

**Electronic Funds Transfer System**  
**Procedural Guidelines**

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**Department of Payment & Settlement Systems**  
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**Mumbai**

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## **SECTION - I : INTRODUCTION**

### **Introduction**

1.1 Reserve Bank of India shall introduce a system called "The Reserve Bank of India Electronic Funds Transfer System - 1997" which may be referred to as "RBI EFT System" or "System" and shall include the set of procedural guidelines detailed hereunder, participating banks and institutions and the system of computer and communication network through which funds transfer operation would take place.

### **Objects**

1.2 The objects of the RBI EFT System are :

(1) to establish an Electronic Funds Transfer System to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India, and

(2) to relieve the stress on the existing paper based funds transfer and clearing system.

### **Coverage**

1.3 The System would cover centres viz. Ahmedabad, Bangalore, Bhubneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. Reserve Bank of India (to be referred to as Reserve Bank, herein after) may extend the System, in phases, to other commercially important cities in India.

## **SECTION 2: DEFINITIONS**

2.1 In these Procedural Guidelines, unless the context otherwise requires:

- (a) "Acceptance" means execution of payment order.
- (b) "Bank" means a banking company as defined in Section 5 of the banking Regulation Act, 1949, and includes the State Bank of India, constituted by the State Bank of India Act, 1955, a Subsidiary Bank constituted under the State Bank of India (Subsidiary-Banks) Act, 1959, a Corresponding New Bank constituted under the Banking Companies (Acquisition and Transfer of Under-taking) Act, 1980, a co-operative bank, as defined in Section 56 of part V of the Banking Regulation Act, 1949 and such other banks as may be specified from time to time.
- (c) "Beneficiary" means the person designated as such, and to whose account payment is directed to be made in a payment order.
- (d) "Beneficiary bank" means the branch of the bank identified in a payment order in which the account of the beneficiary is to be credited.
- (e) "EFT" means Electronic Funds Transfer.
- (f) "EFT Centre" means any office designated by the Nodal Department in each of the centres to which EFT system is extended, for receiving, processing and sending the EFT data file and the debiting and crediting of accounts of the participating banks and institutions for settlement of payment obligations or one or more of these functions. EFT Centre is referred to as "Sending EFT Centre" when it receives EFT data file from the participating sending banks and institutions. EFT Centre is referred to as "Receiving EFT Centre" when it receives EFT data file from a sending EFT center.
- (g) "EFT Data File" means an electronic data file of a batch of payment orders for funds transfers, processed and consolidated in the manner specified for transmission of consolidated payment orders and communications concerning payment orders from EFT service branch to the EFT centre. Similar data files between EFT Centres shall be referred to as "RBI Data File". The processed file to be transmitted by the EFT Centre to the service branches shall be referred to as "NCC Data File".
- (h) "EFT" Service Branch" means an office or branch of a bank or institution in a centre designated by that bank or institution to be responsible for processing, sending or receiving EFT data file of that bank or institution in that Centre and to do all other functions entrusted to an EFT service branch by or under these Regulations. EFT Service Branch is referred to as "Sending EFT Service Branch" when it originates an EFT Data File for Funds Transfer. EFT Service Branch is referred to as "Receiving EFT Service Branch" when it receives EFT Data File from Receiving EFT Centre.
- (i) "EFT" System" means the Electronic Funds Transfer System established by these Regulations for carrying out inter bank and intra-bank funds transfers within India,

through EFT centres connected by a network, and providing for settlement of payment obligations arising out of such funds transfers, between participating banks or institutions.

(j) "Execution" of a payment order in relation to a sending bank means the transmission or sending of the payment order by it to the EFT Service Branch; in relation to a Service branch it means transmission of the consolidated payment order in the encrypted EFT data file to the sending EFT center; in relation to the sending EFT Centre it means the transmission of the payment orders to the receiving EFT Centre; in relation to the receiving EFT Centre, it means the transmission of the payment order to the receiving EFT Service Branch and in relation to the beneficiary's bank, it means the crediting the beneficiary's account.

(k) "Funds Transfer" means the series of transactions beginning with the issue of originator's payment order to the sending bank and completed by acceptance of payment order by the beneficiary's bank for the purpose of making payment to the beneficiary of the order.

(l) "Institution" means a public financial institution and includes a department or agency of the Central or State Government or any other organization approved by the Reserve Bank as eligible to open a settlement account with it.

(m) "Nodal Department" means the Department of Payment and Settlement Systems of Reserve Bank which is responsible for implementation, administration and supervision of the EFT System.

(n) "Notified" means communicated electronically or in writing.

(o) "Originator" means the person who issues a payment order to the sending bank.

(p) "Participating Bank or Institution" means a bank or as the case may be an institution admitted for participating into the EFT System pursuant to Paragraph 3 of these Guidelines and whose Letter of Admission has not been cancelled .

(q) "Payment Order" means an unconditional instruction issued by an originator in writing or transmitted electronically to a sending bank to effect a funds transfer for a certain sum of money expressed in Indian rupees, to the designated account of a designated beneficiary by debiting correspondingly an account of the originator.

® "Public Financial Institution" shall bear the meaning assigned to it in Section 4A(1) of the Companies Act, 1956 and includes an institution notified under Sub-section(2) of the Section.

(s) "Public sector bank" means State Bank of India, constituted by the State Bank of India Act, 1955, subsidiary Banks constituted under the State Bank of India (Subsidiary

Banks Act, 1959, the banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of undertaking) Act, 1970 and the Banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1980.

(t) "Reserve Bank" means the Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934).

(u) "Security Procedure" means the set of procedural guidelines at Paragraphs under Section of these Guidelines for the purpose of.

(i) verifying that a payment order, a communication canceling a payment order or an EFT Data File is authorised by the person from whom it purports to be authorized; and

(ii) for detecting error in the transmission or the content of a payment order, a communication or an EFT Data File.

(v) "Sending bank" means the branch of a bank, maintaining an account of and to which payment order is issued by the originator. When the originator is a participating institution, reference to sending bank shall be construed as referring to the sending EFT centre.

(w) "Settlement Account" means an account maintained by a participating bank or institution for the purpose of settlement of payment obligations under EFT Systems.

(x) "Valid Reasons of Non-payment" are the reasons listed as under due to which beneficiary bank fails to make payment to the beneficiary. The reasons are :

a) Beneficiary not having an account with the beneficiary bank

b) Account Number or account name indicated in the payment order not matching with the number or name as recorded at the beneficiary bank.

c) dislocation of work due to circumstances beyond the control of the beneficiary bank such as earth quake, fire etc. at the place where the beneficiary's account details are maintained etc.

## **SECTION - 3 : PARTICIPANTS**

### **Admission necessary for participation**

3.1 No persons shall be entitled to effect a funds transfer in the EFT System, unless the sending bank or institution and the beneficiary bank or institution as the case may be, is admitted for participation in the EFT System.

### **Eligibility for admission as a participant**

3.2 To be eligible to apply for admission, an applicant must

- 1) be a bank or institution,
- 2) have attained and continues to comply with capital adequacy norms, if any, applicable to it.
- 3) is willing and able to comply with the technical operational requirements of EFT System,
- 4) be approved by the Reserve Bank as eligible to maintain a settlement account with it.

Provided that, having regard to the pattern of ownership and such other relevant factors, all or any of the above conditions may be relaxed or dispensed with, if so decided by the Governor.

### **Procedure for Admission**

3.3 Any bank or institution eligible to be admitted in the EFT System may submit to the Nodal Department, duly authenticated application in triplicate, containing full particulars in the form specified at Annexure-I (Form: FT-IA). Every application shall be accompanied by an undertaking in the specified form to abide by the Procedural Guidelines in the event of admission.

3.4 The Nodal Department shall issue Letter of Admission as specified in Annexure-II (Form: FT-IB) to every bank or institution admitted into the EFT System.

3.5 A directory of participating banks and institutions shall be prepared as on 31st December of each year and supplied to every bank and institution either on floppy or on the network. Additions and deletions in the directory may be notified from time to time.

## **Suspension**

3.6 If a participating bank or institution has defaulted in meeting its settlement obligations or paying any charges or fees or complying with any procedural guidelines or for any reasons specified at paragraph 3.15, the Letter of Admission issued to it is liable to be kept under suspension for such period as may be specified in the order of suspension.

3.7 Every order of suspension shall be notified immediately to all the participating banks and institutions including a bank or institution against which the order of suspension is passed.

3.8 An order of suspension may be reviewed and may be revoked at any time by the Governor upon representation received from the concerned bank or institution or on his own. Every revocation shall be notified immediately to all participating banks and institutions.

3.9 A participating bank or an institution shall not, while any order of suspension is in force against it, be entitled to send or receive any EFT data file or otherwise to effect any funds transfer in the EFT System.

Provided that a suspension shall not affect the obligations of the suspended bank or institution, whether incurred before or after the suspension.

## **Withdrawal**

3.10 Any participating bank or institution may, by giving a notice of one month, withdraw from the EFT System.

3.11 No notice under this Regulation shall be effective unless it is given in writing and before the expiry of one month from the date of receipt of notice by the Nodal Department.

3.12 Notwithstanding its withdrawal, a bank or institution shall discharge all its payment obligations arising out of fund transfers attributable to it, whether effected before or after the withdrawal became effective.

3.14 The withdrawal of any participating bank or institution shall be notified to all the participating banks and institutions.

## **Cancellation of Letter of Admission**

3.15 A Letter of admission issued to any bank or institution may be cancelled by the Governor on his being satisfied that such bank or institution has -

i) defaulted in complying with any Regulations or procedural guidelines issued there under from time to time.

ii) been placed under an order of moratorium or an order prohibiting acceptance of fresh deposits or an order of winding up or in respect of which a provisional liquidator has been appointed.

iii) stopped or suspended payment of its debts.

iv) failed to get the order of suspension passed against it under Regulation 8 revoked within a period of three months from the date of order of suspension.

v) has conducted its transactions in the EFT System in a manner prejudicial to the interest, integrity or efficiency of the System.

3.16 No order of cancellation shall be passed without first giving an opportunity of hearing to the concerned bank or the institution.

3.17 Every order of cancellation shall be notified to the concerned bank or institution and also to all other participating banks and institutions in the EFT System.

3.18 Notwithstanding the order of cancellation of Letter of Admission passed against it, such bank or institution shall discharge all its payment obligations arising out of the funds transfers effected in the EFT System.



## **SECTION - 4 : EFT PROCESS FLOW**

4.1 The parties to a funds transfer under this EFT System are the sending bank, the sending service branch, the sending EFT centre, the receiving EFT centre, the receiving service branch at the beneficiary bank.

### **Request for EFT by bank customer**

4.2 A bank customer (i.e. sender or originator) willing to avail of the remittance facilities offered by a sending bank shall submit an "EFT Application Form" authorising the sending bank to debit the sender's account and transfer funds to the beneficiary specified in the EFT Application Form.

4.3 Each participating bank/institution may design the format of "EFT Application Form". A model EFT Application form is given at Annexure-III (Form: FT-2A).

4.4 The sender's request for transfer of funds shall contain no condition other than date on which funds transfer process should be initiated.

4.5 The relationship between the customer (i.e. sender) and the sending bank will be governed by an Agreement to be executed between them. The Agreement shall govern every payment order issued by the customer during the period of validity of the Agreement. A Model Customer Agreement is given at Annexure-IV (Form-2B).

4.6 The value of each EFT transactions shall be for whole rupee only. This stipulation may be clearly indicated on the EFT Application Form.

4.7 The upper limit for individual EFT transaction or payment order shall be fixed by the Nodal Department. As of now, there is no upper limit for individual transaction.

4.8 A transaction within the EFT system will be said to have been initiated when the sending bank accepts a payment order issued by the sender by issuing a "receipt" indicating the date of initiating funds transfer operation and the likely date on which the beneficiary bank may make payment to the beneficiary.

4.9 If in a single payment instruction, the sender directs payments to several beneficiaries, each payment direction shall be treated as a separate payment order.

4.10 A bank branch may reject a customer's request for funds transfer when, in the opinion of the remitting branch,

- i) the customer has not placed funds at the disposal of the sending bank; or
- funds placed is not adequate to cover the sum to be remitted and the service charge; or

ii) the beneficiary details given in the EFT Application form are not adequate to identify beneficiary by the beneficiary bank. The essential elements of beneficiary's identification are :

Beneficiary's Name :  
Centre name :  
Beneficiary Bank Name :  
Beneficiary branch Name :  
Beneficiary's Account Type :  
Beneficiary's Account No. :

4.11 the sending bank shall prominently display at its premises the cutoff time upto who shall receive the EFT Application Forms from its customers.

### **EFT Scroll**

4.12 The sending bank would consolidate the applications received till the cutoff time and forward the EFT Application Forms to its Service Branch with a copy of EFT Scroll. Scroll would contain only the key information pertaining to individual transactions. The model format of the EFT Scroll is given at Annexure-V (Form: FT-2c).

### **Data Entry at Sending EFT Service Branch**

4.13 The sending EFT service branch shall prepare EFT Data File by using the soft package supplied by the Nodal Department. Control procedure should be developed by the sending bank to ensure accuracy in data entry with reference to the data elements furnished in EFT Application Forms/EFT Scroll and inclusion of all relevant transactions in data entry. After EFT Data File is created, the Service Branch should generate Final Listing of Outward Transactions (Report No.EFTR-1A) which would indicate the final position of data transmitted to EFT centre.

### **Data Entry at sending bank level**

4.14 If a participant decides for decentralised data entry at the branch level, there may not be need for movement of much paper documents from the sending bank (i.e. sending branch) to its service branch except for some control reports.

4.15 For decentralised data entry at the branch level, participants themselves would have to develop appropriate software for data entry. The record layout of the EFT Branch Outward file to be created at the branch is given at Annexure-VI. The data file created at the branch shall be transmitted through a network or sent on a floppy diskette to the service branch. The procedure for data transmission may be worked out by the participating banks/institution. It is recommended that the data file shall be encrypted and if sent through a floppy, should preferably be accompanied by a paper listing/scroll of the transactions contained in the floppy.

4.16 The data file prepared at the branch level will be merged with the data file prepared at the service branch. While merging the data, the service branch would have an opportunity to verify the data with reference to the paper listing/scroll received from branches.

#### **National Clearing Cell (NCC) to function as EFT Centre**

4.17 At centres where Reserve Bank has National Clearing Cell (NCC), the data processing functions pertaining to "EFT Centre" shall be discharged by the NCC.

#### **Transmission/Submission of EFT Data File to the EFT centre**

4.18 The remitting service branch shall transmit the EFT Data File to the EFT centre by using the communication network designated by Reserve Bank.

4.19 INFINET will be the designated network. Sending EFT Service branches of the participating bank/institutions, with prior arrangement with NCC, may transmit the EFT Data File through dial-up if transmission through INFINET becomes difficult.

4.20 Participants may be allowed by NCC, on NCCs discretion, to submit the EFT Data File on floppy on a **temporary** basis.

4.21 Data transmission on network or submission of floppy diskette shall be followed by or accompanied by a Control Statement on the hard copy as per format at Annexure-VII (Form FT-3A) and Annexure-VIII (Form FT-3B).

Form FT-3A if EFT Data File is sent on a floppy.

Form FT-3B if EFT Data File is sent through RBINet.

This Statement would indicate the number and value of transactions having a bearing on funds settlement at Reserve Bank and would serve as an authorisation to Reserve Bank for debiting its current account and transmit the EFT transactions. This would also help the EFT Centre to reconcile the EFT Data File received through the network by comparing the number and value of transactions reported through FT-3A/FT-3B with the number and value of EFT transactions contained in the EFT Data File.

#### **"NIL" Statement by the participants with no EFT Data File**

4.22 If a participant has no EFT Data file (neither a fresh outward transaction nor an acknowledgement), it shall send a "NIL" statement as per format at Annexure-IX (Form FT-3C) for Remitting NCCs information. If "NIL" report is sent through RBInet, hard copy is not required to be sent.

### **Acknowledgement of receipt of EFT Data File by the EFT centre**

4.23 For the data files transmitted by sending EFT service branch through RBInet, the RBInet network software would generate an acknowledgement (specimen at Annexure-VIII) signifying the fact of receipt of EFT Data File by the sending EFT centre (i.e. sending NCC).

4.24 Sending EFT service branches will also get back the FT-3A/FT-3B duly certified by sending NCC as "RECEIVED EFT DATAFILE" with the rubber stamp of NCC.

4.25 Before issuing the "RECEIVED EFT DATA FILE" certificate on FT-3A/FT-3B forms, NCC will make sure that the data file is put to validation tests and found acceptable for further processing. Apart from encryption/decryption key matching, total number and value of transaction reported on FT-3A or FT-3B Form would be matched with the total of transactions reported on floppy/RBInet file. If the EFT Data File fails the validation tests, the same would be rejected and the remitting bank would be advised immediately indicating the reason for rejection.

### **Cut-off Time for receipt of EFT Data Files**

4.26 Nodal Department shall prescribe a cut-off time by which the sending EFT service branches will upload the EFT Data File to the network. In the case of submission of data file on floppy diskette, the cut-off time shall refer to the time upto which floppy diskettes would be received at the floppy receiving counter at NCC.

4.27 Till further advised, the cut-off time shall be 11.30 p.m. and 2.30 pm on week days. On Saturdays, EFT centre it will be 11.30 pm.

### **Transmission/Submission of EFT Data File more than once in a day**

4.28 Each participant would be permitted to submit only one EFT Data File for a batch. The EFT Data files received later would be ignored. . Two settlements would be conducted at 12.00 noon and 3 pm on week days and 12.00 noon on Saturdays.

### **Transmission of RBI Data File by Remitting NCC to Destination NCC**

4.29 Immediately after the cut-off time, the sending NCC (i.e. sending EFT centre) shall consolidate the EFT Data Files received from remitting banks, sort them centre-wise and transmit the centre-wise files generated by the EFT software to the respective receiving NCCs (i.e. receiving EFT centres). These files called "RBI Data File" shall be encrypted with the keys exchanged between the sending NCC and the receiving NCC. Sending NCC shall also ensure that the RBI Data File is transmitted to the receiving NCCs the same day. RBI Data File would also be created for the remittance transactions meant for banks at the local centre. This Data File would be used by NCC while playing the role of receiving NCC to process the inward remittances.

### **NCC Listing of Outward Transactions**

4.30 After consolidating all EFT Data File received from the participants, the NCC shall supply to each participant "NCC Listing of Outward Transactions". This Report (Report No.EFTR-1B) would list key data elements of transactions reported in EFT Data File. This report would be made available to the participants in the morning of the next working day. The Sending EFT service branch shall compare this report with EFTR-1A generated earlier at the service branch while transmitting the EFT Data File. It shall bring to the notice of sending NCC discrepancies, if any, in the EFTR-1B report the same day.

### **Data Processing at receiving NCC (i.e. receiving EFT Centre)**

4.31 Receiving NCC (i.e. receiving EFT centre) will wait for the RBI Data File from all other EFT centres. After the cut-off time (to be fixed by the Nodal department) on the same day, the receiving NCC would consolidate the RBI Data Files received from all NCCs and thereafter, sort the consolidated data file beneficiary bank and branch-wise. Each beneficiary bank with at least one inward remittance transaction would have an NCC Data File.

### **Receiving NCC transmitting NCC Data File to the beneficiary banks**

4.32 NCC Data files generated for the banks will be transmitted by receiving NCC to the respective beneficiary banks through the RBI net network the same night. The beneficiary banks may collect the data file through the network after 5.00 a.m. in the morning.

4.33 NCC will treat the acknowledgement issued by the network software as a confirmation of receipt of the NCC Data File by the service branch of the beneficiary bank.

### **Collecting NCC Data File from NCC on floppy**

4.34 Participants allowed to receive the NCC Data File on floppy will collect their floppies in the morning from the Delivery Counter of NCC. For convenience, the representative collecting MICR cheques in the morning from NCC may also collect the floppy. The Identity Card of the representative will be checked while delivering the floppies. NCC will not hand over the floppy to the representative without a valid identity card.

### **Data validation at receiving EFT Service Branch**

4.35 On receipt of the NCC Data File, the receiving EFT service branch shall first validate the file using the validation routine provided in the EFT package. Apart from the validation with reference to the encryption key exchange with local NCC and checksum total for the entire file, the package would validate the individual records as well. This

routine would generate a Validation Report (EPTR-2A) which would indicate the validation status of every transaction.

#### **Daily Audit Report of NCC Data File**

4.36 After the data validation goes through, the receiving EFT service branches should verify the accuracy of the NCC Data File by comparing EFTR-2A report with the "NCC Listing of Inward Transactions" (Report No.EFTR-2B) supplied by local NCC. Therefore, it is necessary for participants to collect EFTR-2B report from local NCC.

4.37 The transactions which would fail validation test and are indicated as "INVALID TRANSACTION" in the EFTR-2A Report would have to be sent back by the receiving EFT service branch as "Rejected Acknowledgement". Only valid transactions would be used for generating branch-wise credit advices.

#### **Supply of Credit Reports/Advice to the branches of beneficiary banks**

4.38 Using the software package, the receiving EFT service branch would be able to generate destination branch-wise credit reports (Report No.EFTR-4). This Report may be generated in duplicate, preferably by using carbonised continuous stationery. The Reports shall be signed by an authorised official of the destination service branch. This report (in duplicate) may be forwarded to the branches along with MICR clearing reports. EFTR-4 Report would bear a legend as "Print No.1" when it is printed for the first time.

#### **Advising branches through network/floppy diskette**

4.39 If a participant has opted for decentralised report generation facility at the time of installation of EFT software package, the package would at the time of inward processing, generate a file that can be used for preparing branch-wise inward data file. File description of the generated file is given at Annexure-XI. Software package for generating branch-wise file would have to be developed by such participants themselves.

4.40 If a participant opts for decentralised report generation facility, the participant concerned may develop suitable control procedure for ensuring authenticity and integrity of data transmission to individual branches.

#### **Payment to beneficiary by the beneficiary bank**

4.41 The branches would make payment to the beneficiaries on the same day (i.e. Day-Two of EFT cycle, Day-One being the day of data processing at the sending NCC) by crediting the specified account of the beneficiary or otherwise placing funds at the disposal of the beneficiary.

### **Revocation of Payment Order**

4.42 A payment order issued for execution shall become irrevocable when it is executed by the sending bank. Any revocation, after the payment order is executed by the sending bank shall not be binding on any other party in the EFT system.

### **Issuance of acknowledgement by the beneficiary bank**

4.43 The beneficiary bank shall issue an acknowledgement for having made payment to the beneficiary by returning the duplication of the Branch-wise Credit Report (Report No.EFTR-4) along with the EFT Scroll of the day. The duplicate copy would contain remarks "Accepted" or "Rejected" against every transaction and should be signed by the authorised signatory. A fresh Acknowledgement Serial No. may be indicated against every entry. Amount against the rejected items shall be circled for easy identification. The total number and value of rejected acknowledgement shall be totaled and incorporated in the EFT Scroll. Accepted acknowledgement will not figure in the EFT Scroll.

### **Data Entry of Acknowledgement Data**

4.44 Acknowledgement data would travel back to the sending bank in the same route it had been received by the beneficiary bank. Data entry of the acknowledgement information would be made either at the branch level or at the Service Branch of the banks along with the fresh remittance data of the day. This acknowledgement data would form a part of EFT Data File and shall be transmitted / sent to the local NCC. Local NCC would send the acknowledgement to the NCC at the originating centre. The NCC at the originating centre would send the acknowledgement data as a part of NCC Data File to the bank which had originated the transactions. When this acknowledgement data reaches the bank, it shall in turn advise the branch electronically or with an Acknowledgement Report (Report No.EFTR-5). EFT process cycle would be treated as completed when the Remitting Branch receives this EFTR-5 report and marks off the entry in the Branch EFT Scroll.

### **Reconciliation of Outward Transactions with Acknowledgement Data**

4.45 Participants may develop suitable software package for automatic matching and reconciliation of outgoing transactions and acknowledgement from the beneficiary banks. This exercise is an essential element of EFT system and the participants are required to put in place a reconciliation system (either automated or manual) right from the first day of participation in EFT system.

### **Advising the sender on payment to the Beneficiary**

4.46 The sending bank is not required to advise the sender the fact of an accepted acknowledgement unless there is a specific understanding in writing between the

sending bank and the sender. If there is any enquiry from the sender, the sending bank is however, duty bound to advise the position to the sender.

#### **Refund by beneficiary bank in cases of Rejected Acknowledgement**

4.47 If the beneficiary bank fails to make payment to the beneficiary for one or more of the "Valid reasons for non-payment", the funds which the beneficiary bank had received shall have to be refunded to the sending bank. This is taken care of when the beneficiary bank reports the acknowledgement advice as "Rejected" on the duplicate copy of EFTR-4 Report. The beneficiary bank shall take note of this acknowledgement entry at the time of inter-branch fund settlement. Beneficiary bank is not required to initiate any separate reverse EFT transaction.

#### **Sender to be advised in case of refund**

4.48 If the beneficiary specified in the sender's payment order fails to get payment through the EFT system for some valid reasons, the sender shall be informed immediately after the sending bank gets the "Rejected Acknowledgement". The sending bank shall also arrange to make payment to the sender by crediting the account of the sender or otherwise placing funds at the disposal of the sender.

#### **Beneficiary bank to advise the Beneficiary of the payment**

4.49 After crediting the account of the beneficiary, the beneficiary bank shall advise the beneficiary of the payments made. The Statement of account/Pass Book entry shall indicate briefly the source of funds as well.

4.50 The sender/originator shall be entitled to claim compensation in line with the extant instruction issued by DBOD on the subject of delayed credit to customer accounts for collection of outstation cheques.

#### **Inter-Branch Funds Settlement**

4.51 EFT package has a facility of generating an "Inter-Branch Fund Settlement Report" (Report No.EFTR-6). This report would help the participants in reconciling the inter-branch accounting. Participants may develop control procedures to ensure that all entries are reconciled on a day-to-day basis. Service Branch may be made the focal point for organising this reconciliation exercise.

#### **Holiday at the Destination Centre on EFT Business Day at the Originating Centre**

4.52 If on an EFT business day at the originating centre, holiday is observed at the Destination centre, the receiving EFT centre would not be able to receive the RBI Data File on the same day. The RBI Data File for that day would be processed at the



receiving EFT centre on Day-2 of the EFT cycle and the relative NCC Data Files would reach the beneficiary only in the morning of Day-3 along with the Fresh NCC Data Files. On such occasions the beneficiary banks might receive two NCC Data Files-one for the earlier day and the other on normal course. Inter-bank funds settlement for the beneficiary banks would be on Day-3.

## **SECTION-5 : INTER-BANK FUNDS SETTLEMENT**

### **Inter-bank Funds Settlement at Reserve Bank**

5.1 Every participating bank and admitted institution shall open and maintain in every EFT centre a settlement account for settlement of payment obligations arising under the funds transfer executed under the EFT system.

5.2 Payment obligation between the participants shall be settled on by debiting or crediting the settlement accounts maintained with the EFT centre. This function of the EFT centre shall be discharged by the Deposit Accounts Department (DAD) on receipt of advices from the local NCC. Whereas the sending banks' settlement accounts would be debited on the day of transaction (Day-One) at the originating centre, the beneficiary banks' accounts would be credited on Day-Two at the destination centre.

5.3 The participants would be provided with a Settlement Report (Report No.EFTR-3) in the morning of Day-Two indicating the amount already debited on Day-One and the amount to be credited on Day-Two.

5.4 For the Rejected Acknowledgement transactions, Reserve Bank shall debit beneficiary banks (i.e. acknowledging bank at the destination centre) and credit the sending bank (bank which had initiated the EFT transaction at the originating centre).

### **Debit/Credit Vouchers to Deposit Accounts Department**

5.5 If DAD is equipped to receive transactions over the network, the settlement data would be transmitted over the network. Till such time facility is available, NCC will be advising DAD of the settlement position with paper vouchers and reports:

#### After each settlement

EFT NET Settlement Report	EFTR-7A
Debit Vouchers for (Dr.sending banks)	EFTR-7B
Credit Voucher for crediting RBI General A/C	EFTR-7D
RBI General A/c Report (Cr and Dr)	EFTR-7E

### **Deposit Accounts Department's Daily Statement of Accounts**

5.6 "EFT Clearing" shall be the narration in the daily statement of accounts supplied by DAD.

### **Consolidated Daily EFT Settlement report**

5.7 NCC will generate a consolidated Daily EFT Settlement Report (EFTR-9) for record at its end.

### **Transfer Responding Advice**

5.8 Since credit to RBI General A/c at one centre and the responding entries at the centre referred to in the entry would take place in quick succession on the basis of the data received electronically, movement of paper advice from the originating centre to the destination centre is not required. However, after posting the credit entry, DAD originating centre shall send an advice as per format at EFTR-7E. The duplicate copy of the advice shall be filed at the originating DAD. Similarly, DAD at the destination centre would send an advice as per format at EFTR-8E to the DAD at the originating centre indicating having already responded to the entry. DAD at the originating centre would match this advice with the EFTR-7E advice sent to the DAD at the destination centre earlier. This matching exercise should be on a day-to-day basis.

## SECTION- 6

### COMPUTER AND OTHER TECHNOLOGY CONSIDERATIONS

#### Level of computerisation Required

6.1 As per the procedure explained in Section-5, installation of computer hardware at all branches of the participants is not required. The System envisages the need for computer and communication infrastructure only at the Service Branch which would act as sending EFT service branch for outgoing EFT transactions as well as receiving EFT service branch for incoming transactions. In the initial phase, centralised data entry is recommended to have better control over EFT operations.

#### Computer Hardware

6.2 Hardware details are as given below :

<u>Sr.No.</u>	<u>Component</u>	<u>Description</u>
1)	CPU	PENTIUM 200 MHz speed with 256 KB Cache
2)	MEMORY	64 MB ECC RAM
3)	MOTHER BOARD	PCI ARCHITECTURE, minimum of 3 PCI plus minimum of 3 EISA slots and 1 PCI/EISA slot
4)	MONITOR	SUPER VGA 14"MONO (for console)
5)	DISPLAY CONTROLLER	SUPER VGA CONTROLLER HAVING 1MB RAM ON BOARD
6)	HARD DISK	2 X 2 GB SCSI FAST & WIDE HDD WITH SCSI II FAST & WIDE CONTROLLER
7)	FLOPPY DRIVES	3.5 INCH, 1.44MB FLOPPY DRIVE 5.25" 1.2MB Floppy Drive
8)	CD-ROM DRIVE	600 B - 8/10 X. SCSI
9)	DAT DRIVE	2/4 GB 4 MM DAT
10)	KEY BOARD	104 KEYS
11)	PORTS	TWO SERIAL, (ONE 25 PIN & ONE NINE PIN) ONE PARALLEL (WITH 25 PIN CONNECTOR AND CENTRONICS INTERFACE)
12)	MOUSE	2/3 BUTTON SERIAL MOUSE
13)	ETHERNET CARD	32 BIT ETHERNET 10/100 MBPS DUAL SPEED
14)	OPERATING SYSTEM	SCO OPEN SERVER ENTERPRISE SYSTEM Rel.5 or latest (with 5 User license & C-ISAM) OR Windows 98/NT/2000
15)	PRINTER	132 COLUMN DOT MATRIX PRINTER

- |     |                |                           |
|-----|----------------|---------------------------|
| 16) | Modem          | Minimum 2400 bps          |
| 17) | Telephone line | One direct telephone line |

## **Software**

6.3 Operating System should be SCO-Unix Release 5.0 or above, RBINET software and the EFT package would be supplied by Reserve Bank free of charges. The responsibility of maintaining these two packages (EFT and RBINET), however, rests with the banks. Reserve Bank's support would be only for installation and training at the initial stage. The Windows version of the software is also developed by RBI and is available free of cost.

6.4 Branch level EFT software package may be developed by participants themselves if they plan decentralised data entry for outward transactions. They may also develop software package for generating inward credit reports in a decentralised mode. In such cases, banks are required to develop adequate control procedure to ensure authenticity and integrity of data files.

6.5 Participants are also required to install requisite anti-virus packages(s). A confirmation in this regard may be submitted by the service branches of the participants to the local NCC.

## **RBInet**

6.6 For transfer of remittance data between participating banks and local NCC, RBInet would be the main network. Participating banks can have dial up connectivity to this network to either upload their EFT Data File or download their NCC Data File. Access to this network is password protected. Participating banks would be required to change their remote password frequently so that unauthorised persons cannot get access to the network.

6.7 All EFT related data meant for local NCC may be transmitted to designated client id in RBInet. The client id name would be advised by local NCC. (bomeft' for transmission to NCC, Bombay and `maseft' for transmission to NCC, Madras) and user id : eft.

6.8 All acknowledgements provided by the network should be printed and also saved as data file.

6.9 Participating banks using RBInet for their data transmission to NCC shall not change over to floppy submission without specific approval from local NCC.

6.10 RBInet users shall be guided by the norms prescribed by Reserve Bank. Software manual of RBInet package may be collected from local NCC.

### **Banks with NICNET connectivity**

6.11 Participants with NICNET nodes at their service branches may transmit through NICNET with prior arrangements with Local NCC.

### **Reserve Bank to designate any other network**

6.12 Reserve Bank may designate any other network for Remitting Service Branches to transmit EFT Data Files to Remitting NCC or Destination NCC to transmit NCC. Data Files to Destination Service Branches. Presently INFINET is the designated network for EFT and ECS file transfers.

### **Banks with no connectivity to Computer Network**

6.13 Participating banks not equipped to make use of the identified network may be permitted for a temporary period to submit to local NCC or receive from local NCC data files on floppy diskette.

## **SECTION - 7 : SECURITY ASPECTS**

### **Password Protection**

7.1 EFT software package supplied to the EFT service branches is password protected. Users are advised to change their passwords on a regular basis.

7.2 There are two levels of users - "super" users and "operation" users. The operator users can change their passwords without the knowledge of super user.

### **Levels of User Authority**

7.3 The "operation" user is allowed data entry and data correction. Unless the data file is processed by "super" user, data file of required layout cannot be generated.

### **Encryption**

7.4 EFT Data File to be submitted to local NCC must be encrypted with the encryption key exchanged with local NCC. When the EFT Data File reaches NCC, it is decrypted with the same key. This key is required to be kept confidential.

### **Declaration-cum-control statement**

7.5 Participating banks are required to submit a declaration-cum-control statement (Form EFTR-3A/EFTR-3B) irrespective of whether the data file is sent over the network or on floppy diskette. This is submitted by an authorised person of the participating bank. Number and value of transactions indicated on the statement is compared with the figures generated by the system from the data file transmitted/submitted.

### **Checksum Total**

7.6 All transactions records in the EFT Data File bear a checksum total. When the file reaches local NCC, Software package at NCC checks the integrity of the data record by regenerating a checksum total and comparing with the checksum total supplied in the file. If some data elements are altered during the transmission or tampered on the floppy diskette, the checksum total would not mach. In such case, EFT Data File would not be processed and the remitting bank would be advised suitably.

### **Control Reports from Local NCC to the Service Branches**

7.7 Service Branches of banks act as the nodal point for all outgoing and incoming transactions. As indicated in Section-4 and Section-5, local NCC would be supplying the following three reports on a daily basis. Service branches shall scrutinise these reports and reconcile the entries on a daily basis.

Report No.EFTR-1B NCC Listing of Outgoing Transactions  
Report No.EFTR-2B NCC Listing of Incoming Transactions  
Report No.EFTR-3B NCC Daily Settlement Statement

### **Check Signal**

7.8 Participating banks may mutually agree to include a check signal against every transaction and enter the check signal on the "remarks" column on the data entry screen. The check signal algorithm may take into account a variety of data items to be decided between the banks. Accuracy of the check signal data item would be checked at the remitting branch level and at the destination branch.

### **Use of Pre-printed Continuous Stationery**

7.9 All reports relating to EFT transactions generated either at Reserve Bank or at EFT service branch level shall be on pre-printed continuous stationery which will bear the name of the organisation and a serial number.

### **Use of Printer No. on EFTR-5A and EFTR-5B**

7.10 Since the branches would make payments to the beneficiaries on the strength of the hardcopy credit report (Report No.EFTR-5A) or refund the remitter of the remittance amount for the rejected acknowledgement on the basis of Acknowledgement report (EFTR-5B), EFT package has been designed to generate a "copy number" against every transaction. Branches shall act only when copy number is "1". Copies printed after the first copy would bear copy number 2,3,4..... onwards. If, for any reason Service Branches has to send copy no.2 instead of copy no.1, the copy must contain a duly signed certificate that "copy no.1 has not been sent" or "copy no.2 may be treated as copy no.1" etc.

### **Contingency Steps**

7.11 In case RBlNet communication links fail at a centre, movement of data files between EFT service branch and NCC may take place by physical delivery of floppy diskettes.

7.12 In case inter-city links for RBlNet fails, NCCs would exchange RBI Data Files through NICNET. If both RBlNet and NICINET fail, NCCs would arrange to send through some other network or the Data Files would be sent on floppy diskette or any other magnetic media between the centres through alternate arrangements.

7.13 In case as EFT service branch is not in a position to operate due to fire or some such disaster, another branch at the same centre can be designated as service branch for a temporary period. A backup copy of EFT software package and RBlNet package



should therefore be stored in another branch under secure conditions to meet such eventuality.

### **Written confirmation form service branches on contingency arrangements**

7.14 NCC may obtain a written confirmation from the local EFT service branches of the contingency arrangements made by each of them.

### **EFT Transactions subject to periodic Internal Audit**

7.15 EFT transactions should be subject to periodic internal audit by the participants. A checklist of items to be scrutinised by the internal auditors/inspectors is given at Appendix-1. The checklist is only illustrative and the participants may update the same in light of their internal systems and procedures.

## **SECTION-8:RIGHTSAND OBLIGATIONS**

### **General rights and obligations of participating banks or institutions**

8.1 Every participating bank or institution admitted in the EFT System shall, subject to compliance with the procedural guidelines, be entitled to execute any payment order for Funds Transfer to a beneficiary of the payment order, issued or accepted by it.

8.2 Every participating bank or institution shall maintain the security, integrity and efficiency of the System.

### **Obligations of sending bank**

8.3 The sending bank shall not execute a payment order without complying with the security procedure. No payment order shall be accepted for execution in the EFT System if the beneficiary's bank is not a participating bank or institution.

8.4 The sending bank shall be responsible for the accuracy of the name of the beneficiary, the nature and style of the account and account number of the beneficiary, the name of the beneficiary's bank and the authenticity of every payment order executed by it.

8.5 The sending bank shall bear the liability for loss if any caused to any participant in the EFT System on account of the acceptance by it of any revocation of a payment order after it has executed it.

8.6 The sending bank shall not be entitled to bind any other participants in the EFT System with any "special circumstances" attached to a payment order accepted by it.

8.7 The sending bank shall maintain duly authenticated record of all payment orders executed by it for a period for which bank records are required to be preserved under the applicable rules.

8.8 The sending bank shall, upon completion of funds transfer of a payment order, furnish to the originator on request by him, a duly authenticated record of the transaction.

### **Obligations of the sending EFT Service Branch**

8.9 The sending EFT Service Branch shall be responsible for the accuracy of the contents of EFT data title and the authenticity of the payment orders contained therein as received by the EFT Centre in compliance with the security procedures.

8.10 The sending EFT Service Branch shall be responsible for settlement of all payment obligations in regard to payment orders executed by it.

8.11 The sending EFT Service Branch shall be responsible for ensuring execution of the EFT data file complying with security procedures and time schedule.

8.12 The sending EFT Service Branch shall ensure, before execution of any EFT Data File that the balance in its settlement account are adequate to cover its settlement obligation and ensure that the ceiling, if any, specified for it is not exceeded and the requirement of collateral if specified by the Nodal Department is adequate for execution of the EFT data file executed by it.

8.13 The sending EFT Service Branch shall generate, dispatch and maintain records of transaction in accordance with procedure specified.

#### **Obligations of the sending EFT Centre**

8.14 The sending EFT Centre shall be responsible for receiving the EFT data files from the EFT Service Branches in compliance with the security procedure.

8.15 The sending EFT Centre shall be responsible for processing and sorting the payment orders and preparing the RBI Data File EFT centre-wise in accordance with the procedure specified.

8.16 The sending EFT Centre shall execute the payment orders received before the cut-off time in an EFT working day. EFT data files if any, received after the out-off time, or payment orders for which the sending service branch has not made adequate provision for settlement may be treated as received on the opening of the next EFT working day and dealt with accordingly.

8.17 Sending EFT Centre shall generate and dispatch and maintain in accordance with the procedure specified, records and reports of the transactions processed and executed by it.

#### **Obligations of receiving EFT Centre**

8.18 Receiving EFT Centre shall be responsible for receiving and processing the RBI Data Files complying with the security procedure and time schedule specified for the purpose.

8.19 Receiving EFT Centre shall in compliance with time schedule and security procedure, process and sort out the RBI Data File bank-wise and after crediting the settlement accounts with the corresponding value, transmit the NCC Data Files to the respective receiving EFT Service Branches.

8.20 Receiving EFT Centre shall generate, dispatch and maintain records of transactions, in accordance with the procedure specified.

### **Obligations of the Receiving EFT Service Branch**

8.21 Receiving EFT Service Branch shall be responsible for receiving NCC Data File from the receiving EFT Centre in compliance with the security procedure.

8.22 Receiving EFT Service Branch shall process the NCC Data File in compliance with the security procedure and sort-out the payment orders branch wise and transmit to the respective branches the payment orders for execution in accordance with the time schedule and in compliance with the security procedure.

8.23 Receiving EFT Service Branch shall generate, dispatch and maintain records of transaction accordance with the procedure specified.

### **Rights and obligation of beneficiary bank**

8.24 The beneficiary bank shall execute the payment order on the EFT working day on which the payment order is received by it unless it notices one or more of the following deficiencies.

- a) The beneficiary specified in the payment order has no account or the account of the beneficiary maintained by the beneficiary's bank does not tally with the account specified in the payment order
- b) The beneficiary bank is prevented by instructions of the beneficiary not to give or receive any credit to the account.
- c) The account designated in the payment order is closed.

8.25 The beneficiary bank may reject a payment order on one or more of the grounds mentioned in Clause (1) above. The beneficiary bank shall notify, in the manner specified, the sending bank of the rejection of the payment order along with the reasons thereof.

### **Branches/Offices of the participants or EFT centre**

8.26 For the purpose of determination of the rights and liabilities arising out of a funds transfer under this system, each branch or office of a participating bank or as the case may be an institution and each EFT centre shall be treated as a separate unit.

## **SECTION- 9 : CLAIMS, ALLOCATION OF LOSS AND DISPUTE RESOLUTION**

### **Limitation of liability for loss**

9.1 Parties in the EFT System shall be liable for any loss arising on account of any reason other than for system failure, power failure or any other reason beyond the control of the participant.

### **Originator not entitled to claim against any party other than the sending bank**

9.2 These Guidelines shall not be construed as entitling the originator of the payment order executed in the EFT System, to make a claim against any party other than the sending bank in the EFT System.

### **Determination of liability**

9.3 Liabilities of parties in the EFT System to pay interest for the delayed period or for loss arising on account of any error shall be determined on the basis of fault.

9.4 Every EFT Centre, participating bank and participating institution shall be responsible for the delay in the completion of the Funds Transfer or loss on account of error, attributable to it. If the delay or loss is attributable to the non compliance with the Regulations or procedural guidelines specified from time to time, a party responsible for such non-compliance shall be liable for the delay or loss.

### **Dispute Resolution**

9.5 For the purpose of resolving by arbitration any dispute between parties in the EFT System or between an originator and a party in the EFT System, the Governor may provide for dispute resolution machinery, as considered necessary.

## **SECTION - 10 : MISCELLANEOUS**

### **Processing Charges by Reserve Bank**

10.1 Reserve Bank shall not levy any processing charge for the services rendered by the Nodal Department or the EFT centres till March 31, 2006. The position would be reviewed by Reserve Bank after the expiry of this period.

### **Service Charges by banks to the sender and beneficiary**

10.2 Service Charges to be levied by the participants on the sender/originator and the beneficiary may be worked out by the participants themselves.

### **Test and Training**

10.3 All new participants would have to undergo a period of Test and Training for minimum five working days. EFT service branches would be required to send test data on a daily basis to local NCC (on the network or by physical delivery of floppy diskette) during this period. Local NCC would also apply test NCC Data File to these banks for taking out test reports.

ANNEXURES  
&  
APPENDIX

Annexure-I

**Form : FT-1A**

**RBI EFT SYSTEM**

***Application for Participation in RBI EFT System***

**ORIGINAL/DUPLICATE/TRIPPLICATE**

Ref.No.....

Date : .....

To

The Chief General Manager  
Reserve Bank of India  
Department of Information Technology,  
S.B.Road, Fort,  
Mumbai - 400 001.

Dear Sir/Madam,

Our bank/financial institution/organisation requests Reserve Bank's approval for participation in the RBI EFT System and agrees to abide by the Procedural Guidelines (September 1997 version) for RBI EFT System in the event of being admitted into the System.

We would comply with the technical and operational requirements of the EFT System and would meet the settlement obligations from the current accounts maintained with Reserve Bank.

(.....)  
Signature with name, designation and  
Seal of the applicant

Place :

Date :

1. Name of the bank/financial institution/organisation:

.....

2. No.of branches under the jurisdiction of clearing houses at

Mumbai -  
Madras -  
New Delhi -  
Calcutta -



(List of all the branches at all centres where RBI EFT System is operational to be annexed)

Annexure-II

**Form: FT-1B**

**RESERVE BANK OF INDIA  
CENTRAL OFFICE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
S.B.S.ROAD, MUMBAI**

***RBI EFT System - Letter of Admission***

Reference No. ....

Date : ...../...../.....

To

.....Bank

.....

.....address of the bank

.....

Dear Sir/Madam,

Please refer to your application dated for participation in the RBI EFT System.

It is advised that your bank/financial institution/organisation has been admitted for participation in the RBI EFT System with effect from.....

You are required to comply with the technical and operational requirements as indicated in the Procedural Guidelines for RBI EFT System and confirm your readiness latest by.....

for Chief General Manager:

Place

Date :

**Form FT-2A**

Sr.No. \_\_\_\_\_  
\_\_\_\_\_ Bank  
Branch \_\_\_\_\_  
Date \_\_\_\_\_

Received from \_\_\_\_\_  
By Cheque/Transfer for E.F.T. on \_\_\_\_\_  
\_\_\_\_\_ \*Centre  
favouring \_\_\_\_\_  
Bank \_\_\_\_\_ Branch \_\_\_\_\_  
A/c No. \_\_\_\_\_  
Amount Rs. \_\_\_\_\_  
Charges Rs. \_\_\_\_\_  
Total Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_)

\*Remittance would be effected as per RBI's EFT Scheme.  
Terms of remittance are on the reverse.

\_\_\_\_\_  
Authorised Signatory

\*Strike off which is not applicable

**CONDITIONS OF TRANSFER :**

1. Remitting Bank shall not be liable for any loss or damage arising or resulting from delay in transmission delivery or non-delivery of Electronic message or any mistake, omission, or error in transmission or delivery thereof or in deciphering the message from any cause whatsoever or from its misinterpretation received or the action of the destination Bank or any act or even beyond control.
2. All payment instructions should be checked carefully by the remitter.
3. Messages received after out-off time will be sent on the next

Sr.No. \_\_\_\_\_ Date \_\_\_\_\_  
: \_\_\_\_\_ Bank \_\_\_\_\_  
Branch \_\_\_\_\_

**ELECTRONIC FUNDS TRANSFER APPLICATION FORM  
(To be filled in by the Applicant in Block Letters)**

Details of Applicant (Remitter) :

(1) Title of Account : \_\_\_\_\_  
(2) Account No.: \_\_\_\_\_ Type of Account \*Savings/Current/Cash Credit

Details of Beneficiary:

(1) Centre: \_\_\_\_\_ (2) Bank: \_\_\_\_\_ (3) Branch: \_\_\_\_\_  
(4) Beneficiary Name: \_\_\_\_\_ (5) Account No. \_\_\_\_\_  
(6) Type of A/c\* Savings/Current/Cash Credit

(Amount to be remitted: Rs. \_\_\_\_\_ Bank Charges: Rs. \_\_\_\_\_ Total Rs.: \_\_\_\_\_)  
(Rupees \_\_\_\_\_)

Remit the amount as per above details, by debiting my/our account for the amount of remittance plus your charges.

\_\_\_\_\_  
Authorised  
Signatory  
**FOR BANK'S USE ONLY**  
Debited Applicant's A/c. Date of Transfer \_\_\_\_\_ Date of remittance to \_\_\_\_\_  
Scroll No.: \_\_\_\_\_ Service Branch \_\_\_\_\_

\_\_\_\_\_  
Authorised Signatory  
\_\_\_\_\_  
Authorised Signatory

working day.

**RBI EFT SYSTEM  
MODEL CUSTOMER AGREEMENT**

**(Name of the bank, branch and address)**

- \* Name of the Customer:
- \* Address for communication in regard to EFT
- \* Particulars of account/s designated for EFT

**TERMS AND CONDITIONS OF EFT EXECUTED IN THE RBI EFT SYSTEM**

I/We am/are desirous of availing be Electronic Funds Transfer Facility through the RBI EFT System. In consideration of the bank agreeing to extend to me/us the said EFT facility, I/We hereby agree to and undertake the following terms and conditions.

**I. Definitions**

- i) "Customer" means the person named herein above who has executed this Agreement.
- ii) "Bank" means .....
- iii) "EFT Facility" means the Electronic Funds Transfer Facility through the RBI EFT System
- iv) "Security Procedure" means a procedure established by agreement between the bank and the customer for the purpose of verifying that the payment order or communication amending or canceling a payment order transmitted electronically is that of the customer or for detecting error in the transmission for the content of the payment order or communication. A security procedure may require the use of algorithms or other codes identifying words or numbers, encryption, callback procedures, or similar security devices.
- v) Words or expressions used in this Agreement, but not specifically defined herein shall have the respective meanings assigned to them in the RBI EFT Regulations, 1996.

## **2. Scope of the Agreement**

- 1) This Agreement shall govern every payment order issued by the customer during the period of validity of the Agreement.
- 2) This Agreement shall be in addition to and not in derogation of the RBI EFT Regulations, 1996. The customer has gone through and understood the RBI (EFT System) Regulations, 1996 and agrees that the rights and obligations provided therein in so far as it relates to the originator shall be binding on him/it in regard to every payment order issued by him/it for execution in the EFT System.
- 3) The customer understands and agrees that nothing in this Agreement shall be construed as creating any contractual or other rights against the Reserve Bank of any participant in the EFT System other than the bank.

## **3. Commencement and Terminations**

- 1) This Agreement shall come into force as soon as a security procedure is established by mutual agreement between the bank and the customer.
- 2) The Agreement shall remain valid until it is replaced by another agreement or terminated by either party or the account is closed whichever is earlier.
- 3) Either party to this Agreement may terminate this Agreement by giving one month's notice in writing to the other party. Notwithstanding the termination of the Agreement the parties to the Agreement shall be bound by all transactions between them in regard to EFT Facility availed of by the customer, before the termination of the Agreement.

## **4. Security procedure**

- 1) For the purpose of agreement for security procedure, the bank may offer one or more or a combination of one or more security device.
- 2) A security procedure once established by Agreement shall remain valid until it is changed by mutual agreement.

## **5. Rights and obligations of customer**

- 1) The customer shall be entitled, subject to other terms and conditions in the Regulations and this Agreement, to issue payment orders for execution by the bank.

- 2) Payment order shall be issued by the customer in the form annexed hereto, complete in all particulars. The customer shall be responsible for the accuracy of the particulars given in the payment order issued by him and shall be liable to compensate the bank for any loss arising on account of any error in his payment order.
- 3) The customer shall be bound by any payment order executed by the bank if the bank had executed the payment order in good faith and in compliance with the security procedure. Provided that the customer shall not be bound by any payment order executed by the bank if he proves that the payment order was not issued by him and that it was caused either by negligence or a fraudulent act of any employee of the bank.
- 4) The customer shall ensure availability of funds in his account property applicable to the payment order before the execution of the payment order by the bank. Where however, the bank executes the payment order without properly applicable funds being available in the customer's account the customer shall be bound to pay to the bank the amount debited to his account for which on EFT was executed by the bank pursuant to his payment order, together with the charges including interest payable to the bank.
- 5) The customer hereby authorises the bank to debit to his account any liability incurred by him to the bank for execution by the bank of any payment order issued by him.
- 6) Customer agrees that the payment order shall become irrevocable when it is executed by bank.
- 7) Customer agrees that the bank is not bound by any notice of revocation unless it is in compliance with the security procedure.
- 8) Customer agrees that he shall not be entitled to make any claim against any party in the RBI EFT System except the bank.
- 9) Customer agrees that in the event of any delay in the completion of the Funds Transfer or any loss on account of error in the execution of the Funds Transfer pursuant to a payment order, the bank's liability shall be limited to the extent of payment of interest at the Bank Rate for any period of delay in the case of delayed payment and refund of the amount together with interest at the Bank Rate upto the date of refund, in the event of loss on account of error negligence or fraud on the part of any employee of the bank.
- 10) Customer agrees that no special circumstances shall attach to any payment order executed under the EFT Facility under this Agreement and under no circumstances customer shall be entitled to claim any compensation in excess

of that which is provided in clause (9) above, for any breach of contract of otherwise.

## **6. Rights and Obligation of the bank**

- 1) The bank shall execute a payment order issued by the customer duly authenticated by him as verified by the security procedure, unless :
  - a) The funds available in the account of the customer are not adequate or properly applicable to comply with the payment order and the customer has not made any other arrangement to meet the payment obligation.
  - b) The payment order is incomplete or it is not issued in the agreed form.
  - c) The payment order is attached with notice of any special circumstances.
  - d) The bank has reason to believe that the payment order is issued to carry out an unlawful transaction.
  - e) The payment order cannot be executed under the RBI EFT System.
- 2) No payment order issued by the customer shall be binding on the bank until the bank has accepted it.
- 3) The bank shall, upon execution of every payment order executed by it, be entitled to debit the designated account of the customer, the amount of the funds transferred together with charges payable thereon, whether or not the account has sufficient balance.
- 4) If the funds transfer is not complete before the close of business of the third following EFT business day the bank shall advise the customer.
- 5) The bank shall issue to him a duly authenticated record of the transaction after completion of the funds transfer and also issue at the end of each month a statement of account. The customer shall within a period of two days from the date of receipt of the record of transaction or, as the case may be, within the period of ten days from the date of receipt of the monthly statement report to the bank any discrepancy in the execution of the payment order. The customer agrees that he shall not be entitled to dispute the correctness of the execution of the payment order or the amount debited to his account if he fails to report the discrepancy within the said period days.



Date :  
Customer

Signature of the

(Note : This Model Customer Agreement should be implemented after the RBI EFT Regulations, 1996 which is under the consideration of Govt. of India, Ministry of Finance is made effective. Till then, participating banks should incorporate the terms and conditions under the RBI EFT System suitably in the EFT Application Form).

Annexure-V :

Form: FT-2C

**ORIGINAL/DUPLICATE**

\_\_\_\_\_ BANK  
\_\_\_\_\_ BRANCH

**RBI EFT SYSTEM**

**EFT SCROLL**

Date of Transactions: ...../...../.....Starting Scroll No. 11 End.No. 13

EFT Scroll Number	Beneficiary's Name	Amount	Beneficiary Bank and Branch	Aknowledgement received on
00011				
00012				
00013				
	Total :			

Total No.of  
Rupees \_\_\_\_\_  
remittances \_\_\_\_\_  
\_\_\_\_\_

Total amount in words:

Acknowledgement particulars:                      No.                      Amount

Accepted:

Rejected:

Total:

\_\_\_\_\_  
\_\_\_\_\_

- 
- Encl.: 1. EFT Application Forms (original)  
2. Copy of EFTR-4 Report with acknowledgement remarks

The Branch account will be debited by the total of fresh outward and rejected acknowledgement transactions.

Signature of the Dealing Staff  
Branch)

(Authorised Signatory of Sending  
Branch)

## Annexure VI

**RBI EFT SYSTEM****Record Layout of the file to be sent from Sending Branch to be merged  
with the EFT data prepared at the EFT Service branch**

A. Input Media : Floppy Diskette (5.25"/3.5", 1.2/1.44 MB)

B. File Naming Convention: oxxxmdd.brc  
 0 - stands for outward file of the remitting branch  
 xxx - branch code  
 dd - date (01-31)  
 mm - month (01-12)

C. File type : ASCII/UNIX  
 Each field should be separated by a character “^” (caret) and each transaction should be terminated by an enter key stroke and should start on a new line.

## D. Record layout

	Field	Length	Type	Remarks
1)	Originating Branch Code	3	Numeric	MICR Code
2)	Value Date	10	Date	DD/MM/YYYYYY format
3)	Transaction Code	1	Character	F for Fresh A for Acknowledgement
4)	Originating Branch Reference	3	Numeric	Branch Scroll number
5)	Sender's Name	32	Alphanumeric	
6)	Sender's Account Type	3	Numeric	010 - Savings Account 011 - Current Account 013 - Cash Credit
7)	Sender's Account Number	15	Alphanumeric	
8)	Amount		Numeric	No Paise and amount should be positive
9)	Destination City	3	Numeric	MICR Code
10)	Destination Bank	3	Numeric	MICR Code
11)	Destination Branch	3	Numeric	MICR Code
12)	Recipient's Name	32	Alphanumeric	
13)	Recipient's Account Type	3	Numeric	010 - Savings Account 011 - Current Account 013 - Cash Credit
14)	Recipient's Account Number	15	Alphanumeric	
15)	Reference Date	10	Date	Fresh : 00/00/0000 Ack:Val.Dt. of Inward entry dd/mm/yyyy format
16)	Reference Transaction Number	3	Numeric	Fresh : 0 Ack:Tr No.of Inward entry
17)	Acknowledgement Status	1	Character	Fresh : One Blank Char. Ack.: A - Accepted R - Rejected
18)	Rejection Code	3	Alphanumeric	As per the Rej.Code list
19)	Remarks	30	Alphanumeric	

\_\_\_\_\_ BANK

**RBI EFT SYSTEM**

Date of Transaction: ...../...../.....

**Certificate of submission of EFT Data File on Floppy**

This is to certify that the floppy forwarded with the bearer of this letter whose signature is certified contains the EFT Data File of our bank for today's transactions. Number and value of transactions in the floppy diskette are as under :

<b><u>Category</u></b>	<b><u>No.of Transactions</u></b>	<b><u>Amount (Rs.)</u></b>
Fresh + Rejected A/d	.....	.....
Accepted A/d	.....	.....

\_\_\_\_\_  
Total :

Reserve Bank may return the floppy unprocessed if the validation of the EFT Data File fails. The floppy has been tested against virus.

Reserve Bank may debit the current account of our bank for the fresh remittances and rejected acknowledgement (A/d) as indicated above and transmit the remittance transactions under the EFT system.

(Signature of the Representative)

Branch

(Authorised Signatory)

Designation :

Date & Seal of EFT Service

**Control Information**

Date of report generation :

Time of report generation :

Annexure–VIII

**Form:FT-3B**

\_\_\_\_\_BANK

**RBI EFT SYSTEM**

Date of Transaction: ...../...../.....

**Certificate of Transmission of EFT Data File through RBINET**

This is to certify that the EFT Data File of our bank for today's transactions has been transmitted over the captioned network. It was successfully uploaded to the Server at .....

<b>Category</b>	<b>No.of Transactions</b>	<b>Amount (Rs.)</b>
Fresh + Rejected A/d	.....	.....
Accepted A/d	.....	.....
<hr/>		
Total :		
<hr/>		

Reserve Bank may debit the current account of our bank for the fresh remittances and rejected acknowledgement (A/d) as indicated above and transmit the remittance transactions under the EFT system.

(Authorised Signatory)  
Designation :  
Date & Seal of EFT Service

Branch

\_\_\_\_\_  
\_\_\_\_\_

**Control Information**

Date of report generation :

Time of report generation :

\_\_\_\_\_ BANK

**RBI EFT SYSTEM**

Date of Transaction: ...../...../.....

**Certificate of "NIL" outward transactions**

This is to certify that no EFT Data File has been prepared by our bank today. We would arrange to collect our NCC Data File as per the usual procedure.

(Signature of the Representative)

(Authorised Signatory)

Designation :

Date & Seal of EFT Service

Branch

\_\_\_\_\_

**Control Information**

Date of report generation :

Time of report generation :

Annexure-X

Form:FT-4

**RBI EFT SYSTEM**

**RBINET ACKNOWLEDGEMENT OF EFT DATA FILE - TRANSMITTED BY  
REMITTING SERVICE BRANCH TO REMITTING NCC**

**RBINET USER SERVICES**

Date : Mum. Nov. 06 17.58.50 1995  
root

User-id : super

User-name :

**A C K N O W L E D G E M E N T**

<Normal priority> File having Message-id: bomubisr.M951106a.038 sent from bomubisr by root (super) on Mon. Nov. 06.17.50.50 1995 has been downloaded at bomnccro by eft on Mon Nov 06 17:55.50 1995.



## RBI EFT SYSTEM

### ***Record Layout of the Inward File generated by the EFT Software package***

#### **A When the File is Created ?**

The file is created (after the data validation) by running "File Generate" utility under "Inward Processing" module of the EFT package. The encryption keys are asked in an interactive mode while generating the file.

#### **B. File Naming Convention :    **ixxxmdd.brc****

i       - "i" stands for inward file of the destination  
branch

xxx    - branch code  
dd     - date   (01-31)  
mm    - month (01-12)

#### **C. File type : UNIX**

#### **D. Record layout of the transactions**

<b>Attribute</b>	<b>Type</b>	<b>Size</b>	<b>Attribute Description</b>
orgcity	Int	3	Originating City
orgbank	Int	3	Originating Bank
process date	Date	8	Processing Date
val date	Date	8	Value Date
tran	Char	1	Transaction Code
tran seno	Int	5	Transaction Number
orghr code	Char	4	Originating Branch Code
orgbr ref	Int	6	Originating Branch Reference Number
senact name	Char	33	Sender's Name
senact type	Char	3	Sender's Account Type
senacc number	char	16	Sender's Account Number
amount	Int	11	Amount
dcity	Int	3	Destination City
dbank	Int	3	Destination Bank
dbrnach	Char	4	Destination Branch
repact name	Char	33	Recipient's Name
repact type	Char	3	Recipient's Account Type
repact no	Char	16	Recipient's Account Number
ref date	Date	8	Reference Date
ref tranno	Int	5	Reference Transaction Date
bank key	Char	8	Bank Key

lot num	Int	3	Lot Number
ack stat	Char	1	Acknowledgement Status
tran stat	Char	1	Transaction Status
rejection code	Char	4	Rejection Code
copy num	Int	3	Copy Number
remarks	Char	30	Remarks
auth key	Int	30	Authentication Key
delete flag	Char	1	Delete Flag

**Note:**

1. This file would be generated by the EFT package only when the installation parameter provides for generating the file.
2. Before further processing the file should be decrypted using the decryption programme available with the EFT software package.
3. Before transmitting the files to the branches, they should be encrypted. Other security steps need be taken so that data integrity is maintained.
4. Adequate control procedure need be developed so as to avoid double credit or erroneous credit. System of Chock signal should be used between the Service Branch and the Destination Branch to ensure authenticity of the data received.

**RBI EFT SYSTEM**  
**ABC BANK, BOMBAY**

**FINAL LISTING OF ALL OUTWARD TRANSACTIONS (BOTH FRESH & A/D)**

No.of Transaction :  
Page No. :

Date of Processing :  
Date of listing :  
Time of listing :

Value Date Amount	Tr.No. (Type)	Originating details/ Destination details	BRANCH BRANCH	Scr.No.	Sender's Name & AC details Recipient's Name & A/C details	Ref.Date	Ref.Tr.No.	A/d Status Copy
							Remarks	

User id:  
Signatory)

(Authorised





**ABC BANK, BOMBAY  
RBI EFT SYSTEM**

**VALIDATION REPORT FOR FILE ACCEPTANCE**

Date of Listing : ..../..

Time of Listing :

User id :

Page :

Sr. No.	Remitting Branch	Bank and	Processing Date	Value Date	Trans. No.	Amount	Remarks
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							

**Transactions Validation Summary**

	Valid Transactions	Invalid Transactions	Total
Number :	....	....	....
Value :	Rs. ....	Rs. ....	Rs.....

Note : Invalid Transactions are to be acknowledged by the Destination Service Branch

(Authorised Signatory  
at the Service Branch)

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**NCC LISTING OF INWARD TRANSACTIONS**

Bank Code :		Bank Name :			Processing Date : .../.../...			
Destination Branch code	Transaction type	Remitting sort code	Beneficiary Name for fresh transactions	Benf. A/c. type	Benf. A/c. No.	Status for ack. trans	Original ref.no. for ack.trans.	Amount

Summary :

No.      Amount  
Rs.

Fresh Inward transactions :  
Acknowledgement accepted :  
Acknowledgement Rejected :

Amount for settlement : Rs.

Date of listing :  
Time of listing :  
User-id

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**DAILY SETTLEMENT FOR EFT TRANSACTIONS**

Processing Date : .../.../... Setl.Date.../.../...

Outward Remittances (Debit)				Inward Remittances (Credit)				Net Position
Local		Outstation		Local		Outstation		Credit(+)/Debit(-)
No.	Amount	No.	Amount	No.	Amount	No.	Amount	
Bank Code : Bank Name :								

Note :

1. No. and value include rejected acknowledgement Transactions
2. Banks with "NIL" outward transactions.no.EFTR-IB report is provided. Similarly, no EFTR -2B Report is provided for "NIL" inward transactions.



**ABC BANK, BOMBAY  
RBI EFT SYSTEM**

**LISTING OF FRESH INWARD TRANSACTIONS**

No. of Transactions :  
Page No. :  
Date of Listing :  
Time of Listing :

Line-1	Originating Value Date	Transaction No.	Remitting Bank & Branch	Remitter's Name & Account Details	Processing Date	For use at Destination Branch
Line-2	Authentication position		Remarks	Beneficiary's Name & Account Details	Copy No.	
Line-3	Amount in words			Amount in figure(Rs.)		

Branch Code :                      Branch Name :  
\*\*\*\*\*

Note :

Destination Branch should return a copy of this Report indicating "Accepted" or "Rejected" against every transaction and signing the same. Amount against the Rejected Acknowledgement to be rounded in red.

No. of transaction :  
Total amount (in figures) :  
Total amount (in words) :

(Authorised Signatory)

**ABC BANK, BOMBAY  
RBI EFT SYSTEM**

**LISTING OF INWARD TRANSACTIONS (ONLY ACKNOWLEDGEMENT)**

No. of Transactions :  
Page No. :  
Date of Listing :  
Time of Listing :

Branch Code :					Branch Name :				
Destination Value	Destination Time	Destination Bank & Branch	Ref. Date	Ref. Trns. No.	Amount	Acknowledgement status	Remarks	Authentication positions	Copy No.

Total Amount for Accepted Acknowledgement :

Total Amount for Rejected Acknowledgement :

Note : Total Amount for Rejected Acknowledgement has been received back by our bank from the Destination Bank(s). The same should be refunded to the Remitter.

User Id

Authorised Signatory

**ABC BANK, BOMBAY  
RBI EFT SYSTEM**

**DAILY INTER-BRANCH FUNDS SETTLEMENT STATEMENT**

Processing Date :    /    /

Settl.Date    /    /

Branch Code	Branch Name	Outward Remittances (Debit)				Inward Remittances (Credit)				Net Position Credit/Debit (+) / (-)
		Local		Outstation		Local		Outstation		
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	
002										
003										
004										
005										
006										
007										
	<b>Total :</b>									

Note : No. and value include rejected acknowledgement Transactions also.

Authorised Signatory

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**DAILY EFT SETTELEMENT REPORT FOR OUTWARD TRANSACTIONS**

Date of Processing :    /    /

Settl.Date    /    /

Branch Code	Bank Name	DEBIT	CREDIT
002			
002			
004			
005			
006			
007			
	Total :		

No.of Debit Voucher :

No.of Credit Voucher :

Date of Listing :

Time of Listing :

Annexure-XXI

EFTR-7B / DAD 201

**RESERVE BANK OF INDIA, BOMBAY**

**FUNDS SETTLEMENT VOUCHER FOR RBI EFT TRANSACTIONS**

\*DEBIT Debit Voucher

Settlement Date :

...../...../.....

\*DEBIT

\*DEBIT

DEBIT.....Bank

Rupees .....

Being the amount of remittance effected through EFT System processing dated

...../...../.....

Rs.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---

---

Annexure-XXII

REPORT NO.EFTR-7C / DAD 206

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**SUNDRY DEPOSIT ACCOUNT - CREDIT VOUCHER**

Sequence No.  
...../...../.....

Settlement Date :

CREDIT Sundry Deposit Account (EFT)

RUPEES.....

Being the amount of local remittance effected through EFT System to be reversed on the next working day

Rs.

p.Chief General Manager

---

Date of Listing :  
Time of Listing :

---

---

Annexure-XXII

REPORT NO.EFTR-7C / DAD 206

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**RBI GENERAL ACCOUNT - CREDIT VOUCHER**

Settlement Date : ...../...../.....

CREDIT Reserve Bank of India - General Account MADARAS

RUPEES.....

Being the amount remitted through EFT System on ...../...../..... in a remittance data file to NCC.. ..

Contra Debit to banks' account as per the Daily Settlement Report.

Rs.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**RBI GENERAL ACCOUNT - CREDIT VOUCHER**

Sequence No.

Settlement Date : ...../...../.....

CREDIT Reserve Bank of India - General Account MADARAS

RUPEES.....

Being the amount remitted through EFT System on ...../...../..... in a remittance data file to NCC, MADRAS

Contra Debit to banks' account as per the Daily Settlement Report.

Rs.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---

---



Annexure-XXIV

**Report No.EFT-7E**

*ORIGINAL FOR VERIFICATION ONLY*

To

The Chief General Manager  
Reserve Bank of India,  
Deposit Accounts Department  
MADRAS

Date : ...../...../.....

Dear Sir,

**EFT SYSTEM - RBI GENERAL ACCOUNT**

We advise having credited RBI General Account, MADRAS to day for Rs.....  
(Rupees.....) representing EFT transactions  
from this centre to your centre.

The Sequence No. quoted by us is .....

The Sequence No. has been sent through the remittance data file and we presume that  
you have responded the entry quoting the same sequence No.

For mismatch, if any, please report to us urgently quoting the Sequence No.

p.Chief General Manager

---

---

Annexure-XXIV

**Report No.EFT-7E**

*DUPLICATE (o/c) FOR VERIFICATION ONLY*

To

The Chief General manager  
Reserve Bank of India,  
Deposit Accounts Department  
MADRAS

Date : ...../...../.....

Dear Sir,

**EFT SYSTEM - RBI GENERAL ACCOUNT**

We advise having credited RBI General Account, MADRAS to day for Rs.....  
(Rupees.....) representing EFT transactions  
from this centre to your centre.

The Sequence No. quoted by us is .....

The Sequence No. has been sent through the remittance data file and we presume that  
you have responded the entry quoting the same sequence No.

For mismatch, if any, please report to us urgently quoting the Sequence No.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---

---

Annexure-XXV

REPORT NO.EFTR-8A

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**DAILY EFT SETTELEMENT REPORT FOR INWARD TRANSACTIONS**

Date of Processing :    /    /

Page No.

Bank Code	Bank Name	DEBIT	CREDIT
002			
003			
004			
005			
006			
007			
	Total :		

No.of Debit Voucher :  
No.of Credit Voucher :

Date of Listing :  
Time of Listing :

Annexure-XXVI

EFTR-8B / DAD 202

**RESERVE BANK OF INDIA, BOMBAY  
FUNDS SETTLEMENT VOUCHER FOR RBI EFT TRANSACTIONS**

**CREDIT VOUCHER**

Settlement Date : .... / ..... / .....

CREDIT ..... Bank  
RUPEES.....

Being the amount of Inward Remittance effected through EFT System processing dated  
.... / ..... / .....

Rs.

p.Chief General Manager

---

Date of Listing :  
Time of Listing :

---

---

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

***SUNDRY DEPOSIT ACCOUNT - DEBIT VOUCHER***

Sequence No.

Settlement Date : ..../...../....

\*DEBIT  
\*DEBIT  
\*DEBIT

DEBIT Sundry Deposit Account (EFT)

Rupees .....

Being the amount of local remittance effected through EFT System earlier credited to Sundry Deposits Account on ..... now reversed.

Rs.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---



Annexure-XXIX

Report No.EFT-8E

*ORIGINAL FOR VERIFICATION ONLY*

To  
The Chief General Manager  
Reserve Bank of India,  
Deposit Accounts Department  
MADRAS

Date : ...../...../.....

Dear Sir,

**EFT SYSTEM - RBI GENERAL ACCOUNT - RESPONDING ADVICE**

On the basis of the EFT data received from your centre and the Sequence No. indicated in the data file, we have debited RBI General Account, MADRAS to day for Rs.....  
(Rupees.....)

The Sequence No. quoted by us is .....  
The Sequence No. quoted by your centre was .....

Our Responding No. is .....

For mismatch, if any, please report to us urgently quoting the Sequence No.

p.Chief General Manager

---

*DUPLICATE (o/c) FOR VERIFICATION ONLY*

To  
The Chief General Manager  
Reserve Bank of India,  
Deposit Accounts Department  
MADRAS

Date : ...../...../.....

Dear Sir,

**EFT SYSTEM - RBI GENERAL ACCOUNT - RESPONDING ADVICE**

On the basis of the EFT data received from your centre and the Sequence No. indicated in the data file, we have debited RBI General Account, MADRAS today for Rs.....  
(Rupees.....)

The Sequence No. quoted by us is .....  
The Sequence No. quoted by your centre was .....

Our Responding No. is .....

For mismatch, if any, please report to us urgently quoting the Sequence No.

p.Chief General Manager

---

Date of Listing :

Time of Listing :

---





ANNEXURE – XXXI

REPORT NO.EFTR-10

**RESERVE BANK OF INDIA, BOMBAY  
RBI EFT SYSTEM**

**DAILY RBI GENERAL ACCOUNT REPORT**

DATE OF TRANSACTION : .../.../.....

DATE OF SETTLEMENT: .../.../.....

Date of Listing :

Time of Listing :

Page No.:

ACCOUNT NAME	OUTWARD REMITTANCES (Originating credit entries)		INWARD REMITTANCES (responding debit entries)	
	NO.	AMOUNT	NO.	AMOUNT
RBI GENERAL ACCOUNT – MADRAS				

(Authorised Signatory)

**Check-list for Scrutiny of EFT System for Internal Auditors/Inspectors**

**Reference :**

(para 7.15 of the Guidelines)

While auditing the EFT function at the service branch, the internal auditors/inspectors should necessarily scrutinise the observance of the following security procedures :

1. **Password** - The EFT software provides two types of users depending on the access level. The operations carried out by the users are logged by the EFT package. Therefore, it is essential to protect the system from unauthorised entry. This, in turn, requires that the passwords used by them are carefully used. Both, the `super' user as well as the `operator' user should change the password on a regular basis. The operator can change the password without the knowledge of the `super' user.

(para 7.1 and 7.2)

2. **User Authority** - There should be demarcation of work between the `super' user and the `operator' user. For any transaction to be completed, two persons should necessarily be involved.

(para 7.3)

3. **Encryption/Decryption** - The data file to be submitted to the local NCC is to be encrypted giving a key and that key is to be exchanged with local NCC in confidence. It is recommended that the key should be changed at regular intervals (at least once a month).

(para 7.5)

4. **Verification/Reconciliation** - Irrespective of whether the data file is sent over the network or on floppy, verification of control statement should be given due emphasis. Local NCC supplies three reports

Report No.EFTR-1B NCC Listing of Outgoing Transaction  
Report No.EFTR-2B NCC Listing of Incoming Transaction  
Report No.EFTR-Daily Settlement Statement

to the Service branches have to reconcile the figures on a daily basis.

(para 7.5 and 7.7)

5. **Pre-printed Stationary** - All reports relating to EFT transactions both at the Reserve Bank and the Service Branches should be on pre-printed stationary bearing the name of the organisation and serial number.

(para 7.9)

6. After transmitting the data file over the REBInet, the `super' user should check the status of the EFT message and update the transmission status; printout of the acknowledgement status generated by RBInet software should also be taken. This status indicates the time when NCC received the EFT message.
7. **Original/duplicate Reports** - Branches make payment to the beneficiary based on the hard copy credit report (Report No.EFTR-5A) or refund the remitter of the remittance amount for the rejected acknowledgement on the basis of acknowledgement report (EFTR-5B). EFT package has been designed to generate copy number against every copy printed. Branches are to act on copy number "1". Copies generated after the first copy bear the numbers 2,3,4,5..... onwards. If for any reason Service branches are not in a position to send the first copy and that needs to be indicated in the copy sent with duly signed certification that "copy number 1 has not been sent and that they should consider copy number---- as copy number 1 etc."

(para 7.10)

8. Software packages supplied by the Reserve Bank should be kept in a secure palce - preferably in the custody of the officer-in-charge of the Service Branch or the designated `System Administrator' of the Service Branch.
9. Even if there are no EFT transactions to be reported, "Hello" messages should be sent to Local NCC on a daily basis through RBInet.
10. Periodic Scrutiny may be conducted by a person other that the `super' and `operator' users that data/files are not tampered and that reconciliation is done on a daily basis.
11. Backup - Back-up exercise as indicated at Appendix-II of the Guidelines should be carried out and recorded in a register by the `super' user on a daily basis.

**Note:** This is not a comprehensive check list. The participating banks are required to update the same in light of the procedural guidelines they would be issued to their service branches.

**Back-up Procedure for service branches of banks**

1. Each participating bank should have a back-up computer system so that the back-up system is made operational within an hour of the primary system going inoperative. This back-up system should be located either at the service branch itself or any other branch/office in the city. Alternatively, banks can have mutual back-up arrangements. In such cases of mutual back-up, due care need be taken on data security.
2. Transaction files should be backed-up on a daily basis and the "super" user for the day should record this fact in a register. Audit trail files should also be backed-up.
3. A copy of the EFT software package should be in the custody of the Officer-in-Charge or System Administrator of the Service Branch.
4. Internal Auditors/Inspectors of banks should necessarily examine this aspect while inspecting/auditing the Service branch.

For further clarification, please contact :

Electronic Funds Transfer Cell (EFT Cell),  
Department of Payment and Settlement  
Systems,  
Reserve Bank of India,  
Central Office Building,  
Shahid Bhagat Singh Marg, Fort,  
Mumbai - 400 001.

Telephone No.(022)22661602 Ext.2302  
Fax No.(022) 22659566