

No charges on debit card transactions up to ₹2,000: Finmin

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CUSTOMERS WILL NOT have to pay any transaction charges for payments through debit card, BHIM app and other payment made for up to ₹2,000 from Monday onwards.

Last month, Union Cabinet approved a proposal that government will bear the merchant discount rate (MDR) charges on trans-

actions up to ₹2,000 made through debit cards, BHIM UPI or Aadhaar-enabled payment systems to promote digital transactions.

“Happy Digital 2018. December Quarter BHIM transaction rises 86% to 145.6 million with value of ₹13,174 crore,” financial services secretary Rajeev Kumar tweeted.

“Further impetus to digital payments, government to reimburse charges for transaction up to ₹2,000 on debit cards/BHIM.

Zero charges on merchants. Go Digital, embrace transparency,” he said.

The merchant discount rate (MDR) will be borne by the government for two years with effect from January 1, 2018 by reimbursing the same to banks. The move will have an impact of ₹2,512 crore on the exchequer. The decision was taken at the Cabinet meeting chaired by Prime Minister Narendra Modi.