



## BHIM - UPI Launched in Bhutan

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### Why in News

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The **Union Minister of Finance of India** along with her counterpart, the **Finance Minister of Bhutan** has jointly launched in **Bhutan**.

The payment system was launched by **NPCI International Payments Ltd. (NIPL)**, the international arm of **National Payment Corporation of India (NPCI)**, in partnership with the **Royal Monetary Authority (RMA)** of Bhutan.



### Key Points

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- **About:**
  - Bhutan is the **first country** to adopt **UPI standards** for its Quick Response (QR) code, and the first country in our immediate neighbourhood to accept mobile based payments through the BHIM App.
  - It is also the **second country after Singapore** to have **BHIM-UPI acceptance at merchant locations**.
  - Bhutan will also become the **only country to both issue and accept RuPay cards as well as accept BHIM-UPI**.

- **Bharat Interface for Money-Unified Payments Interface (BHIM-UPI):**
  - BHIM is developed by the **National Payment Corporation of India (NPCI)**.
  - It is an initiative to enable fast, secure, reliable cashless payments through the mobile phone.
  - BHIM is based on **Unified Payment Interface (UPI)** to facilitate e-payments directly through banks.
  - It is interoperable with other Unified Payment Interface (UPI) applications, and bank accounts.

**Unified Payments Interface (UPI)** is an instant real-time payment system, allowing users to transfer money on a real-time basis, across multiple bank accounts without disclosing details of one's bank account to the other party.

- **Advantages:**
  - The simple, safe, cost-effective mobile-based payments system has become one of the most prominent forms of digital payments.
  - The payment infrastructures of the two countries are seamlessly connected and **will benefit a large number of tourists and businessmen from India who travel to Bhutan each year.**
    - This will enhance the ease of living and ease of travelling through cashless transactions at the touch of a button.
  - In 2020, UPI enabled commerce worth USD 457 billion, which is equivalent to approximately 15% of India's GDP.

## **RuPay Card Scheme**

- RuPay is the first-of-its-kind **domestic Debit and Credit Card payment** network of India.
- The name, derived from the words 'Rupee and 'Payment', emphasises that it is India's very own initiative for Debit and Credit Card payments.
- The card can also be used for transactions in Singapore, **Bhutan**, UAE, Bahrain and Saudi Arabia.

## **National Payments Corporation of India (NPCI)**

- NPCI, an umbrella organisation for operating retail payments and settlement systems in India, is an initiative of **Reserve Bank of India (RBI)** and **Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement Systems Act, 2007**.
- It is a **"Not for Profit" Company** under the provisions of **Section 25 of Companies Act 1956 (now Section 8 of Companies Act 2013)**, with an intention to provide infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems.

**Source: TH**