

FICCI comments on Cabinet’s decision on initiating measures to promote digital payments

New Delhi, 25 February 2016: “FICCI welcomes the measures approved by Union Cabinet for promotion of payments through the digital means. These measures will play an important role in laying the foundation for a leading inclusive digital economy”, **said Dr. A Didar Singh, Secretary General, FICCI.**

Steps like withdrawal of surcharge or service charge on card and digital payments will incentivise retail establishments to accept digital modes of payments. These measures will also be instrumental in reducing tax avoidance and curb the flow of black money by changing the landscape of the cash – dominated payment ecosystem.

“Introduction and strengthening of the required infrastructure for digital payments and collections in government departments is noteworthy. Given the high mobile user base in the country, rationalisation of merchant discount rate (MDR) and telecom service charges will enable to leverage mobile banking platform effectively for making payments”, **Dr. Singh** added.

“FICCI feels that holding awareness programmes amongst consumers, especially in the semi-urban and rural areas, and retail establishments will build consumer confidence in digital payments as well as further the financial inclusion agenda of the government. We are confident that these measures will go a long way in moving India from a cash heavy to cash light economy”, **said Dr. Singh.**

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