

North Block, New Delhi
Dated 14th December, 2016

Subject:- Promotion of payments through Cards and Digital means-
implementation thereof.

2. In compliance of these directives of Cabinet, a package for promotion of digital and cashless economy has been announced vide Press Note released on 8th December 2016 as per letter no 10/3/2016-Cy.I of Secretary DEA . Controller General of Accounts, Department of Expenditure vide OM No. 1(1)/2006/ECS/TA/325 dated 14 July 2016 has earlier issued certain guidelines towards payment of Govt. money through debit/credit cards and net banking facility.

3. Utility charges and convenience fee levied and collected by different Ministries and Departments have been analysed by this Ministry. To further accelerate the process of digital transactions, besides the detailed package for promotion of digital and cashless economy already announced by Finance Minister on 8th December 2016, following decisions of the Govt. are conveyed for compliance and further necessary action by Ministries/Departments:-

- i. For all utility bill payments, customer should get 1% cash back, subject to certain ceiling to be decided by the Department. Cash back may also be provided in the form of discount. The expenses shall be borne by the Utility Company. Nodal Ministry/Department shall issue appropriate advisory in this regard to the State Governments for utility services provided by undertakings of State Governments.
- ii. All convenience fee/charges for digital payments levied on customers by the Union Government for various services should be waived. In case these

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services are provided through independent enterprises/entities, respective Ministry/Department shall examine the terms of engagement with these enterprises/entities with a view to ensuring that no convenience fee for digital payment is charged from the customers.

4. No additional budgetary support will be sought by the Ministry/Department towards cash back and convenience fee waiver by utilities. However, as already communicated vide OM dated 14th July 2016, Government will bear Merchant Discount Rate Cost for which detailed guidelines are being issued separately.

5. This issues with the approval of Finance Minister.



(Annie G. Mathew)

Joint Secretary(Pers)

To

Secretaries of all Ministries and Departments.