

October 8, 2008

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks including RRBs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks

Madam / Dear Sir,

**Levy of Service Charges for Electronic Payment Products and
Outstation Cheque Collection**

With immediate effect, the framework of charges to be levied by banks for offering various electronic products and for outstation cheque collection service shall be as under : –

1. Electronic products

a) Inward RTGS / NEFT / ECS transactions – free, no charge to be levied.

b) Outward transactions –

(i)	RTGS – Rs. 1 to 5 lakh	not exceeding Rs. 25 per transaction
	Rs. 5 lakh and above	not exceeding Rs. 50 per transaction
(ii)	NEFT – Up to Rs. 1 lakh	not exceeding Rs. 5 per transaction
	Rs.1 lakh and above	not exceeding Rs. 25 per transaction

c) Banks may prescribe charges not higher than cheque return charges for ECS debit returns.

d) These charges shall be applicable for all types of transactions, including inter-bank funds transfers.

2. Outstation cheque collection

a)	Up to Rs. 10,000	not exceeding Rs. 50 per instrument
	Rs. 10,000 to Rs. 1,00,000	not exceeding Rs. 100 per instrument
	Rs.1,00,001 and above	not exceeding Rs. 150 per instrument

b) The above charges will be all inclusive. No additional charges such as courier charges, out of pocket expenses, etc., should be levied from the customers.

c) To reduce the clearing cycle and to promote electronic modes of payment, the drawee banks should use electronic modes like RTGS / NEFT, wherever available, to remit proceeds to the collecting bank branch.

- d) Banks may make increased use of Speed Clearing and National Clearing facilities for providing efficient service.
3. The above charges are applicable only to transactions originated and payable within India.
4. The provisions of this circular shall not be applicable to cash handling charges levied by banks for handling large value cash transactions.
5. No bank should refuse to offer the products to its customers or decline to accept outstation cheques deposited by its customers for collection.
6. These Directions are issued by the Reserve Bank of India, in exercise of the powers conferred by Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

(G. Padmanabhan)
Chief General Manager