

		200 crores within 5 years)
<b>FDI allowed?</b>	Yes. Up to 74%	Yes. Up to 74%
<b>Accept Deposits</b>	Only Demand Deposits. No Fixed Deposits and NRI Deposits	Yes.
<b>Restrictions on Deposits</b>	Up to Rs 2 Lakhs	No Restrictions
<b>Deposit Insurance Available?</b>	Yes	Yes
<b>Can Lend Loans</b>	No	Yes. At least 50 per cent of its loan portfolio should constitute loans and advances of up to Rs 25 lakh
<b>Issue Debit/Credit Card</b>	Only Debit Card. No Credit Card	Both can be issued
<b>Set up based upon recommendations of</b>	Nachiket Mor Committee	Nachiket Mor Committee
<b>Committee to evaluate applications for License</b>	Nachiket Mor Committee	Usha Thorat Committee
<b>SLR and CRR applicable</b>	CRR Applicable; SLR: 75% of Deposits.	CRR and SLR Applicable
<b>BASEL Norms applicable</b>	Yes. 15% of RWAs	Yes. 15% of RWAs
<b>PSL Norms applicable</b>	No. Can't lend Loans	Yes. Target: 75%.
<b>Examples</b>	Airtel, India Posts Payment Bank, Paytm, FINO etc.	Ujjivan, Utkarsh, Jana, Au etc.

## NEW SCHEME FOR MDR

#BANKING



The Union Cabinet has recently approved an incentive scheme to promote RuPay Debit cards and low-value BHIM-UPI transactions in the country. Under the scheme, the Banks would be compensated for the zero Merchant Discount Rate (MDR) charges on the RuPay Debit Cards and UPI transactions.

### MERCHANT DISCOUNT RATE (MDR)

MDR is a fee charged from the merchants by the bank for accepting payments from customers through credit/debit cards/QR Code in their establishments. The merchant discount rate is expressed in percentage. This charge is in turn distributed among three stakeholders—*customer's bank, merchant's bank and payment system operator (Visa, Mastercard, NPCI- RuPay or BharatQR).*

### PRESENT MDR CHARGES

Sr. No	Merchant Category	Merchant Discount Rate (MDR) for debit card transactions (as a % of transaction value)	
		Physical POS infrastructure	Digital POS
1.	Small merchants	Not exceeding 0.40%	Not exceeding 0.30%
2.	Special category of merchants	Not exceeding 0.40%	Not exceeding 0.30%
3.	All other category of merchants (other than Government)	Not exceeding 0.95%	Not exceeding 0.85%
4.	Government Transactions	<ul style="list-style-type: none"> <li>Flat fee of INR 5 for transaction value INR 1 to INR1000</li> <li>Flat fee of INR 10 for</li> </ul>	