

SWIPING ON

Cashless transactions and digital money get the reality boost

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Mumbai: From incentives for using digital payments apps to abolishing customs duties on fingerprint readers, the stage is set for a pervasive digital payments reality.

Fuelling the country's vision for a cashless economy, the Union Budget uncovered numerous provisions that are poised to fillip the cause of digital payments in the country.

Defining the digital payments goal at the outset, Finance Minister Arun Jaitley announced a target of Rs 2,500 crore digital transactions for the year 2017-18 via instruments like UPI, USSD, Aadhaar Pay, IMPS and debit cards. To help achieve this, banks have also been tasked with deploying an additional 10 lakh new Point of Sale (PoS) terminals by March

2017, and 20 lakh Aadhaar-based PoS systems by September this year to make it easier for citizens to access funds without relying on cash exchange.

A new payment system called Aadhaar Pay will also be introduced, enabling merchants to facilitate digital payments even for users not in possession of a debit card, mobile wallet or smartphone.

Since the UPI-powered BHIM app was launched on 31 December 2016, 125 lakh people have used it thus far, revealed Jaitley during his address. To further drive adoption of this app, he announced two additional schemes: a referral bonus that individuals can avail of, and a cashback scheme for merchants who utilise the system.

One of the key factors driving pervasive use of digital technolo-

gies is the proliferation of PoS devices such as fingerprint scanners and other mobile equipment that enables authentication of an end user during a digital payment. To facilitate the deployment of these devices, the budget has abolished customs duties on the import of products such as miniaturised PoS devices, Micro ATMs, iris scanners, and fingerprint scanners (excluding those integrated in smartphones and tablets.)

There were other services announced such as e-NAM that aims to drive operational and legal frameworks to integrate spot market and derivatives market for commodities trading, and RAPID (Revenue, Accountability, Probity, Information and Digitisation) for more seamless tax filing, both of which tie into the vision of a cashless, digital payments society.