

Indo-Nepal Remittance Facility scheme

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

Ans : Indo-Nepal Remittance Facility is a cross-border remittance scheme to transfer funds from India to Nepal, enabled under the NEFT Scheme. The scheme was launched to provide a safe and cost-efficient avenue to migrant Nepalese workers in India to remit money back to their families in Nepal. A remitter can transfer funds up to Indian Rupees 50,000 (maximum permissible amount) from any of the NEFT-enabled branches in India..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 Scheme, even a walk-in customer can transfer funds upto Rs 50,000 by depositing the cash at the remitting bank branch..

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 does not have a bank account with NSBL or resides in a locality/ area in Nepal not serviced by a NSBL 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.. List of bank-wise branches participating in the NEFT system is available on the website of Reserve Bank of India at http://www.rbi.org.in/Scripts/bs_viewcontent.aspx?ld=2009.

The bank branches originating the Indo-Nepal remittance transactions under the NEFT will process it like any other NEFT transaction, the only difference being that these transactions will subsequently be pooled / collected at the designated branch of State Bank of India (SBI) in India. At the end of the day, the remittance information is conveyed electronically by SBI 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 is an account holder of NSBL. 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 it is 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, the returned amount will be credited to that account. If the remittance was made 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 getting refund. .

Q.8. What are the charges 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 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). State Bank of India shares this amount equally with NSBL. NSBL would not charge any additional amount for crediting the account of the beneficiary.
- c. In case the beneficiary does not maintain an account with NSBL, an additional amount of Rs.50 would be charged 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/bs_viewcontent.aspx?Id=2070 .

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.