

The Chairman / Managing Director / Chief Executive Officer
All Scheduled Commercial Banks

Madam / Dear Sir,

Guidelines to facilitate faster cross-border inward payments

The Reserve Bank's [Payments Vision 2025](#) aims to bring efficiency in cross-border payments aligning with the G20 roadmap to make them cheaper, faster, more transparent, and more accessible.

2. The speed of cross-border payments is affected by several factors. One of these factors is the delay at the beneficiary leg *i.e.*, the time taken from receipt of the payment at the beneficiary bank till credit to the beneficiary account. Streamlining the processes at the beneficiary bank would ensure timely intimation of payment information and credit to the beneficiary's account.
3. Accordingly, banks are advised as under:
 - a. Banks shall inform their customer of the receipt of cross-border inward transactions immediately on receipt of inward message. Messages received after close of operating hours of the individual banks shall be informed to the customer immediately at the start of the next business day.
 - b. It is observed that several banks rely upon end-of-day statements of the nostro account for confirming and reconciling receipts in nostro accounts, resulting in delayed credit. To expedite this process, banks are advised to undertake reconciliation and confirmation of credit in the nostro account either on near real time basis or at periodic intervals. The reconciliation interval should normally not exceed thirty minutes.
 - c. Banks shall endeavour to credit the inward payments received during the foreign exchange market hours within the same business day to the beneficiary's account, and credit the inward payments received after market hours on the next business day, subject to compliance with the extant FEMA and other regulatory requirements.

- d. Banks may, based on their risk assessment and subject to compliance with extant FEMA guidelines, put in place a straight through process for crediting inward payments to the account of individual residents.
 - e. Banks may, within a reasonable time frame, endeavour to provide digital interface to their customers to facilitate foreign exchange transactions, including submission of documents or information, and monitoring of transactions.
4. The directions at para 3 above shall be effective six months from the date of this circular.
5. The directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007, (Act 51 of 2007).

Yours faithfully,

(Gunveer Singh)
Chief General Manager-in-Charge