



Press Release

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Big Push to Digital Payments through Debit Cards - Rationalization of Merchant Discount Rate (MDR) for RuPay Debit Card

National Payments Corporation of India (NPCI), today announced rationalization of Merchant Discount Rate (MDR) for RuPay Debit Card transactions across Point of Sale (PoS), eCom and BharatQR Code based merchant transactions. The significant reduction in MDR is aimed at creating a cost effective value proposition for all stakeholders in the payments ecosystem thereby increasing merchant acceptance footprint across the country. This will support merchants to accept hi-value digital payments from the 830 mn debit cards.

As per the latest notification, MDR has been revised to 0.60% for transaction above Rs. 2,000 with a maximum cap of Rs 150 per transaction. Presently, this is capped at 0.90% for transaction above Rs. 2,000 with higher cap of Rs 1,000 per transaction. The new MDR rates will come into effect from 20th October 2019. Moreover, the card based QR transactions (Bharat QR) MDR also has been reduced to 0.50% with a maximum cap of Rs 150 per transaction, to boost asset lite infrastructure for digital payments.

Dilip Asbe, MD & CEO said “Significant reduction in MDR will encourage the use of debit cards. With the reduction and capping of MDR merchants will now be encouraged to accept debit cards, which up till now they were averse due to higher MDR structure. In line with the vision of Government and RBI for less-cash India, NPCI’s commitment to help faster migration from cash to digital, this MDR rationalization along with the similar significant reduction in UPI MDR, will benefit all categories of merchants.”

About NPCI

National Payments Corporation of India (NPCI) was incorporated in 2008 as an umbrella organization for operating retail payments and settlement systems in India. An initiative of RBI and IBA under the provisions of the Payment and Settlement Systems Act, 2007, NPCI was initiated for creating a robust payment and settlement infrastructure in the country. It has changed the way payments are made in India through a bouquet of retail payment products such as [RuPay card](#), [Immediate Payment Service \(IMPS\)](#), [Unified Payments Interface \(UPI\)](#), [Bharat Interface for Money \(BHIM\)](#), [BHIM Aadhaar](#), [National Electronic Toll Collection \(NETC\)](#) and [Bharat BillPay](#). NPCI also launched UPI 2.0 to offer a more secure and comprehensive services to consumers and merchants.

NPCI is focused on bringing innovations in the retail payment systems through use of technology and is relentlessly working to transform India into a digital economy. It is facilitating secure payments solutions with nationwide accessibility at minimal cost in furtherance of India's aspiration to be a fully digital society.

For more information, visit: <https://www.npci.org.in/>

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