20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **UPI stands for Unified Payments Interface, an instant 24x7 real-time payment system in India.**
   UPI lets users send and receive money instantly without sharing bank account details.

2. **UPI was launched in 2016 and is operated by the National Payments Corporation of India (NPCI).**
   NPCI acts as the central switch and operator that routes and settles all UPI transactions.

3. **UPI runs on top of the Immediate Payment Service (IMPS) rails for real-time fund transfer.**
   Because UPI rides on IMPS, funds are confirmed within seconds instead of a batch cycle.

4. **A Virtual Payment Address (VPA), such as name@bank, lets users transact without sharing account number or IFSC.**
   The VPA abstracts sensitive bank details behind a simple identifier for privacy and simplicity.

5. **UPI is regulated by the Reserve Bank of India under the Payment and Settlement Systems Act, 2007.**
   The RBI provides regulatory oversight while NPCI operates the day-to-day UPI switch.

6 **The UPI ecosystem follows a four-party model: payer PSP, payee PSP, remitter bank, and beneficiary bank.**
Each of the four parties plays a distinct role in authenticating, routing, debiting, and crediting a transaction.

7 **NPCI operates the central UPI switch that performs address resolution, mapping a VPA to the underlying bank account.**
Address resolution allows a simple VPA to be linked correctly to the payee's actual account.

8 **Third-party app providers (TPAPs) must partner with a sponsor bank to connect to the UPI switch.**
Only regulated banks can connect directly to UPI, so TPAPs route transactions through a sponsor PSP bank.

9 **UPI transactions use single-click two-factor authentication with a UPI PIN as the second factor.**
Device binding is the first authentication factor and the UPI PIN entered by the customer is the second.

10 **In a UPI transaction, the payer PSP sends the pay request to the NPCI switch for processing.**
NPCI then resolves the VPA and instructs the remitter and beneficiary banks to debit and credit accounts.

11 **Inter-bank settlement for UPI transactions happens through RBI systems on a deferred net basis.**
Confirmation to the customer is near-instant, but actual settlement between banks is batched and net-settled later.

12 **UPI 123Pay enables UPI payments on feature phones without a smartphone or internet connection.**

UPI 123Pay extends real-time payment access to feature phone users for financial inclusion.

13 **UPI Lite supports small-value, offline-style payments without hitting the bank server for every transaction.**

UPI Lite is designed for low-value transactions to reduce load on core banking systems.

14 **UPI AutoPay enables recurring mandates for subscriptions, EMIs, and other repeat payments.**

AutoPay lets customers authorize standing instructions that execute automatically on due dates.

15 **India Stack layers Aadhaar e-KYC identity, payment rails like UPI and IMPS, and Account Aggregator data consent.**

These layers combine identity, payments, and consent-based data sharing into one interoperable ecosystem.

16 **AePS, or Aadhaar-enabled Payment System, allows cash withdrawal and banking at micro-ATMs using Aadhaar authentication.**

AePS extends banking access to customers using biometric Aadhaar verification instead of a card or PIN.

17 **RuPay is India's domestic card payment scheme and can now be linked directly to a UPI account.**

Linking RuPay credit cards to UPI lets customers pay via UPI using credit, not only bank balance.

18 **UPI's open, standardised architecture lets fintechs build payment apps without owning banking infrastructure.**

Because the rails are shared, small players can innovate on top without needing a banking license.

19 **A merchant can accept UPI payments using only a printed QR code, without card-swipe infrastructure.**

This low-cost acceptance model is a major reason UPI has scaled rapidly among small merchants in India.

20 **UPI interoperability means a customer on one PSP app can pay a merchant using a different PSP app.**

Interoperability across apps and banks keeps the UPI network open, competitive, and resilient for users.