

NPCI/UPI/OC No. 230/2025–2026

January 06, 2026

To,

All Members of Unified Payment Interface (UPI)

Subject: Implementation of Switching Fee Rebate for UPI URCS Back-Office System

Reference may be taken from NPCI:2019-20/RuPay/50 dated 31st March 2020, wherein it was notified that NPCI will be providing 50% rebate as net switching fee which is applicable for UPI P2M transactions effective from 1st January 2020. You may also refer to subsequent circulars for details notified on the same subject NPCI/UPI/OC No. 143/2021-22 dated 31st March 2022/NPCI/UPI/OC No. 167/2023-24 dated 1st June 2023 and email notifications dated 29th March 2024 and 12th May 2025 (refer Annexure-D).

Presently this rebate offered as an annual scheme, with reversals handled monthly rather than through the daily settlement process. Hence, it has been decided to provide the effect of rebate on daily basis; necessary enhancements have been implemented in URCS to enable daily reversal of the switching fee during every settlement cycle. Please refer to Annexure 1B for key details. This functionality shall be implemented in URCS with effect from **February 01, 2026**.

Member banks are advised to take note of this matter and apply necessary changes to all applicable systems, wherever required. Please disseminate the information contained herein to the officials concerned.

It may please be noted that this arrangement shall continue till such time the rebate is offered to the banks / further notice.

Yours faithfully,

SD/-
Giridhar GM
Chief – Customer Success

Refer Enclosed Annexure – 1 in OC for details as follows:

Section 1A: NTSL Reporting

Section 1B: Key Points

Section 1C: Monthly Switching Fee Invoice on Fee Rebate

Section 1D: e-Mail notification of extending rebate for FY:25-26

Annexure – 1A

NTSL REPORT LINE ITEM FOR SWITCHING FEE REBATE ENTRY

National Payments Corporation of India			
Unified Payments Interface			
Daily Settlement Statement for ABCD Bank - UPI as on 30-10-2025 (24C 13:45:00 TO 14:00:00)			
Description	No of TXNs	Debit	Credit
Switching Fee Rebate for U2 transactions		0	15000
GST on Switching Fee Rebate for U2 transactions		0	2700

Annexure – 1B

Key Points

i) Rebate Rules

The rebate rules detailed in circulars 50, 143, and 167 will remain unchanged. The only modification is that the rebates will now be processed on a daily basis instead of monthly basis.

ii) NTSL Reporting


The NTSL will include a separate line item for rebate (credit) in addition to the existing switching fee (debit) line item, inclusive of GST. Please refer to Annexure – 1A for detailed information.

iii) Monthly Switching Fee Invoice

Monthly switching fee invoice will be provided with a distinctive line item for rebate (refer Annexure – 1C for details).

Annexure – 1C

Monthly Switching Fee Invoice on Fee Rebate

 National Payments Corporation of India			
REGD OFFICE: 1001A, B Wing 10th FLOOR, The Capital, Bandra-Kurla Complex, Bandra (East) Mumbai-400 051 Tel No. 022 4000 9100 Website: www.npci.org.in CIN: U74990MH2008NPL189067			
INVOICE			
Customer: ABCD Bank		UPI/10-25/003	
Participant Id (PID): ABCD0TREA22			
Address: ABCD bank Tower Bandra Kurla complex Mumbai Suburban Maharashtra 400051		Date: 30-10-2025	
State: Maharashtra			
State Code: 27			
GSTIN / Unique ID: 27AABCI1195Y3YZ			
Acquirer billing Fees collected by NPCI From Date: 2025-10-01 To 2025-10-30			
Description	Harmonised System of Nomenclature (HSN)	Details	Amount (Rs.)
Remitter P2P transactions up to Rs 1000 Fee -0.05 Paise	997158	No Of Transactions = 39	6.52
Remitter P2P transactions above 1000 Rs Fee -0.30 Paise	997158	No Of Transactions = 21	15.1
Onus & Cash back transactions fee 0.05 Paise	997158	No Of Transactions = 0	0

P2M Remitter Processing Fee	997158	No Of Transactions =440	18501.35
P2M Payee PSP Processing fee	997158	No Of Transactions = 164	425.6
Onus transactions fee 0.05 Paise	997158	No Of Transactions = 0	0
Arbitration NRP Fees	997159	No Of Transactions = 0	0
		Total	18948.57
		Rebate Amount	71.6
		CGST @9.00%	1698.93
		SGST/UGST @9.00%	1698.93
		IGST @18.00%	0
		Grand Total	22274.83
Rupees Twenty-two Thousand two hundred seventy-four And Paise eighty-three Only			
FOR NATIONAL PAYMENTS CORPORATION OF INDIA			
NPCI GSTIN.: 27AACCN9852G1Z5			
State.: Maharashtra			
Report Generation Date: 30-10-2025			

Annexure - D

Continuation of 50% NPCI switching fees rebate for UPI P2PM and P2M domestic transactions FY 2025-26

UPI Product Reply Reply all Forward

Cc: Dilip Asbe; Sohini Rajole; Kunal Kalawatia; Viswanath Krishnamurthy; Sai prasad Nabor; Nelin Bansal; Rajeeth Pillai; Giridhar GM; +39 out Mon 2025-05-12 19:40

Dear Sir/ Madam,

A reference is drawn to NPCI's circular NPCI/UIP/OC No. 167/2023-24 dated 1st June 2023, and e-mail communication dated 29th March 2025, whereby continuation of 50% NPCI switching fee rebate for UPI P2M domestic transactions for FY 2023-24 and FY 2024-25 was announced respectively.

This is to inform you that:

- The 50% monthly rebate on NPCI's switching fees for UPI P2PM & P2M domestic transactions is extended until 31st March 2026 or till the time MDR is restored for certain segment of transaction, whichever is earlier.
- It is important to note that the rebate structure will not be applicable to specific services such as e-RUPI Voucher, UPI AutoPay, One Time Mandate, Single Block & Multiple debits, OD transactions, UPI Lite, cash@POS, ICCW, RuPay CC on UPI, Credit Line on UPI, UPI One World, ICCW, PPI transactions and other services which will be launched time to time.

Regards,
 UPI Product
 National Payments Corporation of India