

November 16, 2005

The Chairman and Managing Directors of all Scheduled Commercial Banks

Dear Sir,

**NEFT Live Run Starting from November 21, 2005**

As you are aware the National Electronic Funds Transfer (NEFT) system is an electronic clearing system in test mode since September 2005. The testing process is now over as the NEFT application has since stabilized. It has been therefore decided for NEFT to go live with effective from November 21, 2005 with one settlement at 12 Noon every day. Initially, NEFT will start with 8 banks (Annexe 1) and progressively increased to cover all the banks which are presently participating in the Special Electronic Funds Transfer (SEFT) clearing. NEFT is on the Structured Financial Messaging Solution (SFMS) platform and is Public Key Infrastructure (PKI) enabled. Banks are advised to be ready with SFMS so as to join NEFT at an early date.

**2.** It is proposed to migrate all the present SEFT banks to NEFT by December 15, 2005. NEFT will be increased to two clearings per day (12 Noon and 3.00 PM) from December 15, 2005 and three clearings per day from January 1, 2006 (10.30 AM, 12 Noon and 3.00 PM). Accordingly, the frequency of the SEFT and EFT Clearings will be reduced to one clearing per day at 10.30 AM and 3.00 PM respectively from December 15, 2005.

**3.** As NEFT would be serving all the bank customers using SEFT, the SEFT system would be discontinued from January 1, 2006, while one EFT clearing will continue till further notice.

**4.** Banks which fulfill the eligibility criteria for participation in RTGS are invited to participate in the NEFT. As a part of the procedure for admitting the banks to the

NEFT system, an application for membership in the prescribed form may be forwarded to us (Annexe 2).

5. NEFT Procedural Guidelines and Operations Manual for Bank's Service Centre are available on the RBI website at [www.rbi.org.in](http://www.rbi.org.in).

Yours faithfully  
(Kaza Sudhakar)  
General Manager

**List of participating banks in NEFT Clearing on November 21, 2005**

1. ABN AMRO
2. Bank of Baroda
3. Canara Bank
4. Dena Bank
5. HDFC Bank
5. HSBC
6. ICICI Bank
8. Punjab National Bank

**Form NEFT-1A**

**RBI NEFT System**

*Application for participation in RBI NEFT System*

ORIGINAL/DUPLICATE/TRIPPLICATE

Ref. No. . . . . .

Date . . . / . . . /

The Chief General Manager  
Reserve Bank of India  
Department of Payment & Settlement Systems  
Central Office  
14<sup>th</sup> Floor,  
Shahid Bhagar Singh Marg  
Mumbai – 400001

Dear Sir/ Madam,

Our bank/financial institution/organisation requests Reserve Bank of India's approval for participation in the RBI NEFT System and agrees to abide by the Procedural Guidelines for RBI NEFT System in the event of being admitted into the System.

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

Place:

(.....)

Date:

Signature with name, designation and seal of the applicant

1. Name of the bank/financial institution/organisation:
2. No. of branches having connectivity all over India and can participate in the NEFT with T+0 settlement.