



Cabinet



Cabinet approves an incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M)

Financial outlay for one year is Rs.1,300 crore

With this Digital Modes of Payment will become accessible to unbanked and marginalised populations outside the formal banking and financial system

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The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today has approved an incentive scheme to promote RuPay Debit cards and low-value [uptoRs. 2,000) BHIM-UPI transactions (Person-to-Merchant (P2M)] in the country.

Under the scheme, the acquiring banks will be incentivised by the Government, by way of paying percentage of value of transactions (P2M) done through RuPay Debit cards and low-value BHIM-UPI modes of payments, at an estimated financial outlay of Rs.1,300 crore for a period of one year w.e.f. April 01, 2021.

This scheme will facilitate acquiring Banks in building robust digital payment ecosystem and promoting RuPay Debit card and BHIM-UPI digital transactions, across all sectors and segments of the population and further deepening of digital payments in the country.

It will also help in making accessible digital modes of payments to unbanked and marginalized populations, who are outside of the formal banking and financial system.

India today is one of the most efficient payments markets in the world. These developments have been the outcome of the initiatives of the Government of India and innovation by various players in the digital payment ecosystem. The scheme will further spur research and development and innovation in fintech space, and will help the Government in further deepening of digital payments in various part of countries.

Background:



f The scheme has been formulated in compliance with the Budget announcements (FY 2021-22) by the Government to give further boost to digital transactions in the country.



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