

OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS,  
ULAN BATAR ROAD, PALAM, DELHI CANTT.-110010  
Tel:011-25665548,25665583/84,25665736/37,  
Fax: 011-25674786

No. A/III/12157/ECS/Comm

dated 12.07.2017.

To

PCDA/CDA

**Sub: Clarifications regarding practices of netting of applicable MDR charges on Government dues paid through debit cards.**

Reference is invited to office of the Controller General of Accounts, Ministry of Finance, Deptt. of Expenditure Office Memorandum bearing No. S-11012/1(12)/MDR/2017/RBD/824-894 dated 11th May 2017 (copy enclosed) on the cited subject.

2. Controller General of Accounts, Deptt. of Expenditure, has earlier issued a Office Memorandum No. F. NO. 1 (1)/2006/ECS/TA/669 dated 14.12.2016 and F. No. 1 (1)/2006/ECS/TA/670 dated 15. 12.2016 (copies enclosed) regarding operational modalities for the absorption of MDR charges by Government of India in respect of receipts through debit/credit cards.

3. In the Office Memorandum dated 14.12.2016 and 15.12.2016, CGA has directed that the authorized collection banks receiving Government of India dues i.e. tax revenue and other receipts through the above payments modes shall submit the claims of applicable MDR charges in respect of Government transactions to RBI periodically, RBI, after due scrutiny, would reimburse such authorized banks' claims of applicable MDR charges on Government receipt transactions through credit to the concerned bank and debit the Government as per budget provision.

4. Office of CGA vide their OM dated 11 the May 2017, has underlined the issue of Ministries/Departments that **agency bank digitally collecting the receipts of the Government are not remitting the full amount thereof and the net amount only is being credited to Government Account. However, the principals of Operations of Government Account, the full amount**

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No. S-11012/1(12)/MDR/2017/RBD/ 824-894  
O/o the Controller General of Accounts  
Ministry of Finance  
Department of Expenditure  
MahalekhaNiyantarakBhawan  
E Block, GPO Complex, INA, New Delhi  
Tele: 011-24665384, Fax : 011-24649365  
Email: [sao-rbd@nic.in](mailto:sao-rbd@nic.in)

Dated: 11<sup>th</sup> May 2017

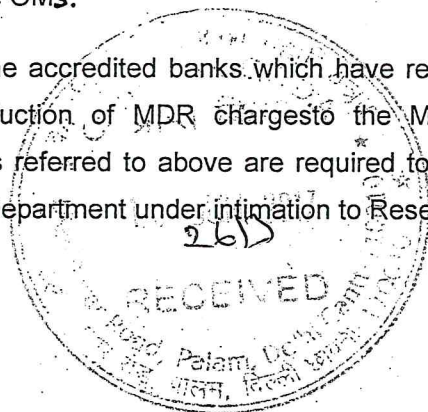
Office Memorandum

Subject: Clarifications regarding practices of netting of applicable MDR charges on Government dues paid through debit cards

A reference is invited to this office OM No. F. No. 1(1)/2006/ECS/TA/669 dated 14<sup>th</sup> December 2016 and OM of even number 670 dated 15<sup>th</sup> December 2016 regarding operational modalities for the absorption of MDR Charges for payment of Government dues through debit cards upto Rs. 1 lakh.

2. References are being received from the Ministries/Departments that agency banks digitally collecting the receipts of the Government are not remitting the full amount thereof and the net amount only is being credited to Government Account. As per Principles of Operations of Government Account, the full amount paid to the Government by the customer should be credited through RBI to Government Account. MDR charges, where reimbursable, shall be separately claimed from RBI by agency banks as per the procedure prescribed in the above OMs.

3. The accredited banks which have remitted the net amount of Government receipts after deduction of MDR charges to the Ministries/Departments in contravention of the guidelines referred to above are required to remit the same immediately to the concerned Ministry/Department under intimation to Reserve Bank of India.



  
(Neeraj Kumar Sharma)  
Deputy Controller General of Accounts (RBD)

To

1. General Manager/Dy. General Manager (Government Business) of all Authorised Accredited Banks.
2. Chief General Manager, Reserve Bank of India, DGBA, Mumbai.
3. Chief General Manager, Reserve Bank of India, DPSS, Mumbai

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F. No. 1(1)/2006/ECS/TA/669  
Office of the Controller General of Accounts  
Department of Expenditure, Ministry of Finance  
Mahalekha Niyantarak Bhawan, New Delhi

Date 14.12.2016

Office Memorandum

**Subject: Guidelines for payment of applicable MDR charges on Government dues through debit/ credit cards**


A reference is invited to this office OM No. 1(1)/2006/ECS/TA/335 dated 14<sup>th</sup> July, 2016 on the above subject. The Government of India decision for promotion of payments through cards and other digital means as conveyed vide OM no. 01/02/2015-Cy.II/Vol.V/278-371 dated 29<sup>th</sup> February, 2016 also refers. The operational modalities for the absorption of MDR charges by Government of India in respect of receipts through debit /credit cards are approved, as given hereunder.

2. Budget Division will make the necessary budget provision under relevant head of Account in the Demand for Grant of the Department of Economic Affairs, Ministry of Finance for payment of MDR charges, as applicable, in respect of all receipt transactions of Government of India.

3. The authorized collecting banks receiving Government of India dues i.e. tax revenue and other receipts through the above payment modes shall submit the claims of applicable MDR charges in respect of Government transactions to RBI periodically. RBI, after due scrutiny, would reimburse such authorized banks' claims of applicable MDR charges on Government receipt transactions through credit to the concerned Bank and debit the Government as per budget provision under the head of account in the designated scheme in the Demand for Grant of the Department of Economic Affairs, Ministry of Finance. The amount so paid will be reflected in the payment scroll to be sent by RBI to PAO, Department of Economic Affairs, Ministry of Finance.

4. On receipt of Payment scroll, PAO, Department of Economic Affairs, Ministry of Finance will debit the expenditure head of Account for MDR charges maintained centrally in Demand for Grant of Department of Economic Affairs by per contra credit to the Major Head 8675-Deposits with Reserve Bank-101- Central -Civil.

This issues with the approval of Finance Secretary.

  
(Soma Roy Burman)  
14.12.16

Joint CGA

To

- 1) All Secretaries to Government of India.
- 2) CGDA.
- 3) Financial Commissioner, M/o Railways.
- 4) All Financial Advisors, Ministries/ Departments of Government of India.
- 5) All Principal CCAs/CCAs/CAs (Independent Change).

Copy to:

1. Finance Secretary, Ministry of Finance
2. Secretary, Department of Economic Affairs
3. Secretary, Department of Financial Services
4. Secretary, Department of Revenue
5. Secretary, DIPAM
6. Joint Secretary (Pers.)
7. Joint Secretary (Budget)
8. Governor, RBI (Attn: Sh. R. Gandhi, Dy. Governor)
9. CGM (Sh. G. Sreekumar), DGBA, RBI
10. GM, Govt. Business Unit, All Authorized Banks

F. No. 1(1)/2006/ECS/TA/670  
Office of the Controller General of Accounts  
Department of Expenditure, Ministry of Finance  
Maha Lekha Niyantarak Bhawan, New Delhi


15<sup>th</sup> December, 2016

**OFFICE MEMORANDUM**

**Subject: Guidelines for payment of applicable MDR charges on Government dues through Debit/ Credit cards- Incentivizing payments by citizens upto Rs.1 Lakh reg.**

In continuation of OM No. 1(1)/2006/ECS/TA/669 dated 14<sup>th</sup> December 2016, it is clarified that the procedure outlined in the OM is applicable to tax, non-tax and other payments upto Rs.1 Lakh to Government of India made by citizens using Debit cards. Accordingly, applicable MDR charges on Debit cards for payment upto Rs.1 Lakh (Rupees One Lakh) shall be absorbed by Government of India in the manner prescribed.

This issues with the approval of Finance Secretary.

  
15.12.16  
(Soma Roy Burman)  
Joint CGA

To

1. All Secretaries to Government of India.
2. CGDA.
3. Financial Commissioner, M/o Railways.
4. All Financial Advisors, Ministries/ Departments of Government of India.
5. All Principal CCAs/CCAs/CAs (Independent Change).

Copy to:

1. Finance Secretary, Ministry of Finance
2. Secretary, Department of Economic Affairs
3. Secretary, Department of Financial Services
4. Secretary, Department of Revenue
5. Secretary, DIPAM
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7. Joint Secretary (Budget)
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