

Q.1 What is RTGS System?

Ans The acronym "RTGS" stands for Real Time Gross Settlement. RTGS system is a funds transfer mechanism where transfer of money takes place from one bank to another on a "real time" and on "gross" basis. This is the fastest possible money transfer system through the banking channel. Settlement in "real time" means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. "Gross settlement" means the transaction is settled on one to one basis without bunching with any other transaction. Considering that money transfer takes place in the books of the Reserve Bank of India, the payment is taken as final and irrevocable.

Q.2 How RTGS is different from Electronic Fund Transfer System (EFT) or National Electronics Funds Transfer System (NEFT)?

Ans EFT and NEFT are electronic fund transfer modes that operate on a deferred net settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place at a particular point of time. All transactions are held up till that time. For example, NEFT settlement takes place 6 times a day during the week days (9.30 am, 10.30 am, 12.00 noon, 1.00 pm, 3.00 pm and 4.00 pm) and 3 times during Saturdays (9.30 am, 10.30 am and 12.00 noon). Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time. Contrary to this, in RTGS, transactions are processed continuously throughout the RTGS business hours.

Q .3 Is there any minimum / maximum amount stipulation for RTGS transactions?

Ans. The RTGS system is primarily for large value transactions. The minimum amount to be remitted through RTGS is Rs.1 lakh. There is no upper ceiling for RTGS transactions. No minimum or maximum stipulation has been fixed for EFT and NEFT transactions.

Q4. What is the time taken for effecting funds transfer from one account to another under RTGS?

Ans. Under normal circumstances the beneficiary branches are expected to receive the funds in real time as soon as funds are transferred by the remitting bank. The beneficiary bank has to credit the beneficiary's account within two hours of receiving the funds transfer message.

Q.5 Would the remitting customer receive an acknowledgement of money credited to the beneficiary's account?

Ans The remitting bank receives a message from the Reserve Bank that money has been credited to the receiving bank. Based on this the remitting bank can advise the remitting customer that money has been delivered to the receiving bank.

Q.6 Would the remitting customer get back the money if it is not credited to the beneficiary's account? When?

Ans Yes. It is expected that the receiving bank will credit the account of the beneficiary instantly. If the money cannot be credited for any reason, the receiving bank would have to return the money to the remitting bank within 2 hours. Once the money is received back by the remitting bank, the original debit entry in the customer's account is reversed.

Q.7 Till what time RTGS service window is available?

Ans The RTGS service window for customer's transactions is available from 9.00 hours to 15.00 hours on week days and from 9.00 hours to 12.00 noon on Saturdays i.e. to accept the customer transactions for settlement at the RBI during 9.00 hours to 15.00 hours on week days and between 9.00 hours and 12.00 noon on Saturday. However, the timings between these hours would vary depending on the customer timings the branches have. For inter-bank transactions, the service window is available from 9.00 hours to 17.00 hours on week days and from 9.00 hours to 14.00 hours on Saturdays.

Q.8 What about Processing Charges/Service Charges for RTGS transactions?

Ans While RBI has waived its processing charges for all electronic payment products till March 31, 2008, levy of service charges by banks is left to the discretion of the respective banks. The bank-wise details of charges levied are available on the RBI website – www.rbi.org.in.

Q.9 What is the essential information that the remitting customer would have to furnish to a bank for the remittance to be effected?

Ans The remitting customer has to furnish the following information to a bank for effecting a RTGS remittance:

1. Amount to be remitted
2. His account number which is to be debited
3. Name of the beneficiary bank
4. Name of the beneficiary customer
5. Account number of the beneficiary customer
6. Sender to receiver information, if any
7. The IFSC code of the receiving branch

Q.10 How would one know the IFSC code of the receiving branch?

Ans. The beneficiary customer can obtain the IFSC code from his branch. The IFSC code is also available in the cheque leaf. This code number and bank branch details can be communicated by the beneficiary to the remitting customer.

Q.11 Do all bank branches in India provide RTGS service?

Ans No, all the bank branches in India are not RTGS enabled. As on January 31, 2007 more than 26,000 bank branches are RTGS enabled. The list of such branches is available on RBI website www.rbi.org.in/Scripts/Bs_viewRTGS.aspx

Q.12 Is there any way that a remitting customer can track the remittance transaction?

Ans It would depend on the arrangement between the remitting customer and the remitting bank. Some banks with internet banking facility provide this service. Once the funds are credited to the account of the beneficiary bank, the remitting customer gets a confirmation from his bank either by an e-mail or by a short message on the mobile.

Q.13. Whom do I can contact, in case of non-credit or delay in credit to the beneficiary account?

Ans Contact your bank / branch. If the issue is not resolved satisfactorily, the Customer Service Department of RBI may be contacted at -

The Chief General Manager,
Reserve Bank of India,
Customer Service Department,
1st Floor, Amar Building, Fort,
Mumbai-400001

or send an email by clicking here.

Q.14 How much volume and value of transactions are routed through RTGS on a typical day?

Ans On a typical day, RTGS handles about 14000 transactions a day for an approximate value of Rs.1,50,000 crore.

Q.15 How can a remitting customer know whether the bank branch of the beneficiary accepts remittance through RTGS?

Ans For a funds transfer to go through RTGS, both the sending bank branch and the receiving bank branch would have to be RTGS enabled. The lists are readily available at all RTGS enabled branches. Besides, the information is available at RBI website (www.rbi.org.in/Scripts/Bs_viewRTGS.aspx). Considering that more than 26,000 branches at more than 3,000 cities/ towns and taluka places are covered under the RTGS system, getting this information would not be difficult.