Favara-UPI Cross-Border Payment Corridor Goes Live Between Maldives and India

Individuals from Maldives Can Now Transfer Funds In Real Time to UPI-enabled Bank Accounts in India Through Their Mobile Banking Applications

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The Maldives Monetary Authority (MMA) announced the successful go-live of the integration between the Maldives Instant Payment System, 'Favara', and India's Unified Payments Interface (UPI) on 30^{th} July 2026.

This marks a transformative milestone in cross-border digital financial connectivity and bilateral economic cooperation between the Maldives and India.

Salient features of the development:

1. Real-Time Transfers: The new service enables individuals in the Maldives to transfer funds using Favara to beneficiaries in India in real time. Transactions are initiated in Maldivian Rufiyaa (MVR) and credited to recipients in Indian Rupees (INR) through UPI.
2. Initial Phase Participation: The service has commenced with the participation of two local banks: Bank of Maldives Plc and Maldives Islamic Bank Plc. Customers of these banks can initiate person-to-person (P2P) transfers directly to UPI-enabled bank accounts in India using their mobile banking applications and the Favara payment rail.
3. Permitted Categories: Permitted remittance categories include family-maintenance-related remittances under both Foreign Inward and Foreign Outward Remittance, as well as gift-related remittances permitted under Foreign Outward Remittance.
4. Collaborative Achievement: The implementation reflects close collaboration between the MMA, the Reserve Bank of India (RBI), NPCI International Payments Limited (NIPL), participating financial institutions, and other stakeholders in both countries

Background and Future Outlook

The agreement for the Favara-UPI integration was executed between NIPL and MMA in July 2025. Following an accelerated 10-day timeline for testing, certification, onboarding, and live validation, the corridor achieved full operational readiness.

Subsequent phases of the collaboration will introduce additional cross-border payment use cases, including QR-based merchant payments and other innovative digital payment services, further strengthening economic and financial ties between the Maldives and India.

UPI is accepted in the following Nine countries:

Cambodia, Singapore, United Arab Emirates, France, Mauritius, Nepal, Bhutan, Qatar and Sri Lanka - enabling Indian travellers to make seamless payments abroad through UPI.

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