

## **RBI to have on-device wallets in UPI apps for small-ticket transactions**

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The Reserve Bank of India (RBI) has proposed an “on-device” wallet in Unified Payments Interface (UPI) apps, aiming to conserve banking systems' resources without changing the transaction experience for the user.

The RBI reckons around 50 per cent transactions through UPI are below Rs 200. The low-ticket transactions utilise significant system capacity and resources, at times leading to customer inconvenience due to transaction failures because of issues related to connectivity.

Hence, the “on-device” wallet on UPI apps will prevent transaction failures as one will be able to keep money in the wallet and pay as and when required through the wallet, without having to rely on the banking system resources too much.

Further, the RBI has said it intends to launch a UPI-based payment product for 44 crore feature phone users. Despite best efforts, feature phone users have fallen behind when it comes to adoption of digital payments.

“Feature phone users have limited access to innovative payment products. Although feature phones have NUUP (National Unified USSD Platform) as an option for availing basic payment services using the short code of \*99#, the same has not picked up”, the RBI said on Wednesday.

In the first cohort of RBI Regulatory Sandbox, some innovators had successfully demonstrated their solutions for feature phone payments, under the theme of ‘Retail Payments’. These products, coupled with other complimentary solutions, will facilitate UPI-based digital payment solutions on feature phones to promote wider digitisation, the RBI said.

The RBI has also enhanced the transaction limit for retail participation in initial public offerings (IPO) and RBI’s retail direct scheme, which allows for investment in G-secs, from Rs 2 lakh to Rs 5 lakh.