

NPCI/UPI/OC-201B/2025-26

8th October 2025

To:

Members - Unified Payment Interface (UPI)

Dear Sir/Madam,

Subject: Addendum to NPCI/UPI/2024-25/OC 201– Introduction of IoT devices & software on UPI Circle

With reference to UPI operating circular NPCI/UPI/2024-25/201 dated 13th August 2024, NPCI has introduced "UPI Circle – Delegated Payments for secondary users". Under this feature, any UPI user can authorize and delegate payments to a trusted secondary user for performing UPI transactions using any primary UPI App.

UPI Circle is now extended to IoT (Internet of Things) devices & software profiles wherein a UPI user can link and delegate payments to their IoTs Devices & Software profiles like Smart glasses, watch, TV, AI Profiles (initially for limited users in CUG), etc. under the 'Full Delegation' framework as per defined monthly limits and security guidelines. It may be noted that debit transactions using IoT shall be only initiated by explicit user action.

Members are required to ensure the guidelines below are followed:

General guidelines applicable to all participating members:

1. Members shall adhere to RBI guidelines on 'Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions using authorized Payment Systems' dated September 20, 2019, as amended from time to time.
2. Online Dispute Resolution (ODR) functionality shall be available for all such transactions.
3. Reconciliation process shall be as per the existing UPI guidelines. A new purpose code 'BH' is introduced in the existing UPI raw file to identify these transactions and settlements respectively. Additional raw file with secondary details, shall be shared with Primary PSP, Secondary PSP and Issuer Bank.
4. Members shall ensure that only NPCI permitted IoT devices/software are allowed to be linked as secondary.
5. Only domestic P2M transactions shall be permitted.
6. At the time of linking, the primary and secondary devices shall be in close proximity.
7. Members shall ensure a maximum monthly limit of INR 15,000 per delegation and maximum per transaction limit of INR 5000 for IoT device app/software.

8. Members shall ensure 24 hours cooling period with cumulative transaction limit of INR 5,000/- and shall auto-revoke the authorization for the IoT device app/ software if delegation is inactive for a period of 6 months or in case of any security concerns with the device such as device tampering etc.

Primary UPI Apps

1. Primary UPI Apps shall clearly display the secondary device/software details and capture the user consent for linking and authorizing the device/software with 2 Factor Authentication.
2. Primary UPI Apps shall provide lifecycle management (limit management and delinking) and transaction history for the transactions made under the IoT devices/software.
3. Primary UPI Apps shall ensure that a user can authorize up to 5 IoT devices/software from primary UPI apps.

Secondary Apps and PSP Banks (Certified on UPI Circle)

1. Secondary PSP Bank shall onboard the IoT device app/ software after completing the necessary due diligence and app security evaluation.
2. Secondary PSP shall facilitate IoT device/software registration with user consent and appropriate validation like mobile number + OTP and shall verify the registered mobile number with the mobile number of the primary user before linking.
3. Secondary PSPs shall capture device/ user ID details from secondary device/software during registration and validate during payment request.
4. In case of software, user profile id shall be captured, and it shall be ensured that only paid software profiles be allowed on this functionality. It should be noted that this feature shall be allowed for limited users to begin with and post the validations, the opening up to the complete user base shall be communicated.
5. Secondary Apps shall ensure that same mobile number is used for user profile and UPI circle registration.
6. Secondary Apps and Secondary PSPs shall ensure that a user can accept delegation for IoT device app/ software from only one Primary UPI App.
7. Secondary PSP Bank, IoT device App/ software shall ensure the security of payment and user data, and implement adequate security measures & controls. This shall be ensured through NPCI defined process including documentation on data flows, prescribed data localization guidelines and security reporting.
8. If the IoT does not have a dedicated application/screen then it is advised that it should have the ability to tie-up with multiple supporting secondary UPI Apps. It shall not create any exclusive tie-up with a particular secondary UPI App(s).

Issuer Banks

1. Issuer Banks shall validate device id/user id and requisite authorization details for every transaction before debiting the account for payment.

Members are requested to take a note of above.

Your Sincerely,

SD/-

Sourabh Tomar

Head UPI Product