

## **RBI introducing Special Electronic Funds Transfer**

**March 31, 2003**

The Reserve Bank of India, in conjunction with the banks, has embarked upon a Special Electronic Funds Transfer (SEFT) Scheme. The Scheme would enable safe, secure and quick transfer of funds electronically across branches of banks at many centres of the country. The Scheme would be introduced from April 1, 2003, with the settlement taking place at Mumbai for inter-bank funds transfers.

The salient features of the Scheme are:

- ♣ The Scheme is designed to provide for same day inter-bank transfer of funds between accounts maintained in any of the participating branches under the Scheme.
- ♣ The Scheme covers branches of banks that are networked so that SEFT messages could be transmitted electronically and quickly.
- ♣ Inter-bank settlement under the SEFT Scheme will be done at Mumbai with the processing being done at the National Clearing Cell, Reserve Bank of India, Nariman Point, Mumbai.
- ♣ There will be three SEFT settlement cycles on weekdays (at 12:00 noon, 2:00 p.m. and 4:00 p.m.) and two settlements on Saturday (at 12:00 noon and 2:00 p.m.).
- ♣ Credit in respect of inward SEFT requests would be given to the beneficiary's account latest before the next settlement cycle.
- ♣ Any credits that cannot be afforded to the beneficiary's account would be returned during the next settlement cycle failing which the credits would be assumed to have been effected.
- ♣ The settlement cycles under the SEFT Scheme will be distinct from the existing EFT Scheme, which will continue to operate even after the introduction of the SEFT System.
- ♣ There would be around 500 cities covered by SEFT - with the number of branches exceeding 2500.

The Scheme would facilitate timely settlement of pay-in and pay-out under the proposed T+2 based rolling settlement in securities at the Stock Exchanges.

Further details, including the list of bank branches, are available on the RBI web site [www.rbi.org.in/](http://www.rbi.org.in/)

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