

Real-time Payment Linkage between India and Singapore

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Context- Recently, a “real-time payment linkage” was established between Singapore’s PayNow and India’s Unified Payments Interface, or UPI.

Key Highlights

- Cross-border Person to Person (P2P) payment facilities are now available for the first time in Singapore.
- Through instantaneous and low-cost money transfers from Singapore to India and back again, it will benefit the Indian diaspora in Singapore, particularly migrant workers or students, and bring the benefits of digitalization and FINTECH to the common man.
- In Singapore, UPI payments made with QR codes are already possible, but only at a select few outlets.

Status of UPI in India

- In 2022, approximately 74 billion transactions totaling more than 126 trillion (approximately 2 trillion Singapore dollars) were carried out using UPI. This demonstrates the platform’s dependability and security, which is fostering user trust.
- India’s digital wallet transactions are expected to soon surpass cash transactions, according to many experts.
- The ecosystem of payments based on UPI has received a lot of attention recently. The National Payments Corporation of India (NPCI) made it possible for international phone numbers to use UPI in January.

- In addition, in FY 2022-23, the prime minister-led Union Cabinet approved incentive programs to encourage low-value BHIM-UPI transactions.
- PhonePe added support for “UPI international” payments in 2023, allowing Indian travelers to use UPI to pay foreign merchants.
- Over 23.06 billion digital payments, including UPI, debit, and credit cards, totaling 38.3 lakh crore were made in India in the third quarter of 2022. The value of these UPI-based transactions was 32.5 lakh crore rupees.

Notes on Singapore

- *In the most authoritative report on passports, “Henley Passport Index 2021,” Singapore came in at number two.*
- *From all of the major rating agencies, Singapore is the only country in Asia with a sovereign credit rating of AAA.*
- *The United Nations Convention on International Settlement Agreements Resulting from Mediation (or Singapore Convention on Mediation), the first UN treaty to be named after Singapore, recently entered into force.*
- *As of late, the Seller Culture in Singapore was engraved on the UNESCO Delegate Rundown of the Immaterial Social Legacy of Mankind at the fifteenth meeting of the Intergovernmental Committee (IGC).*

Singapore and India

- India and Singapore have been friends since the Cholas.
- Sir Stamford Raffles, who in 1819 established a trading station in Singapore on the way to the Malacca Straits, which later became a British Indian colony ruled from Calcutta (1830-1867), is credited with the more recent connection.
- The similarities in practices and institutions, as well as the use of English and the presence of a significant Indian minority, point to a colonial connection.
- The **Comprehensive Economic Cooperation Agreement (CECA)** that was signed in 2005 was made possible by India’s economic reforms in the 1990s and its Look East policy.
- During Prime Minister visit in 2015, he signed a Joint Declaration on a Strategic Partnership with Singapore Prime Minister Lee Hsien Loong to commemorate the 50th anniversary of diplomatic relations, bringing this strong connection to the level of a Strategic Partnership.

Significance of Singapore for India

- There is a wide range of economic and strategic cooperation between Singapore and India.
- Singapore is a popular destination for Indians as well as an important source of investment. India’s Comprehensive Economic Cooperation Agreement, which is currently being upgraded, was first signed with Singapore. India’s states of West Bengal, Rajasthan, Andhra Pradesh, and Telangana are strong partners for Singapore. Economic cooperation is expanding as a result.
- Tourism and skill development are two additional areas that both nations want to

investigate.

- Smart cities, urban solutions, the financial sector, skill development, ports, logistics, aviation, and industrial parks are just a few of India's development priorities where Singapore is an essential partner.