

**Press Information Bureau  
Government of India  
Ministry of Finance**

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**In order to further promote digital and card payments, Department of Financial Services, Ministry of Finance issues direction in public interest all Public Sector Banks(PSBs) not to charge fees for transactions settled on Immediate Payment Service (IMPS) and Unified Payments Interface (UPI) in excess of [rates charged for National Electronic Funds Transfer \(NEFT\)](#) for transactions above Rs. 1000/-, with service tax being charged at actual; For Unstructured Supplementary Service Data (USSD) transactions above Rs. 1000/-, a further discount of Fifty (50) Paise on these rates shall apply.**

In line with the Central Government's objective of promotion of payments through cards and digital means over payments in cash, the Reserve Bank of India (RBI) has recently rationalized customer charges for transactions up to Rs. 1000/- settled on Immediate Payment Service (IMPS), Unified Payments Interface (UPI) and Unstructured Supplementary Service Data (USSD) with effect from 01.01.2017 till 31.03.2017. RBI has also rationalized the Merchant Discount Rate (MDR) for debit card transactions up to Rs. 2000/- with effect from 01.01.2017 till 31.03.2017.

In order to further promote digital and card payments, the Department of Financial Services (DFS), Ministry of Finance has issued a direction in public interest to all Public Sector Banks(PSBs), in accordance with which these banks shall not charge fees for transactions settled on Immediate Payment Service (IMPS) and Unified Payments Interface (UPI) in excess of rates charged for National Electronic Funds Transfer (NEFT) for transactions above Rs. 1000/-, with service tax being charged at actuals. For Unstructured Supplementary Service Data (USSD) transactions above Rs. 1000/-, a further discount of fifty paise on these rates shall apply.

This direction shall apply for all transactions up to 31.03.2017.

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