



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2011-12/208

DPSS (CO) EPPD No. 590 / 04.09.003 / 2011-12

September 29, 2011

The Chairman and Managing Director /

Chief Executive Officer of all banks participating in NEFT

Madam / Dear Sir,

Indo-Nepal Remittance System – Measures to enhance usage

This has reference to our circulars DPSS CO. No. 1764 / 04.09.003 / 2007-08 dated April 29, 2008 outlining the salient features of the captioned Scheme as well as operational instructions and [DPSS \(CO\) NO. 1381 / 04.09.003 / 2008-09 dated February 09, 2009](#) indicating changes in the charges structure under the Scheme. The captioned scheme was introduced in May 2008 by Reserve Bank of India, jointly with Nepal Rastra Bank, to provide an avenue to migrant workers of Nepalese origin working in India to remit funds at regular intervals in a safe and cost efficient manner to their families in Nepal.

2. It is disheartening to note that despite the growth in the number of NEFT-enabled branches, the volume of transactions under the Indo-Nepal Scheme has not grown as expected at the time of its launch. Though there is huge potential for such remittances through the banking channels in view of the large number of migrant population of Nepalese origin in various parts of India, the Scheme is not being used effectively as observed from the limited number of transactions effected each month. Further, only a few banks are putting in such transactions. Informal consultations with banks have revealed that one of the reasons for very low usage of the Scheme is lack of awareness among target group of customers as well as the dealing staff within banks.

3. As indicated in the operating procedures of the Indo-Nepal Scheme, which runs on the NEFT application, certain data entry and authorisation rules have to be clearly observed at the time of input of message contents meant for Indo-Nepal Remittance. It is learnt that a large number of the already low level of transactions are getting rejected at SBI, Pooling Branch due to incorrect format / contents of the message. This may be due to the fact that the dealing officials at branch level are not fully conversant / aware of the unique features / requirements of the scheme (message format prescribed under the Scheme has some fields tagged mandatory which are not mandatory in message format for domestic remittances). Some of the common mistakes committed in data input for such transactions, leading to their rejection at SBI level, are observed to be as under:

- Amount entered is more than Rs 50,000/- (under the Indo-Nepal Remittance Scheme the maximum permissible amount of remittance is Rs.50,000/- per transaction) – When the amount data is input (in field 4038), it should not exceed Rs.50,000/- including the commission amount. In other words, the value of actual funds remitted plus commission cannot be more than Rs.50,000/- (Note: the value entered in this field is used for settlement purposes also)
- 3rd line of Sender to Receiver Information (Commission) - this field should contain only numbers whereas it is observed that some banks are also entering alpha characters (the commission amount has to be in numbers only as per the charges structure for the Scheme; no alpha characters should be entered in this field)
- In field 6061 i.e., Beneficiary Customer A/ c, the account number of SBI Central Pool account (2399468044302) is only to be mentioned. Some Banks put the actual Nepal Beneficiary A/c No. in this field instead of 2399468044302 resulting in rejection of the message.
- The actual beneficiary account number at Nepal, if any, is to be mentioned in field 7495 – line 4 of Remittance Information.

4. In view of the importance accorded at the highest levels in both the countries to the issue of workers' remittances to Nepal through banking channels, it is imperative that the Scheme functions effectively and serves the purpose for which it is intended necessitating concerted efforts at all levels. Banks are, therefore, advised to ensure the following with immediate effect:

(i) Create awareness among the branch officials about the Scheme so as to enable them to guide the target customers, many of who may be illiterate. The branch officials should be able to explain the features of the Scheme and guide them in filling up the remittance form.

(ii) Provide necessary training to the dealing officials at branch level so that they are aware of the operating procedures of the Scheme, its message structures and contents etc. We are enclosing with this circular a copy of the message format for transactions under the Scheme providing details about the fields and the information required to be filled therein. It may be stressed upon the dealing officials to exercise necessary care while making the data-entry in the system to as to avoid rejection of the message/s at SBI Pooling Branch.

(iii) To enhance its usage, it is necessary that target customers are made aware of the Scheme. To ensure this, branches, especially those situated in areas with sizeable migrant Nepalese population, may be advised to organise periodic workshops and awareness campaigns about the Scheme. Help of Nepalese workers' associations may be solicited for wider disseminations of information about the Scheme.

5. Please acknowledge the receipt of the circular and implementation of its contents.

Yours sincerely

(Vijay Chugh)

Chief General Manager

Outward Debit Messages from NEFT Branches IFN298N06 (as applicable for Indo-Nepal Remittances)

M/O	Field No	Field Name	Contents / Options	Description
M	2020	Transaction Reference Number	16x	Uniquely identifies the message.
O	3535	Batch Time	4!n	Batch Time.
M	1106	Total number of loops in the message	5n	Number of transactions(loops) in the message
M	4063	Sum of Amounts	19d	Sum of all amounts in the loops
Repeating Group Begins				
M	2020	Transaction Reference Number	16x	Uniquely identifies the transaction (loop)
M	4038	Amount	19d	Value of the remittance (Amt + Commission charges) (NOT TO EXCEED RS. 50,000 FOR NEPAL TRANSACTIONS, INCLUDING COMMISSION AMOUNT)
M	3380	Value Date	8!n	Date on which settlement takes place. Only the current date is valid.
M	5756	Sending branch's IFSC	4!a4!c[3!c]	Sending branch's IFSC.
M	6305	Sending Customer Account Type	2!C	Sender's account type Allowed values are 10 - SAVINGS BANK 11 - CURRENT ACCOUNT 13 - CASH CREDIT 14 - LOAN ACCOUNT 12 - Overdraft 40 – NRE 50 – Remittance for Customer not having account in bank 51- INDO NEPAL REMITTANCE 52 – Card to Card Payments (FOR INDO-NEPAL REMITTANCE, ONLY 51 HAS TO BE ENTERED)
M	6021	Sending Customer Account Number	35x	<ul style="list-style-type: none"> • The account number of the sender which is debited for originating the transaction, if remitter is account holder. • In case of cash transactions, please mention the internal account number in which funds would be credited if returned. It would be in the nature of a transit account where funds return would be retained temporarily before they are returned to the remitter.
M	6091	Sending Customer	50x	<ul style="list-style-type: none"> • Sender's name irrespective

		Account Name		of whether remitter is account holder or walk-in customer
M	5629	Sending Customer Mobile No/Email Id	3!c 62z	Sender's mobile number or e-mail id. 3!c should be either SMS or EML only 62z contains e-mail id or mobile number Mobile number should be at least 10 digits
M	7002	Originator of Remittance	4*35	Cannot be left blank Branch name may be entered here in the first line/row
M	5569	Beneficiary branch's IFSC	4!a4!c[3!c]	SBIN0004430 (This IFSC number of SBI branch where pool account is created for Nepal remittances and must be given for all Nepal remittances.)
O	6310	Beneficiary Customer Account Type	2!C	Receiving customer's account type Allowed values are 10 - SAVINGS BANK 11 - CURRENT ACCOUNT 13 - CASH CREDIT 14 - LOAN ACCOUNT 12 - Overdraft 40 - NRE (10 OR 11 MAY BE ENTERED)
M	6061	Beneficiary Customer Account Number	35x	ENTER 2399468044302 in this field. (This is the number of central pool account created at SBI for Nepal remittances and MUST be given for all Nepal remittances.) * Nepal Beneficiary A/c number NOT to be written here.
M	6081	Beneficiary Customer Account Name	50x	<u>Name of the actual beneficiary in Nepal</u> should be entered here.
M	5565	Beneficiary Customer Address	4*35x	Beneficiary customer address in Nepal should be entered here (at least one line content should be entered)
M	7495	Remittance Information (6 lines of 35 characters each). <u>Information has to be given in all the 6 lines as shown below</u>	6*35x	

		<p>Line 1: - Beneficiary Identification Particulars</p> <p>Line 2: - Contact Number of Beneficiary</p> <p>Line 3: - Commission</p> <p>Line 4 : - Account Number, if customer of Nepal SBI Bank Ltd (NSBL)</p> <p>Line 5: - Account Number, if customer of other bank in Nepal</p> <p>Line 6: Name of the other Bank (if not NSBL)</p>		<p>Citizenship/ PAN card/ pass port number of the beneficiary or X if no information is available</p> <p>Mobile or land line number of the beneficiary</p> <p>20.00 / 70.00 / 95.00 Rs 20.00 in case beneficiary has an account with NSBL. Rs 70 or Rs.95 in other cases depending upon the amount being remitted.</p> <p>Account number of customer that is to be credited if he/she is account holder in <u>Nepal State Bank</u> 'X' if cash is to be disbursed</p> <p>Account number of customer that is to be credited if he/she is account holder in <u>other bank</u> 'X' if not available</p> <p>Name of other bank 'X' if not available</p>
Repeating Group Ends				

Note:

1. Mandatory fields for Nepal remittance are indicated by 'M' in the table above. While entering data, please ensure that data is keyed in wherever M is mentioned for fields in the above table for Indo-Nepal transactions even though the normal NEFT message format on the data-entry screen may not indicate it as mandatory field.
2. Please put X wherever information is not available
3. Please enter the data straight without any special character
4. Please be more careful while feeding data in fields 6305, 6061 and 7495. Each of the lines of the field 7495 has to be given some default value if the details are not available. No line can be left blank here.



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DPSS. CO. NO. 1764 / 04.09.003/2007- 08

April 29, 2008

Chairman and Managing Director /
Chief Executive Officer of all banks participating in NEFT

Dear Sir,

Indo – Nepal Remittance System

Considering the importance of establishing a formal remittance system between India and Nepal, the modalities of an Electronic Funds Transfer System have since been worked out in consultation with Nepal Rastra Bank. The system is designed to ensure faster remittances from India to any part of Nepal with safety and security. The salient features of the remittance system are as under:

1. The target group is the migrant workers of Nepalese origin working in India who make remittances at regular intervals to support their families left behind. Presently, this takes place mostly through informal channel. Remittances through bank drafts are very few.
2. The proposed system would be launched with only one way remittances from India to Nepal using the banking system and the technology infrastructure of National Electronic Fund Transfer (NEFT) system.
3. A ceiling of INR 50,000.00 is fixed per remittance and a Nepalese migrant worker is allowed to remit maximum of 12 remittances in a year under this Scheme.
4. The remittances from India would be denominated in Indian Rupees. While paying to the beneficiaries, INR would be converted to Nepalese Rupees.
5. The remittance facility would be extended to both customers as well as non-customers of the banks. Thus, a Nepalese migrant worker not having bank accounts at either end or both ends, can also participate in the remittance system. In such cases, the remitter has to produce identification documents like Passport/PAN/Driving License/Telephone Bill/certificate of identification issued by employer in India with details and photograph etc.

6. All NEFT enabled bank branches in India would participate in this cross border remittance initiative. The Nepal remittances would be processed in different NEFT batches in NCC, Mumbai and would be channellised to Nepal using the SBI payment gateway specially created for Nepal remittances. Accounting and format conversion would take place in the SBI payment gateway.
7. Remittances will be distributed to the beneficiaries in Nepal through the branches of Nepal State Bank Ltd. and their approved Agents.
8. Since the target group is poor workers from Nepal, a concessional charge structure has been devised. The structure is as follows:
 - a) For remittances from a bank account in India to a bank account with any branch of Nepal State Bank Ltd., there shall be no charge.
 - b) For cash remittances/disbursements up to INR 5,000.00, there shall be a flat charge of INR 50.00.
 - c) For cash remittances/disbursements from INR 5,001.00 to INR. 50,000.00, there shall be a flat charge of INR 75.00.

The entire amount of charges collected from the remitter would be remitted to Nepal and would form a part of the message format. **Thus, the remitting banks in India originating remittances under the scheme would transfer funds free of charge.** The banking system offering the service free of charges is only for a limited period and is primarily to bring the remittances under banking channel. The charge structure would be reviewed after one year.

9. The banks originating remittances must complete customer due diligence on the remitter as required under extant guidelines on KYC/AML/CFT. Cash remittances will be accepted from non-customers only. In such cases, the remitter has to produce any identification document like Passport /PAN / Driving License/Telephone Bill/ certificate of identification issued by employer with details and photograph etc. This information will be captured in the system in compliance with KYC norms. The address and telephone/mobile number of the sender as also the beneficiary in Nepal will also be captured while sending a remittance.
10. For transferring funds from account to account, the existing NEFT outward message format 298N06 would be used. Certain field tags not mandatory for domestic fund transfers have been made mandatory for Nepal remittances. Details are given in **Annexure**. Due to some reason or other, if funds are not credited to the account of the beneficiary, the funds will come back to the originator's account through NEFT.
11. The same NEFT outward message format 298N06 would be used for cash remittances. The message format would capture originator and sender details from the application form specially designed for the purpose. After collecting cash, the branch would originate the NEFT message and pass on the UTR number and the counterfoil of the application form duly acknowledged to the remitter. The remitter in turn, would pass on the UTR number to the beneficiary

and the beneficiary would collect funds from the agents of Nepal State Bank Ltd. after proving his identity and presenting the UTR number.

12. A prototype of the application form to be filled up by the Nepalese remitter is given in Procedural Guidelines.
13. NEFT enabled bank branches are required to create a special designated account for handling cash remittances as advised in our earlier circular DPSS.CO.No. 1519/04.03.02/2007-08 dated April 03, 2008. In case such cash transfers are returned, the designated account would be credited through NEFT. Cash can be returned to the original sender by debiting the account after establishing the identity and only against the counterfoil of the application form.
14. Transaction code 51 has already been allotted for Indo – Nepal remittances, and the required patch for SFMS/NEFT has been rolled out on April 26, 2008. This code should be used for all Indo Nepal remittances, including cash transactions.
15. It may be noted that some of the fields not mandatory in N06 for other NEFT transactions, are made mandatory for transaction code 51. For example, though field tag 7495 is optional in N06 format, information in all 6 lines of field tag 7495 is mandatory if transaction code 51 is selected. The Bank's back end/ CBS must ensure that the relevant fields required for transaction code 51 as given in the Annexure are provided for in the N06 message format and validated before the message is released.
16. The Procedural Guidelines for the Indo – Nepal remittance system is enclosed. The list of branches of Nepal State Bank Ltd. and the outlets of its agent through which remittances will be distributed in Nepal are available in the Procedural Guidelines.
17. The system would be effective from May 15, 2008.

Please acknowledge receipt of the circular and confirm your preparedness.

Yours faithfully,

(K. N. Krishnamurthy)
General Manager

Encl: as above

Annexure

MESSAGE FORMAT FOR ACCOUNT TO ACCOUNT AND CASH REMITTANCES

Field No	OPTION	Field Name	Description/remarks
			HEADER OF N06 MESSAGE
2020		Txn. Reference No.	
3535		Batch Time	
5180		Total of txn	
4110		Total amt.	Amount of remittance
2020	(M)	Txn. Ref No.	Transaction Ref. No. generated by NEFT
5756	(M)	Sending Branch IFSC	SENDING BRANCH IFSC
6305		Sending Cust. A/C Type	OPTIONAL
6021	(M)	Sending Cust. A/C	002325879 (The account number of the sender which is debited for originating the transaction)
6091	(M)	Sending Cust. A/C Name	009122 22610404 (The land line number or mobile number in which the remitter can be contacted.)
7002	(M)	Originator of remittance Name and address of Remitter	Mr. XYZ 22, Colaba Causeway Mumbai – 400 005
5569	(M)	Beneficiary Branch IFSC	SBIN0004430 (This IFSC number is created for Nepal remittances and must be given for all Nepal remittances.)
6310		Benef.Cust Ac Type	OPTIONAL
6061	(M)	Benef. Customer A/C	2399468044302 (This is the number of central pool account created for Nepal remittances and must be given for all Nepal remittances.)
6081	(M)	Benef Customer A/C Name Name of the Ben customer	Mr. ABC Name of the beneficiary
5565	(M)	Benef Customer Address Address of the Ben customer	Ward No. Kanchanpur 4 Dist – Saptari Sagarmata Zone, Nepal
7495	(M)	Remittance Information (6 lines of 35 characters each) Information has to be given in all the 6 lines as shown Line 1: - Beneficiary Identification Particulars	Citizenship/ PAN card/ pass port number of the beneficiary or

		Line 2: - Contact Number of Beneficiary Line 3: - Commission (Zero (0) if No commission) Line 4 : - Account Number, if customer of Nepal SBI Bank Ltd (NSBL) Line 5: - Account Number, if customer of other bank in Nepal Line 6: Name of the other Bank (if not NSBL)	X if no information is available 00977 9842822450 Mobile or land line number of the beneficiary 0/50.00/75.00 0 in case of account credit / 50.00 for remittance up to Rs.5,000.00 and Rs.75.00 for remittances above Rs.5,000.00 and up to Rs.50,000.00 No alpha character please X if cash is to be disbursed or Account number of Nepal State Bank if account is to credited X (this field is kept for future use) X (this field is kept for future use)
6346		Reason Code	OPTIONAL(OPTIONAL(ONLY FOR RETURN MSGS NOT REQUIRED FOR NEPAL CASH REMITTANCE)
6366		Rejection Reason	OPTIONAL(OPTIONAL(ONLY FOR RETURN MSGS NOT REQUIRED FOR NEPAL CASH REMITTANCE)
4038	(M)	Amount Total remittance amount (Including Commission) NSBL	Amount of remittance + commission If Rs.1,000.00 is to be remitted and the beneficiary is having an account with NSB Ltd. The amount would be Rs.1,000.00 If cash is to be disbursed, the amount should be Rs.1,050.00
3380	(M)	Value Date	Date of settlement
3375	(M)	Remittance Date	Date on which the Sender Branch initiated the remittance

Mandatory fields for Nepal remittance: 2020, 6021, 6091, 7002, 5569, 6061, 6081, 5565, 7495, 4038, 3380 and 3375

Each of the lines of the field 7495 have to be given some default value if the details are not available.

1. While feeding data, please ensure that data is keyed in wherever M is mentioned,
2. please put X wherever information is not available
3. Please feed the data straight without any special character