

CAIT DEMAND DIGITAL PAYMENT REGULATION BOARD & WAIVING OF CHARGES ON DIGITAL PAYMENTS

Faster adoption & acceptance of digital payments in India among the trading community and general masses can be achieved if transaction charges levied by the banks on digital payments is waived and a Digital Payments Regulation Board is constituted -opined trade leaders at a national seminar held at New Delhi yesterday by the Confederation of All India Traders (CAIT). The seminar was inaugurated by Shri Rohit Singh, Secretary, Consumer Affairs and also attended by Shri Navneet Goel, Chief Commissioner, CGST, Excise & Custom for MP & Chattisgarh besides trade leaders from Delhi and other states.

In the wake of RBI issuing digital-e-rupee reflecting intentions of the Government to create a less cash society, the CAIT has announced to launch a nationwide knowledge series “ Digital Bhugtan Se Vyapar Aasaan” in association with MasterCard as its technology partner, to make trading community aware about the impact of digital-e-rupee in its current business format as also why it has become essential to adopt and accept digital payments in the business particularly when the consumers are rapidly adopting digital payments for their purchases. The nationwide campaign will work to enable access to digital learning for Indian traders across the Country including tier 3 and tier 4 cities via a series both in virtual & physical mode knowledge sessions conducted during the current year. Senior ministers from the Government, heads of public sector banks, fintech and experts from various sectors will be invited to conduct the virtual and physical knowledge sessions that will focus on a range of topics that are important to MSMEs and traders. These topics include challenges in digital adoption, new product innovations to help traders and businesses get online, and safety and security of digital payments. The CAIT will also join hands with national organizations of transport, MSMEs, consumers, farmers, hawkers, self entrepreneurs, women entrepreneurs and start ups. The nationwide campaign will run through across the Country with the help of thousands of trade associations working all over the Country.

Speaking at the event, Shri Rohit Singh said that traders & consumers are synonymous to each other and hence the traders must adopt digital technology to meet the choice of the consumers who have become tech savvy . He said that change is inevitable and accordingly the traders should bring reforms in their business and more transparency which will yield good results to them in long run. Digitalisation has become order of the day and once adopted it will expand the business network tremendously.

CAIT National President Mr B C Bhartia said that Transaction charges are one of the major deterrent in faster adoption of digital payments in the Country and as such the Government should provide a 5 year Transaction charges holiday and directly subsidies charges directly to the Banks.

CAIT Secretary General Shri Praveen Khandelwal suggested that the Government should frame a comprehensive incentive policy for the persons and business entities using any mode of digital payments. He also suggested to form a Digital Payment Promotion Board comprising of senior officials and representatives of traders and consumers.

The Government has drafted an incentive proposal in August, 2015 which spells out certain tax benefits and waiver of transaction costs charged by Banks. While urging the Government to implement said proposals, the CAIT said that proposal to provide incentives to shopkeepers accepting payments in business transactions through digital payments will encourage traders to embrace e-payment system. While citing a report of United States Agency for International Development (USAID) in context of payment landscape of India, it is said that about 97% retail transactions are done in cash whereas only 11% consumers use debit card for payment and merely 6% merchants in India accept electronic payments. The report further says that 82% customers are unaware about making transactions through mobile whereas about 79% customers are unaware about online banking. About 89% merchants are in favour of using debit card. The most important reasons for merchants not adopting electronic payment system includes lack of awareness among them about electronic payments.

Mr. Ravi Aurora, Executive Director, Global Policy Affairs & Community Relations, Mastercard said, "To support the Indian government's vision of a Digital India, Mastercard has been relentlessly focused on enabling MSMEs to adopt digital tools and accelerate digital financial inclusion. Mastercard is delighted to launch this new initiative, with long-standing partner CAIT, that will help to narrow the digital knowledge gap for small businesses while also raising awareness of existing schemes by the Government of India."