NPCI International Expands UPI to Cambodia

Prelims: *Current events of national and international importance | Economy*

Why in News?

NPCI International & ACLEDA Bank launch cross-border UPI payments in Cambodia via KHQR, Cambodia's National QR Code, making Cambodia the 9th nation to adopt UPI services.

- **Partnership** – NPCI International (India) & ACLEDA Bank (Cambodia).
  - **NPCI International Payments Limited (NIPL)** – It is the international arm of the NPCI.
- **Platform** – Bakong's KHQR, Cambodia's national QR code platform.
- It serves as a highly advanced and fully interoperable financial network enabling two-way cross-border transactions.
- **Phase 1** – Prioritises incoming Indian travellers; Indian travellers can make QR payments at over 4.5 million Cambodian merchants (restaurants, retail, tourist spots).
- **Phase 2** – It will become fully bi-directional; that is, Cambodian citizens visiting India will be able to scan millions of UPI QR codes for payments throughout India.

Benefits of UPI

- **Enhanced Traveller Convenience** – Eliminates the friction of physical currency exchange, carrying large amounts of cash, or navigating unfamiliar foreign exchange fees.
- **Economic Boost for Local Merchants** – Cambodian businesses gain immediate access to a massive, tech-savvy Indian visitor demographic, driving higher transaction volumes.
- **Operational Efficiency** – Local merchants will experience optimised cash management, lowered overhead costs associated with physical cash handling, and secure, real-time transaction settlements.

UPI Global Coverage *– (8 countries) Singapore, the United Arab Emirates, France, Mauritius, Nepal, Bhutan, Qatar and Sri Lanka.*

Quick Fact

UPI (Unified Payments Interface)

• **UPI –** It is India's *mobile-based, real-time payment system* that allows instant money transfers between bank accounts using a smartphone app, without needing to enter sensitive bank details each time.
• **Purpose** – To simplify digital payments by linking multiple bank accounts to one app.
• **Developed by** – NPCI in 2016, which has transformed digital payments ecosystems.
• **Regulated by** – Reserve Bank of India (RBI).
To know more about UPI, click here

Reference

PIB | NPCI International Launch Cross-Border UPI Payments in Cambodia