

RTGS System

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Q1. What is RTGS System?

Ans. The acronym 'RTGS' stands for Real Time Gross Settlement, which can be defined as the continuous (real-time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time. 'Gross Settlement' means the settlement of funds transfer instructions occurs individually (on an instruction by instruction basis). Considering that the funds settlement takes place in the books of the Reserve Bank of India, the payments are final and irrevocable.

Q2. How RTGS is different from National Electronics Funds Transfer System (NEFT)?

Ans. NEFT is an electronic fund transfer system that operates on a Deferred Net Settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place with all transactions received till the particular cut-off time. These transactions are netted (payable and receivables) in NEFT whereas in RTGS the transactions are settled individually. For example, currently, NEFT operates in hourly batches - there are eleven settlements from 9 am to 7 pm on week days and five settlements from 9 am to 1 pm on Saturdays. Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time. Contrary to this, in the RTGS transactions are processed continuously throughout the RTGS business hours.

Q3. Is there any minimum / maximum amount stipulation for RTGS transactions?

Ans. The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is ₹ 2 lakh. There is no upper ceiling for RTGS 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.

Q5. 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.

Q6. 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.

Q7. Till what time RTGS service window is available?

Ans. The RTGS service window for customer's transactions is available from 9.00 hours to 16.30 hours on week days and from 9.00 hours to 13.30 hours on Saturdays for settlement at the RBI end. However, the timings that the banks follow may vary depending on the customer timings of the bank branches.

Q8. What about Processing Charges / Service Charges for RTGS transactions?

Ans With a view to rationalize the service charges levied by banks for offering funds transfer through RTGS system, a broad framework has been mandated as under:

a) Inward transactions – Free, no charge to be levied.

b) Outward transactions –

Rs. 2 lakh to Rs. 5 lakh - not exceeding Rs. 30 per transaction.

Above Rs. 5 lakh - not exceeding Rs. 55 per transaction.

Q9. 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. Remitting customer's 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 Number of the receiving branch

Q10. How would one know the IFSC code of the receiving branch?

Ans. The beneficiary customer can obtain the IFSC code from his bank branch. The IFSC code is also available on the cheque leaf. The IFSC code is also available on the RBI website (<http://rbidocs.rbi.org.in/rdocs/RTGS/DOCs/RTGEB1110.xls>). This code number and bank branch details can be communicated by the beneficiary to the remitting customer.

Q11. Do all bank branches in India provide RTGS service?

Ans. No. All the bank branches in India are not RTGS enabled. As on September 29, 2011, there are more than 78,000 RTGS enabled bank branches. The list of such branches is available on RBI website at <http://rbidocs.rbi.org.in/rdocs/RTGS/DOCs/RTGEB1110.xls>

Q12. 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 sms.

Q13. 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, complaint may be lodged to the Customer Service Department of RBI at -

The Chief General Manager,
Reserve Bank of India,
Customer Service Department,
1st Floor, Amar Building, Fort,
Mumbai – 400 001
Or send [email](#)

Q14. 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 (<http://rbidocs.rbi.org.in/rdocs/RTGS/DOCs/RTGEB1110.xls>). Considering that more than 74,000 branches at more than 20,000 cities/ towns / taluka places are covered under the RTGS system, getting this information would not be difficult.