

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

UNSTARRED QUESTION NO. 2218

ANSWERED ON MONDAY, AUGUST 02, 2021 / SRAVANA 11, 1943 (SAKA)

Promotion of e-Payments

2218. Shri. Manoj Kotak:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has appointed a committee to suggest the promotion of e-payments in India;
- (b) if so, the details of committee's suggestions in this regard;
- (c) whether the panel has also suggested the removal of import duty on Point of Sale devices for three years and reduce the GST on digital transactions; and
- (d) if so, the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) & (b) As apprised by Reserve Bank of India (RBI), with a view to encouraging digitization of payments and enhancing financial inclusion through digitization, the Reserve Bank of India had constituted a High-Level Committee on Deepening of Digital Payments in February, 2019 to, inter-alia, review the existing status of digitisation of payments, identify best practices that can be adopted, recommend measures to strengthen safety and security of digital payments, lay down a road map to increase customer confidence in digital financial services, and suggest a Medium-Term strategy for deepening of digital payments.

(c) & (d) As apprised by Department of Revenue (DoR), the Committee has recommended removal of import duty on Point of Sale (PoS) devices for three years and remove GST on digital transaction. In this regard, DoR has informed that presently, PoS machines attract zero Basic Customs Duty (BCD). They have further apprised that 18% GST is applicable for PoS, which is available to the users in the form of Input Tax Credit (ITC), since PoS machine is inputs to the business.

In addition, services by an acquiring bank to any person in relation to settlement of an amount up to two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service have been exempted from GST.

The recommendation of the Committee for "Waiver of GST on transaction charges of Immediate Payment Service (IMPS) & Aadhaar enabled Payment System (AePS) for transactions up to Rs.5000" was considered by the Council but no change in GST exemption has been recommended.
