

Circular: RuPay/ 2016-17/041

14th Nov 2016

Waiver of Switching Fee for Point of Sales and e-Commerce transactions

(11th Nov 2016 to 31st Dec 2016)

1. Government of India vide their Notification no. 2652 dated November 8, 2016 have withdrawn the Legal Tender status of ₹ 500 and ₹ 1,000 denominations of banknotes of the Mahatma Gandhi Series issued by the Reserve Bank of India till November 8, 2016. These initiatives will help to move the country towards a less cash economy.
2. In light of above, we are pleased to advise that NPCI has decided to waive the switching fee for all RuPay Issuing and Acquiring member Banks for Point of Sales (POS) and e-Commerce transactions done between 11th Nov 2016 till 31st Dec 2016 (both dates inclusive)
3. All RuPay Member banks to kindly take note of the above.
4. The initiative is being undertaken to:
 - a) Demonstrate our commitment towards making electronic transactions cost effective for Banks
 - b) Create a push for card usage at merchant establishments and online purchases in a situation where there are restrictions for cash withdrawals. This becomes all the more critical given that, in the country out of the 755 million debit cards RuPay debit cards amount to 302 million
 - c) Appeal to banks to avail this rebate and organize campaigns to move cardholders from ATMs to POS / e-commerce.

Further, it is gathered that 100% CASA portfolio of banks are not yet carded and a good percentage of customers don't have Payment Card. We urge Member Banks to issue RuPay card to these customers and support us in ushering in an era of less cash and preferred electronic and digital payments.

It may be noted that the switching fee charged to banks for both issuers and acquirers for transactions during the said period, will be refunded (paid back) to incentivise the electronic payments. The refund will be processed to banks on or before 31st January 2017.

Yours faithfully,



Dilip Asbe
Chief Operating Officer