Payments Infrastructure Development Fund (PIDF) Scheme

October 7, 2023 • vajiramandravi.com

About Payments Infrastructure Development Fund (PIDF) Scheme

- It was first **launched by the RBI in** January **2021 for a period of three years**.
- **Objective**: **Increasing the number of payment acceptance devices** multifold in the country.
- PIDF is a **fund set up by the RBI**, in consultation with major authorised card networks, **to facilitate the development of payment acceptance infrastructure in tier-3 to tier-6 cities and** the **north-eastern states** of India.
- **The Union Territories of Jammu and Kashmir and Ladakh** will also be **given special focus**.
- **Beneficiaries of the PM SVANidhi Scheme** in Tier-1 and 2 centres **were later included** in August 2021.

Funding:

- The PIDF is **funded by the RBI and the major authorized card networks** in India.
- The scheme **provides financial assistance to banks and non-bank financial companies (NBFCs) for the deployment ofPoS terminals** and other payment acceptance infrastructure in eligible regions.

Allocation:

- When establishing criteria for fund allocation, **the primary objective will be to** identify and **assist merchants who have not yet adopted payment acceptance technology,** specifically those who lack any payment acceptance devices.
- These merchants may be **eligible to receive one physical and one digital acceptance device** each through the program.
- **Merchants providing essential services** (transport, hospitality, etc.), **government payments,** fuel pumps, PDS shops, healthcare, kirana shops, street vendors, etc., **may be covered, especially in the targeted geographies**.

Governance:

- The PIDF will be **governed through an Advisory Council** and managed **and administered by the RBI.**
- The **implementation of targets shall be monitored by the RBIwith assistance from card networks**, the Indian Banks' Association (IBA) and the Payments Council of India (PCI).

What is PM Vishwakarma scheme?

- It is a **Central Sector Schemelaunchedon** 17th September, **2023, with a financial outlay of Rs.13,000 crore.**
- **Time period: Five years** (FY 2023-24 to FY 2027-28).

Aim:

- **This initiative supports** small businesses, focusing on **traditional artists and craftspeople.**
- It **provides small workers and craftsmen with financial help, training**, improved methods, and **skill mentoring.**
- It also **aims at improving the quality as well as the reach of the products** and services of artisans and craftsmen.
- Under this scheme, the artisans and craftspeople **will be provided recognition through the PM Vishwakarma certificate and ID card**, **credit support upto** Rs.1 lakh (first tranche) and **Rs.2 lakh (second tranche), with a concessional interest rate of 5%.**

Key Facts about PM SVANidhi Scheme:

- **Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi** (PM SVANidhi) Scheme was launched by the Government of India in June, 2020.
- **Objective**: To **empower street vendorsby** not only **extending loans to them** but also for their holistic development and economic upliftment.
- The scheme intends to **facilitate-collateral free working capital loans of up to Rs.10,000/- of one-year tenure, to approximately 50 lakh street vendors**.
- **Nodal Ministry: Ministry of Housing and Urban Affairs.**

Q1: What is the Payments Council of India (PCI)?

PCI was formed under the aegis of IAMAI in the year 2013 catering to the needs of the digital payment industry. The Council was formed inter-alia for the purposes of representing the various regulated non-banking payment industry players, to address and help resolve various industry level issues and barriers which require discussion and action. PCI works closely with the regulators i.e. Reserve Bank of India (RBI), Finance Ministry and any similar government, departments, bodies or Institution to make 'India a less cash society'.

Source: RBI extends payments infrastructure scheme by 2 years till Dec 2025, expands scope

---