

## UNIT 4 - Role of Immediate Payment Services in Banking



### INTRODUCTION:

Immediate Payment Service (IMPS) is an immediate real-time inter-bank electronic funds transfer system in India. IMPS offer an interbank electronic fund transfer service through smartphones. Unlike NEFT and RTGS, the facility is available 24/7 throughout the year including bank holidays. This service is not only safe but also cost-effective both in financial & non-financial outlooks. The IMP service is provided by National Payments Corporation of India (NPCI).

### NEED FOR IMPS:

Before, IMPS system, the transactions could be done either by NEFT or by RTGS. But, this NEFT & RTGS works during banking hours only. So, a pilot survey was conducted by NPCI along with SBI, BOI, UBI & ICICI in 2010 to create a system that works 24/7. As an outcome, IMPS public launch happened on 22-Nov-2010 by Smt. Shyamala Gopinath, Deputy Governor, RBI at Mumbai.

### IMPS CONTRIBUTORS:

- Remitter (Sender)
- Beneficiary (Receiver)
- National Financial Switch by NPCI

- Banks

## OBJECTIVES:

- To be client friendly, so customers don't need to expect tomorrow to create remittances.
- To create the payment less complicated with the use of the mobile number.
- To attain digitisation in doing retail payments.
- Building the foundation for mobile based Banking services.

## IMPORTANT POINTS:

- To participate in IMPS, banks should be having approval from RBI for Mobile Banking Service.
- To transact through mobile, customers should get registered first for Mobile Banking.
- The banks will issue a 7 digit unique Mobile Money Identifier (MMID) number to start the transaction.
- Every cell phone be it a basic set or smartphone is eligible for IMPS.
- For a single mobile number, more than one account can be linked.
- As per the individual bank policy, the transaction fee is applicable for IMPS.