

WHY UPI WILL BE A GAME CHANGER IN TRINIDAD AND TOBAGO

A ‘fast payments’ arrangement, along the lines of India’s Unified Payments Interface (UPI), is being introduced in Trinidad and Tobago in 2025. This Note explains how UPI can be a major game changer here. It is the sixth in the Series introduced by the Central Bank of Trinidad and Tobago. The Central Bank looks forward to comments, feedback, and topic suggestions for upcoming Notes at info@central-bank.org.tt.

India’s population is 1,000 times that of Trinidad and Tobago and its land area is 640 times ours. Since 2016, India has been on a successful journey to introduce a ‘fast payments’ system to most of its population using a system called the [Unified Payments Interface](#) (UPI). Over the years, UPI has revolutionized how basic payments are made in this large, populous nation from using mostly cash to using mainly mobile devices (cellphones).

Trinidad and Tobago currently has a wide [range of options for payments](#) for goods and services: among other things, individuals typically use cash, checks, online Internet transfers, debit and credit cards, while financial institutions and other businesses also utilize so called ACH (automatic clearing house) and RTGS (real time gross settlements) arrangements to move funds. What’s missing is a [nationwide fast payments system](#) allowing for easy, secure and almost instantaneous transfer of funds using cellphones along the lines of India’s UPI, or for that matter equivalent arrangements in many other countries like [Brazil](#), [Kenya](#) and [China](#).

So, Trinidad and Tobago is collaborating with India to [introduce UPI here](#). The Ministry of Digital Transformation and Central Bank in particular are in discussions with counterparts from India on the mechanics of the UPI arrangement. The idea is to take account of India’s learnings from its experience, while tailoring the implementation to our specific country circumstances. At the same time consultations are being held with other countries and international agencies ([International Monetary Fund](#), [Inter-American Development Bank](#), [Corporación Andina de Fomento](#) etc.) to distill best practices around the world. A ‘pilot’ is being scheduled for the first half of 2025 to test the system in Trinidad and Tobago and work out details. By the end of 2025, the system can be fully functioning.

When fully operational, using the UPI-based system in Trinidad and Tobago [will be very simple](#). Say for example, you wish to buy 4 doubles: you need to have a working cellphone, the UPI app downloaded on your phone, and money in your account that will be used; once the doubles vendor is also signed up to UPI, you simply transfer the money to his/her account. Passwords and other verifications are used to keep the transaction secure.

Well, what's the difference compared to how you can pay for stuff now? Basically, with this fast payments system, you and the vendor don't need to walk with or keep as much cash (making you both less prone to robbery), and you can easily keep track of your financial transactions and balances. You also won't need to wait for a check to be cleared or to carry around debit or credit cards. The cost to use UPI for the sender and receiver will be very low or zero.

But, can you use it for moving money for other purposes? Most definitely—four examples are: transferring money from one person to another, paying utility bills, making donations ('collection' at church services) and receiving grants from the Government. Once people and businesses get familiar with it, the application will spread.

Will people be forced to use UPI and what's the risk? Using the UPI-based system will represent a good additional option, but it will not be mandatory. It may be prudent to keep a small bit of cash for emergency purposes and make use of online transfers, credit/debit cards depending on the circumstances. As with any financial alternative, people will need to get a basic understanding of how it works, how to use it, and what to do in case of problems. Similarly, it does require vigilance in tracking transactions to assure that the correct amount was transferred and received. Moreover, like any other digital interaction, one must be prepared to use [cybersecurity defenses](#) (password management, care regarding online scams etc.). In this regard, a public education program will be launched to explain these matters.

What will be happening in the background? As with existing non-cash arrangement such as debit, credit cards or online transfers, [UPI will involve extensive collaboration](#) among all the financial institutions involved, allowing for secure, smooth and rapid movements of funds. A robust telecommunications infrastructure is essential, alongside strong [Central Bank supervision](#).

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