NEFT stands for National Electronic Funds Transfer. Started in November 2005, NEFT is an electronic funds transfer system set up and managed by the Reserve Bank of India. NEFT allows the online transfer of funds from one NEFT-enabled bank account to another.

**Features**

The National Electronic Funds Transfer system is one of the various methods of online money transfer. It is regulated by the RBI and hence, works as per the guidelines laid down by RBI.

* NEFT is a one-to-one payment facility
* NEFT transactions can be processed only between the banks that offer NEFT-enabled services
* Transactions made through NEFT do not take place in real-time; implying that it takes a few days for NEFT transactions to complete
* Before December 2019, RBI had fixed timings during which NEFT transactions can be processed. Any NEFT transaction will be processed only between 8:00 AM and 6:30 PM from Monday to Friday, and 8:00 AM to 12:00 PM on Saturdays. However, from 2020, NEFT transactions can be performed 24\*7
* To transfer funds through NEFT, you must add beneficiaries on the internet banking portal of your required bank
* There are no limits on the amount of NEFT transactions
* There is a fee applicable on all NEFT transactions; the amount varies from Rs. 2.5 to Rs. 25, depending on the amount being transferred
* As per RBI guidelines, the payments made via NEFT are processed and settled in batches of half-hour

**Advantages**

Among all the other methods of online money transfer, here’s why you can opt for NEFT (National Electronic Funds Transfer)-

* NEFT makes the transfer of funds easy, convenient and feasible
* All NEFT transactions take place online; hence, there is no involvement of a third party
* Owing to the involvement of RBI, NEFT transactions are completely safe and secure
* The receiver and sender of the funds gets notified instantly upon completion of the transaction
* NEFT does not require cheques or demand drafts while transferring money; hence, it is economical
* Any account holder, whether an individual, firm or corporate can carry out NEFT transactions. The only required condition is that the banks of both the parties must be NEFT-enabled
* Apart from transferring money, you can also use NEFT to pay your loan installments, credit card dues, EMIs, etc.

## Charges Applicable on NEFT Transactions

NEFT transactions involve the following additional charges as money transfer fee-

|  |  |
| --- | --- |
| **Transaction Amount** | **Fee Amount** |
| **Less than or equal to Rs. 10,000** | **Rs. 2.5** |
| **Between Rs. 10,000 and Rs. 1 Lakh** | **Rs. 5** |
| **Between Rs. 1 Lakh and Rs. 2 Lakh** | **Rs. 15** |
| **Equal to or more than Rs. 2 Lakh** | **Rs. 25** |