

NPCI/IMPS/OC No 35/2013-14

03 March 2014

To,

All Member of Immediate Service (IMPS)

Dear Sir/Madam,

Remitter Bank's/PPIs compliance on generation of Verification request for failure of an Original Transaction

Immediate Service (IMPS) - an instant funds transfer facility which also provides for an instant credit alert to both the remitter and the beneficiary. It is therefore of essence that all the funds transfer transactions that originate on the IMPS platform are seamless and the 'Original transaction' sent by the remitting bank to the beneficiary bank gets credited instantly with a return confirmation to the remitter bank.

The message specifications of IMPS perceive and in-built mechanism of originating a 'Verification Request' (VR) by the remitter. A verification request is to be initiated by the remitter bank if the status of the online credit at the beneficiary end is not known in the online message. The remitter bank shall send up to 3 verification requests at an interval of 30 seconds each, should a definite response not be available on the original transaction. This process ensures that the beneficiary bank can respond with the status of the transaction through a verification request, if the original transaction was timed out.

It has however come to our notice that:

- Certain Remitter banks Initiate more than 3 verification requests for same original transaction status, or
- The Verification requests are forwarded at time intervals exceeding the defined 30 seconds interval, or
- The Verification requests are forwarded to the beneficiary bank before the expiry of the 30 seconds where the status of original transaction is not known.
- Certain Remitters Initiate Verification requests simultaneously with original requests. This also leads to instances of Verification requests hitting the beneficiary bank's Core Banking before the original request is received.

Any or all of the above practices defeat the purpose of straight through credit mechanism and also leads to network congestion and clogging of the system at the beneficiary bank's end. This also adversely impacts the overall efficiency of the Network.

It is therefore advised herewith that the member banks shall comply with the message specifications on originating a "maximum of 3 verification requests on immediate basis" to receive the status of the transaction if the status of the original transaction is not known.

Kindly also acknowledge receipt of the circular.

Yours faithfully,



Dilip Asbe
Chief Operating officer