

SBP takes measures to boost digital payments

KARACHI: The State Bank of Pakistan on Monday issued instructions to banks for further proliferating the use of cards in the country.

Specifically, three steps have been taken: banks are now bound to offer the domestic card scheme, PayPak, to customers as a first priority whereas international options like Visa, MasterCard and UnionPay may be issued on the request of customer; merchant discount rate, ie the fee charged by banks to the merchants, will now be in the range of 1.5-2.5 per cent (earlier they had discretionary power); and the distribution of revenues generated from a merchant among the players – including card issuer, card machine deploying entity and the payment scheme company — has also been rationalised to keep the incentives equitable among all.

Addressing another gap in cheque clearing whereby it took weeks to clear cheques in far flung areas of the country, the SBP has allowed the use of Pakistan Real Time Interbank Settlement Mechanism for their settlement.