

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 421

TO BE ANSWERED ON 3rd FEBRUARY, 2017 (FRIDAY)/MAGHA 14, 1938 (SAKA)

Levying Convenience Charges on Cards

421. PROF. SAUGATA ROY: SHRI PR. SENTHIL NATHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has issued any circular to foreign companies involved in digital transaction not to charge any service charges from common people doing digital transaction, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government has been charging the common people any form of service charges for carrying the transactions digitally, if so, the details thereof;
- (c) the details of the charges levied for carrying out digital transaction through various systems of digital transactions available for the common people;
- (d) whether the Government has information that State Bank of India is levying convenience Charges from Credit/Debit Card users for recharging of their metro cards even in the wake of Government's efforts for promoting plastic currency and e-wallets, if so, the details thereof; and
- (e) the action taken/being taken by the Government in this regard?

Answer

**The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)**

- (a) No.
- (b) In terms of Office of Controller General of Accounts Office Memorandum dated 14.12.2016, the applicable Merchant Discount Rate (MDR) charges on debit cards for payment up to Rs. 1 lakh shall be absorbed by the Government. In terms of Department of Public Enterprises letter dated 9.12.2016, all Central Public Sector Enterprises (CPSEs) are required to ensure that transaction fees, MDR charges associated with payment through digital means shall not be passed on to the consumers and all such expenses shall be borne by CPSEs.
- (c) The details of the charges levied on digital payments are at Annex.
- (d) and (e) State Bank of India has apprised that it does not levy any convenience charges on users for recharging Mumbai Metro cards using various Banking Channels, and that in respect of DMRC cards, MDR is to be charged to customers as service charges.

CHARGES ON DIGITAL PAYMENTS

(Note: 1) All percentages are expressed as percentage of transaction amounts; 2) ST = Service Tax)

MODE	TRANSACTION VALUE	CHARGES
Debit Card	Merchant Discount Rate (MDR) on transactions up to Rs. 1000/-	0.25%
	MDR on transactions from Rs. 1000/- to 2000/-	0.50%
	MDR on transactions above Rs. 2000/-	1% + ST
Credit Card	MDR on transactions up to Rs. 2000/-	Market Determined
	MDR on transactions above Rs. 2000/-	Market Determined + ST
Immediate Payment Service (IMPS)	IMPS transactions up to Rs. 1000/-	0%
	IMPS transactions from Rs. 1000/- to 25000/-	Not in excess of NEFT + ST
	IMPS transactions above Rs. 25000/-	Not in excess of NEFT + ST
Unified Payments Interface (UPI)	Person to Person Transactions	Same as IMPS
	Person to Merchant transactions up to Rs. 1000/-	0%
	Person to Merchant transactions from Rs. 1000/- to 2000/-	Not in excess of NEFT + ST
	Person to Merchant transactions above Rs. 2000/-	Not in excess of NEFT + ST
Unstructured Supplementary Service Data (USSD)	USSD transactions up to Rs. 1000/-	0%
	USSD transactions above Rs. 1000/-	Not in excess of NEFT – 50p + ST
National Electronic Funds Transfer (NEFT)	NEFT transactions up to Rs. 10000/-	Rs. 2.50 + ST
	NEFT transactions from Rs. 10000/- to 1 lakh/-	Rs. 5 + ST
	NEFT transactions from Rs. 1 lakh/- to 2 lakh/-	Rs. 15 + ST
	NEFT transactions above Rs. 2 lakh/-	Rs. 25 + ST
Real Time Gross Settlement (RTGS)	RTGS transactions from Rs. 2 lakh/- to 5 lakh/-	Rs. 30 + ST
	RTGS transactions above Rs. 5 lakh/-	Rs. 55 + ST