



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2016-17/228

DGBA.GAD.No.2128/44.02.001/2016-17

February 16, 2017

All Agency Banks

Dear Sir,

Reimbursement of Merchant Discount Rate

The Government of India (GoI) has decided to absorb the Merchant Discount Rate (MDR) charges in respect of debit card transactions while making payments to GoI. The Office Memoranda issued by the Office of Controller General of Accounts dated [December 14](#) and [15](#), 2016 and Central Board of Direct Taxes dated [January 30, 2017](#) in this regard are enclosed. Agency banks may also be guided by the extant RBI Circulars regarding the applicable MDR rates.

2. In order to operationalise the above, RBI will reimburse banks the MDR on debit cards used for payment of tax and non-tax dues to the Government of India with effect from January 1, 2017. Agency banks are advised to forward their claim for reimbursement of MDR along with statutory auditor's certificate, as in the case of agency commission claims, to our CAS Nagpur on a quarterly basis. The claims may be signed by the Officer-in-Charge of the Government Banking Division of the bank. He should also certify that MDR charges for transaction amounts upto ₹ 1.00 lakh have not been collected from the payer. The first such claim may be made by April 30, 2017 for the quarter ending March 31, 2017.

Yours faithfully,

(Partha Choudhuri)
General Manager

Encl: Five