

F. No. 9/31/2012-FI (C-300321020)

Government of India
Ministry of Finance
Department of Financial Services

3rd floor, Jeevandeep Building
Sansad Marg, New Delhi – 110 001
Dated 8th August 2017

To:

Chairman
Indian Banks' Association (IBA)
Mumbai

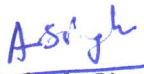
Subject: Promotion of digital payments

Sir,

Please refer to Department of Financial Services' letter of even number, dated 5.7.2017, requesting IBA to appropriately follow up on the following recommendations made by the Committee of Secretaries in its meeting held on 21.6.2017:

- (i) Banks may re-examine the charges levied by them on cash handling, withdrawal and deposits, with the objective of incentivising digital transactions over cash transactions.
 - (ii) Banks should proactively promote digital transactions and take all necessary steps to make them cheaper for customers than cash transactions. If necessary, cross-subsidisation of low value digital transactions by high value digital transactions or by cash transaction may be considered for this purpose.
 - (iii) Banks may re-examine the current policy of allowing certain number of free cash transactions, while charging for every digital transaction.
2. Action taken in the matter may please be intimated.

Yours faithfully,


(Ashok Singh)

Director

Tel: 011-23346874