

DIGITAL HIGHWAY GETS A BIG PUSH

Schemes to boost BHIM app, launch of Aadhaar Pay in the works; target of 2,500 crore digital transactions for FY18

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THE BUDGET has continued with the process of pushing for a digital economy set in motion in the aftermath of the demonetisation of high-value currency notes. Finance minister Arun Jaitley said that there are plans to promote usage of the Bharat Interface for Money (BHIM) app through two new schemes: A referral bonus scheme for individuals and a cashback scheme for merchants. The app has been adopted by 125 lakh people so far, Jaitley said.

Aadhaar Pay, a merchant version of the Aadhaar Enabled Payment System (AEPS), will be launched shortly, he added. "This will be specifically beneficial for those who do not have debit cards, mobile wallets and mobile phones."

The government will set up a mission with a target of 2,500 crore digital transactions for FY18 through UPI, Unstructured Supplementary Service Data (USSD), Aadhaar Pay, IMPS and debit cards. Banks have a target to introduce 10 lakh new point-of-sale (PoS) terminals by March 2017. They will be encouraged to introduce 20 lakh Aadhaar-based PoS terminals by September 2017.

The digital payment infrastructure and grievance-handling mechanisms will be strengthened, with a focus on rural and semi-urban areas through post offices, fair price shops and banking correspondents. Mea-

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sures will be taken to promote, or even mandate, petrol pumps, fertiliser depots, municipalities, block offices, road transport offices, universities, colleges, hospitals and other institutions to have facilities for digital payments. A proposal to mandate all government receipts beyond a prescribed limit through digital means is also under consideration.

The government will review the Payment and Settlement Systems Act, 2007 in light of the proposals of the panel on digital payments headed by former finance secretary Ratan Watal. These include the creation of a payments regulatory board in the RBI to replace the existing Board for Regulation and Supervision of Payment and Settlement Systems.

AP Hota, managing director and CEO of National Payments Corporation of India (NPCI), said, "We are happy that the government is focusing on digital payments and considering our products to cater to our diversified population."

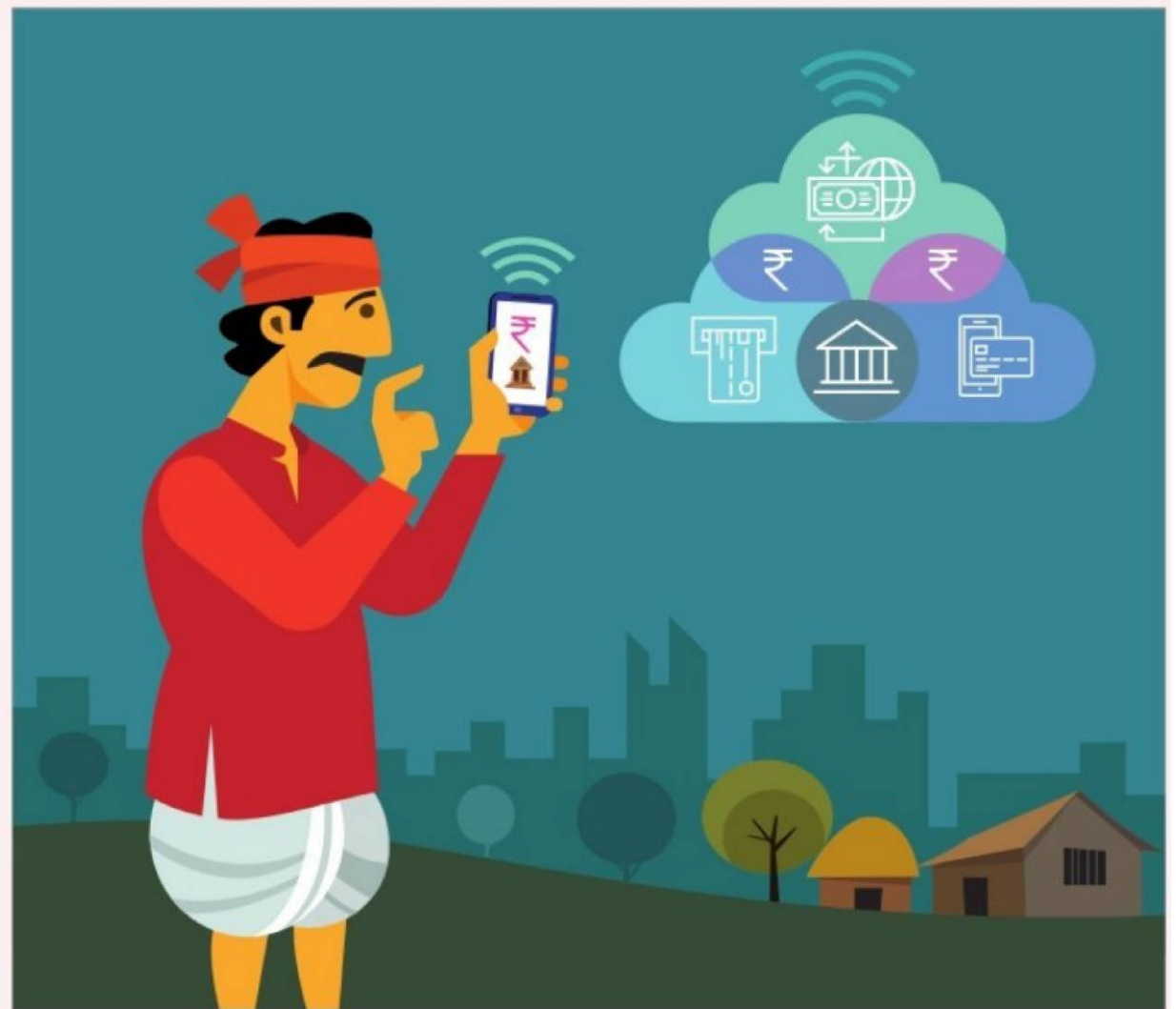


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