

Circular: NPCI/2021-22/BBPS/001

26th April 2021

To,
All BBPOUs
Bharat Bill Payment System

Dear Sir/Madam,

TSP Empanelment for direct Connectivity to NPCI Bharat BillPay Ltd.

Bharat Bill Payment System is a RBI conceptualised initiative operated by NPCI Bharat BillPay Ltd. (a wholly owned subsidiary of NPCI) which is successfully nurtured by all stakeholders.

TSP & Role

TSPs (Technical Service Providers) are entities that provide technology platform or support (software, hardware or a technical service) to banks and non-banks for bill payment services.

TSPs play a significant role in expanding the BBPS ecosystem as well as adapting to the evolving ecosystem. Currently based on their nature of relationship with their respective BBPOU/s, the TSPs may or may not be connected directly to Bharat Bill Payment Central Unit (BBPCU). In this context it has been decided to empanel TSPs for direct connectivity to BBPCU as it will go a long way in increasing efficiency for an enriched customer experience & enhance the operational efficiency

Objective:

To enable direct access to NPCI Bharat BillPay Ltd. (NBBL) through NPCI-BBPS NET (direct network connectivity) for potential TSPs to ease participation and ensure timely implementation of Bharat Bill Payment System enhancements with a view to accelerate growth in BBPS ecosystem.

TSP Empanelment

In this regard it becomes imperative to broad base the TSPs having direct NPCI-BBPS net-connectivity and have an oversight on the capability and performance of TSPs who support the authorised entities. This will be of merit in the following ways:

1. It will enable BBPCU to create a panel of TSPs with direct network connectivity and who will be certified by NBBL.
2. It will help faster decision making amongst BBPOUs who are in search of certified TSP(s) based on their business requirements.
3. NBBL will also display the list of the TSPs, along with their compliance/performance status to enable the BBPOUs to make right decision with regard to TSP engagement
4. It will also help in easier implementation of enhancements & standards which will benefit the entire ecosystem.

Initiation of Empanelment of TSP with NPCI-BBPS Net connectivity is to encourage more TSPs by creating a level playing field by ensuring compliance to BBPS Guidelines and standardization across players. This would facilitate the ecosystem to evolve with greater flexibility and faster enhancements and will broad base participation.

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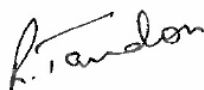
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Key principles:

1. **Agreements-** A formal tripartite (OU-TSP-BBPCU) or Bi-partite (TSP-BBPCU) agreement would be executed. The TSPs desirous of empanelment will have to enter into an agreement with NBBL for adherence to NBBL terms and conditions, scheme compliance, indemnification, etc.
2. **Guidelines-**The TSP Guidelines and agreements would be put in place, that would cover the key aspects like Compliance, eligibility requirements, performance, audit, indemnification, security and data privacy, technical requirements, fall over options, uptime rate, PR & DR, network bandwidth etc. TSP has to adhere to Network connectivity guidelines from time to time as decided by BBPCU.
3. **Compliance to Standards-**The TSPs will have to adhere to all the techno operational standards like infrastructure, bandwidth, downtime, TPS, scheme, circulars, enhancements, Infosec etc.
4. **BBPOUs role:**
 - a. BBPOU can choose between empanelled TSPs (with direct connectivity) depending on their business requirement.
 - b. Respective BBPOUs would be responsible for all the risks emanating from TSP environment.
 - c. Risk, liability and the responsibility of TSP connectivity would be owned by the BBPOU
 - d. BBPOU cannot have bilateral arrangements with any TSP nor with any BBPOU TSP's biller for aggregation of bill payments outside the BBPS
5. **BBPCUs role:**
 - a. BBPCU would be setting standards and frameworks with regard to direct network connectivity
 - b. BBPCU reserves the right to levy penalty in case of any breach of contract by the BBPOU and/or TSP.
 - c. BBPCU reserves the right to suspend the access of TSP to NPCI-BBPS network in case of any performance breach
 - d. BBPCU reserves the right to decide the modus operandi for TSP empanelment
6. **Key Guidelines and Scheme rules:**
 - a. If the transaction is emanating from TSPs environment, (Case-II and III highlighted in Annexure) then all such transactions should be routed through BBPCU both by COU and BOU for transaction governance and oversight- Refer Annexure I for details.
 - b. The empanelment would be applicable for new and also existing entities acting as TSPs with direct connectivity wherein the transactions emanate from their environment.
 - c. TSP who is not part of the empanelment cannot have direct network access to NPCI NET.

The detailed guidelines would be applicable for new and existing TSPs as part of the empanelment process. An empanelment process would be commenced on NPCI & Bharat BillPay Website for desired participants to apply.

Yours faithfully

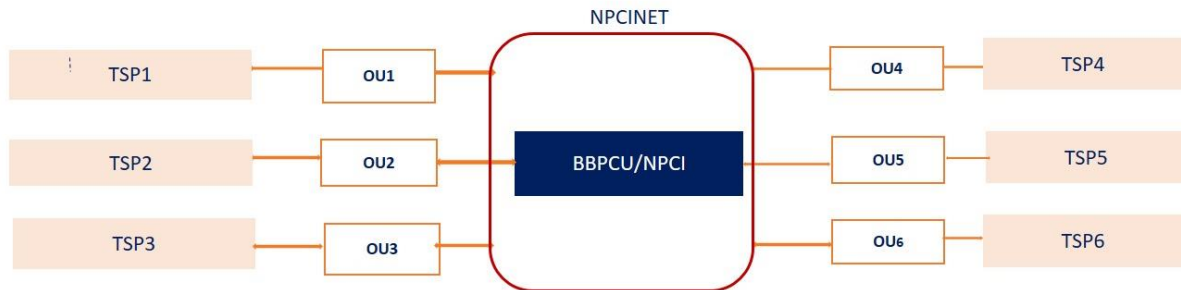
A handwritten signature in black ink, appearing to read 'R. Tandon'.

Rahul Tandon
Head-Product & Market Development,
Bharat Bill Payment System
NPCI Bharat BillPay Ltd.

Annexure-I

Case-I Pure TSP:

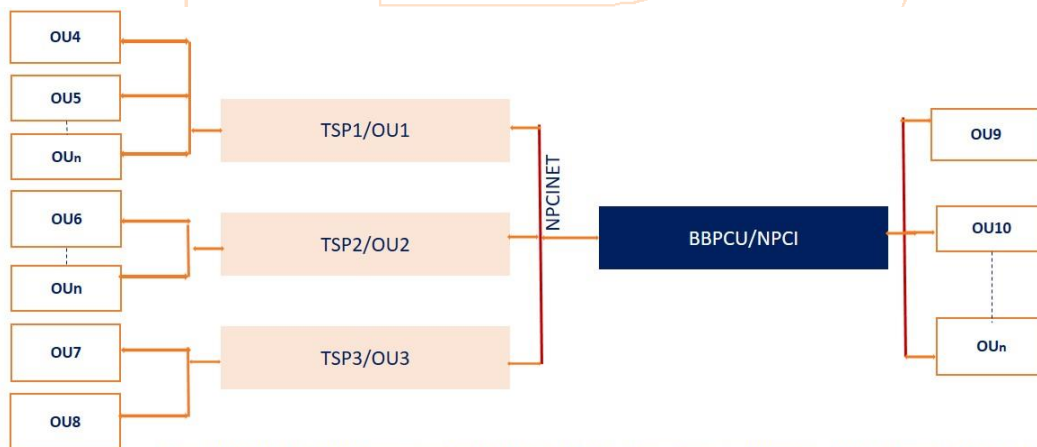
TSP/s provides application support/technical support to the Bharat Bill Payment Operating Units (BBPOUs- direct participants authorised by RBI) & transactions are routed to BBPOU Network to NPCI NET.



Case-I Pure TSP Role (TSP behind BBPOU)
The Role of TSP is application support & other enhancements.

Case-II BBPOU acting as TSP:

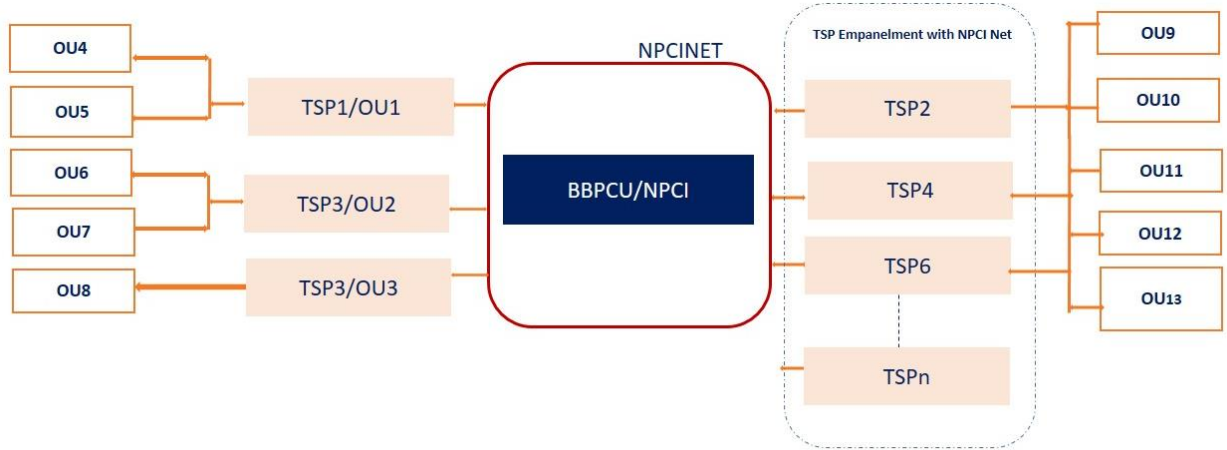
Some of the TSPs used to manage the entire application and connectivity of the BBPOUs (majorly banks) & now these entities have received license from RBI as BBPOU and are also providing TSP services to other BBPOUs for BBPS. Herein the TSP acts on behalf of the BBPOU who connects to the NPCI network directly and the billers/merchants on the other side as a BBPOU from their hosted environment. In this instance, the TSP hosts and connects and also originates the transactions, maintains the data of its client BBPOUs. The dependency quotient of the BBPOUs is high on their TSPs for maintaining their data, executing any enhancements/augmentations, refreshing and updating their front ends, even managing their settlements and reconciliation.



Case-II Multiple BBPOUs connected to limited TSPs also acting as BBPOUs- (TSP in front of BBPOU)
Risks Involved: Concentration Risk, Downtime for all, Bilateral of Transactions

Case-III Multiple TSPs empaneled with NBBL for direct NPCI-BBPS Net connectivity

The objective is to broad base the TSPs having direct NPCI-BBPS Net connectivity and have an oversight on the capability and performance of TSPs who support the authorised entities.



Case-III Multiple TSPs empaneled through NPCINET & connected to multiple OUs

Benefits: No dependency on limited TSPs, faster enhancements implementation

Key principles:

Case-I	If the transaction is originating from BBPOU's environment directly	Then the current scheme framework will continue (i.e. direct connectivity optional) with respect to routing of transactions –ONUS and OFFUS.
Case-II	If the transaction is being routed from TSP environment (BBPOU acting as TSP)	Then The TSP and its client BBPOU to ensure that all transactions are routed through the BBPCU (i.e. direct connectivity and empanelment mandatory) from the point of view of transaction oversight, clearing and settlement.
Case-III	If the transaction is being routed from TSP environment (Multiple TSPs empaneled through NPCI-BBPS Net)	Then The TSP and its client BBPOU to ensure that all transactions are routed through the BBPCU (i.e. direct connectivity mandatory) from the point of view of transaction oversight, clearing and settlement.