

SEBI Mandates Standardized UPI IDs for Investor Payments

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86, dated June 11, 2025**, has mandated a structured Unified Payment Interface (UPI) address mechanism for its registered investor-facing intermediaries. This initiative aims to enhance accessibility and safety for investors transacting in the securities market by providing a validated and exclusive channel for fund transfers.

While investors retain the option to use this new UPI mechanism, all SEBI-registered intermediaries must obtain and offer these standardized UPI IDs. The core of this new framework is a dedicated UPI address structure.

Each UPI ID will consist of an alphanumeric username, chosen by the intermediary and followed by an abbreviation representing their intermediary segment (e.g., “abc.brk” for a broker or “xyz.mf” for a mutual fund). A standardized list of these suffixes is provided by SEBI. The UPI handle, which appears after the “@” symbol, will be “valid” combined with the name of a self-certified syndicate bank (e.g., “@validhdfc”). This unique handle, allocated by the National Payments Corporation of India (NPCI), is exclusively designated for payment collection by SEBI-registered intermediaries under merchant category code 6211.

To further assure investors, payments made through these “valid” UPI handles will display a distinct “thumbs-up inside a green triangle” icon, signalling a verified transaction to a registered entity. Conversely, the absence of this icon will serve as a cautionary signal. SEBI is also developing a “SEBI Check” functionality to enhance security, allowing investors to verify UPI IDs and bank account details (account number and IFSC) of intermediaries by scanning a QR code or manual entry.

While the current UPI transaction limit for capital market transactions is up to Rs. 5 lakhs per day, SEBI states this limit will be subject to periodic review. The circular outlines specific responsibilities and timelines for various stakeholders. Intermediaries must update their contact details, obtain new UPI IDs from eligible syndicate banks (listed in Annexure C), and transition from old UPI IDs by T+180 days (approximately early December 2025).

Existing Mutual Fund SIPs will continue unaffected, but new and renewed SIPs must use the new UPI IDs. Intermediaries, Market Infrastructure Institutions (MIIs), and Registrar and Share Transfer Agents (RTAs) are tasked with conducting extensive investor awareness campaigns regarding these new payment handles and the “SEBI Check” functionality.

Self-Certified Syndicate Banks are required to conduct due diligence and issue UPI IDs only after verification using a prescribed utility. The standardized UPI IDs will become available for investors starting October 1, 2025.

This initiative is issued under Section 11(1) of the SEBI Act, 1992, to protect investor interests and regulate the securities market. No specific judicial precedents were mentioned or cited in this SEBI circular, as it outlines a regulatory framework and operational procedure rather than referencing legal interpretations from court cases.

Link - https://www.sebi.gov.in/legal/circulars/jun-2025/adoption-of-standardised-validated-and-exclusive-upi-ids-for-payment-collection-by-sebi-registered-intermediaries-from-investors_94535.html