1 Biller Operating Unit (BOU)

Following are the roles and responsibilities of BBPCU vide Section 6(a) of Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024

- i. Onboarding billers to BBPS.
- ii. Ensuring compliance to due diligence requirements in respect of onboarding of merchants prescribed in Guidelines on Regulation of Payment Aggregators and Payment Gateways dated March 17, 2020, as updated from time to time.
- iii. Ensuring compliance to additional due diligence requirements which may be prescribed by NBBL for specific biller categories.
- iv. Ensuring due diligence of the billers onboarded through biller aggregators.

Additional roles and responsibilities:

- i. Onboarding billers with the following indicative list of due diligence requirements:
 - a. BOUs should have a Board approved policy for biller / merchant on-boarding.
 - b. Undertake background and antecedent check of the billers, that such billers do not have any malafide intention of duping customers, do not sell fake / counterfeit and prohibited products/services, etc.
 - c. Ensure that biller's website (as may be applicable) clearly indicates the terms and conditions of the service and timeline for processing returns and refunds.
- ii. Ensuring collection of Biller Consent form / Bulk Biller Consent form as per the prescribed format of BBPCU, prior to on boarding a Biller or Biller Aggregator

- iii. Ensuring compliance with prescribed on-boarding requirements, BBPS Standards, data privacy standards, SOP and other guidelines applicable for Biller, Biller Aggregators and TSPs.
- iv. Ensuring via Biller agreement that they adhere to SLAs, standards (as applicable), and turnaround time for customer grievance redressal as prescribed by BBPCU and have provision for security / privacy of customer data captured through BBPS as per applicable Rules, Regulations, Act etc.
- v. Ensure to implement controls in its system (including Biller and Biller Aggregator, as may be applicable) for security of customer's data.
- vi. Enabling configuration and routing of BBPS transactions for Billers.
- vii. Ensuring resolution of customer grievances and dispute within TAT as per procedures and standards prescribed by BBPCU through the centralized end-to-end complaint management system.
- viii. Work with the billers to provide best possible commercials, in the form of interchange, to BBPS ecosystem.
- ix. For Billers on-boarded through Aggregators, BOU shall continue to be accountable for its current roles and responsibilities defined in this PG.

3.1.2.2 Customer Operating Unit (COU)

Following are the roles and responsibilities of BBPCU vide Section 6(a) of Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024

- i. Providing digital / physical interface to their customers, directly or through agent institutions.
- ii. Ensuring customers (including customers of their Agent Institutions) have access to all billers onboarded on BBPS.
- iii. Providing a system for raising disputes.
- iv. Taking responsibility for the activities of its agent institutions, for which they have entered into agreement with the COU.

Additional roles and responsibilities:

- i. For their customers;
 - COUs and Agent Institutions, Participating AI must render all BBPS Billers on their front-end channels in a timely manner for their customers that have been on-boarded in BBPS across all categories.
 - Selective rendering of Billers is a violation of BBPS guidelines and the BBPCU reserves the right to take appropriate action.
- ii. Ensuring resolution of customer complaints and dispute within TAT as per procedures and standards prescribed by BBPCU through the centralized end-to-end complaint management system in conjunction with BBPCU.
- iii. Ensuring that bill payment connectivity is not extended by Agents to any other entity such as Technology Service Providers (TSP), Fintech, sub-agents etc.

- iv. Disclosing all important terms and conditions in clear and simple language comprehensible to the customers of various billers/users of its services. These disclosures should include:
 - All charges associated with the use of the bill payment facility, and
 - Details regarding complaints and grievance redressal mechanism and modalities including telephone numbers, website address and escalation matrix.
- v. Ensuring that the Agent Institutions including Participating AIs and Agents comply with BBPS standards, procedural guidelines, inter-operability standards and carrying out internal audits, as may be applicable to confirm compliance.
- vi. Ensuring timely submission of data and records required by regulator or BBPCU.
- vii. The roles and responsibilities of COUs towards AI, Participating Agents and Agents are given below:
 - Carry out due diligence, verification, and scrutiny of AI, Participating AI and Agents
 - Educate the AI and Agents about BBPS, customer handling & grievance handling.
 - Ensure adherence to SLAs, standards, turnaround time, and transparency standards as prescribed by BBPCU and updated from time to time.
 - COU shall not use, nor allow underlying entities (AI and Agents) to use customer data collected during bill payment or registration for other purposes without explicit consent of the customer and comply with all regulations, laws, rules pertaining to protection of customer data (Digital and Physical). A suitable “opt-out” option should be provided to customers in all such cases.
 - Ensure to collect and submit consent form and other documents from underlying entities (AI, Agents of AIs, own Agents and Participating AIs) as prescribed from time to time.

3.2 Other Participants

i. Biller

A Biller may be on-boarded by a BBPOU or Biller Aggregator on BBPS. Billers may be advised to comply with applicable procedures, guidelines and maintain standards for bill payment interoperability, customer service level agreements (SLAs), and complaint resolution protocols / Grievance Redressal Mechanism based on the Bill Reference Number generated by BBPS.

Note: For detailed roles and responsibilities, please refer BBPS SOP for Biller

ii. Biller Aggregator

Billers Aggregator is responsible for integrating multiple billers onto the BBPS platform by connecting them to a Biller Operating Unit (BOU). The Biller Aggregator plays a vital role in the expansion and accessibility of the BBPS network, enabling a broad range of bill payment services.

Note: For detailed roles and responsibilities, please refer BBPS SOP for Biller Aggregator.

iii. Agent Institution

Agent Institutions, on-boarded by COUs, are responsible for providing digital touch points and necessary infrastructure for bill payment services. They ensure adherence to BBPS guidelines, transparent communication of fees, ensure resolution of customer complaints, maintain customer data confidentiality, etc. They are tasked with presenting all available billers to customers and ensure instant payment confirmations. Agent Institutions shall ensure all transactions have “Bill Reference Number” from the payment initiation stage.

Note: For detailed roles and responsibilities, please refer BBPS SOP for Agent Institution.

iv. Agents

Agents onboarded by COUs shall facilitate physical touch points for bill payment, primarily in cash/AEPS mode, along with other payment modes as applicable, and ensure resolution of customer complaints. They shall provide accurate payment information, maintain privacy, and display compliance with BBPS guidelines through clear communication and branding.

Note: For detailed roles and responsibilities, please refer BBPS SOP for Agents.

v. Sponsor Bank

Sponsor Banks manage the financial settlements for non-bank BBPOUs, ensuring efficient transaction processing within the banking system. Sponsor bank maintains the Escrow Account for non-bank BBPOU.

Note: For detailed roles and responsibilities, please refer ‘Annexure 1 - Sponsor Bank - Annex/Sponsor Bank/23-24/1’.

vi. Technology Service Provider

Technology Service Providers (TSPs), certified by BBPCU, are entities that provide the necessary technological infrastructure and solutions for billers, BBPOUs, and Agent Institutions. They shall comply with data integrity and security regulations, ensuring secure and efficient operation of BBPS Network.

There are two categories of TSPs that exists in BBPS.

1. Where a TSP approaches BBPS directly for certification

2. TSP of a BBPOU, to be certified as a part of new BBPOU onboarding process by BBPCU.

Note: For detailed roles and responsibilities, please refer BBPS SOP for TSP.

4 Participant Management

The onboarding and de-boarding process for the BBPOU ecosystem participants are given below.

4.1 Primary Participants

4.1.1 BBPOU

4.1.2 Eligibility Criteria

Banks

All Scheduled Commercial Banks including RRBs/Urban Cooperative Banks/State Cooperative Banks/District Central Cooperative Banks, complying with the procedure, guidelines and participation criteria laid down by BBPS, are permitted to operate as BBPOU without requiring a separate authorization from RBI.

Non-Bank

All Non-Banks, authorized to operate as a Payment Aggregator under the PSS Act, 2007 are eligible to operate as BBPOUs as per RBI BBPS Master Direction released on 29th February 2024. Existing Payment Aggregators with In-Principle Authorization are permitted to operate as Online Payment Aggregators under PSS Act, 2007, thus eligible for operating as a BBPOU.

Note 1: All existing entities authorized as BBPOUs as on 29th February 2024 can continue to participate in BBPS as Operating Units.

Note 2: Billers own collection points are not covered under the scope of BBPS and may be introduced / continued even after operationalisation of BBPS.

4.1.2.1 Onboarding

BBPCU shall initiate certification and on-boarding process for a prospective BBPOU indicating intent to participate in BBPS. Key requirements of on-boarding process are given below:

- i. Entity shall inform Department of Payments and Settlement Systems-RBI, Central Office of the intent to become a BBPOU
- ii. Entity shall submit prescribed documents as defined in the BBPOU Onboarding SOP and communicated from time to time.
- iii. An agreement shall be executed between the prospective BBPOU and NBBL indicating the role applied for (BOU/COU/Both). In case the intending BBPOU is a non-Bank, a tripartite agreement shall be executed between the non-Bank BBPOU, NBBL and the sponsor bank.
- iv. Seek NPCI connectivity or other available connectivity to connect their respective applications and undergo the certification process (applicable to only those BBPOUs, that are not a part of the NPCINET).

- v. Complete the UAT for certification and other configuration requirements for activation on BBPS.
- vi. Intimate the Department of Payments and Settlement Systems-RBI, Central Office before commencement of operations on BBPS.
- vii. The commencement date for operation on BBPS shall be within 6 months from the UAT certification date.
- viii. Payment of certification fees and other charges as applicable from time to time.

Note: For further details, please refer BBPS Product – Standard Operating Procedure (BBPOU Onboarding).

4.1.2.2 De-boarding

A BBPOU may de-board from BBPS after giving a notice of 60 days in writing to RBI and BBPCU and subject to acceptance from BBPCU and approval from RBI.

- i. The BBPCU may verify applicable data and processes viz. pending transactions, refunds complaints, disputes etc. prior to acceptance of de-boarding of the BBPOU from BBPS.
- ii. The acceptance will be subject to settlement of all outstanding dues and liabilities arising out of complaints/disputes raised on the BBPOU. All expenses in relation to such audit shall be borne by the exiting BBPOU.
- iii. A BBPOU may resign from BBPS after giving a notice of 60 days in writing to RBI and BBPCU. The resignation will be accepted by BBPCU subject to approval from RBI post due diligence from its end.
- iv. After receiving approval from RBI, BBPCU shall inform all participants regarding the de-boarding of BBPOU. On the expiration of such a notice, the BBPOU de-boarding shall cease to be a participant of BBPS. BBPCU will also disconnect its network service to such BBPOU.
- v. In case of BBPOU being deboarded, its existing Billers and/or Agent Institutions will be migrated to new BBPOU.

Note: For further details, please refer 'Annexure 2 - De-boarding - Annex/Deboard/23-24/1'.

4.2 Other Participants

For onboarding of other participant refer to the respective BBPS SOPs. For participant management covering deboarding, migration, etc., please refer to respective participant's section under 'Annexure 2 - De-boarding - Annex/Deboard/23-24/1'.

5 Transaction Overview

Within BBPS, the transactions are initiated on Agents or Agent Institutions or COU platforms. The COUs facilitate routing of the transactions to BBPCU. BBPCU routes this transaction to the BOUs which are integrated with Biller Aggregators or Billers. BOUs route the transaction & fetch details from Biller systems and finally credit the Billers' accounts. This structure ensures the integrity and settlement of payments across the network. The structure of entities & sequence of events described in section 5.1 are applicable for domestic & cross border transactions.

BBPS offers two bill initiation options to the customers, listed below:

- 1. One-time pay:** In this option for bill payment, customer initiates a transaction by providing his unique identifier to fetch his bill or validate his identifier, and proceeds to initiate the bill payment.
Note: Both the scenarios of Bill fetch (refer section 5.2) and ad-hoc-payment will be accepted.
- 2. Register and Pay:** In this option, customers can setup standing instructions on their recurring payments. Such bills will be automatically fetched (or pushed) from the biller system and presented to the customers for autopay or view-and-pay. This option is facilitated via UPMS (Unified Presentment Management System) module of BBPS.

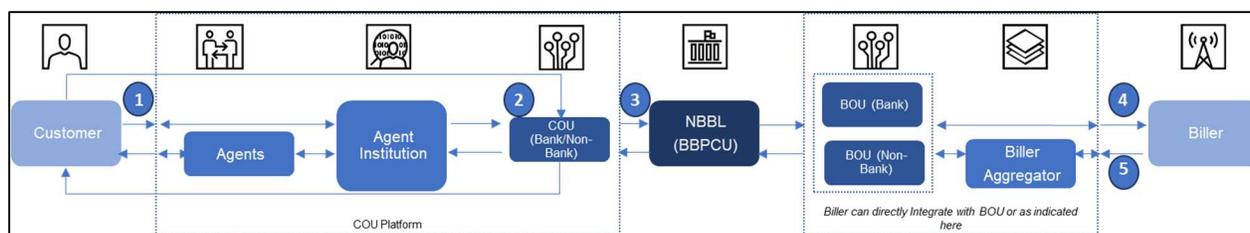
BBPS has in all 4 Biller transaction flows which are listed below-

- i. **Fetch and Pay:** Customer does financial transaction post fetching the bill (e.g., Electricity bill).
- ii. **Validation and Pay:** Customer does financial transaction post validation of their identifier (e.g., Broadband bill payments).
- iii. **Validation and Pay, basis plan:** Customer does financial transaction post validation of their identifier and chooses a specific plan (e.g.: Mobile plan recharges).
- iv. **Direct Pay:** Customer does financial transaction without any validation of the input or a fetch of a bill (e.g., Donation).

5.1 Process

5.1.1 One-time pay

For One-time Pay, the end-to-end transaction comprises of 2 steps – Fetch/ Validation and Payment



Step 1: Fetch/ Validation

1. Customer visits the Agent, Agent Institution or COU platform, selects a particular category and selects the biller.
2. Customer will provide their unique identifier as input i.e. Customer Parameters defined for each biller and communicated to the COUs.
3. In the fetch/ validation request, COU will pass unique parameters to the respective biller through BBPCU to fetch bill details / validate customer's unique identifier.
4. Biller will validate the customer parameters received. If valid, the biller will send back the bill details/ validation status in response, and in case of invalid details, the biller will send the appropriate failure response code and reason.
5. In the fetch response, details in encrypted format viz. customer name, total bill amount, bill date, due date etc. will be sent back by the biller as part of the Biller Response. In validation response, biller can send back status of customer parameter validation, along plan details if applicable to that biller.

Step 2: Payment

1. Customer can verify the bill details and initiate payment for the amount value as per biller's configuration. Following scenarios are possible:
 - a. Customer makes payment for exact bill amount.
 - b. Customer makes payment for any amount above the bill amount.
 - c. Customer makes payment for any amount less than bill amount.
 - d. Customer is allowed to make payment for any amount value.

The Amount configuration for biller is passed as part of Payment Amount Exactness in Biller MDM.
 2. COU/ AI Platform will initiate payment request to BBPCU, and pass the bill details mentioned along with payment amount, BBPCU sends this further to biller via BOU/ Biller Aggregator.
 3. Through payment response, biller system will provide payment status, along with the payment reference number for future use.
 4. COU/ AI Platform will display the payment status to the customer as per BBPS guidelines and share the payment receipt with the customer.
- For further details on payment receipt refer section 5.4.

5.1.2 Register & Pay

For Register & Pay, the end-to-end transaction comprises of 3 steps – Registration, Presentment & Pay.

Step 1: Registration

This is a one-time step, where customer registers for Autopay or View & Pay on the COU/ AI Platform.

1. Customer fills Standing Instruction form (customer details, bill details and payment details) on COU/AI platform.
2. COU/AI initiates Presentment Registration API to UPMS system with Customer parameters, bill details and mandate details.
UPMS system checks if registration exists for the same bill details. If yes, then create a new CPRN (COU Presentment Registration Number) and return to the COU system. Else, proceed further for new registration.
3. UPMS system initiates a fetch/ validation request to Biller system via BOU.
4. After successful validation, UPMS system generates BPRN (BOU Presentment Registration Number) & provide registration response along with bill details (if available) and CPRN as a callback to the COU.
5. COU/ AI Platform shows the registration confirmation to the customer.

Step 2: Presentment

1. Based on internal system intelligence UPMS system initiates a fetch/ validation request to Biller system via BOU on the predicted date of bill generation; or Biller system pushes the bill to UPMS system (as case may be for the respective biller)
2. Once retrieved, UPMS pushes the presentment to respective COU/ AI Platform where customer has registered standing instruction (Autopay or View & Pay) for the bill.
3. COU/ AI platform triggers the payment alert to customer in case of View & Pay or triggers the payment mandate in case of Autopay, basis the presentment received from UPMS.

Step 3: Payment

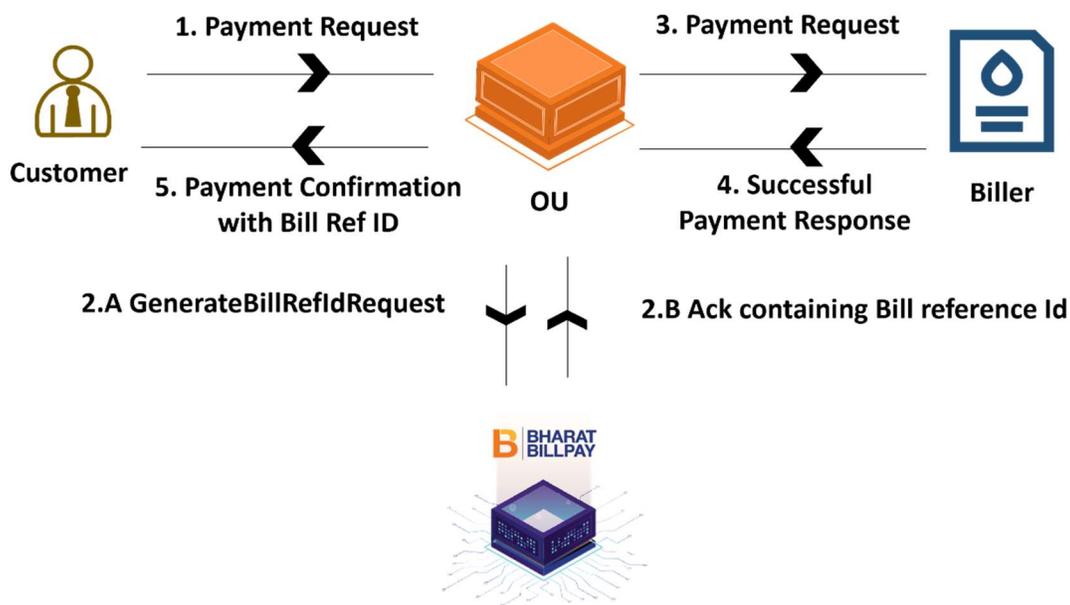
This utilizes the same payment flow of onetime payment described in previous section.

5.2 Transaction Flow wherein the biller and payment collecting agent belong to same BBPOU

With multiple payment modes and participating systems in BBPS it is important to have a unique identifier for each bill payment transaction.

Bill payment transactions, wherein the biller and payment collecting interface belongs to same BBPOU, may or may not be routed through BBPCU. In scenario where it is not routed, the COU shall initiate these transactions with a Bill Reference Number from BBPS through the '**Generate Bill Reference Id API**' which will generate a unique reference number for such transactions. The bill reference id is to be obtained before the initiation of every payment transaction with the Biller in such cases. The details of the same are delineated in BBPS API Specifications.

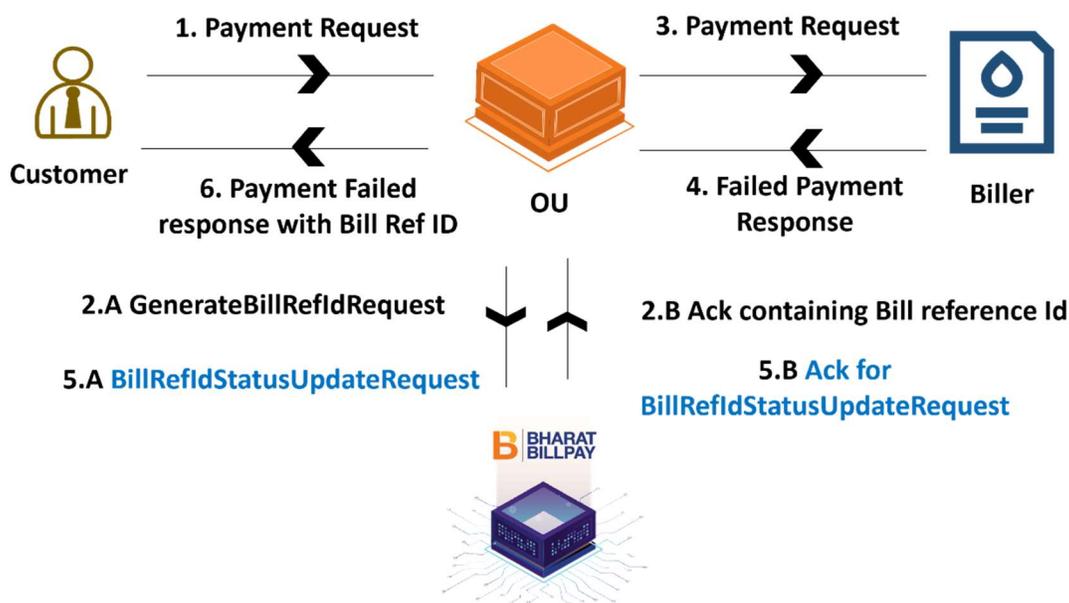
Process Flow for a Successful Transaction



- i. Customer visits the Agent, Agent Institution or COU platform, selects a particular category and selects the biller. Customer selects the bill and initiates bill payment.
- ii. Since the collection interface and Biller belongs to the same BBPOU, and if the transaction is not routed through BBPCU, then the BBPOU will follow the below mentioned steps.
 - a. Make an API call to BBPCU using 'GenerateBillRefIdRequest' by passing all the bill details similar to the BBPS payment request.
 - b. BBPCU on receiving the details will generate a new Bill Reference ID and return it to the COU as part of the ACK. BBPCU will consider this transaction as SUCCESS by default.
- iii. BBPOU now having the Bill Reference ID, will initiate a payment request to the biller.

- iv. Biller returns success for the transaction.
- v. OU sends the confirmation of the bill payment transaction and shares the Bill Reference Id with the Customer for their future reference and concerns.

Process Flow for a Failed Transaction:



- i. Customer visits the Agent, Agent Institution or COU platform, selects a particular category and selects the biller. Customer selects the bill and initiates bill payment.
- ii. Since the collection interface and Biller belongs to the same BBPOU, and if the transaction is not routed through BBPCU, then the BBPOU will follow the below mentioned steps:
 - a. Make an API call to BBPCU using 'GenerateBillRefIdRequest' by passing all the bill details similar to the BBPS payment request.
 - b. BBPCU on receiving the details will generate a new Bill Reference ID and return it to the COU as part of the ACK.
- iii. BBPOU now having the Bill Reference ID, will initiate a payment request to the biller.
- iv. Biller returns Failure for the transaction.
- v. BBPOU on receiving Failure for the transaction,
 - a. Make an API call to BBPCU to update the status as Failure using the 'BillRefIdStatusUpdateRequest' with the Bill reference Id received in the step 2b above.
 - b. BBPCU will respond with the ack on receiving the status update.
- vi. OU sends the Transaction failure update and shares the Bill Reference Id with the Customer for their future reference and concerns.

Note: For details please refer to API specification documentation.

5.3 Bill Payment Confirmation/Transaction Receipt

- i. BBPS customer touch points will provide instant confirmation of payments made at the outlet through an SMS/ email/printout as desired by the customer or via electronic receipt of transaction where the mode of bill payment is online/net-banking/ mobile banking/ IMPS/UPI.
- ii. The physical/ electronic receipt will have a unique Bill reference number with 'Be-Assured' logo and it would be possible for the customer to get independent confirmation of bill payment using this Bill Reference Number on a website/ SMS service/ IVRS.
- iii. The confirmation of payment will be acknowledgement of payment having been made at the BBPS interface (physical or electronic). Settlement of funds and payment to Biller will be as per the extant RBI guidelines on settlement of payments for transactions involving intermediaries as amended from time to time.

6 Operating Procedure

6.1 Settlement Procedure and Escrow Account Operations

Settlement procedure is an integral part of any interoperable payment system. In BBPS, the BBPOUs' Agents/Agent-Institutions may collect payments for various Billers, including those who have not been on-boarded by their own BBPOUs.

6.1.1 Settlement Procedure

BBPCU will handle the process of clearing and net settlement between the different BBPOUs. The BBPOUs will route the transaction data to the BBPCU, using which the BBPCU will arrive at the net settlement for each BBPOU. Based on the net payment obligation arrived at by BBPCU, each BBPOU will pay/receive the funds through the settlement bank arrangement put in place by the BBPCU. BBPCU will also provide the related transactional data of the settlement to the concerned BBPOU to enable them to make the payment in turn to the concerned billers. BBPS has multiple settlement cycles throughout the day.

Note: For further details refer 'Annexure 3 - Settlement Procedure - Annex/STLP/23-24/1'.

Settlement Account

- i. This account will be used for net settlement of the amounts due to/ from the BBPOU and for debiting the charges, fees, penalties, etc.
- ii. All entities participating as BBPOUs, and their Sponsor banks shall monitor and ensure adequacy of their collateral with BBPCU as per the Settlement Guarantee Fund mechanism.

6.1.2 BBPS Escrow Account

Non-bank BBPOU shall be required to maintain an Escrow Account with a Scheduled Commercial Bank exclusively for collection and settlement of funds for BBPS transactions. The Escrow Account shall be used for net settlement of the amounts due to/ from the BBPOU and for debiting the charges, fees, penalties, etc.

Following are the provisions vide section 7 of Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, 2024 pertaining to Escrow Account Operations.

- i. A non-bank BBPOU shall open an escrow account with a Scheduled Commercial Bank exclusively for BBPS transactions.
- ii. Non-bank BBPOU operates as Payment Aggregator (PA) when it collects funds from its customers or settles funds with the billers onboarded by it. For maintenance of escrow account, payment system operated by BBPOU shall be deemed to be '*designated payment system*' under Section 23A of the PSS Act, 2007 (as amended from time to time)
- iii. Eligible credits and debits in the escrow account of a COU are as follows:

- a. Credit of funds collected from the customers.
 - b. Debit towards settlement of BBPS transactions
 - c. Credit / debit of failed / disputed transactions
 - d. Recovery of charges / commissions pertaining to bill payment transactions
- iv. Eligible credits and debits in the escrow account of a BOU are as follows:
- a. Debit of funds due to the billers
 - b. Credit towards settlement of BBPS transactions
 - c. Credit / debit of failed / disputed transactions
 - d. Recovery of charges / commissions pertaining to bill payment transactions

Note 1: The escrow account can also be shifted from one bank to another, in a time bound manner, without impacting the payment cycle to merchants, under advice to RBI.

Note 2: Bank BBPOUs do not require any Escrow Account for managing their OU operations.

Note 3: For further details on escrow accounts please refer Guidelines on Regulation of Payment Aggregators and Payment Gateways dated March 17, 2020 (as updated from time to time) and SOP of BBPS Escrow Account.

6.2 Complaint Management and Grievance Redressal

- i. A dispute resolution framework is put in place by BBPCU for centralized end-to-end complaint management system for all bill payment transactions, in compliance with RBI's guidelines on *Online Dispute Resolution (ODR) System* for Digital Payments dated August 06, 2020. Key points from the ODR guideline are mentioned below-
 - a. ODR system is a rule-based, system-driven, and user-friendly mechanism for resolving disputes (related to failed transactions) with little manual intervention.
 - b. Customers shall be provided with multiple channels (website, paper-based form, SMS, branches, mobile app, IVR, etc.) to lodge their disputes and grievances using minimum details that shall be helpful to fetch transaction details.
 - c. Based on the lodged dispute, a reference number shall be provided to customers for tracking the status of the dispute.
- ii. All participating COUs and BOUs will be integrated to the centralized system and enable the customers to raise and resolve disputes following the dispute resolution framework of BBPS. Bill Reference Number generated while initiating the transaction shall be used for this purpose.

- iii. COUs and BOUs shall ensure that failed transactions are dealt with in accordance with the timelines prescribed in RBI's circular on *Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using 25 authorized Payment Systems dated September 20, 2019*, as updated from time-to-time. Key points from the *Harmonization of Turn Around Time (TAT)* circular are mentioned below-
 - a. The failed transaction is defined where the transaction is not fully completed due to reasons not attributed to customers. It also includes payments which are not affected to the beneficiary account for various reasons.
 - b. Timelines for reversal of the transaction vary according to the incident happened in using payment channels such as ATMs, cards, IMPS, UPI, AePS, etc.
 - c. Customers are eligible for compensation as detailed in the framework for auto-reversal and compensation of the RBI circular.

Note: For further details, please refer BBPS Complaint Management and Grievance Redressal SOP.

6.2.1 Refunds

The refunds against transactions routed through BBPCU will be handled through the Credit Adjustment process set up by BBPCU.

7 Fee and Charges

Charges and fees, if any, will be debited from the settlement account of BBPOUs, and the advice shall be shared to the respective BBPOUs. All charges, fees, recurring charges, etc. will be payable by eligible entities following the terms and conditions as defined by BBPCU. The same shall be approved by the Steering Committee and communicated to the participants from time to time, by way of circulars.

7.1 Interchange Fees

- The BOU pays COU an interchange fee for each successful transaction and this charge varies from category to category. The Interchange Fee levied on applicable transactions is approved by the Steering Committee and the same shall be amended after seeking necessary approval from the Committee.

7.2 Customer Convenience Fees

- The Customer Convenience fee (CCF) is defined as the charges the customer may pay the COU or its Agents Institutions / Agents for availing the service at electronic and physical touch points. The CCF is retained by the COU. The CCF should not exceed the charges as prescribed.

7.3 Certification fees

- Once a BBPOU gets final certification from the BBPCU, the certification fees as prescribed by BBPCU (plus applicable taxes), would be recovered from the BBPOU by debiting the Settlement account of the respective BBPOU or its sponsor bank account with RBI, at the time of daily settlement.
- Prior intimation would be given to the respective BBPOU before debiting the applicable certification fees.
- An invoice would be sent to the BBPOU within 7 working days post deduction of the Certification fees.

7.4 Switching Fee

- A primary role of BBPCU is to act as a switch for transactions between BBPOUs for eventual settlement. Both BOU and COU shall pay BBPCU a switching fee for the services BBPCU renders.
- The BBPCU acts as a central unit that connects the BOU to the COU and handles all operational processes through which recurring payments will be channeled. BBPCU provides other services such as clearing and settlement, Access through Canvas, Biller MDM, Standards compliance, Complaint and Dispute Management etc.
- The switching fee is recovered only on successful bill/recurring payments.

7.5 Fetch Fee

- Fetch Fee is levied on excessive fetch transactions initiated by COU or its Agents / Agent Institutions. The fee is payable by the COU for all successful fetch transactions exceeding the prescribed limit.
- This may be levied on applicable transactions as approved by the Steering Committee and the same shall be amended after seeking necessary approval from the Committee.

8 Governance and Compliance

8.1 Steering Committee for BBPS

A Steering Committee for BBPS with senior-level representation from the stakeholders is constituted for advising, coordinating and monitoring the implementation and operational issues relating to BBPS. The Steering Committee shall also advise on the development of standards for the bill payment system and oversee the implementation of the standards.

BBPS may invite representatives from organizations involved in promoting BBPS services and industry experts to attend its meetings, if considered necessary, from time to time to get wider counsel and better insight.

8.1.1 Steering Committee Functions

The Steering Committee has a Governance Model to execute the following functions:

- Deliberating on the proposals and/or presentations by BBPCU on behalf of the stakeholders relating to areas such as project planning, implementation, business expansion, operational and technological matters, etc.
- Decision on the fees and charges to be levied in the ecosystem by various stakeholders.
- Endorsing the decisions proposed by BBPCU on behalf of the stakeholders.
- Deliberating on any matters presented by BBPCU or other stakeholders.
- Advising on development and overseeing implementation of standards for the bill payment system including innovation, implementation timelines, commercials etc.

8.1.2 Composition of BBPS Steering Committee

BBPS Steering Committee membership consists of senior functionaries of BBPOUs that are identified to be represented on the Steering Committee. There would be only one person nominated by name from each of the primary participants, generally at the level of at least a GM/VP or above from banks/non-banks and of appropriate matching seniority from other stakeholders. The composition of the Steering Committee shall be defined by BBPS.

- The primary participants in Bharat Bill Payment System are licensed/approved entities by RBI known as Bharat Bill Payment Operating Units (BBPOUs). The BBPOUs would consist of both Banks and Non-Banks.
- Bank BBPOUs are a mix of Private Banks, PSU Banks, Payment Banks, Small Finance Banks etc. Non-Bank BBPOUs are mostly biller aggregators and/ or customer-facing entities to enable payment of bills by customers:
 - a. BBPCU (NPCI Bharat BillPay Ltd.) would be a permanent member of the BBPS Steering Committee. The Steering Committee will be chaired by the CEO of NPCI Bharat BillPay Ltd. (NBBL) or any other functionary authorized from time to time.

- b. The tenure of members of the Steering Committee (other than BBPCU) would be two years and may be extended based on performance, participation, expansion plan and other participation criteria defined by BBPCU from time to time.
- c. Including BBPCU, the Steering Committee would not have more than twenty (20) members at any given time. The composition and strength of the Committee will be reviewed and amended at the discretion of BBPCU.

8.2 Governance Framework for escalation

- i. BBPCU may define suitable framework and an escalation mechanism for ensuring governance of BBPS Procedural Guidelines, SOPs, circulars etc.
- ii. In the event of non-compliance with the standards, circulars and advisories issued, from time to time, BBPCU reserves the right either to notify the participants or impose controls as either directed by the Regulator or approved by Steering Committee including connectivity, show cause, fee, penalties and others.

8.3 Transparency and Disclosure standards

The BBPCU and the BBPOUs have to ensure that the charges to the customer would be adequately displayed/provided on the transaction receipt and the BBPS Agent outlet would display all kinds of charges levied where possible. The outlet would also display the services on offer and the time taken for settlement of the transaction. Agents manning the outlets should be adequately trained to handle the customer data as per the standards defined for BBPS.

Note: For further details, please refer 'Annexure 6 - Branding - Annex/Brand/23-24/1'.

8.4 Data Protection and Security

BBPS maintains rigorous data protection and security protocols, categorizing customer information into sensitive, private, and non-sensitive, with stringent encryption for sensitive and private data during storage and transmission. It enforces TLS 1.2 (or above) protocols and SHA-2 hash functions for transaction integrity.

Compliance with data protection and security standards, data localization, regular standards review, secure data archiving for a decade, and adherence to BBPCU directives are mandated. Penalties shall be enforced for non-compliance, and BBPCU reserves rights over software updates, highlighting a proactive approach to cybersecurity and regulatory adherence in the payment's ecosystem.

Note: For further details, please refer 'Annexure 8 - Compliance, Risk and Information Security - Annex/CRI/23-24/1'.

8.5 Risk and Fraud Mitigation

BBPS emphasizes robust risk and fraud mitigation strategies, advocating for independent oversight and inclusive governance involving all stakeholders. It highlights the need for stringent standards to mitigate risks and mandates all BBPOUs for a comprehensive information security measure to protect sensitive customer data.

The system of BBPOUs requires continuous monitoring and reporting of suspicious transactions, complemented by an indemnification framework to shield against liabilities. Confidentiality of data is paramount, with strict protocols to prevent unauthorized access or disclosure. Amendments to procedural guidelines are subject to periodic reviews, ensuring that participants are well-informed and compliant with evolving standards and regulatory requirements.

BBPCU shall have the right to take appropriate action as deemed fit by BBPCU, including but not limited to suspension/termination of membership, in the event BBPCU observes disproportionate increase in fraud transactions, technical declines, business declines, downtimes and other such critical operational metrics with respect to the transactions processed by or through the member or third parties engaged by the member when compared against industry averages/best practice benchmark standards followed in the payments ecosystem with respect to such critical operational metrics

Note: For further details, please refer 'Annexure 8 - Compliance, Risk and Information Security - Annex/CRI/23-24/1'.

8.6 Settlement Guarantee Mechanism (SGM)

In the unlikely event of any participant in BBPS failing to meet the clearing liability at the time of settlement, BBPCU would make use of the fund balance in Settlement Guarantee Fund account (SGF) and complete the settlement. Thereafter, BBPCU would initiate the process of recovering the fund from the defaulting BBPOU with penal interest as per the terms of Settlement Guarantee Mechanism (SGM). BBPOU's are required to abide by guidelines laid down in SGM Policy.

Key aspects of the SGF for the BBPOUs are given below-

- i. A contribution of 10% of the total required SGF will be collected from participant banks in the ratio of their transaction throughput of past 3 months towards collateral contribution. 90% of the Settlement Guarantee Fund is arranged by BBPCU through a Line of Credit obtained from various banks.
- ii. Net Issuer Banks shall contribute towards 2/3rd of the participant contribution amount.
- iii. Net Acquirer Banks shall contribute towards 1/3rd of the participant contribution amount.

Note: For further details refer 'Annexure 4 - Settlement Guarantee Fund - Annex/SGF/23-24/1'

Note 1: For details on technical configuration, please refer 'Annexure 5 - Technical Configuration, Modalities, Connectivity - Annex/Tech/23-24/1'.

Note 2: For details on reporting, please refer 'Annexure 7 - MIS and Reports - Annex/MIS/23-24/1'.

Note 3: For details on Compliance, Risk and Information Security, please refer "Annexure 8 - Compliance, Risk and Information Security - Annex/CRI/23-24/1'.

9 Annexures

The annexure to the BBPS PG is attached below.



SOPs



SOPs.zip