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Nifty  LIVE11,854.10 65.25 

NSE Gainer-Large Cap >

Godrej Prop

1,053.60 51.30 

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Gold (MCX) (Rs/10g.)

33,772.00 -434.00 

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Market Watch

Fund transfer via RTGS, NEFT set to get cheaper from Monday

BY PTI | JUN 30, 2019, 03.42 PM IST

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MUMBAI: Fund transfer through RTGS and NEFT systems is set to become cheaper from Monday after the Reserve Bank of India decided it will not impose any charges on such transactions.

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After announcing its decision to waive all charges on fund transfer through RTGS and NEFT systems from July 1, the Reserve Bank of India (RBI) had also asked banks to pass on the benefits to customers from the same day.

The real-time gross settlement (RTGS) system is meant for large-value instantaneous fund transfers, while the national electronic funds transfer (NEFT) system is used for fund transfers of up to Rs 2 lakh.

"With a view to push the digital transaction, the RBI has decided not to charge the RTGS and NEFT transactions. This would help banks reduce the fees from customers for these transactions," Indian Banks' Association Chairman Sunil Mehta said in IBA's newsletter.

The country's largest bank SBI charges between Re 1 and Rs 5 for transactions through NEFT and between Rs 5 and Rs 50 for RTGS route.

To provide an impetus to digital funds movement, the central bank had decided to do away with the processing charges and time-varying charges levied on banks by the RBI for outward transactions through the RTGS, as also the processing charges for transactions processed in NEFT will be waived by the Reserve Bank of India.

Currently, the RBI "levies minimum charges" on banks for transactions routed through its RTGS and NEFT system.

Banks, in turn, levy charges on their customers.

The RBI has also constituted a high-level committee under IBA Chief Executive V G Kannan to examine ATM charges and fees by banks amid demands for reviewing the levies.

The use of automated teller machines (ATMs) has been growing significantly and there have been persistent demands to change ATM charges and fees.

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