



Courses

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<p>HIGHEST RATED</p> <p>SSB INTERVIEW</p> <p>ONLINE COURSE</p> <p>243 PEOPLE ONLINE NOW</p> <p>SSB Interview Online Course 2022</p> <p>★★★★★ 5 (139)</p> <p>₹ 6,999.00</p>	<p>HIGHEST RATED</p> <p>CDS Exam Online Course 2023</p> <p>448 PEOPLE ONLINE NOW</p> <p>★★★★★ 5 (87)</p> <p>₹ 5,999.00</p>	<p>BEST SELLER</p> <p>CDS OTA Exam Online Course 2023</p> <p>256 PEOPLE ONLINE NOW</p> <p>★★★★★ 5 (84)</p> <p>₹ 5,499.00</p>	<p>BEST SELLER</p> <p>AFCAT Exam Online Course 2023</p> <p>187 PEOPLE ONLINE NOW</p> <p>★★★★★ 5 (71)</p> <p>₹ 5,999.00</p>	<p>HIGHEST RATED</p> <p>NDA Exam Online Course 2023</p> <p>143 PEOPLE ONLINE NOW</p> <p>★★★★★ 5 (85)</p> <p>₹ 5,999.00</p>	<p>HOT & NEW</p> <p>Territorial Army Exam Online Course 2023</p> <p>101 PEOPLE ONLINE NOW</p> <p>★★★★★ 5 (80)</p> <p>₹ 5,999.00</p>
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RBI's 'Lightweight' Payments System For Emergencies - An Alternative To UPI, NEFT, RTGS

Why In The News?

- In Its **Annual Report For 2022-23** Published On **May 30, 2023**, RBI Said That The **Lightweight And Portable Payment System** Is Expected To Operate On **Minimalistic Hardware And Software** And Would Be **Made Active Only On A "Need Basis"**.

Heavy Surge In Digital Payments:

- During **2022-23**, The Payment And Settlement Systems Recorded A Robust **Growth Of 57.8 Percent** In Terms Of Transaction Volume On Top Of The Expansion Of **63.8 Percent** Recorded In The Previous Year.
- The Share Of Digital Transactions In The Total Volume Of Non-cash Retail Payments Increased To **99.6 Percent During 2022-23**, Up From **99.3 Percent In The Previous Year**.



UPI Payments Transfer:

- UPI Is A Free, Instant, And Real-time Payment System That Is Generally Used To Perform Quick Payments To Merchants And Banks.

- You Can Do Online UPI Payments Using UPI Apps As Well As Offline UPI Payments Using UPI Lite.
- UPI Was First Launched In 2016 By The National Payments Corporation Of India (NPCI) And Is Also Known As A Better Version Of The IMPS Payments Facility.
- While The UPI Payments Service Is Free Of Any Charges For Us Consumers, Banks Do Bear Hundreds Of Crores Of Cost Each Year.



RTGS Transfer:

- Real-time Gross Settlement Is A Funds Transfer Process Generally Used To Transfer Higher Amounts.
- It Is A Safe And Secure Way Of Transferring Money As The Settlement Takes Place In Real Time.
- An RTGS Transaction Is Free Of Charge When Done Online And Is Initiated, Cleared, And Settled In Real-time, Usually Within 30 Minutes, Making It One Of The Best, Free, And Fastest Ways To Transfer High Amounts Of Funds Instantly.
- It Does Not Have Any Upper Limits On The Maximum Amount That The Remitter Can Send.
- Earlier RTGS Transactions Could Not Be Processed 24/7 Or On Public Holidays But Thanks To The Statement Released In 2020 By RBI, RTGS Transactions Can Now Be Done Anytime And Any Day.



IMPS Transfer:

- IMPS (Immediate Payments Service) Was First Launched By NPCI In 2010 And Is One Of The Most-used Fund Transfer Methods In India.
- For Doing An IMPS Funds Transfer, You Do Not Need The Beneficiary's Bank Account Details As A Simple 7-digit MMID Code Is Used To Do An IMPS Transfer.
- This 7-digit MMID Code Is Allotted By The Bank. After UPI, An IMPS Transaction Would Probably Be The Fastest Way To Transfer Funds Up To 5 Lakhs.
- An IMPS Funds Transfer Is Better Suited If You Are Looking To Transfer Amounts Up To 5 Lakhs Instantly Or In An Emergency. After UPI, IMPS Is Probably The 2nd Most Economical Way To Transfer Funds.



NEFT Transfer:

- NEFT Transfers Or National Electronic Funds Transfers Is An RBI-governed Funds Transfer Method, Available Online And Offline.
- NEFT Payments Were First Introduced In 2005 And They Are Extremely Safe And Secure Methods Of Transferring Small Amounts Of Money.
- Even Though NEFT Transfers Do Not Have An Upper Limit, They Are Generally Limited To ₹50K Per Transaction Limit For New Beneficiaries.
- NEFT Unlike IMPS Does Not Have Fees Or Charges On Online Transfers.
- However, One Of The Biggest Disadvantages Of NEFT Transfer Is That The Money Does Not Get Credited To The Beneficiary Instantly As An NEFT Transaction Takes Place In Batches.
- Hence, You Should Probably Avoid Doing NEFT Transfers If You Need To Transfer High-value Funds Instantly.



‘Lightweight’ Payments System For Emergencies:

- The RBI Has Conceptualized A Lightweight Payment And Settlements System, Which It Is Calling A **“Bunker”** Equivalent Of Digital Payments, Which Can Be **Operated From Anywhere By A Bare Minimum Staff** In Exigencies Such As Natural Calamities Or War.
- The Infrastructure For This System Will Be Independent Of The Technologies That Underlie The Existing Systems Of Payments Such As **UPI, NEFT, & RTGS**. The Central Bank **Has Not Offered A Timeline** For The Launch Of This Payment System Yet.

Why Is There A Need For Such Payments System?

- Such A **Lightweight And Portable Payment** System Could Ensure **Near Zero Downtime Of The Payment And Settlement System** In The Country And Keep The **Liquidity Pipeline Of The Economy** Alive And Intact By Facilitating Uninterrupted Functioning Of Essential Payment Services Like Bulk Payments, Interbank Payments, And Provision Of Cash To Participant Institutions.
- The System Is Expected To Process Transactions That Are Critical To Ensure The Stability Of The Economy, Including Government And Market Related Transactions. Having Such **A Resilient System Is Also Likely To Act As A Bunker Equivalent In Payment Systems** And Thereby Enhance Public Confidence In Digital Payments And Financial Market Infrastructure Even During Extreme Conditions.



How The Lightweight System Be Different From UPI?

- There Are **Multiple Payment Systems** Available In The Country For Use By Individuals As Well As Institutions, Each Of Which Has Its **Distinct Character And Application**.
- Existing Conventional Payment Systems Such As **RTGS, NEFT, And UPI** Are Designed To **Handle Large Volumes Of Transactions** While Ensuring Sustained Availability.
- As A Result, They Are Dependent On Complex Wired Networks Backed By Advanced IT Infrastructure.
- However, **Catastrophic Events Like Natural Calamities And War Have The Potential To Render These Payment Systems Temporarily Unavailable** By Disrupting The Underlying Information And Communication Infrastructure.
- Therefore, It Is Prudent To **Be Prepared To Face Such Extreme And Volatile Situations**.





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