

# Operation of Pre-sanctioned credit lines at Banks through UPI

RBI vide its [circular](#) dated. September 04, 2023 expanded the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks thereby credit lines as a funding account has been included.

## ***Date of notification***

September 04, 2023

## ***Relevant for***

SCBs (excl. PBs, SFB & RRBs)

## ***Effective from***

With immediate effect  
i.e. September 04, 2023

## ***Actionable***

Banks may, as per their policy, stipulate  
T & Cs for use of credit lines

Further, NPCI vide its [notification](#) dated. Sept. 20, 2023 has come out with instructions to enable permitted lenders to effectively enhance their credit offering through UPI.

## ***UPI Apps to become Credit Cards but better***

- Virtual facility - No plastic
- Users will be able to discover credit line a/c through mobile phone App
- Existing device binding controls continue to apply
- Online Disputes Resolution
- Speedy settlement as per existing UPI settlement process
- Inward payment to UPI ID to be auto-treated as repayment if only credit line a/c linked
- AutoPay can also be used to pay dues

## ***Points of Note***

- Device binding & UPI pin setting may be construed as consent to enable credit line
- Acquirer (AQ) to ensure cash withdrawals at merchant not permitted & also compliance, monitoring & hygiene for merchant
- AQ to inform and educate merchant
- [Standard transaction limits](#) continue to apply
- Apps to be transparent on transactions made - easily accessible transaction history
- Default debit account option
- Instant notification of transactions.
- App & issuer to provide functions to check summary information on real-time basis
- Refunds to be directly credited to credit line a/c
- All UPI features to be applicable to credit line a/c

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