Third-Party Application Provider

February 27, 2024 • vajiramandravi.com

About Third-Party Application Provider (TPAP)

- It is an entity that provides the UPI compliant app(s) to the end-user customers to facilitate UPI-based payment transactions.
- These applications could be mobile wallets, merchant apps, or any other platform that utilises UPI for payments.
- NPCI, the umbrella organisation for operating retail payments and settlement systems in India, owns and operates the UPI platform.
- Working of TPAPs
  - TPAPs leverage the UPI infrastructure provided by NPCI and work with payment service providers (PSPs) and banks to facilitate transactions.
  - They are responsible for ensuring that their applications adhere to security standards and compliance guidelines set by NPCI.
  - As per the current regulations, payment service providers (PSPs) need to obtain a TPAP license from NPCI to run UPI services and facilitate merchant transactions through partner banks.
- Currently, there are 22 NPCI-approved 3rd party Unified Payments Interface (UPI) apps that can be used to send and receive money from other UPI users by using UPI IDs.

- They include Amazon Pay, Google Pay, Groww, Jupiter Money, Mobikwik, Phonepe, Samsung Pay, TataNeu and Whatsapp.

Q1) What is National Payments Corporation of India (NPCI)?

It is an umbrella organisation for operating retail payments and settlement systems in India. It is an initiative of the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, to create a robust Payment & Settlement Infrastructure in India.

Source: RBI asks NPCI to consider Paytm's request for TPAP: What it means, how it could benefit users

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