

NPCI/2016-17/NACH/Circular No. 188

To

All NACH member banks

NACH Salary credits identifier

We refer to our circular no 179 dated August 01, 2016 on NACH - corporate salary/ pension product, which enables banks to upload the salary credits with a separate identifier. Such identification of salary will have the following advantages

1. Specific session for the salary credits, for easy identification.
2. Response for all the transactions with both positive as well as negative confirmation with the reason for returns.
3. Warehousing facility allowing the sponsor bank to upload the files in advance.
4. The member banks will accord priority in processing the transactions and crediting the customers.
5. Dedicated support from NPCI

Other benefits of NACH SAL product:

Sponsor banks

1. Debit through CC or CA resulting in better customer service
2. Elimination of PO, DD, NEFT files etc leading to less efforts
3. Straight through process
4. Better turnaround time

Destination banks

1. Selling point for better service for corporate salary account
2. Increase in CASA

The Department of Statistics and Information Management is working on Development of Employment Index using Electronic Salary Payment Data. As per the regulatory requirement, the electronic salary payment data processed through NACH needs to be submitted to Government of India and Reserve Bank of India on monthly basis.

Member banks / corporates while preparing the salary file for processing the transactions should ensure the following:

Corporate identifier:

Transaction level identification required for the corporates processing the salary.

1. Banks should upload the salary files corporate wise, i.e., each corporate should have a separate files for their salary transactions getting processed through NACH.
2. Corporates should mandatorily take a new user code for processing the salary for better control of MIS and reporting.
3. Banks/ corporates to submit user registration form as per the annexure 1.

Product category

The product level identifier for salary should be given as **"SAL"** at column 262 to 264 against each record.

Narration

The narration should be given in the below format

Narration - "SAL-Corporate name" (*User Name / Narration field in ACH file format*) at column 88 to 107 against each record.

We draw reference to our circular no 155 dated April 7, 2016 detailing the narration in customer statement for NACH transactions (circular enclosed) further we draw your attention to RBI circular DPSS(CO)EPDD No.788/04.03.01/2010-11 dated October 8, 2010 on providing meaningful information to the customers. The member banks are advised to take immediate steps for implementation of the above for all the NACH transactions and adhere to the guidelines.

Considering the ease of operations and regulatory requirement all the member banks are advised to immediately implement the salary product guidelines and process the salary related transactions through NACH. The existing corporate salaries processed through NACH should be immediately presented using 'SAL' product. The banks may communicate the advantages of NACH to the corporates to migrate the salary to NACH product replacing the cash out or cheque models.

Member banks are strictly instructed to use this option for processing of the salary credits through NACH system and requested to update the concern departments/ teams involved.

With warm regards,


(Giridhar G M)

VP & Head - NACH & CTS Operations

Annexure I - Format of Registration for User with Sponsor Bank



User's Letter Head.

Application for affiliation with Sponsor Bank for NACH corporate salary/ pension product

We _____ (Name of the corporate), _____ (Name of state) with Registered Office / Head Office at _____ have agreed to participate for **NACH corporate salary/ pension product** by National Payments Corporation of India (NPCI), with registered office at The Capital, 1001A, B Wing, 10th floor, Bandra Kurla Complex, Bandra East, Mumbai 400051, through our Sponsor Bank _____ (Name of Sponsor Bank) and for that purpose, we hereby provide following details to NPCI.

1. Types of transactions sought to be put through NPCI while availing APBS / NACH services:

No.	Type of Transaction (Salary/ Pension)	Approximate Volume	E-mail ids to which the final response file to be shared from NPCI
			1. 2.

2. Complaints from beneficiaries, if any, relating to transactions processed through APBS/NACH will be pursued by us with the respective banks/branches in co-ordination with the sponsor bank.
3. We would ensure necessary funding of our accounts with our sponsor banks to ensure seamless flow of APBS / NACH transactions.
4. We will ensure that the NRE accounts of beneficiaries, if any, will be included in the Input Data only after ensuring that such funds are eligible to be credited to NRE accounts in India under the existing Foreign Exchange Management Act (FEMA) and Regulations thereunder, as also under the Wire Transfer Guidelines.

Existing User Code available (Y/N)	User code (if available)
Yes	
No	

Please tick the relevant box

Date: -

Authorized Signatory of the User

Name and designation of Authorized Signatory with Company seal

Authorized Signatory of Sponsor Bank

-----**For Office Use**-----

Unique Identification Code: