



भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA



Payment Systems in India

**Department of Payment and
Settlement Systems
14th Floor, Central Office Building
Shahid Bhagat Singh Marg, Fort
Mumbai – 400 001**

Visit us at

[http://www.rbi.org.in/scripts/
paymentsystems.aspx](http://www.rbi.org.in/scripts/paymentsystems.aspx)

Email: helpdpss@rbi.org.in

Cheques

Every day around 50 lakh cheques are presented for clearing by various banks in India.



Do you know ...

- All banks accept outstation cheques deposited by their customers for collection.
- Outer time limit for collection of outstation cheques drawn on state capitals / major cities / other locations is 7/10/14 days respectively.
- Banks cannot charge the collection charges more than the RBI prescribed charges ranging between ₹ 25 and ₹ 100 (excluding service tax) for cheques up to ₹ 1 lakh. Over ₹ 1 lakh, banks fix their own charges.
- No additional charges such as courier, out of pocket expenses, etc, can be levied by banks.
- If there is any delay in collection beyond stipulated period, bank has to pay interest at the rate specified.
- Also, an outstation cheque can be presented under Speed Clearing provided the cheque is drawn on a CBS enabled bank/branch. The outstation cheque will be credited to your account on the third day of presentation like any other local cheque.
- No service charge is levied to the Saving Bank customers for cheques up to ₹ 1 lakh cleared under speed clearing.

***Cheques take days in clearing .
Why wait so long.....opt for electronic mode***

Electronic Clearing Service

Electronic Clearing Service (ECS) is an electronic mode of payment / receipt for bulk transactions that are repetitive and periodic in nature. Once the customer subscribes to the facility by giving a mandate (authorization), the funds are transferred on the due date from/into the bank account electronically.

No Cash



No Cheques

No Queues



What you have to do...

- Register with your banker/service provider for ECS Debit facility for paying regular utility bills like electricity bill, telephone bill, school/college fees etc.
- Subscribe to ECS Credit facility with your employer or company for receiving salary, pension, dividends, interest and other regular incomes.
- Your bank will make the payments when due, by directly debiting your account and similarly the funds would be credited directly in your account when received.

Save Time and Energy

- Use ECS Debit for paying utility bills, EMIs, school fees etc.
- Use ECS Credit for paying salary, dividends, interest etc.

NEFT and RTGS

National Electronic Funds Transfer System (NEFT) facilitates transfer of funds electronically by giving mandate to your bank branch or through internet banking.

Do you know...

- Payment can also be made by debit to bank account or by cash (up to ₹ 50,000).
- The account details of beneficiary along with 11 digit IFSC code (available on cheque leaf and pass book) of beneficiary bank branch would be required to remit funds.
- There are eleven hourly settlements between 9:00 hours to 19:00 hours on week days and five settlements up to 13:00 hours on Saturdays.
- Amount is credited in beneficiary's account within two hours except for last two settlements which may be credited latest on next working day.
- The Remitter gets confirmation of credit in beneficiary's account.

NEFT Charges

- Upto ₹ 1 lakh - ₹ 5/-
- Over ₹ 1 lakh upto ₹ 2 lakh - ₹ 15/-
- Above ₹ 2 lakh - ₹ 25/-

Charges per transaction (excluding service tax)

Real Time Gross Settlement (RTGS) system is also available for fund transfer in real time for transactions over ₹ 2 lakh

- Make payment through RTGS by visiting your bank branch or using Internet banking.
- The RTGS service window for customers' transactions is available from 9.00 hours to 16.30 hours on week days and from 9.00 hours to 13.30 hours on Saturdays for settlement at the RBI end.

RTGS Charges

- From ₹ 2 to ₹ 5 lakh - not exceeding ₹ 30/-
- Over ₹ 5 lakh - not exceeding ₹ 55/-

Charges per transaction (excluding service tax)

There are no charges on Inward RTGS / NEFT / ECS/NECS transactions.

Person to Person Fund Transfer (P2P)

Domestic migrant population and others not having access to formal banking channels for want of proof of identity/address find difficulty in transferring funds to their family/relatives. To facilitate these migrant working force, Reserve Bank has put the following in place:



- A bank account holder can transfer funds to a non-account holder up to ₹ 10,000 per transaction and maximum ₹ 25,000 in a month.
- A non-account holder (also referred to as walk-in customers) can transfer cash up to ₹ 50,000 to a bank account holder using NEFT system through the nearest bank branch.
- A non-account holder can also transfer funds to a bank account holder up to ₹ 5,000 per transaction and maximum ₹ 25,000 in a month through a Business Correspondent or using an ATM.
- Funds can also be transferred from one Debit/Credit/Prepaid cards to another Card or bank account up to ₹ 5,000 per transaction and maximum ₹ 25,000 in a month.

Indo Nepal Remittance

Reserve Bank has also introduced an Indo-Nepal Remittance Scheme in May 2008 to enable migrant population of Nepalese origin to remit funds from India to their families residing in Nepal. The scheme rides on NEFT system wherein the funds from India are transmitted to Nepal SBI Ltd. (NSBL) which further transmits to the beneficiaries in Nepal, One person can remit 12 remittances in a year each valuing maximum of ₹ 50,000.

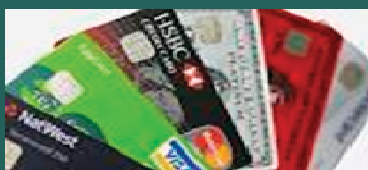
Other Payment Modes

Cards

Credit Cards issued by banks/NBFCs in India enable you to buy goods & services on credit. Remember to pay by due date as charges for delayed payments are high.

Debit Cards are issued by banks which are directly linked to the savings/current account which enables you to withdraw cash at ATM/POS or pay for goods and services.

Prepaid Cards are issued by banks/non-banks (authorised by RBI) that facilitate purchase of goods and services against the value stored on them. These cards can be acquired depending on the KYC requirement for a maximum value of ₹ 50,000 in the form of paper coupons, plastic cards, mobile wallets and electronic wallets. Cash withdrawal is permissible only on Open System prepaid cards issued by banks.



Mobile Banking

Mobile Banking services are offered by many banks which enable you to access your bank account for balance enquiry and for transferring funds between bank accounts through your mobile phone. Visit your bank to register for availing of Mobile Banking service

Always remember...

- Keep Card at secure place and change PIN periodically,
- Keep your card safe from water, fire, scratches and magnets,
- Report lost card immediately,
- Register your mobile number/email-id with your bank for receiving transaction alerts.

ATM / Point of Sale Terminals

- ❖ Use 24 X 7 cashless (mobile, internet, cards) mode of payments.
- ❖ Use ATMs for withdrawing cash.
- ❖ Use cards at POS terminals for making payments for goods and services.

Do You Know ...

- ✦ Saving bank customers can use ATM/Debit Cards issued by any bank at another bank's ATM free of cost up to 5 transactions in a month for balance enquiry/withdrawal of cash with a ceiling of ₹ 10,000 for each transaction.
- ✦ Beyond five transactions, banks may levy transaction fee for using another bank's ATM.



- ✦ If your account is debited but the cash is not dispensed by the ATM machine, **do not panic**. Lodge a complaint immediately with your bank (issuer bank). Keep the copy of the transaction slip for your record.
- ✦ If you have lodged complaint for failed ATM transaction within 30 days, your bank would be able to re-credit the amount wrongfully debited within 7 working days from the date of receipt of the complaint, else, pay you compensation of ₹ 100 per day for delayed credit.

Some banks also offer funds transfer and bill payment services from their ATMs.

Internet Banking

You can use the internet for making payments for purchase of goods and services, repay credit card dues, transfer funds by using on-line banking or credit/debit/prepaid cards. Ask your banker for Internet banking facility.

Some Facts For You

All entities desiring to operate a payment system in India need to take prior authorisation from Reserve Bank of India under the Payment and Settlement Systems Act, 2007.

Payment Systems include payments made using cheque, electronic modes, mobiles or cards (credit/debit/prepaid).

Our Mission

“To ensure that all the payment and settlement systems operating in the country are Safe, Secure, Sound, Efficient, Accessible and Authorised.”

Few of the steps initiated by the Reserve Bank in the recent past :

- ❖ Introduced low cost electronic funds transfer products like NEFT / RTGS for near real time/real time transfer of funds and ECS for bulk and recurring payments/receipts like Salary, Corporate Dividends, Utility Bills, EMIs, etc.
- ❖ Introduced Speed Clearing for faster realization of outstation cheques in 2-3 days as against 7-14 days in normal clearing.
- ❖ Securing credit/debit card transactions through additional factor of authentication, online alerts for all card transactions irrespective of value and channel of payment.
- ❖ Cash Pay-in facility for credit to a bank account and transfer of funds from a bank account with cash payout facility to the beneficiary at an ATM/BC outlet, subject to conditions.
- ❖ Relaxation of conditions for Domestic Money Transfers.

Choose electronic mode to make and receive payments for faster, safer and more efficient transfer of funds.

***Published by DPSS,
Reserve Bank of India, Mumbai
February 2012***