

PayNet clarifies matter of fee for DuitNow QR transaction

By Mandy Leong - September 28, 2023 @ 2:23pm

In explaining the matter, it said a waiver on the merchant discount rate (MDR), which was implemented four years ago would expire on Nov 1.

MDR is a fee that merchants pay for accepting card payments.

In a statement issued today, PayNet said the MDR was initially waived to promote QR payments in 2019, and it was extended due to the Covid-19 pandemic.

"In fact, e-payments made by customers to merchants are usually subject to MDR, which is charged based on a percentage of the transaction value. Currently, MDRs are applicable to debit and credit card payments, while QR payments have been exempted.

"Nov 1 is the beginning of the termination of the MDR waiver, which should have been done more than nine months ago," it said.

Paynet said the MDR which is collected is shared between the company and acquiring banks or third-party acquirers to cover network's maintenance and expenses associated with onboarding merchants.

It said a reserve fund will be established with the MDR collected by Paynet to incentivise acquirers to not impose MDR on small merchants.

When addressing concerns on whether costs would be passed on customers, Paynet said prices of goods and services would not be affected after the implementation of MDR.

"Purchases made using credit and debit cards are already subject to MDR, yet are priced the same as cash purchases.

"Therefore, we anticipate the situation to be similar and do not expect the prices of goods and services to be affected by DuitNow QR purchases after MDR is imposed."

It also clarified that a RM0.50 fee only applies to peer-to-peer fund transfers exceeding RM5,000 between personal QR codes, and not payments to merchants.

"This fee is unrelated to the aforementioned MDR and will not be imposed on the same transaction under any circumstances," said PayNet.