

**RBI/2007-08/123**

DGBA.GAD.No.H 2206 /31.03.011/2007-08

August 28, 2007

To  
The Chairman & Managing Director/ Managing Director  
All Agency banks

Dear Sir,

**Remittance facility for Government transactions**

As per extant instructions, the remittance needs of the Government Departments are to be met by the concerned accredited agency bank free of cost. However, information collected from banks reveal that service charges are being levied by most of the agency banks for effecting remittance transactions of Government through ECS, EFT, NEFT, RTGS etc. In this connection, we reiterate that remittance transactions by accredited banks by whatever mode form part of agency transactions and has to be effected free of charge. Further, RBI has not been charging any fee from banks for ECS/EFT/NEFT and RTGS transactions.

2. It is, therefore, advised that all agency banks should provide remittance facility to Ministries/ Departments of Central and State Governments to which they are accredited **free of cost** at their authorised branches, irrespective of the mode of such remittance.

Yours faithfully

(M.T.Varghese)  
General Manager