

RBI WAIVES NEFT/RTGS FEE, TO REVIEW ATM FEES

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

In a move to encourage digital transactions, the Reserve Bank of India (RBI) has decided to waive off charges for fund transfer via Real Time Gross Settlement System (RTGS) — which is meant for large-value, instantaneous fund transfers and the National Electronic Funds Transfer (NEFT) System for other fund transfers.

While the charges are levied on banks, they, in turn, pass it to the customers.

“In order to provide an impetus to digital fund movement, it has been decided to do away with the charges levied by the Reserve Bank for transactions processed in the RTGS and NEFT systems,” the RBI said. “Banks will be required, in turn, to pass these benefits to their customers,” it added.

ATM charges review

Separately, the banking regulator would review the charges levied on customers while operating automated teller machines (ATMs).

A committee will be set up, under the chairmanship of the chief executive officer, Indian Banks' Association (IBA), 'to examine the entire gamut of ATM charges and fees,' the RBI said.

At present, customers are charged for using other banks' ATMs beyond a particular number of transactions.

The Committee is expected to submit its recommendations within two months of its first meeting.

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