

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION No. 221**

TO BE ANSWERED ON 15<sup>th</sup> DECEMBER 2017 (FRIDAY)/AGRAHAYANA 24, 1939

(SAKA)

**Charges on Digital Transactions**

221. SHRI GUTHA SUKENDER REDDY:  
SHRIMATI REKHA VERMA:  
SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to reduce the charges on transactions made through digital mode;
- (b) if so, the details thereof;
- (c) whether the Government is aware that the consumers are being compelled to make payments through digital mode after the introduction of digital payment system and if so, the details thereof;
- (d) whether the Government proposes to do away with the transaction charges which is a burden on the consumers and if so, the details thereof; and
- (e) the stand of the Government in this regard?

**Answer**

**The Minister of State in the Ministry of Finance  
(SHRI SHIV PRATAP SHUKLA)**

(a) to (b) Reserve Bank of India (RBI) capped the charges that can be levied in case of digital transactions, namely National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS) and debit card transactions. The details are given in Annexure.

(c) While citizen are provided the opportunity to make digital payments, there is no compulsion on consumers to make payments through digital mode.

(d) to (e) Ministry of Electronics and Information Technology (MeitY) has informed that there is no transaction charge at present for transfer of money from person to person on UPI-BHIM platform.

Further, Reserve Bank of India has instructed banks to ensure that MDR charges should not be passed on to customers by merchants while accepting payments through debit cards.

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**Annexure to Lok Sabha Question no. 221 for 15.12.2017 on "Charges on Digital Transactions"**

**1. Maximum charges for "National Electronic Funds Transfer (NEFT):"**

Value Band	Maximum Charges (exclusive of service tax)
Amounts up to Rs. 10,000/-	Rs. 2.50/-
Amounts from Rs. 10,001/- to Rs. 1 lakh	Rs. 5/-
Amounts above Rs. 1 lakh up to Rs. 2 lakh	Rs. 15/-
Amounts above Rs. 2 lakh	Rs. 25/-

**2. Maximum charges for "Real Time Gross Settlement (RTGS):"**

RTGS Transaction	Maximum Customer Charges (exclusive of service tax)
Inward transactions	Free
Outward transactions	
Rs. 2 lakh to Rs. 5 lakh	Rs. 25 + applicable time varying charge, subject to a maximum of Rs. 30/-.
Rs. 5 lakh	Rs. 50 + applicable time varying charge, subject to a maximum of Rs. 55/-.

**3. Instructions on MDR on Debit card transactions:**

Sr. No.	Merchant Category	Maximum Merchant Discount Rate (MDR) for debit card transactions (as a % of transaction value)	
		Physical POS Infrastructure including online card transaction	QR code-based card acceptance infrastructure
1.	Small merchants (with turnover upto Rs. 20 lakh during the previous financial year)	Not exceeding 0.40% (MDR cap of Rs. 200 per transaction)	Not exceeding 0.30% (MDR cap of Rs. 200 per transaction)
2.	Other merchants (with turnover above Rs. 20 lakh during the previous financial year)	Not exceeding 0.90% (MDR cap of Rs. 1000 per transaction)	Not exceeding 0.80% (MDR cap of Rs. 1000 per transaction)

Source: RBI