

New RTGS system to improve financial market efficiency.

Governor Raghuram Rajan on Saturday said the new real time gross settlement ([RTGS](#)) system for [fund transfers](#) will improve the efficiency of the country's financial markets.

"With its advanced liquidity and queue management features, the new RTGS system is expected to significantly improve the efficiency of financial markets," Rajan said while inaugurating the ISO 20022-compliant system.

The RTGS system is used to settle interbank fund transfers by banks and their customers and is critical in facilitating orderly settlement of payment obligations. With its implementation, new regulations will replace the operating guidelines and regulations of 2004.

Rajan said the payment system has to be efficient and ahead of the financial markets to be able to take care of future developments. The new RTGS system is highly scalable and will have several new functionalities, the Reserve Bank of India said in a release. It will have features such as a facility to accept future value dated transactions and options to process multi-currency transactions. The system was first implemented in India in March 2004 as an electronic funds transfer system across the country. With implementation of the new RTGS system, the existing RTGS system will cease to be operational, the RBI added.

"RTGS System Regulations 2013" will replace the RTGS (Membership) Business Operating Guidelines, 2004, and RTGS (Membership) Regulations, 2004. The RBI said new functionalities will be notified to participants when they are made available for use.

(Business Standard)