



STATE BANK OF PAKISTAN

Payment Systems Department

No.PSD/DIR/56/099/2005

June 29, 2005

All commercial Banks,
MNet, 1-Link and NIFT.

Dear Sir/Madam,

Sub: General Guidance for Payment System Development.

Bank for International settlement (BIS) is the principal centre for international central bank cooperation. One of its main objectives is to strengthen financial market around the world. BIS is producing guidelines for all the stakeholders like Basle Capital Accord 1992 and Basel II 2001-06. In its latest series, Committee on Payment and Settlement System (CPSS) has produced General Guideline for Payment System Development.

The objective of this report is to assist countries that are building their national payment systems, and those who wish to develop their system further, with practical guidance for development. The report contains 14 guidelines, which are based on the extensive consultation and experience of a broad group of central bank from developed and developing countries around the world. This report reflect the four key dimensions of developing a national payment system, (1) the role of the banking sector, (2) effective planning and project implementation (3) developing the institutional framework required to sustain payment system reform and (4) designing a safe and efficient payment infrastructure to meet the particular emerging need of a country's economy.

The Bank for International Settlement is looking for the establishment of the efficient and effective payment systems for every country of the world; therefore they require feedback from all the stakeholders in a payment system in a country.

We should be glade if you please provide us your valuable feedback enabling us to develop a consolidated response from SBP. The report may be accessed at www.bis.org. Your feedback should reach at following e-mail address by the 31st July 2005.

Mailing address: - jamil.rehman@sbp.org.pk

Phone numbers: - 244503444 & 244503416

Yours truly,

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(Jamil Ur Rehman Khan)

Monitoring officer