FAQ on Electronic Clearing Services

1. <u>Electronic Clearing Service (ECS) - Credit Clearing</u>

ECS (Credit Clearing) is a mode of payment whereby an institution having to pay interest, dividend, salary, pension to a large number of investors/ share holders/ employees/ ex-employees can make the payments electronically instead of issuing paper warrants. The Scheme is operational in 46 cities in India.

The Scheme benefits all concerned - to the corporate bodies (USERS) in not having to print and despatch numerous paper instruments, to the banks (Sponsor Bank) in reconciling the figures, to the clearing system in not having to deal with paper instruments and to the beneficiary (share holders, depositors etc.) in getting the credit directly into their bank account on the due date.

For more about the Scheme visit the Section on ***FAQ on Credit Clearing***

2. <u>Electronic Clearing Service (ECS) - Debit Clearing</u>

ECS (Debit Clearing) Scheme helps utility institutions, insurance companies, credit card companies and finance companies to collect the proceeds of telephone/ electricity bills, insurance premia or periodical installments etc. on the due date based on the mandates received from the consumers/ subscribers. The Scheme is made available at 15 centres by RBI.

For more about the Scheme, visit the Section on ***FAQ on Debit Clearing***

3. <u>RBI Electronic Funds Transfer (EFT) System</u>

RBI EFT System is a remittance facility available between the four metropolitan centres (viz., Mumbai, New Delhi, Calcutta and Chennai). At present all the 27 public sector banks and 8 scheduled banks are participating in this system. Account holders at the branches of these participating banks can request for next day delivery of funds to a beneficiary's account in any other branch of the participating bank.

For more about the Scheme, visit the Section on ***FAQ on EFT Clearing***