

Digital push: SBI to slash NEFT, RTGS charges by up to 75% from tomorrow

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The reduced charges will be applicable on transactions done via internet & mobile



Mumbai, July 13:

To encourage more customers to transact digitally, State Bank of India on Thursday said it will slash charges for National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) transactions by up to 75 per cent with effect from July 15.

India's largest bank, in a statement, said the reduced charges will be applicable on the transactions done through the internet banking (INB) and mobile banking (MB).

Additionally, the bank has also waived off charges for fund transfer of up to Rs. 1,000 done through Immediate Payment Service (IMPS) effective July 1, 2017.

As on March 31, 2017, SBI had 3.27 crore internet banking customers and nearly two crore mobile banking customers.

NEFT is a nation-wide payment system facilitating one-to-one funds transfer. Under this scheme, individuals, firms or corporates maintaining accounts with a bank branch can transfer funds. There is no limit — either minimum or maximum — on the amount of funds that can be transferred using NEFT.

Even those individuals who do not have a bank account (walk-in customers) can also deposit cash at NEFT-enabled branches with instructions to transfer the funds using NEFT. However, such cash remittances will be restricted to a maximum of Rs. 50,000 per transaction.

The RTGS system is primarily meant for large-value transactions. The minimum amount to be remitted through RTGS is Rs. 2 lakh. There is no upper ceiling for RTGS transactions.

IMPS is a service offered by the National Payments Corporation of India (NPCI) that empowers customers to transfer money instantly through banks and RBI authorised prepaid payment instrument issuers across India.

IMPS can be initiated from mobile/internet/ATM channels. Services available under IMPS include funds transfer and remittances and merchant payments.

For NEFT transactions up to Rs. 10,000 initiated on internet and mobile banking, the new charge (exclusive of Goods and Services Tax) will be Rs. 1 (Rs. 2 now); for transactions between Rs. 10,001 and Rs. 1 lakh, the new charge will be Rs. 2 (Rs. 4); for transactions between Rs. 1 lakh and Rs. 2 lakh, the new charge will be Rs. 3 (Rs. 12); for transactions above Rs. 2 lakh, the new charge will be Rs. 5 (Rs. 20).

For RTGS transactions initiated on internet and mobile banking, the new charge (exclusive of GST) will be Rs. 5 (Rs. 20 now) for transactions between Rs. 2 lakh and Rs. 5 lakh, and Rs. 10 (Rs. 40) for transactions over Rs. 5 lakh.

Rajnish Kumar, Managing Director, SBI said, "...In sync with our strategy and complementing the focus of Government of India to create a digital economy, we have taken one more step to promote use of internet banking

and mobile banking for doing NEFT and RTGS transactions by reduction of the charges.”

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