

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

UN-STARRED QUESTION No. 1467

TO BE ANSWERED ON 1st July, 2019 (MONDAY) /ASHADHA 10, 1941 (SAKA)

“Promotion of Cashless Transactions”

1467. SHRI ARJUN LAL MEENA:
SHRI SUMEDHANAND SARSWATI:
SHRI MOHANBHAI KALYANJI KUNDARIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to give direction for the hundred percentage distribution and activation of Rupay cards by the banks as well as financial institutions and to link the Aadhaar Cards with the bank accounts to promote cashless transaction;

(b) if so, the details thereof and the time by which it is likely to be implemented and if not, the reasons therefor;

(c) whether the Government has made/ proposes to make sweeping changes in banking rules to encourage cashless transactions and if so, the details thereof; and

(d) whether the Government proposes to impose limits on ATM withdrawals and impose charges on cash transactions at banks and if so, the details thereof?

Answer

THE FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

(a) & (b): As per Reserve Bank of India (RBI) guidelines, banks issue debit cards to customers in accordance with their Board approved policy.

As per Reserve Bank of India's (RBI's) Master Direction on Know Your Customer (KYC) dated 25.02.2016 (updated as on May 29, 2019), Banks obtain the Aadhaar number from an individual who is desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016 (18 of 2016). Banks, at receipt of the Aadhaar number from the customer may carry out authentication of the customer's Aadhaar number using e-KYC authentication facility provided by the Unique Identification Authority of India upon receipt of the customer's declaration that he is desirous of receiving any benefit or subsidy under any scheme notified

under section 7 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 (18 of 2016) in his account.

Further, banks carry out Aadhaar authentication/ off-line verification of an individual who voluntarily uses his Aadhaar number for verification purpose.

(c) In order to give fillip to digital funds movement , RBI vide its circular on ' National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) systems- Waiver of charges ' dated 11.06.2019, has decided that with effect from July 1, 2019, processing charges and time varying charges levied on banks by RBI for outward transactions undertaken using the RTGS system, as also the processing charges levied by RBI for transactions processed in NEFT system would be waived by the Reserve Bank of India . The banks have also been advised by RBI to pass on the benefits to their customers for undertaking transactions using RTGS and NEFT systems.

(d) RBI vide its Circular dated 14.08.2014 on rationalisation of number of free transactions, has inter alia provided the following :

- A minimum of 5 free ATM transactions at a bank's own ATM at any location and at any other bank's ATM at non-metro location is permitted.
- A minimum of three free transactions at any other bank's ATM at six metro locations viz. Mumbai, New Delhi, Chennai, Kolkatta, Bengaluru and Hyderabad..
- Ceiling on customer charges of Rs 20/- per transaction (plus service tax, if any) will be applicable.

Banks have also been advised by RBI to ensure that the charges structure on ATM transactions, as per their Board approved policy, is informed to the customer in a fair and transparent manner.
