

RBI/2010-11 /259

DPSS (CO) RTGS No. 1008 / 04.04.002 / 2010-2011

November 03, 2010

Chairman and Managing Director /
Chief Executive Officer of all banks participating in RTGS and NEFT

Madam / Dear Sir,

Electronic Funds Transfer Infrastructure in India – Usage of RTGS and NEFT

Please refer to our earlier circulars DPSS (CO) RTGS No. 729 / 04.04.002 / 2006 – 2007 dated December 1, 2006 (introducing the threshold value limit for customer transactions in RTGS to Rs 1 lakh) and [DPSS \(CO\) No. 611 / 03.01.03 \(P\) / 2008 – 09 dated October 8, 2008](#) (levy of service charges for electronic payment products).

2. The Indian RTGS system has displayed tremendous growth in both transactions volume and the values that it has been processing since its inception in March, 2004. With the increasing number of electronic payment transactions, it has become expedient to position the Indian RTGS system primarily for processing and settling large value payment orders. Further, RBI has set up a robust retail electronic funds transfer system in the form of National Electronic Funds Transfer (NEFT) system, with near real-time settlement finality with 11 settlement cycles in a day.

3. It has, therefore, been decided in consultation with system participants to increase the threshold value limit for RTGS transactions from the present limit of ₹ 1 lakh to ₹ 2 lakhs. As an incentive to customers to move their transactions to NEFT, a new value band in the ₹ 1 lakh to ₹ 2 lakh segment has been created, with customers having to pay lower charges vis-à-vis RTGS transactions. The details of the existing service charges and the revised service charges are given below:

Electronic Funds Transfer Infrastructure in India – Usage of RTGS and NEFT

System	Value Band	Customer Charges	
		Existing	Revised
RTGS	₹ 1 lakh to ₹ 2 lakhs	₹ 25	-
	above ₹ 2 lakhs to ₹ 5 lakhs	₹ 25	₹ 25
	above ₹ 5 lakhs	₹ 50	₹ 50
NEFT	up to ₹ 1 lakh	₹ 5	₹ 5
	above ₹ 1 lakh to ₹ 2 lakhs	₹ 25	₹ 15
	above ₹ 2 lakhs	₹ 25	₹ 25

4. The service charges in the value band ₹ 1 lakh to ₹ 2 lakhs at ₹ 15/- per transaction in NEFT, effectively provides a saving of ₹ 10/- per transaction to the customer. Thus, the special niche value band created in NEFT, is a value proposition for customers providing funds transfer in a timely manner with wider geographical coverage at a lesser cost. This measure would also significantly contribute to further improving the efficiency of the RTGS system.

5. The revised threshold limits for customer transactions in RTGS system and revised NEFT service charges will be implemented with effect from November 15, 2010.

6. All member banks are advised to encourage customers to take advantage of this facility.

Please acknowledge receipt.

Yours faithfully,

(G. Padmanabhan)
Chief General Manager