

**NPCI revises Interchange and Pricing for RuPay Card scheme**



**Mumbai, August 23, 2012:** National Payments Corporation of India today revised the Interchange and the switching fee for Point of Sale (POS) transactions of the RuPay Card Scheme.

Earlier the Reserve Bank had asked all the banks to cap debit card Merchant Discount Rate (i.e the fee that the merchant establishment pays to the terminal deploying acquiring bank) at 0.75% for transactions up to Rs. 2000 and 1% for transactions above Rs. 2000, In line with this regulatory change, there was a need for all card Schemes including RuPay to revise the interchange (i.e the fee that the terminal deploying bank would have to pay to the card issuing bank).

For the RuPay card scheme which covers only Debit card at present has now revised its interchange rates to **“0.45% for transactions up to Rs. 2000 and 0.65% for transactions above Rs. 2000.** Special interchange for transactions in a few segments such as viz., Mutual Fund, Insurance, Education and Government has been prescribed at a flat fee of Rs. 10. The RuPay interchange prescribed is in sync with the spirit of the regulator to ensure that all categories and types of merchants deploy the card acceptance infrastructure on account of lower fees. With interchange level of 0.45 %/ 0.65%, the terminal deploying acquiring banks will have a cushion of 0.30% - 0.35% which will provide incentives to deploy terminals in the country.

NPCI has also revised its charges to issuing and acquiring banks. NPCI will charge only 60 paise per transaction to the customer’s bank (issuing bank) and 30 paise per transaction to the acquiring bank. Such a sub-one rupee switching fee is one of the lowest in the world.



Mr. A. P. Hota, MD & CEO of NPCI said “NPCI is committed to build RuPay as the most cost efficient card payment network for banks in India. The terminalisation potential in the country is as high as 10 million merchants but the number of merchants terminalised is hardly 6,00,000. So far, the focus of the banks with large customer base was on issuance of cards. Now that acquiring business is being incentivized, it is hoped that the large banks would start deploying POS terminals in a big way.”

NPCI already processes around 5.5 million inter-bank ATM transactions a day. “The day is not far off for NPCI to process POS transactions on a similar scale with the lowest possible switching fee+ says Mr. Hota. Banks in India stand to gain substantially by working with NPCI both for issuance and

acquiring. All the basic services on a card such as acceptance at ATM, Point of Sale, internet, IVR and funds transfer are features of the RuPay debit card.



**About NPCI :** National Payments Corporation of India (NPCI) is an umbrella organisation for retail payments in India and was incorporated in December 2008 by untiring efforts of Reserve Bank of India (RBI) and Indian Banks Association (IBA). The objective of NPCI is to consolidate and integrate the multiple systems with varying service levels into nation-wide uniform and standard business process for all retail payment systems. NPCI has setup a domestic card scheme called 'RuPay' and also offers various other services like Aadhaar Enabled Payment System (AEPS), Inter-bank Mobile Payment Service (IMPS), Cheque truncation, National Financial Switch (NFS), Express cheque clearing system etc.

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