



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2011-12/111

DPSS (CO) EPPD No. / 94 / 04.03.01 / 2011-12

July 13, 2011

The Chairman and Managing Director / Chief Executive Officer
of member banks participating in NEFT / NECS / RECS / ECS

Madam / Dear Sir,

Retail Electronic Payment Systems – NEFT / NECS / RECS / ECS – Levy of Processing Charges- Collection & Settlement of Inter-bank Charges

Please refer to our circular [DPSS \(CO\) EPPD No. 2649 / 04.03.01 / 2010-11 dated June 02, 2011](#) on the above subject. We have been receiving a number of requests from the member banks that the settlement of compensation payable / receivable to / from other banks may be undertaken by the Clearing Houses / Processing Centres, rather than by individual banks as indicated in Para 3 of our circular under reference.

2. On a review, it has been decided that Clearing Houses / Processing Centres will now calculate and settle the charges payable as prescribed in the circular. Under the revised arrangement, the charges payable by the originating banks to destination banks (including the service tax applicable thereon), will be calculated and settled by the Clearing Houses using the multilateral netting method. However, the service tax will be calculated on gross obligations of the banks. Necessary MIS reports will be provided to the banks to enable them to remit the service tax to the Government.

3. All the banks managing Clearing Houses / Processing Centres may advise the Clearing Houses / Processing Centres to put in place necessary systems to undertake this work. The application software is being modified suitably for this purpose.

4. Other details given in the circular remain unchanged.

5. This arrangement will be reviewed after a period of 3 months.

6. Please confirm the receipt of this circular and action taken in the matter.

Yours faithfully

(G. Srinivas)
General Manager