
Annex

Message flow architecture and timings

There is no change in the message formats and existing message formats will continue to be used.

The N06 messages (message from originating banks to Clearing Centre) may be initiated at any time of the day with the batch timings available. There is no change in this procedure.

After validating the N06 messages, the corresponding N02 messages (message from Clearing Centre to Destination banks) will be sent immediately from the clearing centre to the destination banks. Transactions will be bundled into messages (maximum 10 transactions in one message) as hitherto. There will be a continuous flow of N02 messages to banks till the time of corresponding batch settlement.

As hitherto, the final net settlement will take place at hourly intervals for each batch, and inter-bank settlement obligations will be calculated and sent for settlement to RBI, Mumbai.

The End of Batch (EOB) N04 messages (containing the aggregate of all transactions sent and received by the bank for that batch) will be released from the clearing centre only after receiving confirmation of settlement of the funds in the books of RBI.

Destination / beneficiary banks have to release the final credit to the beneficiary customer only after receiving EOB N04 message from NEFT, even though they would have received the credit messages (N02) earlier.

N02 messages for the next batch will be released from the clearing centre only after the N04 of the current batch is released for all the banks. This will ensure that all N02 messages received by the destination banks are for the current batch and the receipt of N04 message will complete the batch.

For clarity, the priority for N04 and N02 messages is kept same. This will ensure that the N04 messages will be received by the destination banks before any other N02 messages pertaining to next batch.

In the rare eventuality of any mismatch (occurring due to network problems where messages may not reach the destination bank) between N04/EOB report and actual transactions sent/received by a bank, banks may sort out the matter by requesting for details / reports from the clearing centre / help desk, as it is being done currently. There should be no undue rejection of transactions on this account, except on the basis of valid business reasons for return.

Banks should continue to send the N10 positive confirmation message, immediately on successful completion of credit to beneficiary account as hitherto.

Rescheduled and rejected transactions

Any message received by the clearing centre, after the netting of the batch is completed, will be re-scheduled automatically for the next available batch. It has now been decided to discontinue the sending of N03 message for transactions which are rescheduled to a batch on the same day (intra-

day rescheduling). However, when messages are rescheduled for the next day, the N03 message will be sent as it is being done currently. This message is for the information of the originating bank and no re-initiation of the message is required.

Any messages rejected by the clearing centre, for any technical reasons, will also be sent in the N03 format, as hitherto. These are permanent rejections and hence originating banks need to take necessary action at their end as being done currently.

Any message received after the End of Day (EOD) at the clearing centre will be re-scheduled to the next day's batch as per extant practice.

Start-of-Day and End-of-Day

The N02 messages for the first batch of the day will be released from the Clearing centre only after the Start of Day (SOD) activity is completed by the clearing centre, which will be done at 6.00 am each day.

After completion of the last batch for the day, the transactions received by the clearing centre, if any, meant for next day will be stopped at the clearing centre. Such messages will be released to the destination banks next day only after the completion of Start of Day (SOD) process at the clearing centre. Therefore, even though banks may continue to send the messages for the next available batch after the last batch for the day is completed, it should be noted that banks will start to receive the inward messages only next day, i.e., the day on which the transaction will be settled.

Banks should accordingly take care of their reconciliation requirements without the need for approaching the clearing centre routinely for this matter.

Return Discipline

The present time frame for return (B+2) will continue to be applicable and should be adhered to in strict conformity.

If necessary, banks may return the transactions immediately as and when they are rejected by their systems/CBS for any valid reasons. The banks' system need not wait for receipt of N04 for doing such a return. The original transaction and the return transaction may both be settled in the same batch, if the return transaction is received before settlement of the batch.