



RBI mandates faster processing of cross-border inward payments to improve efficiency and customer experience

The Reserve Bank of India vide circular **RBI/2026-27/08 (CO.DPSS.ID.No.S20/06-08-017/2026-2027 dated April 09, 2026)** has issued guidelines to streamline and accelerate cross-border inward payments. Issued under Section 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007, the circular aligns with the Payments Vision 2025 and G20 roadmap to ensure faster, transparent, and accessible cross-border transactions.

Analysis

- Banks are required to immediately notify customers upon receipt of inward cross-border payment messages; where messages are received post banking hours, intimation must be provided at the start of the next business day.
- To address delays caused by reliance on end-of-day nostro account statements, banks must shift to near real-time or periodic reconciliation, with intervals not exceeding one hour.
- Banks are directed to credit funds within the same business day if received during foreign exchange market hours, and next business day if received after market hours, subject to compliance with FEMA and other regulatory norms.
- Institutions may implement Straight Through Processing (STP) for inward payments to resident individuals, based on risk assessment and compliance with applicable FEMA guidelines.
- Banks are encouraged to develop digital interfaces enabling customers to submit documentation, track transactions, and facilitate foreign exchange dealings seamlessly.
- The directions will become effective six months from the date of the circular, allowing banks time to upgrade systems and processes.
- The circular will require operational restructuring, particularly in treasury and payment processing functions. Banks will need to adopt near real-time nostro reconciliation, upgrade systems, and strengthen coordination with correspondent banks. Enhanced customer communication and digital infrastructure will be essential for instant alerts. Further, implementation of STP and digital interfaces will drive automation but require risk recalibration, FEMA compliance checks, and IT investments. While increasing short-term compliance burden, the changes are expected to reduce turnaround time and improve customer experience.



➤ **Key Takeaways**

- Immediate customer intimation for inward cross-border payments is now mandatory
- Nostro account reconciliation must be conducted at least hourly or near real-time
- Same-day / next-day credit timelines standardized based on receipt timing
- Regulatory backing under Payment and Settlement Systems Act, 2007
- Six-month implementation window for banks to upgrade systems
- Push towards automation, STP, and digital customer interfaces in forex transactions

➤ The notification is attached herein.

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