

How RBI aims to make India cashless society by 2021

By: FE Online

Updated: May 16, 2019 2:24:39 PM

With an aim to build a cashless society, the Reserve Bank of India (RBI) released a vision document to provide safe, secure, accessible and affordable e-payment systems.



The RBI envisages a highly digital and cashless society through entry of more players and increased innovation. Image: PTI

With an aim to build a cashless society, the Reserve Bank of India (RBI) released a vision document to provide safe, secure, accessible and affordable e-payment systems. The RBI also proposes to ensure minimal intervention in the pricing of charges to customers for digital payments, even as it proposed to facilitate efficient and price-attractive operation of payment systems. The central bank envisages a highly digital and cashless society through entry of more players and increased innovation. Between 2019 and 2021, the approach highlighted in the document would be implemented, the RBI also said in its vision document titled 'Payment and Settlement Systems in India: Vision 2019 – 2021'.

In December 2021, the number of transactions may rise over four times to 8,707 crore as against 2,069 crore in December 2018, the RBI added. The payment systems including UPI or IMPS may see an average annual growth of more than 100 per cent, while National Electronic Funds Transfer (NEFT) is likely to surge at 40 per cent up to December 2021, it added. Aiming to facilitate NEFT fund transfer service beyond the banking hours, the RBI also evaluates the likelihood of extending availability of NEFT on 24×7 basis in the document.

Also read: GST rate on homes: Most builders opt for 12% GST for ongoing projects

Commenting further, the RBI said that cash poses a significant cost to the economy, including customers. Some of the costs could be removed as customers migrate to digital modes of making a payment, it added. "Giving them multiple options is expected to make this experience exceptional, apart from furthering growth measurable in terms of digital payments turnover to GDP," the RBI vision document also said. The safety and security of digital payment systems remain the highlight of the vision document, as it holds a 'no-compromise' approach in this regard, the RBI added.

Get live [Stock Prices](#) from BSE and NSE and latest NAV, portfolio of [Mutual Funds](#), calculate your tax by [Income Tax Calculator](#), know market's [Top Gainers](#), [Top Losers](#) & [Best Equity Funds](#). Like us on [Facebook](#) and follow us on [Twitter](#).

HOME ECONOMY How RBI Aims To Make India Cashless Society By 2021

Master's degree in Analytics for Working Professionals

BITS Pilani |

Sponsored

India's only MBA program that teaches Management & Digital Skills

Careers of Tomorrow by Amity Online |

Sponsored

RBI's ex-deputy governor on Yes Bank board shows things are worse than they look