

FAQ's on NEFT/RTGS/IFSC Code
(Source: <http://www.rbi.org.in/scripts/FAQView.aspx?Id=60>)

Q.1. What is NEFT System?

Ans: National Electronic Funds Transfer (NEFT) system is a nation wide funds transfer system to facilitate transfer of funds from any bank branch to any other bank branch.

Q. 2. Are all bank branches in the system part of the funds transfer network?

Ans: No. As on June 10, 2008, 44,731 branches of 85 banks are participating. Steps are being taken to widen the coverage both in terms of banks and branches.

Q.3. Whether the system is centre specific or has any geographical restriction?

Ans: No, there is no restriction of centres or of any geographical area within the country. The system uses the concept of centralised accounting and the bank's account at one centre (viz, Mumbai) gets operated for the funds transfer instructions that are being sent or received. The individual branches participating in NEFT could be located anywhere across the country, as detailed in the list provided on our website.

Q.4. What is the funds availability schedule for the beneficiary?

Ans: The beneficiary gets the credit on the same Day or the next Day depending on the time of settlement.

Q.5. How does the NEFT system operate?

Step-1: The remitter fills in the NEFT Application form giving the particulars of the beneficiary (bank-branch, beneficiary's name, account type and account number) and authorises the branch to remit the specified amount to the beneficiary by raising a debit to the remitter's account. (This can also be done by using net banking services offered by some of the banks.). even banks would accept cash from walk-in customers. However, the customers have to leave their full contact details so that the branch could revert back to him, in case the transactions does not go through, for any reason.

Step-2: The remitting branch prepares a Structured Financial message (SFMS message) and sends it to its Service Centre for NEFT.

Step-3: The Service Centre forwards the same to the RBI NEFT centre (National Clearing Cell, Mumbai) to be included for the next available settlement. Presently, NEFT is settled in six batches at 0930, 1030, 1200, 1300, 1500 and 1600 hours on weekdays and 0930, 1030 and 1200 hours on Saturdays

Step-4: The RBI at the NEFT centre sorts the transactions bank-wise and prepares accounting entries of net debit or credit for passing on to the banks participating in the

system. Thereafter, bank-wise remittance messages are transmitted to banks.

Step-6: The receiving banks process the remittance messages received from RBI and afford credit to the beneficiaries' accounts.

Q.6. How is this NEFT System an improvement over the existing RBI-EFT System?

Ans: The RBI-EFT system is limited to the 15 RBI centres providing the facility, whereas there is no such restriction in NEFT as it is based on centralised concept. The detailed list of branches of various banks participating in NEFT system is available on our website. The system also uses the state-of-the-art technology for the communication, security etc. and thereby offers means of providing better customer service.

Q.7. How is it different from RTGS and EFT?

Ans: NEFT is an electronic payment system to transfer funds from any part of country to any other part of the country and works on deferred Net settlement, unlike RTGS that works on gross settlement. EFT is also a deferred net settlement system but is restricted to the fifteen RBI centers.

Q.8. Any limit on the amount of individual transaction?

Ans: There is no value limit for individual transactions.

Q.9. What about Processing Charges/Service Charges

Ans: While RBI has waived the processing charges till March 31, 2009. Levy of service charges by banks is left to the discretion of the respective banks. The bank-wise details of charges levied are available on the RBI *website.

Q.10. How I will know which are the branches participating in the NEFT?

Ans: RBI publishes the list of bank branches participating in the NEFT on its website i.e. www.rbi.org.in .

Q.11. What is IFS Code (IFSC)? How it is different from MICR code?

Ans: Indian Financial System Code (IFSC) is an alpha numeric code designed to uniquely identify the bank-branches in India. This is 11 digit code with first 4 characters representing the banks code, the next character reserved as control character (Presently 0 appears in the fifth position) and remaining 6 characters to identify the branch. The MICR code has 9 digits to identify the bank-branch.

Q.12. How I will know, what is the IFS Code of my bank-branch?

Ans: RBI has advised all the banks to print IFSC on cheque leaves issued to their customers. You may also contact your bank-branch and get the IFS Code of that branch.

Q.13. Whom 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, you may write to -

The General Manager,
Reserve Bank of India,
National Clearing Centre,
1st Floor, Free Press House, Nariman Point,
Mumbai-400027.

Individual banks have also been advised to set-up facilitation centres.

Q.14. Is it necessary to have a bank account to originate the NEFT transaction?

Ans: Yes, NEFT is an account to account funds transfer system. However, facilities exist to accommodate walk-in customers to participate in NEFT.

Q.15. Is it necessary that the beneficiary should have an account at the destination bank-branch?

Ans: Yes, NEFT is an account to account funds transfer system.

Q.16. Can I receive foreign remittances through NEFT?

Ans: This system can be used only for remitting Indian Rupee among the participating banks within the country.

Q.17. Can I send remittances abroad using the NEFT?

Ans: No. However, a separate facility exists for remitting funds to Nepal, using transaction code 51 in NEFT.

Q.18. Can I originate a transaction to receive funds from another account?

Ans: No

Q.19. Can I send/receive funds from/to NRI accounts?

Ans: Yes, subject to applicability of provisions of FEMA

Q.20. Would the customer receive an acknowledgement of money credited to the beneficiary?

Ans: No; However, electronic acknowledgement is generated for the remitting bank for receipt of funds by the receiving bank.

Q.21. Would the remitting customer get back the money if it is not credited to the beneficiary's account?

Ans: Yes, the remitting customer gets back the money if it is not credited to the beneficiary account.

Q.22. Till what time NEFT service window is available?

Ans: There are six settlements at 0930, 1030, 1200, 1300, 1500 and 1600 hours on weekdays and 0930, 1030 and 1200 hours on Saturdays.

Q.23. What is the essential information that the remitting customer would have to furnish for the remittance to be effected?

Ans: The essential information that the remitting customer has to furnish is:

- Beneficiary details such as beneficiary name and account number
- Name and IFSC of the beneficiary bank branch.

Q.24. Is there any way a remitting customer can track the remittance transaction?

Ans: The remitting customer can track the remitting transaction through the remitting branch only, as the remitting branch is informed about the status of the remitted transactions