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Cashless economy: Centre to implement 19 measures to facilitate transition

By [Dheeraj Tiwari](#), ET Bureau | Nov 11, 2016, 07:03 AM IST

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NEW DELHI: The government has identified 19 short-term measures to be implemented in the current financial year in keeping with its plan to move to a [cashless economy](#).

The national task force for promotion of payments through cards and digital means is facilitating coordination among different agencies to ensure speedy roll-out of initiatives including digital payments through ration shops, strengthening the network of business correspondents in rural areas and equipping all existing and future [ATMs](#) with [Aadhaar](#) authentication facility.

“The government is committed to digital transactions infrastructure and putting in place the ecosystem where facility for transactions can be availed at doorstep by common man,” said Neeraj Kumar Gupta, secretary, Department of Investment and Public Asset Management (Dipam), who is also heading the national task force.



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Finance minister Arun Jaitley had on Wednesday said that the government's decision to withdraw Rs 500 and Rs 1,000 notes will move the country towards a cashless economy. “It will take India towards a cashless economy, it doesn't merely push the country in that direction, but significantly pushes it,” he said.

The government is also looking to provide micro ATMs to more than one lakh ration or fair price shops by March 2017 and banks have been advised to upgrade them as bank correspondents. “These points will be Aadhaar-enabled,” said a government official.

There are nearly 5.5 lakh fair price shops across the country. National Payments Corporation of India has also been entrusted with the task of ensuring inter-operability between various banking systems.

“All existing and future micro ATMs will be equipped with Aadhaar authentication technology, which will ensure cardless digital payments at all merchant locations,” Gupta said, adding that the need for carrying cards will be minimised. Aiming at last-mile connect, micro ATMs will be installed at all about 1.55 lakh post offices, which will be further strengthened with the opening of Post Bank.

Banks have been asked to get separate contracts for charging merchant discount rate (MDR) against debit and credit card transactions. At present, MDR for transactions by debit card is up to 1% and for credit cards it is up to 3.75%. According to the RBI, the growth in acceptance infrastructure has not kept pace with the growth in cards. While debit cards registered a growth of 64% between October 2013 and October 2015, the number of ATMs grew about 43% while point-of-sale machines increased nearly 28%.

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