

Statement on the major feedback received for draft circular on Guidelines to facilitate faster cross-border inward payments

- 1. Para 3 (a):** Banks shall inform their customer of the receipt of cross-border inward transactions immediately on receipt of inward message. Messages received after close of operating hours of the individual banks shall be informed to the customer immediately at the start of the next business day.

Feedback (i): Requesting clarification whether the guidelines mandate banks to effect immediate credit.

RBI Comments: The guideline does not mandate immediate credit but requires the banks to inform their customers immediately upon the receipt of message relating to cross-border inward payment.

Feedback (ii): Requesting clarification whether the directive to inform customer immediately apply only to non-STP transactions.

RBI Comments: For STP transactions, it is understood that the customers would have already been notified in conjunction with the credit; therefore, there is no need to separately intimate them of the inward message. Furthermore, the requirement to intimate customers is applicable for all cross-border inward transactions irrespective of the type of customer – corporate or retail.

Feedback (iii): Requesting clarification on role of intermediary bank in intimating the ultimate beneficiary (customer of another bank).

RBI Comments: The intermediary banks are expected to inform the beneficiary bank of the receipt of cross-border inward transactions without delay.

- 2. Para 3 (b):** It is observed that several banks rely upon end-of-day statements of the nostro account for confirming and reconciling receipts in nostro accounts, resulting in delayed credit. To expedite this process, banks are advised to undertake reconciliation and confirmation of credit in the nostro account either on near real time basis or at periodic intervals. The reconciliation interval should normally not exceed thirty minutes.

Feedback (i): Request for additional time to undertake reconciliation. Banks highlighted operational difficulty in undertaking reconciliation within thirty minutes

due to their dependency on receiving nostro statements from correspondent banks.

RBI Comments: Banks are advised to adopt real/near real time reconciliation as far as possible. In view of the feedback, the reconciliation interval has been increased and the reconciliation interval should normally not exceed one hour. Suitable changes have been made in the final directions.

Feedback (ii): Concerns were highlighted in relation to compliance & due diligence delays, stating the infeasibility of detailed scrutiny for FEMA compliance, AML, and name matching etc. into a thirty-minute window.

RBI Comments: The credit of funds is subject to FEMA compliance and other regulatory requirements as mentioned in Para 3(c) of the circular. This requirement relates to reconciliation by banks with regard to sighting of funds in their nostro accounts with correspondent banks.

- 3. Para 3 (c):** Banks shall endeavour to credit the inward payments received during the foreign exchange market hours within the same business day to the beneficiary's account, and credit the inward payments received after market hours on the next business day, subject to compliance with the extant FEMA and other regulatory requirements.

Feedback: Request to define a cut-off time for same day processing of the credit, transactions received post cut-off must be allowed for T+1 processing. In addition, concerns were raised for same-day credit in lieu of time required for FEMA compliance, customer due diligence and lack of sufficient information / documents / disposal instructions.

RBI Comments: The circular requires banks to endeavour to credit the inward payments within the same day. The same-day credit is desired subject to compliance with the extant FEMA and other regulatory requirements.

- 4. Para 3 (d):** Banks may, based on their risk assessment and subject to compliance with extant FEMA guidelines, put in place a straight through process for crediting inward payments to the account of individual residents.

Feedback (i): Following suggestions were made with regard to the purpose code – (a) a standardized purpose codes framework, (b) mandating of purpose code in the inward SWIFT messages, (c) rationalizing the list of purpose codes for individual residents.

RBI Comments: The above feedback shall be examined separately.

Feedback (ii): Request to clarify whether the STP provision extends to corporate accounts or is limited to individual resident accounts.

RBI Comments: The circular states that banks may implement STP based on their own risk assessment, FEMA and other regulatory requirements. There is no restriction in extending STP to customers other than individuals subject to adherence to the risk management and FEMA requirements.

Feedback (iii): Concerns were highlighted in facilitating STP for inward cross-border payments in view of the FMRD [draft circular dated December 09, 2025](#), titled “Disclosure of transaction cost for foreign exchange transactions – Draft”, aimed to improve transparency in cross-border transactions.

RBI Comments: The FMRD directives are issued under the provisions of the FEMA, and the STP guidelines are subject to compliance with the extant FEMA directives. Banks shall adhere to the FEMA guidelines, including the aforementioned FMRD circular, as may be amended or updated from time to time.

5. **Para 3 (e):** Banks may, within a reasonable time frame, endeavour to provide digital interface to their customers to facilitate foreign exchange transactions, including submission of documents or information, and monitoring of transactions.

Feedback: A phased timeline is requested given the requirement of IT/Infrastructure upgrades.

RBI Comments: The circular provides six months’ time for necessary system development.