

NPCI/IMPS/OC No 66 / 2015-16

24th November, 2015

To All Members of IMPS,

Dear Sir/Madam,

Subject: Uniformity in IMPS Settlements for holidays (Implementation Date: 15th December 2015)

Immediate Payment Service (IMPS) presently has 4 settlement cycles in a day including the Saturdays where RTGS is available. Among the other matters placed with the members of the IMPS Steering Committee in its 22nd meeting held on 17th of November 2015, was a proposal to bring in uniformity in IMPS settlements.

2) The Members of the IMPS Steering Committee unanimously approved to post separate Settlement entries pertaining to Public holidays / Sundays on next working day

3) Present Process:

- a. The Settlement entries are passed in bank's RTGS settlement account on RTGS working days.
- b. For Sundays, 2nd/4th Saturdays and RTGS holidays, consolidated settlement entry is passed for holidays on next working day.

Example:

- Friday: 17:30 hours to 23:00 hours (Credit – Rs. 100/-)
- Saturday: 2nd or 4th Saturday of the month (Credit – Rs. 100/-)
- Sunday: Holiday (Credit – Rs. 100/-)
- Monday: Working day (Credit – Rs. 300/-)

In the above example as per the existing process of 4 settlement cycles, NPCI posts consolidated net settlement amount for all the above three (3) business days in the Bank's RTGS accounts on Monday, i.e. Rs. 300/-.

4) Proposed/Revised Process:

It is proposed to pass separate settlement entry for each day instead of a consolidated entry. This will help bring in uniformity in settlement process for IMPS product and reduce settlement risk.

- Friday: 17:30 hours to 23:00 hours (Credit – Rs. 100/-)
- Saturday: 2nd or 4th Saturday of the month (Credit – Rs. 100/-)

- Sunday: Holiday (Credit – Rs. 100/-)
- Monday: Working day

In the above example as per the proposed process of 4 settlement cycles, on Monday NPCI shall post three (3) different entries for each bank through RTGS accounts of member banks (Rs. 100/- pertaining to Friday; Rs. 100/- pertaining to Saturday and Rs. 100/- pertaining to Sunday).

NOTE:

- 1) Please note that this change shall come into effect from the 15th of December 2015.
- 2) Member banks are advised to disseminate the above information to the respective IMPS reconciliation teams and Treasury teams managing the RTGS settlement account

Thanking you,

Yours faithfully,

SD/-

Dilip Asbe
Chief Operating Officer