

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4111
ANSWERED ON MONDAY, AUGUST 18, 2025/SRAVANA 27, 1947 (SAKA)

TRANSACTION CHARGES ON UPI TRANSACTIONS

4111. SHRI ANAND BHADAURIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/RBI proposes to impose transaction charges on UPI transactions;
- (b) if so, the details thereof;
- (c) whether the Government has assessed the impact of imposing charges on UPI transactions on Digital India initiatives;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

a) to (e) Unified Payment Interface (UPI) transactions are facilitated by National Payment Corporation of India (NPCI). Its circular dated 30.08.2019 had permitted the acquiring banks to charge Merchant Discount Rate (MDR) at 0.30% of the transaction value. However, section 10A of the Payment and Settlement Systems Act 2007, provides that no bank or system provider shall impose any charge on a payer making payment, or a beneficiary receiving payment, through electronic modes prescribed under section 269SU of the Income-tax Act, 1961. Accordingly, the Government vide Central Board of Direct Taxes (CBDT) Gazette Notification No.105/2019 dated 30.12.2019, had notified UPI and RuPay debit card as prescribed electronic modes of payment under section 269SU of the Income-tax Act, 1961.

In order to ensure continuity of the UPI services by the ecosystem partners, the Government had implemented the incentive scheme during the last four years i.e. FY 21 – 22 to FY 2024 – 25. During this period, the Government has extended incentive support of approximately ₹ 8730 Crores.

Presently, there is no such proposal to impose transaction charges on UPI.
