

RBI/2004/211

DIT(CO).Cir.11 /09.63.99/2004

May 20, 2004

To Chairman / CEOs of all Scheduled Commercial banks

Dear Sir,

**Electronic Funds Transfer (EFT) Scheme and Electronic Clearing Service (ECS) – Processing Charges**

Please refer to the Annual Policy Statement for the year 2004-2005 made by Dr. Y V Reddy, Governor, Reserve Bank of India, on May 18,2004.

2. In order to give further fillip also to other types of electronic modes ECS and EFT modes of funds transfer, Governor announced in the Annual Policy Statement that the service charges on banks for ECS and EFT transactions would be waived for the period upto March 31, 2006. The following are the details in this regard:

- ❖ No ECS / EFT processing charges would be levied by the RBI. This would be applicable to ECS (Credit and Debit Clearing), Centralised ECS, the normal EFT as well as to the Special EFT Schemes.
- ❖ The waiver would be effective from June 1,2004 i.e. in respect of data submitted by banks from June 1,2004 and would be in vogue upto March 31, 2006.
- ❖ Banks are required to pass on this benefit to the customers in the form of a reduction in the charges being levied for such transactions.

3. It may be recalled that the Reserve Bank had waived the processing charges for EFT transactions for two years, as indicated by our circular DIT(CO).Cir 9 /09.63.99/2004 dated December 11,2003. This measure was undertaken to encourage electronic mode of payments which is fast and efficient.

4. The steps taken by you to pass on the benefit in terms of the change in tariff may be advised to us along with details of pre and post waiver charges, at an early date.

Yours faithfully,

(R Gandhi)  
Chief General Manager-in-charge