

PRESS RELEASE



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April 19, 2007

Report of the Study Group on Migration from Paper Based Funds Movement to Electronic Funds Transfer for Public Comments

The Reserve Bank of India has today placed on the website the report of the Study Group on Migration from Paper Based Funds Movement to Electronic Funds Transfer (Group) for public comments. Comments may be addressed to the Chief General Manager, Reserve Bank of India, Department of Payment and Settlement Systems, Central Office, Fort, Mumbai - 400 001 or sent by email before May 15, 2007.

The Reserve Bank has been taking initiatives by creating appropriate technological infrastructure to enable migration from paper based payments to electronic payment systems such as Real Time Gross Settlement (RTGS) System, National Electronic Funds Transfer (NEFT) System and Electronic Clearing Service (ECS). While doing so, RBI has been adopting international best practices leading to higher efficiency, risk reduction in payment and settlement systems. The access points for availability of these payment systems as well as their usage have been steadily growing. The RTGS system currently covers more than 28,000 branches of banks while the NEFT system covers more than 23,000 bank branches. ECS is available at 64 centres in the country.

The Reserve Bank had constituted the Group to examine various issues connected with migration from paper based funds movement to electronic funds transfer. The approach suggested by the Group is to encourage, monitor and mandate, if necessary electronic payment systems. The report outlines a time bound action plan for certain categories of systemically important payments to be routed only through RTGS.

G. Raghuraj
Deputy General Manager

Press Release : 2006-2007/1435