

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION No. 1510
TO BE ANSWERED ON: 19.12.2018

WAIVER OF MDR CHARGES

1510 COL. SONARAM CHOUDHARY

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Merchant Discount Rate (MDR) charges have been waived by the Government on transactions upto Rs 2000/- to promote cashless economy, if so, the details thereof;
- (b) whether cashless payments are likely to be a challenge for certain Government to Consumer (G2C) and Customer to Customer (C2C) services where payment is above this limit;
- (c) whether the Government is considering to completely waive MDR for cashless payments for G2C and C2C services to encourage cashless economy; and
- (d) if so, the details thereof and if not, the reason there for?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(S.S.AHLUWALIA)

- (a): Yes, Sir. MeitY has come out with MDR (Merchant Discount Rate) Reimbursement Scheme to promote low value digital payment transactions for a period of two years from 1st January 2018. As per the scheme, Merchants need not pay the MDR charges to banks on digital payments up to Rs 2000 through Debit cards, Unified Payment Interface (UPI) and BHIM Aadhaar Pay, as the Government is reimbursing the relevant MDR charges to the banks.
- (b): No, Sir. For C2G payments, there is a separate MDR reimbursement scheme by Government of India for payment of upto Rs 1 lakh dues to Govt of India by citizens using Debit Cards. Government payments are made to Citizens digitally, largely through Direct Benefit Transfer and Public Fund Management System (PFMS) .
- (c) and (d): No, Sir. The intent of Government is to support low value transactions for two years so that more number of citizens are encouraged to make payments through various digital payment modes.
