The Singapore – India deal of unifying PayNow and UPI

Singapore's PayNow and India's UPI were officially linked on February 21st in a move to make "real-time payment transfer" a reality. Singapore became the first jurisdiction to offer cross-border Person-to-Person (P2P) payment services. Retail payments made internationally are typically more expensive and less transparent than those made domestically. The G20's financial inclusion aims of promoting quicker, less expensive, and more transparent cross-border payments are closely aligned with the PayNow-UPI partnership.

What is UPI and PayNow?

Unified Payments Interface (UPI) allows users to make nonstop transfers spot on by using a Virtual Payment Address (VPA) created by the client preventing any further disclosure of bank details. PayNow is Singapore's quick payment system. Through either partner banks and NFI's in Singapore, it offers peer-to-peer funds transfer services for retail users. It enables users to deposit and receive payments instantly from one bank or e-wallet account in Singapore to another using only their mobile number, Singapore National Registration Identity Card (NRIC)/Foreign Identification Number (FIN), or VPA.

The takeaways from the deal

The rapid and inexpensive money transfers from Singapore to India and vice versa will also benefit the Indian community in Singapore, particularly migrant workers and students. Axis Bank and DBS India will allow inward remittances for users on the Indian end, whereas State Bank of India, Indian Overseas Bank, Indian Bank, and ICICI Bank manages both inward and outgoing remittances. Users in Singapore can utilize this service thanks to DBS-Singapore and the fintech venture Liquid Group. Users from India can send up to 60,000 per day. This is roughly equivalent to $1,000 (Singapore).