

## Indo-Nepal Remittance Facility scheme

### Q.1. What are the salient features of Indo-Nepal Remittance Facility Scheme?

Ans : Indo-Nepal Remittance Facility is a cross-border scheme to transfer funds from India to Nepal. The Indo-Nepal remittance scheme is a facility available under the NEFT system. A separate Transaction Code (No. 51) has been allotted in the NEFT system to facilitate the transfer of funds from India to Nepal. A remitter can transfer funds up to Indian Rupees 50,000 from any of the NEFT-enabled branches in India to Nepal. The beneficiary would receive funds in Nepalese Rupees. Further details on the NEFT system and the NEFT-enabled branches are available on the website of Reserve Bank of India at <http://www.rbi.org.in/scripts/neft.aspx>.

### Q.2. Is it necessary for the remitter to maintain an account with a bank branch in India?

Ans : No, this is not a mandatory requirement. Under the Indo-Nepal Remittance Facility Scheme, even a walk-in customer in India can deposit cash up to Rs.50,000 for transfer of funds to the beneficiary in Nepal.

### Q.3. Does the beneficiary need to maintain an account with a bank branch in Nepal?

Ans : No, even this is not mandatory. It would, however, be ideal if the beneficiary maintains an account with a bank branch in Nepal to which the credit could be afforded. In Nepal, the Indo-Nepal Remittance Facility Scheme is handled by Nepal SBI Ltd. (NSBL). If the beneficiary resides in a locality or area in Nepal not serviced by a bank branch, an arrangement has been entered into by NSBL with a money transfer company in Nepal (called Prabhu Money Transfer) who would make arrangements for delivery of cash (in Nepalese Rupees) to the beneficiary.

### Q.4. What are the minimum documents needed to be presented by the remitter?

Ans : If the remitting customer maintains an account with a bank branch in India there is no need for any additional information, documents or identification. Else, the remitter has to submit documents for proof of identification such as Passport / Permanent Account Number / Driving License / Telephone Bill / Certificate of Identification issued by his employer with photograph and other details. The information will be captured in the NEFT system as part of compliance with the Know Your Customer (KYC) requirements. Complete address and telephone / mobile number of the beneficiary in Nepal will also be required.

### Q.5. How do the transactions flow from India to Nepal and what are the timelines for completion of the transactions?

Ans : Remittances under the scheme for transfer of funds from India to Nepal can be originated from any of the NEFT-enabled branches in India, which are around 62,000 as on date. List of bank branches participating in the NEFT system is available on the website of Reserve Bank of India at <http://www.rbi.org.in/scripts/neft.aspx>.

The transactions from the originating bank branch flow in the NEFT system to the designated branch of State Bank of India (SBI) in India. SBI then consolidates all such remittance information received during the day. At the end of the day, the remittance information is conveyed electronically in a secured mode to Nepal SBI Bank Ltd. (NSBL). NSBL then makes arrangements for credit to the bank account of the beneficiary if the beneficiary account details are available. Else, NSBL disburses funds in cash to the beneficiary through the authorised money transfer company (Prabhu Money Transfer). The beneficiary has to approach the local branch of the money transfer company, furnish the UTR number (also called as the Unique Transaction Reference number that uniquely identifies a transaction in the NEFT system that can be obtained from the remitter), and produce a photo identity document (generally Nepal Citizenship Certificate) to prove his identity.

If the beneficiary does not approach the money transfer company within a week from the date of the transaction, the money transfer company would make arrangements for return of the remittance to the originator.

**Q.6. How does the remitting customer in India know about the branches of NSBL and the outlets of Prabhu Money Transfer?**

Ans : The location and addresses of NSBL and Prabhu Money Transfer are available in the Procedural Guidelines for Indo-Nepal Remittance Facility Scheme as also with the NEFT-enabled branches in India. The Procedural Guidelines for Indo-Nepal Remittance Facility Scheme are available on the website of Reserve Bank of India at <http://rbidocs.rbi.org.in/rdocs/content/pdfs/84489.pdf>.

**Q.7. How does the remitter get back money if not delivered to the beneficiary?**

Ans : The amount of remittance will flow back to the originating bank branch in India through the NEFT system and the bank branch would then communicate to the remitter about return of the remittance. If the remittance was originated by debit to an account of the remitter with the bank branch, the returned amount will be credited to the account. If the remittance was by a walk-in customer through a cash deposit, the remitter has to produce evidence of proof of remittance (counterfoil of the remittance application form) for refund of the cash deposited.

**Q.8. What are the charges for to be paid for availing the remittance facility?**

Ans : As the facility is targeted at the migrant Nepali workers in India, concessional charges are envisaged for transfer of funds under the Indo-Nepal remittance scheme. The charges are as under –

- a. Originating bank branch in India – Maximum Rs. 5 per transaction.
- b. State Bank of India in India – Rs. 20 per transaction if the beneficiary maintains an account with Nepal SBI Ltd. (NSBL).
- c. State Bank of India shares this amount equally with NSBL. NSBL would not charge any additional amount for crediting the account of the beneficiary.
- d. In case the beneficiary does not maintain an account with NSBL, an additional amount would be charged @ Rs. 50 for remittances up to Rs. 5,000 and Rs. 75 for remittances above Rs. 5,000.

The charges would, thus, be a minimum of Rs. 25 or a maximum of Rs. 100 depending on the value of transaction and the manner in which credit is afforded to the beneficiary.

Originating bank branches have been advised to recover the entire charges from the remitter as per the structure detailed above and pass on the appropriate amount to SBI after retaining their share (of Rs. 5).

**Q.9. Are there any restrictions on the number of remittances?**

Ans : Yes. An originator in India is allowed to remit a maximum of 12 remittances in a year under the scheme.

**Q.10. Who can be contacted for redressal of grievances under the Scheme?**

Ans : In case of complaints relating to non-credit or delay in credit to the beneficiary account or for complaints of any other nature, the NEFT Customer Facilitation Centre (CFC) of the respective bank (the originating bank and / or SBI) can be contacted. Details of NEFT Customer Facilitation Centres of banks are available on the websites of the respective banks. The details are also available on the website of Reserve Bank of India at <http://www.rbi.org.in/scripts/neft.aspx>.

If the issue is not resolved satisfactorily, the NEFT Help Desk (or Customer Facilitation Centre of Reserve Bank of India) at National Clearing Cell, Reserve Bank of India, Mumbai may be contacted through [e-mail](#) or by addressing correspondence to the General Manager, Reserve Bank of India, National Clearing Centre, First Floor, Free Press House, Nariman Point, Mumbai – 400 021.