INDIAN ECONOMY 24 September 2026

GST Council to Review 18% Levy on UPI Merchant Fees

The GST Council scheduled a meeting on October 7, 2026, to discuss the applicability of GST on merchant discount rates for UPI transactions.

An initiative by the GST Council to deliberate on imposing an 18% Goods and Services Tax on merchant discount rates for digital payments exceeding Rs 2,000.

KEY EXAM POINTS

- The **GST Council** meeting is scheduled to take place on **October 7, 2026**, in New Delhi.
- The council will review the **18%** GST levy on merchant discount rate for UPI transactions exceeding **Rs 2,000**.
- Effective **October 15**, UPI merchant payments above Rs 2,000 will attract a **0.4 per cent** merchant discount rate with a cap of Rs 300.
- The **Goods and Services Tax Council** is chaired by the **Union Finance Minister** and comprises state counterparts.
- **NPCI** chief indicated that the proposed 0.4 per cent UPI MDR could recover **Rs 15,000 crore** in the first year.

DID YOU KNOW..!?

The Goods and Services Tax Council is established under **Article 279A** of the Indian Constitution.

The GST system in India was implemented on **July 1, 2017**, following the **101st Constitutional Amendment Act**, 2016.

National Payments Corporation of India is an umbrella organization for operating retail payments and settlement systems in India.

Unified Payments Interface was developed by NPCI and launched in the year **2016**.

The **Union Finance Minister** acts as the Chairperson of the GST Council as per constitutional provisions.

REVISION FLASHCARD

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Syllabus Relevance: Highly relevant for Indian Economy syllabus under fiscal policy, taxation, and digital economy developments.

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