



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2010-11/559

DPSS (CO) EPPD No. / 2649 / 04.03.01 / 2010-11

June 02, 2011

The Chairman and Managing Director / Chief Executive Officer
of member banks participating in NEFT / NECS / RECS / ECS

Madam / Dear Sir,

Retail Electronic Payment Systems – NEFT / NECS / RECS / ECS – Levy of Processing Charges

As you are aware, the Reserve Bank of India has been waiving processing charges for retail electronic payment products (NEFT, NECS, RECS and ECS) since the year 2006 in order to promote the usage of these systems. The last waiver was valid up to March 31, 2011. In recent years, the usage of these products has increased considerably. While the originating banks are levying charges on their customers, there has been no compensation paid to the processing centers and destination banks. There has been demand for compensation from the paying banks / processing centres.

2. On a review and after consultation with stakeholders, it has now been decided to permit Clearing Houses / processing centers to levy charges on the originating banks as under :-

- 25 paise (exclusive of service tax) for every outward transaction
- 25 paise (exclusive of service tax) for every return transaction

3. As regards the compensation to destination banks, it has been decided that destination banks may be paid by the originating banks as below :-

- 25 paise (exclusive of service tax) for every credit transaction
- 50 paise (exclusive of service tax) for every debit transaction

The necessary data on number of transactions originated and received by each bank will be provided by Clearing Houses / Processing Centers on a monthly basis. Using this,

banks may put in place necessary systems to calculate the compensation payable / receivable to / from other banks and settle the same amongst themselves.

4. The charges may be collected on a monthly basis. The participant banks are not permitted to pass on these charges to customers.

5. These charges will be applicable from July 01, 2011. All Clearing Houses / processing centres are required to put in place a system of recovering their processing charges, and also dissemination of suitable data to banks as above.

6. Please confirm the receipt of this letter and action taken in the matter.

Yours faithfully

(G. Padmanabhan)
Chief General Manager