

# Difference Between NEFT and RTGS

NEFT (National Electronic Funds Transfer) and RTGS (Real-Time Gross Settlement System) are online money transfer systems that allow two parties inside the same bank or banks to send money to one other. Regardless, there are significant differences between them which are elaborated below

## NEFT vs RTGS

### NEFT

The lower limit of the transaction is Rs. 1. However, there is no upper limit.

The bank settles the fund in different half-hourly batches. Therefore, it may take more than two hours for a money transfer, depending on the amount transferrable.

One can transfer funds through NEFT any time, any day.

There are no additional charges for NEFT transfers.

### RTGS

One must transfer a minimum amount of Rs. 2 Lakhs.

Also, there is no maximum transferrable amount.

One-to-one settlement in real-time is the distinguishing feature of RTGS. Hence, the money transfer is immediate.

The fund transfer timings are different in different banks.

There is an additional charge of Rs. 55 for outward transfer of more than Rs. 5 Lakh. It is Rs. 30 for similar transfers of more than Rs. 2 lakhs but less than five lakhs.

If NEFT transactions fail or are not completed on time, destination banks will return funds to the originating branch within two hours of the transaction.

The remitting bank credits the funds received from a failed RTGS transaction to the sender's account. The bank returns the fund to the originating bank within one hour or by the conclusion of the RTGS business day, whichever comes first.

## NEFT and RTGS

NEFT and RTGS are electronic payment methods that allow one to transfer money across the country. Moreover, they are popular among business people who need to perform large-scale transactions. When selecting an ideal transaction type, it is critical to understand the difference between NEFT and RTGS to transact as per your need and circumstances.

### What is NEFT?

NEFT (National Electronic Funds Transfer) is a money transfer service that operates 24 hours a day, seven days a week, and processes transactions in half-hour increments. They are the most extensively used payment systems.

The Reserve Bank of India has not established a minimum or maximum transfer amount. The main advantage of NEFT over RTGS is that the payments are settled in half-hourly batches in the NEFT. NEFT is preferable if one needs to transmit a little money without minding the payment delay.

### What is RTGS?

RTGS (Real-Time Gross Settlement System) is a payment transfer system that enables money to flow in real-time from one bank to another. People use RTGS for high-value transactions. If one has to make money transfers of significant value in real time, RTGS is better.

As a result, even if there is no maximum amount you can send, one must transfer at least INR 2 lakhs at a time. When the transaction value is significant and requires real-time settlement, RTGS is a better option.