

Circular: NPCI/2018-19/BBPS/012

27th February, 2019

To,

All BBPOUs
Bharat Bill Payment System

Madam / Dear Sir

Settlement by Biller BBPOUs with the Biller : Role of BBPOUs in Settlement

We would like to reiterate the following from the point of view of maintaining settlement and reconciliation standards in the Bharat Bill Payment ecosystem:

1. Settlement with the biller should be latest by S+1, with value date posting by the biller being the same as the date of the transaction by the customer. This guideline is as per PG and BBPS Standards and is applicable to all BBPS transactions, whether ON-US or OFF-US transactions. Biller BBPOU must do value date posting in biller system which should be verifiable. Non-adherence in this regard will invite penalties.
2. Biller BBPOU is responsible for prompt payout of funds to the Biller in adherence to the Standards on Clearing & Settlement & Payouts to Billers for all transactions.
3. The funds remitted to the Biller by the Biller BBPOU post settlement may be promptly reconciled with the Biller and the settlement report provided by the BBPCU. Key points of adherence as below as per BBPS Standards released to all BBPOUs:
 - The consumer's account with the Biller should be updated on receipt of payment success message from the BBPOU. It may be noted that the Customer side BBPOU would issue a receipt to the customer on receiving confirmation of payment success message, which would be final proof of payment of the bill by the customer and irrevocable. Therefore it is imperative that the posting of the payment information is immediately carried out in the customer's account at the Biller's end.
 - Biller side BBPOUs must ensure that the payments received for Off-line Billers where the facility for bill fetch request is not available must be passed on to the Billers. Regular reconciliation of such uncredited amounts must be carried to avoid any disputes or claims.

4. We would also like you to refer to **Implementation of Bharat Bill Payment System (BBPS) – Guidelines**, RBI/2014-15/327, DPSS.CO.PD. No. 940 /02.27.020/2014-2015, dated November 28, 2014, wherein point no. 22 of the annexure delineates the following:

- For ON-US transactions (agent collecting the payment as well as the biller who has to receive the payment is on-boarded by the same BBPOU), each BBPOU will have to identify a settlement bank where the agents and the billers need to maintain settlement account. The BBPOU will arrive at the net position of each participant (agents and billers) **at EOD and submit a settlement file to the settlement bank.**

Members are requested to note the contents of this circular and ensure compliance.

Yours faithfully



Rahul Tandon
Product & Compliance
Bharat Bill Payment System