

01:56 PM | 23 JUL **LIVE**
MARKET STATS ▼சென்செக்ஸ்
36,615 ▲ 118.76நிஃப்டி 50
11,051 ▲ 40.95கோல்டு (எம்சிக்...
29,900.00 ▼ -20.00யுஎஸ்டி/ஐஎ...
68.72 ▼ -0.12**CREATE
PORTFOLIO****ஈ-டி
மார்க்கெட்ஸ்...**CHOOSE
LANGUAGE
TAM

FinMin wants banks to start issuing near field communication-enabled credit and debit cards

BY [PRATIK BHAKTA](#), ET BUREAU | UPDATED: JUL 20, 2018, 06.02 AM IST

Post a Comment

BENGALURU: The [finance ministry](#) wants banks to start issuing [near field communication](#) (NFC)-enabled contactless credit and debit cards to their customers so that the government can expand the use of card payments beyond simple merchant transactions.

Big Change:
[The end of Five-Year Plans: All you need to know](#)

In a letter marked to chief executives of banks, a copy of which was seen by ET, the ministry said that NFC or [contactless cards](#) are the next generation of innovation in the cards space which can bring about added security and convenience for [digital payments](#), hence banks should start giving out such cards to its customers.

“As and when cards need to be re-carded, then at that stage the new cards being issued can be NFC enabled/contactless and whenever new cards are being issued they could also be NFC enabled/contactless,” read the note circulated by the ministry. Further the ministry said in its note that if such cards are issued then they can be used for mass transit like metro, railways and even buses where consumers can just tap their cards and the ticket price can be directly debited from their bank accounts.

Highlighting the fact that most point-of-sale (PoS) terminals are capable of reading NFC enabled cards, the ministry said that this could help push up adoption of digital transactions in the country.

The government is known to have set an ambitious target of 30-billion digital transactions to be accomplished within the current year.

The finance ministry's notification to banks comes at a time when payment companies have been experimenting with tap and go globally and trying to promote it majorly across. [Visa](#) had showcased this technology among other places at the 2018 Winter Olympics that

happened in PyeongChang, South Korea.

“From our experience at Visa, be it Australia or UK wherever it is implemented, contactless payments have taken off at the expense of cash. Contactless payments are also one of the most secure ways to pay at the point of sale since they use the same dynamic security as contact EMV cards,” said TR Ramachandran, group country manager at Visa.

NFC-enabled cards allow users to just tap the point-of-sales terminal instead of having to dip the card or swipe the card which requires physical contact. “Contactless requires a behaviour change for the cashier, unlike traditional cards where swiping happens first followed by amount and pin entry contactless requires the cashier to enter the amount and then tap the card,” said Rajeev Agrawal, chief executive officer at Innoviti Payments which deploys PoS terminals for banks.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

[Live Market News](#)
[Portfolio](#)
[Mobile](#)
[Live TV](#)
[Biz Listings](#)

[Industry Newsletters](#)
[Commodities](#)
[Speed](#)
[Blogs](#)
[RSS](#)

[About Us](#)
[Create Your Own Ad](#)
[Advertise with Us](#)
[Terms of Use & Grievance Redressal](#)
[Privacy policy](#)

FOLLOW US

Download it from
APP STORE

Download it from
GOOGLE PLAY

Download it from
Windows Store

Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ईकोनॉमिक्स टाइम्स](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#) | [BrainBaazi](#) | [BrainBaazi APP](#)

Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

Interest Network

[itimes](#)

Hot on the Web

[Share Market](#) | [GST](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [IFSC Code](#) | [Mutual Funds](#) | [Top ELSS Funds to Invest](#) | [How to save Income Tax](#) | [Sensex Today](#) | [Nifty Bank](#) | [Sensex](#) | [Income Tax Calculator](#)

Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#) | [Auto](#)

In Case You Missed It

[All about PNB Fraud](#)

[Home Loan Calculator](#)

[Reliance Jio](#)

[Education Loan Calculator](#)

[GST](#)

[Rajdhani Express](#)

[Income Tax Calculator](#)

[How to file ITR](#)

[Jeff Bezos Richest Man](#)

[Income Tax](#)

[Air India](#)

[IFSC Code](#)