

# UIDAI for incentives to merchants using Aadhaar payment

**NEW DELHI:** 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 Correspondent 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, told the news agency.

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.

"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-win situation," he added.

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," he said.

Noting the current incentive for Business



Correspondent is up to one per cent of the transaction value subject to cap of ₹15, Pandey said where incentivising merchants is concerned banks could fix the modalities depending on transaction vol-

umes.

"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.

Pandey said that discussion to this effect is on with all major banks. "They are also evaluating. They also need to take a considered decision. This is the beginning it will take some time," he said.

Aadhaar-based payment

system is currently being used by 1,10,000 business correspondents for disbursing cash, and is also being utilised in Common Service Centres to pay for various services.

Digital payment channels like mobile wallets, USSD and RuPay have seen massive uptake and rise in transactions post demonetisation on November 8. Even in case of Aadhaar-enabled payment

system, the volume of transactions have jumped 2.5 times post demonetisation from 6

lakh a day before November to 15 lakh transactions per day at present. Asked when would 'Aadhaar Pay' be made available to merchants for facilitating cashless transactions using biometrics, Pandey said pilot project in the area of PDS has already been initiated in Andhra Pradesh and Gujarat.

But the time-frame for the full rollout would depend on banks which have to enrol the merchants and also undertake outreach programmes. **PTI**