

## **II Vision Document 2005-08 – Accomplishments**

2.1 The roadmap set out in the Vision Document 2005-08 has been by and large accomplished.

2.2 The Payment and Settlement Systems Act, 2007 (the Act) has been enacted and the Regulations under the Act viz., the Board for Regulation and Supervision of Payment and Settlement Systems Regulations, 2008 and the Payment and Settlement Systems Regulations, 2008 have come into effect from August 12, 2008.

2.3 National Payments Corporation of India Ltd. (NPCI), a company to operate retail payments, has been set-up.

2.4 Centralised Funds Management System (CFMS), which facilitates own account funds transfer across offices of the Bank, has been operationalised at all the RBI centres. Use of CFMS as a mode of funds transfer to achieve National Settlement System (NSS) was recommended by the Committee set-up to finalise the modalities for implementation of NSS.

2.5 Availability of RTGS and National Electronic Funds Transfer (NEFT) Systems at more than 55,000 branches across the country has surpassed the target of 500 capital market intensive centres identified by the two stock exchanges (Bombay Stock Exchange and National Stock Exchange).

2.6 NEFT settlement timings were rationalised - It is now available from 9.00 am to 5.00 pm on weekdays and from 9.00 am to 12 noon on Saturdays. High end new servers for NEFT Production and Gateway services were installed at NCC-Nariman Point. A

separate new Gateway for NEFT was also successfully operationalised at NCC-Nariman Point. Back-up arrangements at the RBI Data Centre were activated. Extending NEFT beyond India was also achieved with the implementation of Indo-Nepal Remittance Facility Scheme, a low-cost alternative to Nepali migrants in India for remitting periodic sums back to Nepal.

2.7 National-ECS (NECS) was successfully launched during September 2008. NECS leverages on the core banking enabled network of bank branches with access from a centralised location (at Mumbai) thus providing pan-India coverage. Launch of NECS was yet another attempt to provide a national character to critical and popular payment systems.

2.8 Local ECS availability was extended to 76 major locations in the country. The clearing cycle for Local ECS was successfully brought down from T+5 to T+1. T+1 clearing cycle is operational uniformly at all ECS centres in the country.

2.9 The Cheque Truncation System (CTS) was successfully implemented in the National Capital Region of New Delhi. All member banks of New Delhi Bankers' Clearing House are participating in CTS. MICR clearing in New Delhi has since been discontinued.

2.10 MICR-Cheque Processing Centres (MICR-CPCs) were set-up at 31 more centres during the period, taking the total number of MICR-CPC locations to 66 and the number of MICR-CPCs to 71.

2.11 At centres with lesser cheque volume but where there are five or more bank branches or at district headquarters where there are three or more bank branches, Clearing Houses (CHs) have been opened with settlement arrived at by using the Magnetic Media Based Clearing System (MMBCS). Computerisation of CHs at over 90% of the locations has been achieved.

2.12 Improvements in Outstation cheque collection - Operationalisation of Speed Clearing to provide a facility for realisation of outstation cheques at the local centre-of-deposit was conceptualised and implemented during 2008. This facility is now available at 64 of the 66 MICR-CPC locations.

2.13 Minimum Standards of Operational Efficiency at MICR-CPCs and other CHs operating with the MMBCS package were framed and put in place. All CHs are required

to submit quarterly / half yearly Self Assessment Reports to respective Regional Offices of the Bank.

2.14 Benchmark Indicators of Efficiency for ECS (Credit and Debit) operations were formulated.

2.15 Apart from the mechanism of Banking Ombudsmen to handle payment system-related complaints, arrangements were put in place to look into queries and redress grievances of stakeholders by way of – a NEFT Help Desk at NCC-Nariman Point, placing contact details of RTGS participants on the Bank's website, etc.

2.16 List of centres offering ECS, locations where Speed Clearing is operational, consolidated links to Cheque Collection Policies (CCPs) of banks, comprehensive list of CHs, details of branches with IFSC and MICR codes, particulars of branches offering RTGS and NEFT products, FAQs on various payment system products, etc., were placed on the Bank's website for wider dissemination and stakeholder awareness.

2.17 The Department also participated effectively in various International & National events relating to payments systems. The Bank was actively represented in the SAARC Payments Council deliberations and a meeting of the Council was also organised in the country.

2.18 A world class Data Centre with an on-city and off-city back-up has been set-up. Testing of the back-up site is done periodically. Back-up arrangements for RTGS, CFMS, NEFT and other critical payment systems have been put in place.