

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO: 2875
TO BE ANSWERED ON: 18.07.2019

MDR CHARGES LEVIED ON CUSTOMERS

2875 SHRI HUSAIN DALWAI:

Will the Minister of ELECTRONICS and INFORMATION TECHNOLOGY be pleased to state:

- (a) whether Government is aware of the practice of 'charging Merchant Discount Rate (MDR) from consumers in the name of convenience fee' that are arising in digitalization phase of India and if so, the details thereof and if not, the reasons therefor;
- (b) whether Government has any assessment report on whether these charges should be levied or removed and if so, the details thereof;
- (c) the effective measures Government has taken after discovery of the malpractice and if no measures have been taken, the reasons therefor; and
- (d) whether Government is considering to remove such charges?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (d): Reserve Bank of India (RBI) has issued a circular dated December 06, 2017 (copy enclosed) on "Rationalisation of Merchant Discount Rate (MDR) for Debit Card Transactions", wherein MDR has been prescribed for debit cards. In the circular, Banks have been advised to ensure that MDR charges for debit card transactions are not passed on to the customers by the merchants on-boarded by them.
