

Recent Developments in Payment & Settlement Systems of Member Countries

Bhutan

The Royal Monetary Authority of Bhutan (RMA) took the following initiatives recently for enhancing the payment systems in Bhutan:

1. National Electronic Funds Transfer (NEFT) System

The RMA made NEFT facility available to the public from December 2, 2011. This robust and highly secured payment system which necessitates the use of digital signatures has been implemented with Technical Assistance from the Reserve Bank of India. Currently, the NEFT transactions are processed five times a day. The frequency of processing shall be increased as and when required.

The National Electronic Funds Transfer (NEFT) system is a nationwide funds transfer system that facilitates transfer of funds from one bank branch to any other bank branch. NEFT facilitates transfer of funds from one individual to another individual, one institution to another institution, and from an institution to an individual. In other words, under NEFT, funds can normally be transferred between two parties.

Benefits of NEFT:

- Nation-wide funds transfer system that facilitates transfer of funds from one bank to another bank.
- Even walk-in customer without a bank account can deposit cash up to a specified limit and transfer funds.
- Settlement on an hourly basis thereby facilitating receipts of funds within an hour of initiating the transfer.
- Secured system wherein Digital Signatures are used.
- Any amount of funds can be transferred.
- Remitter and the payee can receive SMS confirmations upon completion of transaction.
- Inconveniences and delays associated with cash and other paper based transfer of funds can be avoided.