

Rationalisation of BHIM UPI MDR

In order to promote digital payments, National Payments Corporation of India (NPCI) has rationalized BHIM UPI MDR for merchant transactions. To drive digital payments in both small and large merchant's transactions there is big shift in the MDR for UPI merchant transactions. MDR for large ticket transactions has been capped at maximum Rs 100 and made Zero at offline merchants for transaction up to Rs 100.

As per the latest notification, MDR has been revised to 0.30% with a maximum cap of Rs. 100 per transaction. Presently, this is capped at 0.25% for transactions up to Rs. 2,000 and at 0.65% for transactions above Rs 2,000. Further, MDR for offline merchant where transactions are done through QR Scan and Pay will be Zero for transaction up to Rs. 100. The new MDR rates will come into effect from 1st October 2019.

NPCI has been taking various steps for proliferation of merchant payments using UPI. NPCI has already introduced a new merchant category of P2PM category for small merchants wherein inward transactions up to Rs. 50,000 per month is allowed. This limit is now extended to Rs. 1,00,000 per month and with instructions for real-time credit to merchant's own account.

Dilip Asbe, MD & CEO said "The Zero MDR for transaction up to Rs 100 and increased limit for P2PM category (Small merchants) will help faster migration from cash to digital using BHIM UPI. The lower MDR will encourage all categories and types of merchants to deploy the asset-lite acceptance infrastructure (BHIM UPI QR code) to grow digital footprint across the country. We envisage this reduction in MDR will encourage merchants to start accepting BHIM UPI and grow the volume on merchant transactions multi-fold."

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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