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# STANDARDS FOR BHARAT BILL PAYMENT SYSTEM

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VERSION 1.1



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NATIONAL PAYMENTS CORPORATION OF INDIA  
BHARAT BILL PAYMENT SYSTEM

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## About This Document

Date	Version	Guidelines No.	Description
19.01.2017	1.0	NA	Approved Standards
25.10.2017	1.1	I, IX	Bharat BillPay Brand Guidelines

## Standards for Bharat Bill Payment System

### Background

Bharat Bill Payment System (BBPS) being a tiered structure envisages bill payment by consumers to Bharat Bill Payment Operating Units (BBPOUs), which are either Bank or Non-Bank entities authorized by RBI. The bill payment can happen using various modes through multiple payment channels. A BBPOU participating in BBPS can either be a customer side operating unit, Biller side operating unit or both. BBPOUs will on-board billers, aggregators, payment gateways, set up agent network and customer touch points to handle bill payments through different delivery channels, including self-service, assisted, electronic and manual modes e.g. Internet, Mobile etc.

Reserve Bank of India vide Circular No. RBI/2014-15/327:DPSS.CO.PD. No. 940 / 02.27.020 / 2014-2015 dated November 28, 2014 has defined the roles and responsibilities of various stakeholders, i.e. Bharat Bill Payment Central Unit (BBPCU) and Bharat Bill Payment Operating Units (BBPOUs). As per these guidelines, NPCI has been mandated to function as the authorised BBPCU and set standards for the system participants. This document lays down the standards for various aspects of BBPS operations which must be followed by BBPOUs. These standards along with Procedural Guidelines and other guidelines would form a part of the overall scheme compliance.

## I. Standards for Bharat BillPay Brand and Governance

### Introduction:

Reserve Bank of India in its circular RBI/2014-15/327:DPSS.CO.PD. No. 940 / 02.27.020 / 2014-2015 dated. November 28, 2014 has stated that “Bharat Bill Payment Central Unit (BBPCU) would be responsible for marketing and brand positioning of the pan-India Bharat Bill Payment System, putting in place standards for the BBPS and oversight and certification of Bharat Bill Payment Operating Units (BBPOUs) regarding adherence to the BBPS standards for processing bill payments”

### **Bharat BillPay Brand Governance**

#### **a) Bharat BillPay Brand Usage and Philosophy**

The key to the success of the Bharat Bill Payment System lies in building a strong brand that conveys the essence of the values and attributes of Bharat BillPay and fosters trust, confidence and comfort in the mind of the customers and system participants. Bharat BillPay brand and logo will thus be a customer facing brand and will be displayed and used at various touch points. Due to multi-party engagement this requires a strong governance mechanism, which shall be adhered to and followed in letter and spirit by the BBPOUs and other system participants (Agent Institutions, Agents and Billers). The following governance mechanism and guiding principles are being prescribed for compliance by the BBPS system participants:

1. Standard logo of Bharat BillPay and any other promotional material as authorized by BBPCU will be prominently displayed at the BBPS outlet / Agent's premises. Signage with the standard Bharat BillPay logo or trademark will be prominently displayed at the collection points as per the brand guidelines laid down by BBPCU to identify agents' outlets as Bharat BillPay enabled Service Point, as specified from time to time.
2. Authorised participants can advertise and promote their participation in the BBPS network by using the standard logo of the Bharat BillPay as authorized by BBPCU.
3. Bharat BillPay logo will form an integral part of the bill payment receipt and must follow the “*Standards for Issue, Validation and Verification of Bill Payment Receipts*”.
4. Billers may use and advertise the Bharat BillPay logo, after seeking approval from BBPCU, in their bills once they are part of the BBPS network.

## **b) Prohibition of Use of Bharat BillPay logo upon Termination & Suspension**

Upon withdrawal or suspension or termination from the BBPS, the respective BBPOU/ other participants/ billers should stop using the Bharat BillPay name, logo, and trademark. Further, the same should be removed from all locations and media of display before the effective date of termination.

## **Bharat BillPay Logo Principles**

The BBPS system participants should adhere to the following guidelines:

1. Bharat BillPay logo must be used in the original colour format, and only if the original version colour cannot be used due to printing or media limitations, black is the only colour to be used.
2. Alteration of colour, hues and texture is not allowed. If any alteration in colour is considered unavoidable in a particular case, prior permission will be required from BBPCU to use alternative colour versions of the logo.
3. Addition of extra text or graphic elements in the Bharat BillPay logo is strictly prohibited. Participants may not crop or use part of the Bharat BillPay logo unless prior permission is taken from BBPCU.
4. The shape and proportion of the Bharat BillPay Logo must remain unaltered.

## **Bharat BillPay Brand Standards**

### **a) BBPS Brand Usage and Philosophy**

1. **Intellectual Property:** The brand, trade mark, logo, signage, position and size (as communicated by BBPCU) would be the intellectual property of BBPCU and its usage would be strictly defined as per the guidelines published by BBPCU and modified from time to time.
2. **Use of BBPS/ Bharat BillPay trademarks, service marks:** These guidelines are for BBPS licensees, customers, and other parties wishing to use BBPS/ Bharat BillPay trademarks, service marks or images in promotional, advertising, instructional, or reference materials, or on their web sites, products, labels, or packaging. Use of the Bharat BillPay Logo for commercial purposes without the prior written consent of BBPCU may constitute trademark infringement and unfair competition in violation of and state laws. Use of BBPS/ Bharat BillPay trademarks may be prohibited, unless expressly authorized.

3. **Licensee:** If BBPOUs or any other participant in the BBPS ecosystem is a licensee of a BBPS/ Bharat BillPay trademark or logo and have been provided with special trademark usage guidelines with their license agreement, they could follow those specific guidelines.
4. **Trademark:** BBPS's trademarks, service marks, trade names, and trade dress are valuable assets. By using a BBPS/Bharat BillPay trademark, in whole or in part, the user acknowledges that BBPCU is the sole owner of the trademark and the user shall not interfere with BBPCU's rights in the trademark, including challenging BBPCU's use, registration of, or application to register such trademark, alone or in combination with other words, anywhere in the world, and that the user shall not harm, misuse, or bring into disrepute any BBPCU trademark. The goodwill derived from using any part of BBPCU trademark exclusively inures to the benefit of and belongs to BBPCU. Except for the limited right to use as expressly permitted under these Guidelines, no other rights of any kind are granted hereunder, by implication or otherwise.

#### **b) Authorized Use of BBPS Trademarks, Logo etc.**

1. **Advertising, Promotional, Sales Materials and Merchandise etc.:** Only BBPCU and its authorized BBPOUs and licensees may use the Bharat BillPay Logo in advertising, promotional, and sales materials. Such authorized parties may use the Bharat BillPay Logo only as specified in their agreement with BBPCU and any associated Guidelines and such use must always be in conjunction with the appropriate terms that define the relationship authorized by their contract with BBPCU.
2. **Compatibility:** The BBPOUs and their agents may use BBPS/Bharat BillPay or any other BBPS/ Bharat BillPay word mark (but not the Bharat BillPay Logo or other BBPS-owned graphic symbol/logo) in a **referential phrase** on promotional/advertising materials to describe that the third party product is compatible with the referenced BBPCU product or technology, provided they comply with the following requirements:
  - a. The BBPS/ Bharat BillPay word mark is not part of the product name.
  - b. The BBPCU word mark appears less prominent than the product name.
  - c. The product is in fact compatible with, or otherwise works with, the referenced BBPS product.
  - d. The reference to BBPS/ Bharat BillPay does not create a sense of endorsement, sponsorship, or false association with BBPS/ Bharat BillPay or BBPS products or services.
  - e. The use does not show BBPS or its products in a false or derogatory light.
3. **Web Sites:** Web sites that serve both commercial and non-commercial electronic informational forums concerning a BBPS product or technology may use the appropriate

BBPS word mark, provided such use is permitted by BBPCU and complies with the guidelines set forth in Section 2 above.

**c) Un-Authorized Use of Bharat BillPay Trademarks, Logo etc.**

1. **Company, Product, or Service Name:** The system participants cannot use or register, in whole or in part, any Bharat BillPay trademark including Bharat BillPay owned graphic symbols, logos, icons, or an alteration thereof, as or as part of a company name, trade name, product name, or service name except as specifically noted in these guidelines.
2. **Bharat BillPay Logo and BBPS-owned Graphic Symbols:** The system participants in the BBPS ecosystem cannot use the Bharat BillPay Logo or any other BBPS-owned graphic symbol, logo, or icon on or in connection with web sites, products, packaging, manuals, promotional/advertising materials, or for any other purpose except pursuant to an express written trademark license from BBPS
3. **Variations, Take-offs or Abbreviations:** BBPOUs, other system participants or Third parties cannot use a variation, phonetic equivalent, foreign language equivalent, take-off, or abbreviation of a Bharat BillPay/BBPS trademark for any purpose.
4. **Disparaging Manner:** The system participants cannot use a Bharat BillPay /BBPS trademark or any other BBPS-owned graphic symbol, logo, or icon in a disparaging manner.
5. **Endorsement or Sponsorship:** The system participants cannot use BBPS/ Bharat BillPay or any other Bharat BillPay /BBPS trademark, including BBPS-owned graphic symbols/logos, or icons, in a manner that would imply BBPS's affiliation with or endorsement, sponsorship, or support of a third party product or service.
6. **Merchandise Items:** The system participants cannot manufacture, sell or give-away merchandise items, including symbols, logos, or icons, except pursuant to an express written license from BBPCU.
7. **BBPS's Trade Dress:** The system participants cannot imitate the distinctive Bharat BillPay web site design, logos, or typefaces.
8. **Slogans and Taglines:** The system participants cannot use or imitate a Bharat BillPay slogan or tagline without prior written permission of BBPCU.
9. **Domain Names:** The system participants cannot use an identical or virtually identical Bharat BillPay /BBPS trademark as a second level domain name. The system participants cannot also use similar sounding domain names.

All entities must follow the Brand Guidelines issued in this regard.

## II. Standards for Enrolment/ On-boarding of Agent Institutions, Agents and Billers

### Introduction:

A BBPOU that offers the facility of payment of bills by customers may on-board Agents and Agent Institutions that would help to increase the reach and penetration of BBPS services. The BBPOUs that intend to bring billers to the BBPS would on-board Billers.

While on-boarding Agents, Agent Institutions and Billers, BBPOUs must ensure that adequate precautions are taken while on-boarding these entities to ensure that only *bonafide* entities are made participants of the BBPS ecosystem and BBPS brand promise is not diluted. Due consideration should be given to mitigating the possible reputational, legal and operational risks and ensuring that customer interests are not compromised in any manner.

### **On-boarding of Agent Institutions:**

On-boarding of Agent Institutions will be the responsibility of the BBPOUs. Every BBPOU will ensure compliance with the following parameters while on-boarding an agent institution.

#### 1. Documentation requirements:

- Proof of business activity (please refer to the annexure for the list of acceptable documents).
- KYC of the key management officials.  
(Indicative checklist for KYC are listed in the Annexure).

#### 2. The Agent Institution to be on-boarded:

- Should not be part of blacklist as and when introduced by BBPCU or any other competent authority.
- Should not be bankrupt or insolvent
- Should not have been declared a willful defaulter by any bank or financial institution.
- Should not appear in the list of banned/ prohibited entities  
[https://www.rbi.org.in/scripts/bs\\_nbflist.aspx](https://www.rbi.org.in/scripts/bs_nbflist.aspx) ; <http://mha.nic.in/bo>

3. It must be ensured that the volume and amount of bill payments to be handled by the Agent Institution are commensurate with the net worth and capacity of the Agent Institution.



4. It is of utmost importance that the Agent Institution and Agents appointed by the Agent Institution discharge their fiduciary obligations in regard to payments collected from the customers promptly and without fail. Therefore, the BBPOUs must have in place suitable arrangement, processes and risk control mechanism to ensure that there is no default or delay in effective transfer of moneys collected from the customers to BBPOU. In any case, BBPOU shall be fully responsible for paying the monies collected from customers by Agent Institution and Agents enrolled by the Agent Institution to the Billers in case of ON-US transactions and to the default BBPOUs of Billers through the Clearing and Settlement mechanism for OFF-US transactions.
5. BBPOU may directly or through a reputed third party assess the prospective Agent Institution's infrastructure to ensure that it is capable of complying with various BBPS requirements, Procedural Guidelines and standards.
6. BBPOUs must ensure that the requisite infrastructure and contractual commitment for protecting the privacy and confidentiality of sensitive customers data (bank details, passwords, card details, PIN etc.) in compliance with the industry standards as applicable, such as ISO/IEC 27001, PCI-DSS and provisions of the Information Technology Act (as amended from time to time) are in place before commencement of operations.
7. In addition to the above, the BBPOU officials must undertake a visit to the agent institution to satisfy themselves about the authenticity and credibility of the information provided by institution to be on-boarded.
8. There should be a proper contractual agreement between the BBPOU and the Agent Institution, including undertaking by the Agent Institution for compliance of the BBPS Procedural Guidelines, Operational Guidelines, guidelines on BBPS brand compliance and applicable standards by the Agent Institution as well as by the Agents on-boarded by them. The contractual arrangement must incorporate provisions which empower BBPCU and BBPOU to delist the Agent Institution and / or Agents in case of serious or persistent violations, defaults, non-compliance, frauds, frequent customer complaints and serious misdemeanor, etc.
9. The BBPOUs should have a Board approved policy for on-boarding Agent Institutions and Agents, detailing inter-alia process for compliance with the standards prescribed above.
10. Relevant information required for the onboarding of Agent Institutions must be provided by the BBPOUs.

1. The process and standards described above shall be followed by the Agent Institutions, *mutatis mutandis*, while on-boarding agents (enrolled by Agent Institutions or appointed directly by BBPOU).

## On-boarding of Billers:

BBPOUs that on-board billers must ensure that the billers are made aware of their roles and responsibilities as per the BBPS Procedural Guidelines and various standards defined by BBPCU on customer registration, transaction handling, messaging standards, customer complaints resolution, dispute management system, reconciliation and settlement of funds etc. The BBPOUs should provide for interoperability of bill payments as this is the *sine qua non* of the BBPS. It must be agreed that the date of issue of payment acknowledgement/ receipt by the Customer BBPOU would be the effective date of payment of bill.

The BBPOU should ensure the following while on-boarding billers:

1. The biller is a licensed or authorised entity to raise bills on customers.
2. The bills pertain to the legitimate activities that the biller is engaged in.
3. The biller must a part of the categories authorised by RBI under BBPS.
4. The biller's name does not appear in a negative list of billers whose presence in the BBPS system is considered to be detrimental to the system (as and when such a list is published under BBPS)
5. The biller's name should not appear in the list of banned/ prohibited entities [https://www.rbi.org.in/scripts/bs\\_nbfclist.aspx](https://www.rbi.org.in/scripts/bs_nbfclist.aspx) ; <http://mha.nic.in/bo>
6. Relevant information required for the onboarding of biller must be provided by the BBPOUs.

The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

## Annexure

### Indicative Requirement of KYC Documents for Agent Institutions & Agents.

KYC Documents Required			
Sole Proprietor Firms	Partnership Firms	Limited Liability Partnership	Companies
	one copy of each	one copy each	one copy each
Proof of Business /Activity (any two documents as per the table)	Registration Certificate.	Certificate of Incorporation (COI),LLP Agreement	Certificate of Incorporation (COI), Memorandum of Association, Articles of Association
Official valid documents (OVDs) of the Proprietor/ Individual	Partnership Deed	Address Proof in the name of LLP if different from COI	Board Resolution
	Official valid documents of Authorised Signatories/ Partners	Official valid documents of Authorised Signatories	Official valid documents of Signatories authorized to transaction on its behalf
		PAN No. of LLP	List of Directors

Documents Accepted As Business Activity /Existence/ Proof Of The Firm
Shops and Establishment Certificate
Registration Certificate
Sales Tax/Excise/ VAT Registration Certificate
Sales Tax and Income tax returns
CST VAT Certificate
Latest Income Tax Return/Assessment Order with computation having firm name along with acknowledgment from Income Tax Dept.
License /Certificate issued by any professional body incorporated under a statute.

	Latest utility bill (water/electricity/landline telephone) in the name of the firm (address proof can be used as existence proof for proprietor)
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<b>Officially valid documents of authorised signatories for identity and address proof</b>	
1	Passport
2	PAN Card
3	Driving License
4	Voter ID issued by the Election Commission
5	Letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number.
6	Job card issued by NREGA duly signed by an officer of the State Government,

In the absence of any of the six OVDs, BBPOUs may adopt a “Simplified procedure” means the procedure for undertaking customer due diligence in respect of customers, who are rated as low risk by them.

Following documents shall be deemed to be OVD for verifying the identity of the above customers;

1. Identity card with applicant’s photograph issued by Central/ State government departments, statutory/ regulatory authorities, Public sector undertakings, Scheduled commercial banks, and Public financial institutions;
2. Letter issued by a Gazetted officer, with a duly attested photograph of the person.

In addition to the above any of the following documents are to be considered as OVDs for the verifying the proof of address:

1. Utility bill, which is not more than two months old, of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
2. Property or Municipal tax receipt not more than 2 month old.
3. Bank account or Post Office savings bank account statement.
4. Pension or family Pension Payment Orders (PPOs) issued to retired employees by government departments or Public sector undertakings, if they contain the address.
5. Letter of allotment of accommodation from employer issued by State or Central government departments, statutory or regulatory bodies, and public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation.
6. Documents issued by Government departments of foreign jurisdictions or letter issued by Foreign Embassy or Mission in India.

### III. Standards for BBPOUs – (Biller side)

#### **Introduction:**

A Biller participates via a BBPOU and is not directly connected to BBPS. While a Biller may choose to have arrangement with more than one BBPOU for ON-US transactions, it must specifically select one BBPOU as the default BBPOU for OFF-US transactions in BBPS. Later, provision may be introduced in the BBPS to have another BBPOU as a stand-by default BBPOU for the purpose of BCP, especially for large Billers.

The default BBPOU is hereinafter termed as the 'Biller BBPOU', and will comply with the following standards and processes for the categories of bills brought under the scope of BBPS. The standards and processes will be applicable *mutatis mutandis* to those BBPOUs as well that have arrangements with Billers for handling only ON-US transactions.

1. A BBPOU may undertake bill aggregation and / or bill payment services for the category of bills covered under BBPS only within the framework of BBPS for both ON-US and OFF-US bill payments.
2. Billers will be on-boarded in BBPS, whether for ON-US or OFF-US transactions, by BBPOUs only.
3. For the categories of bill covered under the scope of BBPS, a BBPOU cannot have bilateral arrangement with another BBPOU nor with any Biller for aggregation of bill payments outside the BBPS.
4. While on-boarding a Biller, the BBPOU will ensure the following:
  - a. The Billers should be made aware of their roles and responsibilities as per the BBPS Procedural Guidelines and various standards defined by BBPCU on customer registration, transaction handling, messaging standards, customer complaints resolution, dispute management system, reconciliation and settlement of funds etc.
  - b. The Biller is a licensed or authorized entity to raise bills on customers and the bills pertain to the activities that the Biller is legitimately engaged in.
  - c. The BBPOU should provide for inter-operability of bill payments as this is the *sine qua non* of the BBPS.
  - d. Basic KYC on the Biller is carried out.

- e. The Biller's name does not appear in a negative list of Billers whose presence in the BBPS system is considered to be detrimental to the system (as and when such a list is published under BBPS).
  - f. The Biller's name should not appear in the list of banned/ prohibited entities [e.g., [https://www.rbi.org.in/scripts/bs\\_nbfclist.aspx](https://www.rbi.org.in/scripts/bs_nbfclist.aspx) ; <http://mha.nic.in/bo>]
5. The Biller BBPOU on receiving a mandate from a Biller to act as the default BBPOU will complete the formalities for on-boarding and configuring the Biller in the BBPS. BBPCU may independently verify with the Biller the mandate given to the default BBPOU.
  6. A BBPOU that on-boards a Biller but is not a default BBPOU for that Biller must inform BBPCU about the new Biller connection within a period of thirty days from the date of onboarding.
  7. As new categories of Billers are included in BBPS, Biller BBPOUs must advise about the existing Biller connection of the new category within 15 days of the inclusion of the said category.
  8. Once a BBPOU on-boards the Biller it has to be for both ON-US and OFF-US (via default BBPOU) transactions and must be available to all BBPOUs participating in BBPS.
  9. Biller BBPOUs must report all direct arrangements/tie ups with the billers periodically.
  10. BBPCU will approve on-boarding of Billers in the BBPS and issue a unique identifier for each Biller.
  11. In case a Biller has been on-boarded in BBPS by only one BBPOU or the biller has an exclusive arrangement with the BBPOU , that BBPOU will be deemed as the default BBPOU (Biller BBPOU) till such time as the Biller specifically requests to make another BBPOU as the default BBPOU.
  12. If a biller does not participate in BBPS, BBPOUs will not be able to offer aggregation services outside BBPS for that biller.
  13. The Biller BBPOU, on behalf of the Biller, will respond to the online messages for bill fetch and bill payment messages whether online / offline, single/ bulk sent by the Customer BBPOU through BBPCU (NPCI).
  14. Biller BBPOU must inform its Sponsor bank about the designated Nodal account for the purpose of receiving funds pertaining to BBPS.

15. 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.
16. Biller BBPOU will provide responses/ data feed for all types of bill related queries, payments received from Customer side operating units through the BBPCU.
17. Biller BBPOU is responsible for prompt payout of funds to the Biller in adherence to the Standards on Clearing & Settlement & Payouts to Billers.
18. 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.
19. Agreement between the BBPOU and Biller may incorporate suitable clauses to ensure compliance with the following:
  - a. 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.
  - b. The date of payment made by the customer will be the effective date of bill payment.
  - c. Requisite information and support must be provided by the Biller to the BBPOU to resolve outstanding complaints and disputes within the prescribed TATs. All eligible refund cases must be processed immediately.
  - d. For the Billers which are on online (real time) mode with the BBPOU, it is expected that bill fetch will take place in real-time mode and payment success confirmation will be given to the Biller in real-time. As per the BBPS transaction message specifications, the recipient is required to send an acknowledgement message to the sender of a message. Failure to receive an acknowledgement from any participant in BBPS for a bill payment transaction will result in a reversal where the entire transaction will be reversed and an intimation will be sent to the origination point to return the amount to the customer through the same payment mode. Online Billers integrating with BBPOUs must necessarily take this aspect into account and comply with the requirements in this regard.

Billers BBPOUs hosting Billers which do not have the capability to reverse the transaction must ensure the completion of transaction before sending the confirmation to the biller.

- e. For the Billers which are in offline (A) mode (where the Biller BBPOU stands in for the Biller and receives updated bill data information from the Biller on a regular basis), it is expected that the bill information is shared by the Biller with the Biller BBPOU at regular intervals to avoid any discrepancies arising out of the delay in updating the Biller data.
- f. For Billers which are in offline (B) mode (where there is no connectivity between the BBPOU and the Biller and bills are paid without validation), the Biller should update their customer accounts for all such bill payments on a daily basis. There may be cases where the payments cannot be accounted for various reasons (e.g. Invalid customer account number, mismatch of customer account number etc.) such cases along with refund requests originating from the customer BBPOU must be promptly responded to within the prescribed TATs .
- g. BBPOUs must ensure that billers comply with BBPS technical messaging standards prescribed by BBPCU from time to time.
- h. The Biller should be advised regarding settlement procedure, nodal account arrangement, settlement timelines, mode of remittance vis-à-vis the Biller and also the arrangement between non-bank Biller BBPOU and its sponsor bank.
- i. BBPCU has provided an online Dispute Management framework (DMS) for resolution of disputes between BBPOU's. Billers must adhere to the TATs prescribed by BBPCU while responding to the disputes forwarded to them by their respective (Biller) BBPOUs. Requisite information and support must be provided by the Biller to the BBPOU to resolve outstanding complaints and disputes. All eligible refund cases must be processed immediately.
- j. BBPS may decide on the terms and conditions for charging a customer convenience fees as deemed appropriate, which would vary from category to category, payment mode, payment channel or any other criteria.
- k. A Biller may be delisted from BBPS on valid and justifiable grounds such as:
  - i. Breach of BBPS guidelines
  - ii. Failure of agreement between BBPOU and Biller
  - iii. In case of bankruptcy
  - iv. Fraudulent practices in billing or collection
  - v. Circumstances or contingency that compromises or jeopardizes the system.
- l. In course of time for Business continuity considerations BBPS will endeavor to facilitate the Biller to nominate another BBPOU as a stand-by Biller BBPOU.



The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

## IV. Standards for certification and oversight for conduct of operations of BBPOUs

### Introduction:

Reserve Bank of India in its circular RBI/2014-15/327:DPSS.CO.PD. No. 940 / 02.27.020 / 2014-2015 dated. November 28, 2014 has defined roles and responsibilities of various stake holders i.e. Bharat Bill Payment Central Unit (BBPCU and Bharat Bill Payment Operating Units (BBPOUs). As per the above guidelines, NPCI has been mandated to function as an authorised BBPCU and set standards for the system participants. While the incumbent BBPOU who has received an In-principle authorisation from RBI to act as BBPOU would be certified by BBPCU from the IT preparedness perspective by simulating test cases in a comprehensive manner , it is equally important that the BBPOUs ( both customer and biller ) put in place processes which would enable them to conduct the bill payment business in a smoothly and uninterrupted manner and offer its customers a seamless experience and thereby fulfilling its stated objective of facilitating anytime , anywhere, interoperable bill payment service through various modes with instant confirmation of bill payment .

In view of the above , BBPOUs are hereby requested to take note of the following guidelines on certification and preparedness with regards to Technology Infrastructure, People, and Process before commencement of BBPS operations.

### **Technology**

- i. BBPOUs should complete the testing of online and offline transaction message flows, file format compatibility, front end user applications, payment receipt generation, complaints and disputes and ensure seamless and uninterrupted operations with billers/agents /institution/outlets etc.
- ii. In addition to the above, BBPOUs must take adequate care to ensure that the systems are compliant with various technology standards, network requirements and the relevant information security guidelines as prescribed by BBPCU.
- iii. BBPOUs must have a Business Continuity Plan (BCP) in place to ensure that the business continues in an uninterrupted manner in the events of a disaster. For this purpose the suitable Disaster Recovery set up (DR) must be in place. The effectiveness of the DR set up must be tested at least once in six months.

- iv. BBPOUs must ensure a system uptime of at least 98.5% on a monthly basis.

### **People**

- v. BBPOUs must identify the officials, create profiles, and grant role based privileges responsible for managing / supervising the BBPS operations at a central level.
- vi. BBPOUs must enable the Complaint Management Systems (CMS) and ensure training of officials to handle complaints and disputes. BBPCU would maintain a contact /escalation matrix with it for each BBPOU, any changes in the key officials / contact information must be promptly intimated to BBPCU.
- vii. BBPOUs must establish a central help desk for resolving customer queries, complaints received through various channels viz. telephone, mail, social media etc.

### **Processes:**

- viii. Bank BBPOUs must have internal arrangements for parking of funds received from customers towards bill payments and the funds received from BBPCU for onward pay-outs to the billers in a Nodal account opened for the said purpose. It is envisaged that Non-Bank entities would also act a BBPOUs, for this purpose they must have a corresponding arrangement with their sponsor banks (not necessarily BBPOU) as per the prescribed regulatory guidelines.
- ix. BBPOUs (customer as well as biller) must ensure that necessary systems and processes for reconciliation of BBPS transactions are in place before commencement of operations.
- x. BBPOUS must ensure that the agent institutions carefully choose the agent outlets that are authorised to undertake BBPS transactions. The selected outlets should have the required infrastructure, connectivity and trained personnel to ensure compliance with BBPS standards and procedural guidelines and render quality service to customers.
- xi. It must be ensured that BBPS signage is prominently displayed at the agent outlets authorised to undertake BBPS transactions.
- xii. There shall not be any distinction while handling the ON-US and OFF-US bill payment transactions. Customer convenience fee wherever permitted and charged by BBPOU shall be identical for both ON-US and OFF-US transactions.
- xiii. BBPOUs must formulate standard operating procedures with clearly defined scope on duties, in adherence to the scheme compliance requirements and conduct training programmes for their operating staff and that of their agent institutions to ensure that they are conversant with BBPS guidelines, operating procedures,

- process flow, front end applications/ systems, refund policies, service charges, used for conducting BBPS operations at the outlets.
- xiv. It is recommended that Job Cards detailing the standard operating procedures should be prepared, circulated to various BBPOU outlets / BBPOU Agent outlets and published on the website.
  - xv. BBPOUs shall arrange to disclose all important terms and conditions at their outlets and or on the website in clear and simple language (preferably in English and a local language) and comprehensible to the customers of various billers/users of its services.

These disclosures should include;

- a) Type of bills that are accepted.
- b) Mode of payments that are accepted.
- c) Charges that would be levied to the customer along with the applicable cess, taxes, duties, levies etc. for various modes of payments, refunds, reversals, failed transactions etc. for both ON-US as well as OFF-US transactions.
- d) State clearly the customer's roles and responsibilities for availing the service.
- e) Timelines for transaction completion.
- f) Timelines of payment of funds to the biller.
- g) Helpline no. /email Id of the BBPOUs.
- h) Process for complaint registration irrespective of the BBPOU outlet where the bill is Paid. TAT for resolution and the escalation mechanism.
- i) Name of the outlet, outlet ID, Name of the BBPOU and website.
- k) Refund and reversal process applicable to the BBPS transaction along with the relevant timelines.

In addition to the above, BBPOUS are advised to adhere to the following guidelines with regards to the conduct of operations post commencement on an **ongoing basis**;

- i. BBPOUs must have well established reconciliation processes and comply with the reconciliation standards laid down by BBPCU for BBPS.
- ii. BBPOUs must have robust mechanisms to track the velocity and volume of transactions originating out of various agent outlets to ensure that the BBPS operations are carried out in compliance with the prescribed procedural guidelines. BBPCU reserves the right to request for a copy of such reports if required.
- iii. BBPOUs must track 'fetch to payment' ratio and adhere to the limits prescribed by BBCU from time to time.

- iv. BBPOUs must undertake third party system audits to ensure that its Information Technology systems are protected from any vulnerabilities arising out of hacking attempts, denial of service attacks. BBPOUs must take appropriate steps to ensure the systems are strengthened so the transaction data integrity customer confidential information is kept secured at all times. BBPOUs must ensure that the back-up of the transaction data/logs etc. is taken at predefined intervals to ensure its ready retrieval.
- v. BBPOUs must report to BBPCU any suspicious activity based on the nature, velocity, volume of transactions which may be inconsistent with the normal expected activity at any agent outlet or outlets.
- vi. BBPOU must intimate BBPCU upon the receipt of any notice from Government Agencies / Enforcement Agencies/ Regulatory Bodies/ Tax Authorities /Courts on account of misconduct of operations/violation of laws guidelines / suspected criminal activities / malpractices/ show cause notices which may lead to stoppage of operations, freezing of accounts and consequently impact on BBPS brand.
- vii. BBPOU must preserve the relevant document collected from its customers towards KYC AML compliance or any other regulatory requirement.
- viii. Both COU and BOUs to ensure smooth transition to BBPS within RBI/BBPCU stipulated period including customer registrations, Standing instructions and presentments.
- ix. BBPOUs must refresh its database / systems with the master data pertaining to the billers available with BBPCU on a periodic basis.
- x. BBPOU shall cease to be a member in any of the following events:

**For Bank BBPOUs**

1. If it's banking licence is cancelled by RBI.
2. If its authorization/approval under the Payment and Settlement Systems Act, 2007 to participate as a BBPOU has been revoked by RBI.
3. If the BBPOU does not adhere to qualification criteria as per RBI/BBPS guidelines.
4. If it is placed under moratorium or prohibited from accepting fresh deposits by RBI.
5. In case of any notification issued by the judicial authorities or the government for freezing its current account with the RBI.
6. In case of failure to adhere to Anti Money Laundering (AML) guidelines, wherever applicable.
7. If customer disputes exceed certain defined thresholds; as fixed in consultation with the regulator from time to time and repeated warnings issued by the BBPS.
8. Any other reason or event necessitating such action by the Regulator.

**For Non-Bank BBPOUs:**

1. If its licence is cancelled by Govt. authorities or Regulators.
2. If its authorization/approval under the Payment and Settlement Systems Act, 2007 to participate as a BBPOU has been revoked by RBI.
3. If it is unable to carry on business as BBPOU because of restrictions or restraints imposed by a judicial authority or Government.
4. In case of failure to adhere to Anti Money Laundering (AML) guidelines, wherever applicable.
5. In case of insolvency or bankruptcy of the BBPOU.
6. If it does not continue to wholly conform to the qualification criteria as per RBI/BBPS guidelines.
7. In case of breach of regulatory guidelines and applicable laws.
8. If customer disputes exceeds certain thresholds, as fixed in consultation with Regulator from time to time, and repeated warnings issued by the BBPS.
9. In case the membership of an entity participating as BBPOU is suspended or terminated.
10. Any other reason or event necessitating such action by the Regulator.

The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

## V. Standards for Payment, Clearing and Settlement

### **Introduction:**

As per RBI Guidelines DPSS.CO.PD. No. 940 / 02.27.020 / 2014-2015, National Payments Corporation of India (NPCI) functions as the authorized Bharat Bill Payment Central Unit (BBPCU), which is responsible for implementing business standards, rules and procedures for technical and business requirements for all the participants.

NPCI as the authorised BBPCU, connects multiple billers and agents/ customer touch points through various Bharat Bill Payment Operating Units (BBPOUs). It does not own any transaction financially from a payment system perspective but undertakes clearing and settlement activities related to OFF-US transactions routed through BBPS.

BBPS being a tiered structure envisages bill payment by consumers to BBPOUs, which are either Bank or Non-Bank entities authorized by RBI. The bill payment can happen using various modes through multiple payment channels. BBPOUs will on-board billers, aggregators, payment gateways, set up agent network and customer touch points to handle bill payments through different delivery channels, including agent outlets, self-service and assisted modes, as well as electronic modes, e.g., Internet, Mobile etc.

This document prescribes the standards for clearing and settlement and payment to Billers for ON-US and OFF-US transactions.

OFF-US transactions are ones where the biller is on-boarded by one BBPOU and payment from customer is collected by another BBPOU. Transactions where the biller on-boarding and collection of payment from the customers is done by the same BBPOU are termed as ON-US transactions.

**Settlement Mechanism – OFF-US Transactions:** As a settlement agency, BBPCU will follow the Multilateral Net Settlement Mechanism, i.e., the net debit/credit position based on the total amount payable by the BBPOU on account of bill payments received by it from customers and the total amount receivable by the BBPOU for payments to be made to the billers will be computed and settled.

BBPCU will initiate the settlement of funds between the Customer side BBPOU and the Biller Side BBPOU for all OFF-US transactions using the Multilateral Net Settlement Mechanism (MNSB), in a single or multiple batches on a daily basis. For Non-Bank BBPOUs the settlement will happen in the RTGS settlement account of their sponsor banks. Apart from the regular bill payment transaction, settlement would also include payments for those transactions for which disputes raised by BBPOUs have been accepted by the responding BBPOUs which could either Refunds or Force payments.

The Payment and Settlement Systems Act 2007 provides a sound legal backing for this netting procedure and as per the Act, the settlement is considered final and irrevocable as soon as such settlement amount is arrived at through netting procedure or process thereof.

During settlement process NPCI will debit the RTGS Settlement Account of the BBPOUs or the Sponsor Banks in case of Non- Bank BBPOUs which are under net debit and credit the RTGS Settlement Account of the BBPOUs or the Sponsor Bank in case of Non- Bank BBPOUs which are under net credit. Banks **should hold sufficient funds** in their settlement accounts to ensure smooth and seamless settlement process.

To begin with, BBPCU would carry out the settlement of transactions on a 'T+1' (working) day basis ('T' being the transaction date), irrespective of the mode of payment used by the consumer for making a payment to the Customer side BBPOU. Later, BBPCU may carry out quicker settlements so that final funds settlement with the billers can take place expeditiously.

To start with, there would be one or two settlements per day (except on RTGS holidays). However, based on the transaction volumes, BBPCU in future may decide to execute multiple settlements in a day.

**Settlement Mechanism - ON-US Transactions:** BBPCU will have no role in clearing and settlement for ON-US transactions and the same will be handled by respective BBPOU end-to-end, from collection of payment from the customer to the payment to the Biller.

BBPOU must complete the settlement of transactions with its billers not later than 'T+1' working day ('T' being the transaction date), irrespective of the mode of payment used by the consumer for making a payment to the BBPOU (whether online or offline or in cash).

### **Payment to Billers**

On completion of the settlement, payments to the billers for all OFF-US transactions must be made within one day i.e. 'S+1', where 'S' is the settlement date. Under no circumstances payments to the billers should be delayed beyond 'T+2' working days, where 'T' is the transaction date. The target will be to move towards fund settlement with billers on the same day for the Inter-BBPOU settlements that take place up to a certain cut-off time (1<sup>st</sup> half).

### **Risk Mitigation**

#### **Net Debit Cap**

Based on the certain criteria, BBPCU would decide the Net Debit Cap (NDC) limits for various participants which would be advised from time to time.

BBPCU has mechanisms in place to monitor the NDC consumption on a real time basis. As a risk mitigation measure BBPCU would stop the transactions for a BBPOU if the transaction volume originated from that BBPOU in a cycle / day exceeds the NDC cap for that BBPOU.

BBPOUs are advised to take note of NDC limits advised to them.

#### **Settlement Guarantee Mechanism**

BBPCU has constituted a Settlement Guarantee Mechanism (SGM) to counter the settlement risk which may arise on account of a default by any of the participants. As part of the SGM, BBPCU has constituted a Settlement Guarantee Fund (SGF) which would be used to cover the shortfall and complete the settlement in the event of any default. The SGF would comprise of contributions from banks participating in the settlement on their own behalf or BBPOU's behalf based on the certain criteria.

BBPCU has also issued guidelines on the loss sharing mechanism which would be invoked in the event of a member(s) failing to meet its settlement obligations on the settlement date and thereafter, The mechanism would be define the basis on which the surviving members would contribute towards sharing of loss in accordance with the procedure outlined in the guidelines. The above standards may be reviewed and revised by NPCI/ BBPCU from time to time and such revisions will be binding on the participants to whom the standards apply.

## VI. Standards for daily reconciliation of transactions of respective stakeholders including agency network transactions

### Introduction:

BBPS being a tiered structure envisages bill payment by consumers to Bharat Bill Payment Operating Units (BBPOUs), which are either **Bank or Non-Bank** entities authorized by RBI. The bill payment can happen using various modes through multiple payment channels. BBPOUs will on-board billers, aggregators, payment gateways, set up agent network and customer touch points to handle bill payments through different delivery channels, including self-service, assisted, electronic and manual modes e.g. Internet, Mobile etc.

In view of the above it is essential that the BBPOUs have a robust reconciliation processes in place and ensure that reconciliation of the transactions, amount is done on a regular basis to avoid any customer complaints, disputes etc.

1. NPCI would initiate the settlement of funds between the Customer side BBPOU and the Biller Side BBPOU for all OFF US transactions using the **Multilateral Net Settlement Batch mechanism (MNSB)**, single or multiple batches on a daily basis. For Non-Bank BBPOUs the said settlement will happen in the RTGS settlement account of their sponsor banks.
2. Post settlement, BBPCU will share the Net Settlement Report, raw data files with the BBPOUs in the predetermined format. BBPOUs must use the transaction data provided by BBPCU to reconcile the transactions recorded in their systems. Customer BBPOUs must reconcile the payment advices initiated against the debits whereas Biller BBPOUs must reconcile the payment message acknowledgments against the credits factoring in the dispute related adjustment entries, interchange charges, taxes etc.

BBPOUs must also tally the amount debited or credited in their settlement account or that of their sponsor banks with the net (debit / credit) amount mentioned in the Settlement reports.



**Exceptions if any, must be brought to the notice of the BBPCU within T+2 days, 'T' being the transaction date.**

3. In the event of non-receipt of settlement files, BBPOUs must intimate the BBPCU on the same day.
4. As per the extant RBI guidelines, the funds received from the consumers towards payment of bills irrespective of the channel (except the service charges collected from customers) is required to be parked in a Nodal account set up by Customer side BBPOU and Biller side BBPOU for the said purpose. *(Please refer RBI Circular DPSS.CO.PD.No.1102/02.14.08/2009-10, dated November 24, 2009.)*
5. Any delay in remitting the funds to the biller beyond T+2 working days (T being the transaction day) should be reported to BBPCU along with the justification, (please refer to the reporting format provided in Annexure I).
6. BBPCU reserves the right to audit the Nodal account of the BBPOU's at their cost. Inefficiency in handling the reconciliation can prove detrimental to the functioning of the BBPS as a system and may invite penal action on part of the BBPCU.

The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

**Annexure I**

Date of Receipt	Amount	Reason for Delay

## VII. Standards for risk mitigation associated with agency network

### **Introduction:**

Customer side operating units (BBPOUs) participating in the Bharat Bill Payment System (BBPS) may on-board agent and agent institutions that would help to increase the reach and penetration of BBPS services. Success of this assisted model depends on the customer experience at the last mile delivery point i.e. agent outlet which interfaces with the customer. A mutually beneficial BBPOU – Agent relationship reinforced by sound governance and risk mitigation practices is a pre-requisite for delivering a consistent and uniform customer experience which would not only foster customer confidence, encourage repeat usage and establish BBPS as a trusted brand.

Engagement of intermediaries such as Agents and Agent institutions involves significant reputational, legal and operational risks, due consideration should be given by BBPOUs to those risks.

It is expected that the BBPOUs should adopt technology-based solutions for managing the risks, besides increasing the outreach in a cost effective manner.

Following are some of the measures which BBPOUs must take in order to mitigate the risks that may arise by virtue of their association with the agents for carrying out the BBPS business.

It may be noted that the following list is indicative but not exhaustive, BBPOUs are expected take adequate measures pre on-boarding and post on-boarding to adequately protect themselves and BBPS system as a whole from any Legal, Operational, and Reputational risks that may arise in due course.

1. Due care must be exercised while on-boarding the agent institutions with a special emphasis on their reputation and market standing, financial soundness, credibility of the senior Management personnel , corporate governance , cash handling ability, ability to implement technology solutions in rendering financial services.  
A board approved policy covering various aspects of agent engagement must be in place.
2. Contractual arrangement with agents must cover various types of financial, operational, credit, reputational risks, with special emphasis on compliance of various BBPS standards and SLAs. The agreement must cover data security aspect and have provisions (Non-disclosure agreement) which prohibit the agent from misusing customer information that may be captured during the course of business. The contractual arrangement must have provisions for delisting the Agent Institution and / or Agents by

BBPOU or BBPCU in case of serious or persistent violations, defaults, non-compliance, frauds, frequent customer complaints and serious misdemeanor, etc.

3. The arrangement with Agent Institutions must have suitable clauses which would enable the BBPCU / regulatory authorities to access their offices, branches, data centres to carry out technology and operational audits, inspect records, registers, documents etc. It may be noted that BBPOU is responsible to the customer and BBPCU for any act of omission and commission of its agents at all times.
4. Irrespective of the type of mutual arrangement between BBPOUs and the agents, BBPOUs must guard against credit and liquidity risks by ensuring availability of liquid funds, collaterals, prefunding of pool accounts etc. Funds received towards BBPS payment should be maintained separately from those received for any other business activity. Standards laid down by NPCI on the reconciliation must be followed in this regard.
5. The agent institutions must be carefully choose the agent outlets that are authorised to undertake the BBPS transactions. The selected outlets must have the required infrastructure, connectivity and trained personnel to ensure compliance with BBPS standards and procedural guidelines and render quality service to customers.
6. The transactions should normally be put through devices that are seamlessly integrated to the IT infrastructure / ERP systems of the BBPOU in a secured manner only after thorough testing.
7. Point of Sale (PoS) terminals used at the agent outlets for collecting payments through cards must be in the name of the BBPOU to which it is affiliated. BBPOU must apply appropriate merchant category codes based on the category of the bill payment transaction.
8. BBPOUs must ensure that the requisite infrastructure and contractual commitment for protecting the privacy and confidentiality of sensitive customers data (bank details, passwords, card details, PIN etc.) in compliance with the industry standards as applicable, such as ISO/IEC 27001, PCI-DSS and provisions of the Information Technology Act (as amended from time to time) are in place before commencement of operations.
9. BBPS system is designed to provide instant / real time confirmation of bill payment receipt on successful completion bill payment transaction .BBPOUs must take adequate measure to educate the customers about this facility which would help curbing instances of fraud where the agent may accept the payment but not make the payment, defer the payment, make payment to wrong account, fetch wrong details or even in cases where he is unable to generate and provide a receipt. Therefore, all transactions

at agent outlets should be accounted for on a real time basis and the customers should receive immediate verification and receipt either in physical form or through an electronic mode. BBPOUs must provide for an alternative means of confirmation of bill payment, transaction validation, status inquiry etc. through their website, Interactive Voice Response systems etc.

10. Receipts issued towards bill payment transactions done through BBPS payments must conform to the standards laid down by BBPCU and must be kept separate from the ones issued towards receipt of payments from the customer e.g. charge slip issued to the customer for PoS transactions etc.
11. In cases where the agent is engaged in the delivering various other services from its outlets, it must be ensured that they do not indulge in restrictive practices e.g. BBPS service should not be tied to a sale of a specific product or service. Customers should not be charged for lodging complaints irrespective of whether the BBPS transaction was originated at his outlet or any other outlet associated with any other BBPOU.
12. There shall not be any discrimination or difference while handling the ON-US and OFF-US bill payment transaction, including customer experience and charges, if any. Customers should not be charged for registration unless approved by the scheme.
13. BBPOUs must specifically be vigilant of agent/ outlets where the fetch requests are unusually high as compared to the actual bills paid, where the likelihood of funds being diverted is high.
14. Customer complaints must be monitored on an ongoing basis. Instances of unusually large number of complaints / disputes arising from an agent/ agent outlet must be promptly investigated. Agent may be terminated by BBPOU at the instance of BBPCU if customer dispute percentage exceeds certain defined threshold limit as fixed by BBPCU from time to time. Terminated agents cannot become agent of any other BBPOU till BBPCU is satisfied with corrective actions put in place by the agent.
15. Audit of the agents (please refer to the 'Standards on Internal Audit'). BBPCU reserves the right to seek such audit reports if required.
16. BBPOUs must ensure that Information Technology systems of their Agent institutions are protected from any vulnerabilities arising out of hacking attempts, denial of service attacks. Adequate steps must be taken to ensure that the systems are able to maintain the transaction data integrity and the customer information confidential at all times. (please refer to the 'Standards on Internal Audit')

17. BBPCU reserves the right to audit the agent / agent outlets. (Please refer to the 'Standards on Internal Audit').
18. Reporting of suspicious transactions and frauds: Any suspicious activity which is inconsistent with normal and expected activity and instances of fraud should be reported by the BBPOU to BBPCU. A member BBPOU must report all fraudulent activity upon detection, but no later than seven calendar days from detection. It may be noted that BBPOU is liable for any fraud occurring at the agent outlet or committed by its agents. It is the responsibility of the BBPOU to make good the losses incurred on account of the fraudulent activity of its Agent institutions and Agents. If a BBPOU member does not report any instance of fraud, it can be subjected to fines, sanctions or an on-site BBPOU audit at its expense.

The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

## VIII. Standards for Transparency and Disclosure of Charges Payable at Agent outlets

### **Introduction:**

This document sets minimum standards of transparency and disclosure vis-à-vis the charges payable by the customers at the various bill payment outlets operated by BBPOUs. These are to be adhered to by BBPOUs and their agent institutions while dealing with the customers in their day to day operations.

The objective of the code is to inculcate practices which are fair, transparent, non-discriminatory and reasonable so that customers have a better understanding of what is expected from BBPS.

1. An agent/agent institution cannot participate in BBPS unless it is affiliated to a BBPOU which is authorized by RBI. Agent outlets must ensure that the relevant documents which establish the affiliation and authorization of the BBPOU to participate in BBPS system are available with the outlet.
2. Provide all relevant updated information on bill payment services offered, facilities available, terms and conditions, charges and confirmation receipt, bill payment timelines etc. at the outlets and on websites that would help the customer to avail the bill payment services in a manner which is easily understood by them. BBPOUs must prominently display information (as provided in Annexure I) in English and any local language in a manner which can be easily, read and understood by the consumer.
3. BBPOUs should inform the customer about the applicable charges, refund policies, procedures etc. before processing the payment request and ensure that the charges levied to the customer along with applicable cess, taxes, duties should be reflected in the receipt issued to the customer. BBPOU's must ensure that are levied to the customers are within the ceiling defined for the particular category as prescribed by BBPCU from time to time.  
Any overcharging may lead to disciplinary action. A caution notice may be sent to the defaulting BBPOU. If it is found that the concerned BBPOU has not taken corrective steps despite receiving the caution notice, the membership of the BBPOU is liable to be terminated and the concerned BBPOU may be debarred from participating from BBPS for a period of five years.  
BBPOUs are advised to sensitise the agent institutions in this regard and ensure compliance.

4. BBPOUs must execute the bill payment transaction immediately on the receipt of funds and issue a receipt in the prescribed format on the successful completion of the same. The outlet must clearly display name of the BBPOU it is affiliated to in the receipt that is issued to the customer post payment of the bill. The BBPS receipt must always carry the BBPS logo. While the look and feel of the receipt may vary, the standards laid down with regards to the contents of the receipt and information to be displayed on the receipt should be adhered to.
5. BBPOUs should clearly state the contact information like Phone nos. email address, postal address of the nodal unit/ office of the BBPOU on the receipt issued to the customers.
6. BBPOUs must ensure that the staff / officials interfacing the customers either in person or remotely i.e. customer service helpdesk officials etc. is conversant with the BBPS system, polices process and procedures.
7. BBPOUs must ensure that the copy of the said code of conduct prescribed is available at all the outlets / offices and on the website for ready reference.

The standards may be reviewed and revised by NPCI/ BBPCU from time to time and such revisions will be binding on the participants to whom the standards apply.

## Annexure I

### Information to be displayed at each outlet

- a) Name of the outlet, agent ID, hours of operation, name of the BBPOU and Agent Institution to whom it is affiliated.
- b) Type of bills that are accepted and mode of payments that are accepted
- c) Timelines for transaction completion.
- d) Customer Service Helpline no. /email Id of the BBPOUs, BBPOU ID.
- e) **Process of registration of complaints:** Complaints regarding bill paid through BBPS can be made irrespective of the BBPOU outlet where the bill is paid. Customer service helpline no. /email Id of the BBPOUs. TAT for complaint resolution. Details required for lodging the complaint i.e. mobile number and transaction reference identifier.

## IX. Standards for Issue, Validation and Verification of Bill Payment Receipts

### **Introduction:**

Success of the Bharat BillPay depends upon the customer experience at the agent outlets or through a self-service channels, e.g., Internet or Mobile. A verifiable confirmation of bill payment would not only encourage repeat usage but also go a long way in fostering customer confidence and thereby establishing Bharat BillPay as a trusted brand.

Instant payment confirmation which can be independently verified at any Bharat BillPay touch point is one of the unique features of Bharat BillPay which would eliminate ambiguity and uncertainty and provide the customer with the convenience of transaction completion in a single session and peace of mind.

This document lays down the minimum standards which the BBPOUs must follow with regards to the generation of Bill payment receipts issued to the customer post successful completion of a bill payment transaction and the mechanism to verify the authenticity of the receipt.

**For payment made at Physical Outlets of Agents:** Upon successful completion of payment made at the Bharat BillPay outlet, an instant confirmation of bill payments will be provided to the customer by means of an SMS/ email/ print out as desired by the customer.

**For payment made through electronic/ digital channels such as online/ net-banking / mobile, etc.:** Upon successful completion of payment, an instant confirmation of bill payments will be displayed on the device/ channel used for making bill payment. In addition, an electronic payment confirmation will be provided to the customer by means of an SMS and/or email as desired by the customer. The BBPOU may at their option, or if mandated by the biller, provide an option of generating a confirmation of payment in softcopy which can be printed by the customer.

The confirmation of payment will be acknowledgement of payment having been made at the Bharat BillPay outlet or on the electronic channel. The physical/ electronic confirmation of payment (receipt) will carry Transaction Reference Id as a unique reference number and it would be possible for the customer to get independent confirmation of bill payment using this reference number on a website hosted by BBPCU or on the website of BBPOU, and later via SMS service/ IVRS as and when implemented.



The Transaction Reference Id will be generated by the BBPOU (and not by Agent Institution or Agent) in the following format as specified in the Technical Specifications:

Length	Type	Logic
12 chars	Alphanumeric	1 <sup>st</sup> four digits represent the customer BBPOU ; 5 <sup>th</sup> digit onwards random alphanumeric character

The customer can also approach agent outlet of any BBPOU to verify the authenticity of the payment confirmation (receipt) given by any other BBPOU. Hence, every BBPOU should provide at all their outlets the facility of verifying the payment confirmation issued anywhere in the BBPS system, without any charge.

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.

In case of a physical receipt provided to the customer at assisted channel, i.e., branch / agent outlet, the receipt will carry the following information, both for ON-US and OFF-US bill payments:

- **Logo of Bharat BillPay ( as per the prescribed standards)**
- **Logo of BBPOU**
- **Name of the customer**
- **Name of the biller**
- **Transaction Ref ID**
- **Consumer ID (given by the Biller)**
- **Mobile number to which the SMS is being sent.**
- **Payment Mode**
- **Payment Channel**
- **Bill Date**
- **Bill amount**
- **Customer Convenience Fee**
- **Total Amount**
- **Date and time of bill payment transaction**
- **Website URL, on which the Consumer may input the Transaction Ref ID to verify authenticity of the Transaction OR the customer helpdesk mail id where the query regarding the bill payment needs to be sent (may be pre-printed).**

The electronic confirmation of payment is sent via email, it should carry similar information as above.

The BBPOUs may ensure that the following are complied with:

1. Post completion of the transaction, bill payment receipt should be generated instantly and handed over or emailed (if so opted) to the consumer for both ON-US as well as OFF-US transactions.
2. *Separate receipt* to be issued for each bill if there are *more than one* bill payment.
3. The format of the bill payment receipt should *comply* with the tax regulations as prescribed by the state/ central authorities, e.g. *Service Tax registration no. and CIN of the BBPOU* should be clearly mentioned.
4. The Transaction Reference number printed on the receipt should be the same as that conveyed to the consumer through SMS after bill payment.
5. SMS confirmation sent to the Consumer for successful bill payment should carry the following information:
  - a. Name of Biller
  - b. Consumer Number/ identifier
  - c. Transaction Ref ID
  - d. Amount of bill payment
  - e. Payment Channel
  - f. Date and time of payment.

All entities must follow the Bharat BillPay Brand Guidelines issued in this regard.

The standards may be reviewed and revised by NPCI/ BBPCU from time to time and such revisions will be binding on the participants to whom the standards apply.

## X. Standards on Education of Agents and Handling customer transactions at BBPS outlets

### **Introduction:**

Bharat Bill Payment System (BBPS) services is expected to be offered by a network of BBPOUs outlets / agents on-boarded by BBPOUs or their Agent Institutions. Success of this assisted model depends upon the customer experience at the BBPS outlets which should not only encourage repeat usage but also go a long way in fostering customer confidence and thereby establishing BBPS as a trusted brand in the eyes of the consumer.

Success and adoption of the BBPS would therefore depend on the last mile delivery channel, i.e., the BBPOU outlets and/or Agent outlets which act as customer interface.

This document sets the minimum standards for handling of customer transactions by Agents on-boarded by BBPOUs and their Agent Institutions and for Agent education. These standards are equally applicable to all officials and employees dealing with customers at any BBPS outlet.

In the description of standards that follows, the word “Agent” should be taken to include officials/ employees of BBPOU, Agent Institutions and Agents manning BBPS outlets, even where not mentioned explicitly.

### *Customer Service:*

1. BBPOUs, their Agent Institutions and Agents and all their employees will treat the customers in a courteous, fair and transparent manner and make every reasonable effort to ensure that the bill payment using the BBPS system is carried out in a smooth and seamless manner which would help foster customer’s confidence in the system.
2. BBPOUs, their Agent Institutions and Agents will not discriminate the consumers on the basis of the consumers’ caste, gender, financial status, race, religion, etc.
3. Every outlets shall observe the business hours as fixed for the outlet and ensure that every customer walking into the outlet during business hours is served with promptitude and courtesy.
4. BBPOU and their Agents will make every possible effort to make it convenient for special customers like Senior Citizens, Illiterate Persons, and Differently abled individuals etc. to avail bill payment services.

### *Job Knowledge & Information on Product and Services:*

1. The Agents and officials manning the outlets /dealing with the customers must be fully conversant with the BBPS application / interface and the associated workflows.
2. Agents / Officials dealing with consumers should keep themselves updated with the latest information on the services offered, charges, and modes of payment accepted and complaints handling process at all times.
3. Agents / Officials manning the outlet should be conversant with the procedures for reversal / refunds of transactions etc.
4. The Agents should be conversant with the layout and contents of the receipt physical/electronic issued to the customers.
5. The Agents must also be sensitised about the fact that overcharging the customer over and above the ceiling, if any, prescribed by BBPCU may lead to cancellation of licence to participate in BBPS and debarment from participation in future.
6. Copies of the Job cards / standard Operating procedures/ manuals / Code of Conduct prescribed by BBPCU should be available at all outlets/ customer touch points/ website of the BBOUs.
7. The officials operating the BBPS applications should be aware about the cyber security requirements and implications of downloading /installing any malware which may pose a threat to the entire BBPS system.
8. BBBOUs must refrain from publishing, circulating, displaying any literature, advertising material about services and features on BBPS that is ambiguous and misleading.

### *Handling Customer Transactions:*

1. Bills of all billers in the BBPS, whether ON-US or OFF-US, must be accepted at the BBPS outlet for payment by customers.
2. The Agent/officials manning the outlets should explain the bill payment charges, taxes, duties, cess, levies, charges relating to specific mode of payment, etc. that may be charged to the customer if permitted under BBPS Scheme rules before accepting the bill payment request.

3. The customer cannot be charged over and above the permissible limit of customer convenience fees for any bill as allowed by BBPS.
4. The Agents should pro-actively inform the customer about the various modes of payments through which the bill payment can be made.
5. If a consumer wishes to carry out customer registration in the BBPS, the Agent shall readily facilitate this.
6. It is the responsibility of the Agent to verify the accuracy of the data captured from the customer as also to ensure bill payment data is the same as bill data fetched online, to ensure correct application of the payment to the right bill and biller. This is even more important in case of offline billers where the customer bill details cannot be fetched online. In these cases Agent must necessarily insist on a physical copy of the bill.
7. The Agent/ official manning the bill payment outlets should process the transaction immediately on payment being made by the customer and promptly handover the receipt as soon as bill payment confirmation message is received.
8. The customer should be handed over only the receipt generated by BBPS system. Agents must not issue a receipt outside the BBPS system.
9. Under no circumstances the Agent should defer putting through the bill payment transaction after receipt of cash or payment by other modes.
10. Transactions falling outside the scope of BBPS should not be processed under the guise of a BBPS transaction.

*Confidentiality:*

11. The Agents/ officials/ employees must maintain data confidentiality of customer's personal and financial data. BBPOUs must ensure that the personal data of the customer's viz. mobile number, email id, bank account details, card details etc. Provided by them for the purpose of bill payment is treated as private and confidential and hence protected and not allowed to be misused in any manner.

### *Customer Complaints and Grievances:*

1. A customer has the right to lodge a complaint at any BBPS outlet irrespective of where a bill payment transaction was carried out. Therefore, the Agent will facilitate lodgment of complaints by the customers even if the bill payment was made at another outlets pertaining to a different BBPOU.
2. BBPOUs must handle customer complaints received by them either at the outlets/ through mail /post on the social media or through any other means in promptly and ensure their closure within the prescribed timelines. The status of the complaint must be updated and must be made available to the customer at all times. The customer must be informed in the event of complaint resolution at the time of closure.
3. No charges will be levied for lodgment of complaints by customers.
4. If a customer wishes to check the status of a complaint lodged by him anywhere in the BBPS, the Agent should facilitate this without any charges.
5. The complainant may be informed regarding the complaint handling process and TAT.

### *Display of Notices:*

Every outlet should prominently display the following notices in the local language and English.

1. Business Hours and Holidays
2. Customer service helpdesk phone number and/ or email of the BBPOU/ Agent Institution etc.
3. Process of verifying the authenticity of receipts issued by the BBPS outlet.
4. Process for lodging a complaints.
5. The TAT for resolution of a complaint or escalation if the resolution is not satisfactory.

### *Educating the Agents:*

1. It is recommended that training workshops for the Agents/ officials and employees are conducted by BBPOUs from time to time to update them on their role, responsibilities, Operating Guidelines, and Do's and Don'ts etc.

2. The ongoing education/ training should cover the latest developments in the BBPS system and changes in the operating guidelines.
3. The Agents should be conversant with the BBPS workflows and use of the customer facing application systems.

The standards may be reviewed and revised by NPCI/ BBPCU from time to time and such revisions will be binding on the participants to whom the standards apply.

## XI. Standards for Internal Audit by BBPOUs and Audit by BBPCU

### **Introduction:**

Success of the BBPS depends upon the customer experience at the touch point and last mile delivery point i.e. agent outlet which interfaces with the customer. Sound governance and appropriate risk mitigation practices are a prerequisite for delivering a consistent and uniform customer experience with safety and security of transactions and having a robust system, which would foster customer confidence, encourage repeat usage and establish BBPS as a trusted brand.

It is imperative that sufficient due diligence must be exercised on an ongoing basis covering all aspects of the operations of various participants of BBPS. BBPOUs should, therefore, carry out meaningful audits of their systems and operations as well as of the participants on-boarded by them. The BBPOUs are to comply with the standards laid down by Bharat Bill Payment Central Unit (BBPCU) on risk mitigation associated with agency network for minimising and mitigating the risks.

The standards to be complied with by the BBPOUs for internal audit in relation to the BBPS business are as follows.

1. All BBPOUs must carry out risk-focussed internal audits of their systems, operations, and compliance with BBPS standards, BBPS Procedural Guidelines, RBI regulations and guidelines.
2. The internal audit of the BBPOUs should cover comprehensive system audit as well, to be carried out by a qualified Certified Information Systems Auditor (CISA) / Diploma in Information System Audit (DISA) inter-alia covering audit of hardware, operating system, critical applications, security and control, access control, vulnerability assessment and penetration testing, protection from malware, network security, data integrity and security and disaster recovery plan and business continuity plans (BCP).

3. Operational Audit of BBPOUs must necessarily cover the following aspects:
- Adherence to the defined processes.
  - Adherence to current BBPS Procedural Guidelines, Standards and Rules.
  - Board approved policy/ policies for KYC as mandated by RBI
  - Compliance with RBI Regulations and guidelines issued from time to time as applicable to the Regulated Entities and System Participants.
  - Compliance with KYC norms, adherence to Anti Money Laundering and Combating Financial Terrorism guidelines. Timely reporting to regulatory authorities such as FIU, RBI etc.
  - Adherence to various SLAs, TATs.
  - Risk mitigation processes, including but not limited to pre-funding by Agent Institutions and Agents, followed by the BBPOU.
  - Copies of the insurance policies, renewals etc.
  - Copies of contracts, SLAs of agent institutions and agents wherever applicable.
  - For non-bank BBPOUs, Audit reports / compliance certificates from sponsor banks with reference to the operations of the escrow account for holding the funds received towards bill payment through BBPS.
  - Robustness of business continuity framework.
  - Knowledge of processes, procedures and competence levels of various officials identified for handling the day to day BBPS operations.
  - Processes laid down for training of new employees / officials.
  - Quantum and nature of frauds, measure taken to prevent recurrences.
  - Number of complaints and nature of disputes and complaints. Effectiveness of the resolution framework, compliance with TAT and internal escalation mechanism.

It may be noted that the above list is indicative and not exhaustive. BBPOUs must have their own checklist and compliance framework covering all vital aspects of BBPS operations and the relevant standards laid down by BBPCU.

4. BBPOUs should likewise carry out risk-focussed internal audit of the agents that are directly engaged by them. The coverage and frequency of audit of the agents /agent outlets may be decided based on but not limited to critical parameters such as transaction volumes, quantum and nature of complaints and disputes, occurrence of frauds etc. Based on the number of agents on-boarded, BBPOUs must formulate policies which define the critical audit parameters and stipulate coverage of such agent outlets and the time frame (say one year etc.) within which such outlets are required to be audited. BBPOU may choose some from the remaining outlets and subjected them to audit.



5. BBPOUs must undertake system audits for their agent institutions to ensure that their Information Technology systems are protected from any vulnerabilities arising out of hacking attempts, denial of service attacks. Adequate steps must be taken to ensure that the systems are able to maintain the transaction data integrity and the customer information confidential at all times.
6. Operational Audit of Agent Institution and Agent outlets must necessarily cover the following:
  - Compliance with BBPS Procedural Guidelines.
  - Reasons for high disputes and complaints, resolution efficiency.
  - Interface between Agent Institution and Agents.
  - Risk mitigation processes and effectiveness thereof followed by Agent Institutions in respect of the Agents on-boarded by them.
  - Processes followed by agents at their outlets / offices etc.
  - Availability of requisite infrastructure at outlets e.g. computers, printers for printing receipts etc.
  - Maintenance of records, vouchers.
  - Verification of PAN for transactions executed for all transactions involving Rs 50,000 and above for account based as well as walk-in customers as per KYC guidelines.
  - Validity of licences as required by the local authorities to carry out business.
  - Visit to outlets, mystery shopping, and interaction with customers to seek direct feedback on the conduct of the personnel and efficiency of service delivery.
  - Frauds, forgeries, defalcation, customer complaints, disputes, resolution of grievances, etc.
7. The BBPOUs should put in place an effective internal audit programme to be carried out by the Agent Institutions for their agents on similar lines.
8. BBPOUs at their own cost must conduct audits of a sufficiently large sample of agents on-boarded by their Agent Institutions on a regular basis. The audits may cover financial soundness, pending lawsuits, management and governance structure, customer complaints and disputes raised and grievances redressal pertaining to the particular agents. The internal audit of agents should also cover compliance with BBPS Procedural Guidelines by agents in letter and spirit. BBPCU reserves the right to seek copies of such audit reports if required.
9. BBPOUs will submit a status report to BBPCU on the internal audits carried out by them (for BBPOU, Agent Institutions and Agents) during a financial year, within 45 days from the close of the financial year. The status report may also mention critical observations, serious or persistent irregularities and non-compliance, and shortcomings of serious

nature pointed out in the internal audit reports that warranted immediate remedial measures and the action taken.

10. BBPCU reserves the right to call for any internal audit report from the BBPOUs.
11. BBPCU reserves the right to audit BBPOU/ agent institutions/ agent outlets with regards to the conduct of BBPS operations and compliance to various standards with or without prior intimation.
12. Every BBPOU shall put in place a Board approved comprehensive Internal Audit Policy which will cover compliance with the standards outlined above. A copy of the Board approved policy will be submitted to the BBPCU within 90 days of receipt of authorisation from RBI to operate as a BBPOU. The results of the audit must be shared with board periodically.  
The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

## XII. Standards for Centralized Complaints Management

### **Introduction:**

BBPS being anytime anywhere, instant Bill Payment facility is expected to be used by large cross section of the society for paying their bills. Customers will be able to pay their bills at BBPS agent outlets spread across the country as also using online, electronic modes. To build the trust and confidence of customers in the BBPS brand, an effective, efficient and centralised mechanism for handling customer complaints and grievances is being set up.

The complaint management system (CMS) aims to provide a simple, easy-to-use, standard platform for the resolution of all customer queries, complaints and grievances, and in the process facilitate BBPOUs as well as BBPCU to access and monitor details relating to all queries and complaints along with their redressal status. The system provides the flexibility to the customer to lodge a query or complaint through any BBPS agent outlet of any BBPOU, or through the online channel, using his / her transaction identifier, irrespective of where the bill payment transaction was carried out.

The word “Customer” connotes a person who has carried out or attempted to carry out a bill payment transaction anywhere in the BBPS.

The following standards are being prescribed for handling customer complaints in the BBPS system:

2. The BBPCU Complaint Management System (CMS) would be used for registering and tracking complaints for both ON-US and OFF-US transactions. Therefore, all customer complaints for both ON-US and OFF-US transactions must be registered using the CMS.
3. The CMS will facilitate the centralized ticketing or lodging of complaints from the end-consumers at any of the BBPS outlets, including the outlets of Agents of the Agent Institutions of any BBPOU or through the online channels, in respect of BBPS transactions of the customer done at any BBPS touchpoint (e.g., BBPS outlets, Agent outlets, kiosks, websites, mobiles or other electronic channels provided by any BBPOU). The final redressal will be handled by the respective BBPOUs/ billers.
4. The customer can register directly (e.g., on a website of BBPOU or BBPCU) or through any BBPOU or any agent (of a BBPOU or its Agent Institutions) a complaint on the centralized CMS site based on the mobile number and transaction ref identifier for the particular transaction. The CMS module has the provision of predefined options (drop down menu) which the complainant can use for selecting the appropriate option based on the nature of complaint. The customer must carry the copy of the bill or the transaction receipt for any transaction based complaint.
5. Two types of complaints can be raised by the customer: Transaction based complaint for a successful / failed transaction or Service based complaints which may arise on account of delay in service, denial of service or any other service quality related issues. Agent identifier is essential for a customer to lodge a service based complaint. Similarly Biller name or Biller identifier is essential for lodging a complaint against the biller.
6. While the relative data for a complaint relating to OFF-US transaction will be available with BBPCU, the required data for a complaint relating to ON-US transaction will be retrieved from the respective BBPOU.
7. When a complaint is registered in the centralized CMS site, BBPCU would allocate a complaint identifier after validation of transaction IDENTIFIER. The complaint identifier will be used as a unique reference number for tracking complaints throughout BBPS. Transaction based complaints would require a validation with the actual transaction.
8. A customer can lodge a complaint for those transactions which are less than 'Z' months old (value of 'Z' would be decided and communicated to the participants from time to time). Complaints for transactions which are older the 'Z' may take a longer time for resolution.
9. No charges will be levied to the customer for lodging a complaint or enquiring about status of a registered complaint.

10. The TAT for resolution of a complaint is 'y' business days from the day of settlement of the transaction. . The complaint once lodged would be assigned to the Customer BBPOU (i.e., the BBPOU which handled the bill payment of the customer) immediately based on the transaction identifier. The customer BBPOU is expected to resolve the complaint within 'y' business days or assign the complaint to the Biller OU for action at their end within 'y1' business days. Biller OU will have to resolve the complaint within 'y2' business days of Customer OU assigning the complaint. The assignee BBPOU may seek additional information from the assignor BBPOU while the complaint is pending for resolution. Request for additional information will not in any way extend the TAT for the respondent which is 'y2' business days. The value of 'y', 'y1' and 'y2' will be as published by BBPCU and the sum of 'y1' and 'y2' will not exceed 'y'. The value of 'y' would be decided by the steering committee.
11. Customer BBPOUs must convey the status of complaints to the customer once the complaint is resolved.
12. A subcommittee may be appointed by Steering Committee of BBPS to review the gamut of handling complaints pending beyond the prescribed TAT in the context of the aforesaid.
12. The BBPOUs should ensure that appropriate capabilities are built into their system and Processes are put in place to comply with the above-mentioned standards and complaint management process laid down.
13. BBPCU in consultation with the Steering Committee may decide to delist those billers and / or levy penalties on those BBPOUs where the frequency or pendency of complaints beyond TAT persistently remains very high beyond acceptable limits. The Steering Committee will determine the threshold levels for frequency, pendency and persistency.

The above standards may be reviewed and revised by NPCI / BBPCU from time to time and such revisions will be binding on participants to whom the standards apply.

### Annexure -1

Two category of complaints envisaged for BBPS and various types under each are as under:

Type of complaint	Master Disposition List	Issue Related to:
Transaction Level	Transaction successful, account not updated	Transaction
	Amount deducted, biller account credited but transaction identifier not received	Transaction

	Amount deducted, biller account not credited & transaction identifier not received	Transaction
	Amount deducted multiple times	Transaction
	Double payment updated	Transaction
	Erroneously paid in wrong account	Transaction
	Others, provide details in description	Transaction
Service Level	Agent not willing to print receipt	Agent
	Agent misbehaved	Agent
	Agent outlet closed	Agent
	Agent denying registration of complaint	Agent
	Agent not accepting certain bills	Agent
	Agent overcharging	Agent
	Biller available. Unable to transact	Biller/System
	Multiple failure for same biller	Biller/System
	Denomination not available	Biller
	Incorrect bill details displayed	Biller
	Incomplete / No details reflecting	Biller

### XIII. Standards for Prevention of Money Laundering

#### **Introduction:**

Money laundering involves a series of complex transactions involving funds acquired through illegal sources with the intention of disguising the source and providing legitimacy and introducing the same in the financial system.

The *modus operandi* typically followed comprises of the following steps;

1. Placement: Introducing cash in the financial system by breaking large amounts of cash into transactions involving smaller sums at multiple institutions/outlets to avoid suspicion.
2. Layering: Creating complex layer of financial transactions to disguise the ownership, source and audit trail.
3. Integration: Provide legitimacy to the illegal proceeds through entry of funds into the economy and make them appear as normal transactions.

Standards for the Anti-Money Laundering (AML) /Combating Financing of Terrorism (CFT) and obligation of banks and financial institutions under Prevention of Money Laundering Act (PMLA) and CFT for various BBPS participants is guided by the RBI Master circular **RBI/2015 – 16/42, DBR.AML.BC.No.15/14.01.001/2015-16, dated, July 01, 2015 on**

**KYC/AML standards/Combating Financial Terrorism / Obligations of banks and FIs under PMLA, 2002 and Master Direction DBR.AML.BC.No.81/14.01.001/2015-16,dtd.February 25, 2016 (Updated as on July 08, 2016) on the Know Your Customer (KYC) directions 2016 (or latest guidelines/ amendments issued by RBI .**

These standards apply to all bank and Financial Institutions which are supposed to follow certain identification procedures for opening of accounts and monitor the transactions of suspicious nature and report the same to appropriate authority.

- 1) Banks and Financial Institutions must frame policies incorporating 4 key elements:
  - a) Customer acceptance policy: Profiling the customers based on risk perception.
  - b) Customer Identification procedure: Board approved polices which clearly define the identification procedure at various stages of customer engagement i.e. on- boarding, transactions etc.
  - c) Monitoring of transactions.
  - d) Risk Management.
  
- 2) BBPOUs must closely monitor cash transactions of non-account based customers where the amount equals or exceeds Rs. 50,000/ - . Any cash transaction of or exceeding 50,000/- in a day must be accompanied by PAN number. Whether single of structured, identity of such customers should be established, Banks must consider filing a Suspicious Transaction Report (STR) with the Financial Intelligence Unit wherever warranted. BBPOUs must adhere to the latest guidelines issued by RBI and/ or Income Tax authorities with regards to the cash acceptance limits and the procedure to be followed for cash transactions.
  
- 3) Assigning Unique Customer Identification Code (UCIC): BBPOUs must consider assigning Unique Customer Identification Code to all its customers while entering into new relationships, this helps in profiling, tracking the service usage and monitoring of frequency and velocity of transactions. BBPS system has the provision for creating a Unique Customer ID for customers using their personal identification information as an option. This Unique ID is centrally stored and can be used as a Unique Customer Identification code.
  
- 4) Transaction Monitoring: BBPOUs may put in place mechanisms to categorize their customers based on the risk profile based and establish appropriate procedures to ensure effective implementation, proper management oversight and controls. Extant of transaction monitoring mechanism may be based on the risk profile of the customers. Transaction monitoring must be an ongoing process with a special emphasis on the following scenarios:

- a) Large volumes of cash transactions by a single person, these may be single or structured as multiple bill payment transactions.
- b) Velocity of cash transactions which may be inconsistent with normal expected activity.
- c) Unusually large value and volumes of transactions generated in-house by agents/agent institutions.
- d) Adequate due diligence must be carried before appointing agents especially entities which have other business interests involving cash intensive businesses. In this regard BBPOUs may consider categorizing their agent on the basis of the risk perception and monitor the transactions accordingly.

BBPOUs must conduct concurrent / internal audits and findings and the action taken reports of which must be shared with BBPCU whenever requested.

5) Maintenance of KYC Documents and Preservation Period

- a) As per the provisions of the ' Prevention of Money Laundering Act 2005' Rule 3 it is imperative on the BBPOU to preserve the relevant information to reconstruct the individual transaction which would include nature, amount, currency, date and parties to the transaction.
- b) As per the PML amendment act 2012 the records should be preserved for a period of 5 years from the date of transaction.
- c) Records pertaining to the identification of customers should be preserved for at least 5 years after the termination of business relationship and the same should be readily retrievable whenever called for.

6) Combating Financing of Terrorism

BBPOUs must be guided by the prevailing CFT rules as prescribed by RBI from time to time. BBPUS should take into account the list of individuals and entities having terrorist links published by RBI .Details of the same are available at <http://www.un.org/sc/committees/1267/consolist.shtml> and comply with the provisions of the Unlawful Activities Prevention Act (Section 51A).

The standards may be reviewed and revised by NPCI/ BBPCU from time to time and such revisions will be binding on the participants to whom the standards apply.

Apart from the above BBPOUs are expected to adhere to the various guidelines issued by RBI and provide relevant information to the authorities wherever applicable as per the defined procedures.