

UIDAI favours sops to merchants using Aadhaar payment system

New Delhi, Jan 20: In a bid to promote Aadhaar-based payment system, especially in rural pockets, UIDAI has favoured “incentives” for shopkeepers using the biometric mode for digital transactions, in line with commission given by banks to business correspondents.

“If a merchant is using Aadhaar-enabled payment systems then he should be put at par with business cor-

respondent and whatever facility and commission is available to the business correspondent, he should be paid on the same lines,” Ajay Bhushan Pandey, CEO of UIDAI, said.

The Unique Identification Authority of India (UIDAI) is the nodal body responsible for rolling out the Aadhaar programme in the country.

“We are saying wherever you do not have business correspondents, supposing a merchant is able to facilitate payment directly from the Aadhaar-linked bank

account, then there has to be a system in which the merchant should get the incentive,” he said.

Doing this would be a win-win for banks too, Pandey said, adding that “it is beneficial for banks also, because banks do not have to hand over that much cash to the Business Correspondent...it is a win-wins situation”.

Pandey said that incentivising shopkeepers who adopt the biometric payment system would also “remove an extra layer” as consumers today approach banks, ATMs or business correspondents for withdrawal of money to purchase items such as ration.

“Once this incentive is given, it will give a solid push to digital payment particularly to those sections who do not have access to cards, smartphones, or internet banking. This section of the society will be best dealt, in this manner,” Pandey said.

Noting the current incentive for business correspondent is up to 1% of the transaction value subject to cap of Rs 15, Pandey said where incentivising merchants is concerned, banks could fix the modalities depending on transaction volumes.

“So far as the banks are concerned nothing is changing...the banks were paying this kind of commission to the Business Correspondents and they will continue to pay at similar levels,” he pointed out. *PTI*