

RTGS System

Q1. What is RTGS System?

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

Q2. 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. Transactions are settled in batches. In DNS, the settlement takes place at a particular point of time. All transactions are held up until the next settlement time. For example, NEFT settlement takes place 6 times a day during the week days (9.00 am, 11.00 am, 12.00 noon, 15.00 hours and 17.00 hours) and 3 times during Saturdays (9.00 am, 11.00 am and 12.00 noon). Any transaction initiated at 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.

Q3. 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 ₹10 lakhs. There is no upper ceiling for RTGS transactions. No minimum or maximum stipulation has been fixed for EFT 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 the 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. This is 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 weekdays and from 9.00 hours to 12.30 noon 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 various electronic products, a broad framework has been mandated as under:

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

b) Outward transactions –

Rs. 1 lakh to Rs. 5 lakh - not exceeding Rs. 25 per transaction.

Rs. 5 lakh and above – not exceeding Rs. 50 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. 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 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 branch. The IFSC code is also available in the cheque 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 December 31, 2008 more than 52,000 bank branches are RTGS enabled. The list of such branches is available on RBI website www.rbi.org.in/Scripts/Bs_viewRTGS.aspx

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 banking facility provide this service. Once the funds are credited to the account of the beneficiary bank, the remitting customer receives a confirmation from his bank either by an e-mail or by a short message on the mobile.

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, the Customer Service Department of the bank should 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.

Q14. How much volume and value of transactions are routed through RTGS on a typical day?

Ans. On a typical day, RTGS handles about 60,000 transactions a day for an approximate value of Rs.2,700 billion.

Q15. 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 should be RTGS enabled. The lists are readily available at all RTGS enabled branches. Besides, the information is available on the RBI website (www.rbi.org.in/Scripts/Bs_viewRTGS.aspx). Considering that more than 52,000 branches are RTGS enabled at more than 10,000 cities.

taluka places are covered under the RTGS system, getting this information would not be difficult.