

No. 32(07)/PF II/2011  
Ministry of Finance  
Department of Expenditure  
(Plan Finance-II Division)

North Block, New Delhi  
Dated the April 09, 2013

**OFFICE MEMORANDUM**

**Subject: Direct Benefits Transfer: Payment of Commission to BCs**

Reference is invited to the subject mentioned above.

2. The issue related to payment of appropriate commission to Banking Correspondents (BCs) in respect of payments made under the Direct Benefit Transfer (DBT) Schemes has been considered. Considering that (i) a viable BC network and a reasonable recompense to Banks are a pre-requisite to successful implementation of the DBT scheme; and (ii) it will take some time to develop necessary software tools to distinguish transactions completed through normal banking channels and through BCs, it has been decided that:

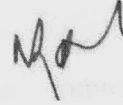
(a) Commission shall be payable to the Banks at a flat rate of 1% on the total amount transferred under DBT, till the time necessary software tools to distinguish DBT/non-DBT transactions are in place in the banks. The above commission is admissible subject to the condition that after the next six months, it would be examined by the banks whether the amount transferred through BCs is more than or equal to the amount transferred under DBT. If it is found that the amount transferred through BCs is less than the amount transferred under DBT, then the commission would be reduced on a pro-rata basis;

(b) Once, it is technologically possible to ascertain the value of transactions through BCs, commission at a rate of 2% of the amount actually transferred through BCs under the DBT scheme shall be admissible to the banks;

(c) The payment of commission shall be made to banks through the sponsoring bank of the concerned scheme;

(d) The above mechanism shall be applicable in respect of all the schemes, where funds are directly being transferred to the beneficiaries under DBT and those which shall be included, in future, under the DBT;

(e) The above arrangement shall be positively reviewed after one year, to decide on changes, if any, required in the commission rates/ methodology of the system.



(Neehar Ranjan Pandey)  
Deputy Secretary  
[011-23093109; neehar.p@nic.in]

Secretary [Planning Commission / Financial Services/ School & Literacy / Labour and Employment / Women & Child Development / Tribal Affairs / Social Justice & Empowerment / Minority Affairs / Higher Education / Health and Family Welfare / Communication & Information Technology].  
Director General (UIDAI)/ Director General (NIC)/Controller General of Accounts.

Copy also to: Principal Secretary to the Prime Minister for kind Information.