

CHARGES WAIVER ON DIGITAL TRANSACTIONS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

Ministry of Finance

Charges Waiver on Digital Transactions

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As apprised by the Ministry of Electronics and Information Technology (MeitY), Government of India has initiated incentive schemes such as BHIM cash-back scheme for individuals, BHIM incentive scheme for merchants, BHIM Aadhaar merchant incentive scheme for promotion and wider adoption of digital payment.

In order to promote digital payments, MeitY vide their notification dated 27th December, 2017 has allowed reimbursement of MDR charges on Debit cards/ BHIM-UPI and BHIM Aadhaar Pay transactions for value upto Rs. 2000, for two years effective from 1st Jan, 2018.

All public transport operators have been requested to enable National Common Mobility Card (NCMC) for digital payments.

As per the Budget speech 2019-20, Hon'ble Finance Minister has, inter-alia, proposed that business establishments with annual turnover of more than Rs.50 crore shall offer low cost digital modes of payment to their customers and no charges or Merchant Discount Rate shall be imposed on customers as well as merchants. RBI and Banks will absorb these costs from the savings that will accrue to them on account of handling less cash as people move to these digital modes of payment.

This was stated by Shri Anurag Thakur, Minister of State for Finance & Corporate Affairs in a written reply to a question in Lok Sabha today.

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