

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:770  
ANSWERED ON:05.12.2003  
NEW SYSTEM OF CHEQUE CLEARANCE  
AMBATI BRAHMANAIAH

**Will the Minister of FINANCE be pleased to state:**

- (a) whether RBI has introduced a new system of cheque clearance called `Real Time Gross Settlement (RTGS)` to facilitate immediate bank settlements;
- (b) if so, the details of the RTGS system of RBI; and
- (c) by what date this system is likely to be introduced in banks?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Under Payment System reforms, RBI is introducing the Real Time Gross Settlement (RTGS) system for inter-bank fund transfer to minimise settlement risk and eliminate systemic risks. The RTGS system will be an electronic and message based credit transfer system, facilitating immediate- banks settlements. The settlement will take place on gross basis, transaction by transaction only. Settlement will be final and irrevocable. Cheques will not be used under this system.

(c) The RTGS system will be implemented in phases during the period January-July 2004.