

NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT) SYSTEM

BENCHMARK INDICATORS OF EFFICIENCY

OBJECTIVES

To document the best practices that the NEFTSC and NEFTCC may adopt to make the operations safe, secure, sound and efficient.

To serve as a tool for the NEFTSC and NEFTCC to make self assessment on efficiency in the NEFT operations.

1. NEFT MEMBERS BANKS:

AT BRANCH LEVEL:

- 1.1 To ensure that the IFSC code is printed in the cheque books issued to all the customers.
- 1.2 Display the availability of NEFT facility in that branch prominently.
- 1.3 Make the application forms for NEFT transactions easily accessible in the branch.
- 1.4 SFMS enabled branches should login at least once after each settlement of NEFT to check the incoming messages.
- 1.5 SFMS enabled branches should ensure that the end of batch messages for each batch has been received and reconcile the transactions originated and received by them.
- 1.6 Returns should be processed in the system only and be sent back in the very next settlement. Return outside the NEFT system should be avoided.
- 1.7 The return reasons should be marked properly citing the exact reasons.
- 1.8 Once the customer account is debited, the transactions should leave the branch for the next available settlement.
- 1.9 Any transactions originated after the last settlement batch should be settled in the first batch of the next working day.
- 1.10 All the inward transactions should be credited to the customers account within two hours of the settlement.
- 1.11 Branches to make arrangements to inform customers on the NEFT credits through some means such as SMS alert or e-Mail.
- 1.12 SFMS enabled branches should have at least three users with smart card in each branch.
- 1.13 Smart cards PIN numbers should be managed as per the IS policy of the Bank.
- 1.14 Password based user login to SFMS system, should manage their password as per the IS policy of the Bank.

2. AT NEFT – SERVICE CENTRE.

GENERAL:

- 2.1 Banks should ensure that the list of branches to be added in NEFT list is properly proliferated at IDRBT and that the requisite details, as per proforma, are provided to NCC, NPT.

- 2.2 It is essential that the staff handling NEFT operations is trained to manage the operations. Bank to ensure that second level of trained personnel for operating the NEFT system is also in place.
- 2.3 Banks should only use the list of live IFSCs available on RBI website for their reference.
- 2.4 Members Banks should set up Customer Facilitation Centres (CFCs) for resolution of customer complaints.
- 2.5 While sending N06 messages the banks should avoid manual feeding of the batch time to ensure that they get attached to the next available batch and do not get rescheduled for the same batch of next day, in case they reach RBI after the cut-off time for the batch.
- 2.6 Banks should quote the RBI transaction reference numbers and not their internal net-banking numbers while referring the transactions to NEFT Helpdesk at NCC, NPT.
- 2.7 The member banks should update the contact details of their NEFT operational and technical staff and communicate the changes, if any, to NCC, NPT.

NEFT OPERATION:

- 2.8 Monitor the incoming and out going messages on regular intervals and confirm that all messages are delivered.
- 2.9 Confirm that the End of Batch message received after each batch, are in conformity with the inward messages received and outward messages sent for that batch from the bank.
- 2.10 Ensure in coordination with the treasury branch managing RBI account that adequate funds are available for settling each NEFT batch transactions.
- 2.11 Monitor the failed transactions both at Gateway and NEFT Server on regular basis and reprocess them immediately.
- 2.12 Ensuring that all the credits are provided to the customers account within the stipulated time and returns are marked within the time schedule.
- 2.13 Ensuring that branches afford the credits in time, in case the messages are forwarded to the branches.
- 2.14 No access to NEFT system be permitted to outsiders – only staff / officers of clearing house to be allowed.

NEFT INFRASTRUCTURE:

- 2.15 The SFMS Gateway and Online branch Server should meet the minimum configuration requirements as per the specifications of IDRBT – and placed in a safe, dust free and access controlled area.
- 2.16 Administrator password should be available with the in-charge of administration in closed envelope.
- 2.17 Should have proper back-up policy – daily, weekly & monthly – off / on site .
- 2.18 Effective Off-site Back-up facility in the same city to be available.
- 2.19 Data to be replicated at back-up server at least on a daily basis.
- 2.20 Back- up Server to be updated promptly with latest patches supplied by the IDRBT alongwith production server.
- 2.21 BCP testing / drill at quarterly intervals.
- 2.22 Space monitoring by the administrator – on a daily basis.