



Fresher Learning Program

Electronic Fund Transfers

- Internal Transfer
- Domestic Transfer(NEFT/RTGS)
- Utility Payments
- Cross Border/SWIFT Transfers

Possible channels through which Payments can be initiated

- Branch
- Phone Banking
- Back-Office
- Mobile Banking
- ATM
- Online Banking

Payments – Outgoing Payee Maintenance

Same day Outgoing Fund Transfers Add Payee

SWIFT Transfer Edit Payee

One Time Future dated Outgoing Fund Transfers Delete Payee

Recurring Future dated Outgoing Fund Transfers Authorize Payee

Payments– Incoming Standing Instruction

Same day Incoming Fund Transfers Maintenance

One Time Future dated Incoming Fund Transfer Add Standing Instruction

Edit Standing Instruction

Suspend Standing Instruction

Delete Standing Instruction

Reactivate Standing Instruction

Direct Debit

- India has two main electronic funds settlement systems for one to one transactions:
 - Real Time Gross Settlement (RTGS) and
 - National Electronic Funds Transfer (NEFT) systems

- Transactions which are bulk and repetitive in nature are routed through electronic clearing service (ECS) which is further of two categories.
 - ECS-Credit (one debit and multiple credits e.g. Salary, Dividends)
 - ECS- debit (one credit and multiple debits e.g. bill payments, SIPs etc.)

- The acronym 'RTGS' stands for real time gross settlement. The Reserve Bank of India (India's Central Bank) maintains this payment network
- RTGS system is a funds transfer mechanism where transfer of money takes place from one bank to another on a 'real time' and on 'gross' basis
- Settlement in 'real time' means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed
- 'Gross settlement' means the transaction is settled on one to one basis without bunching with any other transaction
- Both the remitting and receiving must have core banking in place to enter into RTGS transactions. Core Banking enabled banks and branches are assigned an Indian Financial System Code (IFSC) for RTGS and NEFT purposes

- This is an eleven-digit alphanumeric code and unique to each branch of bank. The first four letters indicate the identity of the bank and remaining seven numerals indicate a single branch. Example : **ICIC0001245** - In this case it is ICICI Bank, World, Mumbai branch of ICICI Bank
- This code is provided on the Cheque books, which are required for transactions along with recipient's account number
- RTGS is a large value (minimum value of transaction should be 2,00,000)
- Customers can access the RTGS facility between 9 am to 4:30 pm (Interbank up to 6:30 pm) on weekdays and 9 am to 2:00 pm (Interbank up to 3:00 pm) on Saturdays
- However, the timings that the banks follow may vary depending on the bank branch. Time Varying Charges has been introduced w.e.f. 1 October 2011 by RBI

- The basic purpose of RTGS is to facilitate the transactions which need immediate access for the completion of the transaction
- Fees for RTGS vary from bank to bank. RBI has prescribed upper limit for the fees which can be charged by all banks both for NEFT and RTGS

- The national electronic fund transfer (NEFT) system is a nation-wide system that facilitates individuals, firms and corporates to electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country
- For being part of the NEFT funds transfer network, a bank branch has to be NEFT-enabled. As at end-January 2011, 74,680 branches / offices of 101 banks in the country (out of around 82,400 bank branches) are NEFT-enabled
- Currently, NEFT operates in hourly batches - there are twelve settlements from 8:00 AM to 6:30 PM on week days and six settlements from 8 AM to 1 PM on Saturdays
- Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time

- Immediate Payment Service (IMPS) is an initiative of National Payments Corporation of India (NPCI)
- It is a service through which money can be transferred immediately from one account to the other account, within the same bank or accounts across other banks
- Upon registration, both the individuals are issued an MMID(Mobile Money Identifier) Code from their respective banks. This is a 7 digit numeric code
- To initiate the transaction, the sender in his mobile banking application need to enter the registered mobile number of the receiver, MMID of the receiver and amount to be transferred
- Upon successful transaction, the money gets credited in the account of the receiver instantly
- This facility is available 24X7 and can be used through mobile banking application

- Nowadays, money through this service can be transferred directly also by using the receiver's bank account number and IFS code
- In such case, neither the receiver of the money need to be registered for mobile banking service of his bank, nor does he need MMID code
- IMPS facility differs from [NEFT](#) and [RTGS](#) as there is no time limit to carry out the transaction
- This facility can be availed 24X7 and on all public and bank holidays including RBI holidays

- The key difference between RTGS and NEFT is that while RTGS is on gross settlement basis, NEFT is on net settlement basis.
- Besides, RTGS facilitates real-time ("push") transfer, while NEFT involves twelve settlements from 8 am to 7 pm on weekdays and six settlements from 8 am to 1 pm on Saturdays
- Customers can access the RTGS facility between 9 am to 4:30 pm on weekdays and 9 am to 1:30 pm on Saturday
- Thus if a customer has given instruction to its bank to transfer money through NEFT to another bank in the morning hours, money would be transferred the same day, but if the instruction is given much later during the day, money may be transferred next day
- RTGS facility is available in over 72,000 branches across India, while NEFT is available in little over 75,000 branches of a 100 banks

- Transfer of funds from a Citi bank (SEPA Region only) account to an external bank account within the same country or any other country which is participating in SEPA clearing. This payment can only be done with transfer currency as EURO
- SEPA transfer will support source account in any currency whether LCY or FCY but the transfer amount and transfer currency will always remain as EUR irrespective of the source account currency
- SEPA transfer is always an immediate payment, processed and released out of the banking system to SEPA clearing and credited to beneficiary account in few minutes
- SEPA transfer can be classified into 2 types based on the beneficiary country:
 - SEPA Local – Transfer within same geography
 - SEPA EUR / Cross border – Transfer between two SEPA participating countries



CORPORATE HEADQUARTERS

Lords Tower, Block 1, 2nd Floor
Jawaharlal Nehru Road,
Thiru Vi Ka Industrial Estate
Ekkaduthangal, Chennai – 600 032

www.maveric-systems.com

COPYRIGHT © 2020. ALL RIGHTS PROTECTED AND RESERVED.

The information contained in this document, much of which is confidential to Maveric Systems, is for the sole use of the intended recipients. No part of this document may be reproduced in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Maveric Systems.

GLOBAL LOCATIONS

INDIA

SINGAPORE

UK

US

DUBAI

RIYADH

MALAYSIA

MEXICO

