

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2910  
ANSWERED ON:29.08.2012  
ABOLITION OF PPF AGENT COMMISSION  
Pathak Shri Harin

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has abolished the Public Provident Fund (PPF) agent commission;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government plans to restore PPF agent commission; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Yes, Madam.

(b): The payment of commission to agents of Public Provident Fund (PPF) and Senior Citizens Savings Scheme has been discontinued, with effect from 1st December 2011. Commission under all other schemes (except MPKBY Agents) has been reduced from 1% to 0.5%. However, commission to Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) agents will continue at the existing rate of 4%.

(c): No, Madam.

(d): The Committee set up by the Government for comprehensive review of National Small Savings Fund (NSSF) had, inter-alia, recommended rationalisation of commission rate structure. Based on the recommendations of the Committee, the Government has decided to reduce/abolish the agency commission. Market linked rates to investors, market linked interest rates on loans to States and Centre and viability of NSSF can only be ensured if the administrative cost of NSSF, of which this commission is a part, is brought down and the benefit of market alignment of rates is passed on to the investor rather than burdening the structure with higher administrative costs. To this effect, the decision of Government is pro investor and also keeps in mind the interest of agents where required.