

**Protection of consumer's interests in digital mode of payment**

552. SHRI DEREK O'BRIEN: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry is planning to impose charges or taxes, including Merchant Discount Rates, on digital and online payments, if so, the details thereof;

(b) whether the Ministry is taking steps to protect consumer interests in digital modes of payments, if so, the details thereof and

(c) whether the Ministry is planning to set up a payments regulator under the Reserve Bank of India, if so, the details and deadline thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) Instructions have been issued on Merchant Discount Rate (MDR) Structure on June 28, 2012 capping the MDR @ 0.75% for payment made through debit cards upto ₹ 2000/- and @ not exceeding 1% for transaction value above ₹ 2000/-. Further, in order to facilitate wider acceptance of card payments, following temporary measures have been introduced for the period from Jan 1, 2017 applicable till March 31, 2017:—

(i) For transactions upto ₹ 1000/- MDR shall be capped at 0.25% of the transaction value.

(ii) For transactions above ₹ 1000/- and upto ₹ 2000/-, MDR shall be capped at 0.5% of the transaction value.

(b) Reserve Bank of India has been continuously striving to promote electronic transactions by making it safe, secure accessible and efficient. Toward this end, a number of measures have been taken on “Security and Risk Mitigation Measures for Securing Electronic Payment Transactions” which can broadly be put in to 4 categories:—

(i) Securing Card Present Transactions

(ii) Securing Card not Present Transactions/Online card not present transactions.

(iii) Securing Payments through Internet banking/Electronic Payments-RBI has required banks to introduce additional measures to secure electronic mode of payments like RTGS, NEFT and IMPS.

(iv) On line alerts for all type of card transactions – RBI instructed banks to send on line alerts to customers for all type of card transactions.

(c) Hon'ble Finance Minister in Budget Speech 2017-18 has proposed to create a Payments Regulatory Board in the Reserve Bank of India by replacing the existing Board for Regulation and Supervision of Payment and Settlement Systems. Necessary amendments are proposed to this effect in the Finance Bill 2017.