

RBI/2009-10/226

DPSS (CO) RTGS No. **991** / 04.04.002 / 2009 – 2010

November 17, 2009

Chairman and Managing Director /
Chief Executive Officer of all banks participating in RTGS

Madam / Dear Sir,

RTGS System - Government Receipts

As you are aware, the Reserve Bank of India has taken a series of initiatives in the recent past to facilitate electronic mode of funds transfers as a result of which the volume processed in RTGS and NEFT systems have grown substantially. It is observed that of late, certain banks have been accepting receipts to Government accounts through RTGS. However, banks are not following a uniform practice while facilitating such transactions. On the basis of discussions with various major RTGS participant banks, it has been decided as under:

As per the extant Government rules, only accredited banks are permitted to receive payments to Government and every credit to the Government account needs to be supported by a Challan. The RTGS message transfer platform is designed to carry only funds transfer messages and not challan. The receiving bank therefore is not in a position to afford credit to the Government account in the absence of the challan accompanying the message in RTGS. This often results in transactions getting returned.

In order to facilitate Government receipts through RTGS it has been decided that participants originating Government transactions in RTGS can do so only when the receiving bank is in agreement with the sending bank to receive funds. In case it is bilaterally decided to undertake such a funds transfer in RTGS, banks have to use the interbank mode R 42 for such transfers.

RTGS participants may please note that this is an interim arrangement and would continue till such time the procedure followed for Government receipts is fine tuned with RTGS frame work.

The bank originating the transaction must capture complete information of the sender and receiver in the message format in conformity with Wire Transfer guidelines. The message may carry additional information if required by the receiving bank in field tag 7495.

Please acknowledge receipt.

Yours faithfully,

(G. Padmanabhan)
Chief General Manager

Withdrawn – Instructions subsumed in
RTGS System Regulations