

RBI / 2007 – 2008 / 375  
DPSS No. 2096 / 04.04.007 / 2007-2008

June 20, 2008

The Chairman & Managing Director / Chief Executive Officers  
of all commercial and co-operative banks

Dear Sir / Madam

### **Use of Electronic Mode of Payment for Large Value Transactions**

A reference is invited to our circular number RBI/2007-08/ 261 DPSS No. 1407/02.10.02/ 2007-08 dated March 10, 2008 on the captioned subject where in it was mandated that all payment transactions above Rs. 1 crore by RBI regulated entities in the RBI regulated markets would have to be mandatorily routed through electronic payment systems like the Real time Gross Settlement (RTGS) System, National Electronic Fund Transfer (NEFT) System and Electronic Clearing Service (ECS) with effect from 1st April 2008.

In this connection it is advised that a review of such payments was made recently and it was observed that such payments by and large have migrated to the electronics mode in a seamless manner.

In view of this and considering the level of comfort that the electronic payment systems and its users have achieved, it has since been decided to reduce the threshold limit mandated from Rs 1 crore to Rs. 10 lakhs with effect from August 1, 2008.

Please acknowledge receipt and confirm having initiated action.

Yours faithfully,

(A.P.Hota)  
Chief General Manager