



## STATE BANK OF PAKISTAN

I.I. Chundrigar Road P.O. Box No. 4456

KARACHI 74000 - PAKISTAN

RTGS Project Management Office

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No. RTGS/ 189 / 42(3) - 2008

June 30, 2008

The Presidents/Chief Executives,  
All RTGS Participating Banks/DFIs

Dear Sirs/Madam:

### **RTGS Launch Strategy**

We are pleased to inform you that the RTGS system is scheduled to be launched after a formal inauguration on 1st July 2008. In view of the sensitivity and criticality of the system and to ensure a smooth transition of all the participants from the existing to the new system of settlement, it has been decided to launch the system in a phased manner. This would allow the banks to gradually adjust to the new system and allow SBP to carefully monitor the situation and effectively provide support.

Hence the following strategy would be followed for the launch of RTGS system:

- The system would be launched with the inter-bank funds transfer functionality. Other RTGS features including the DEPO/X (for securities) would later on be added gradually.
- Only the cash balances of participant banks/DFIs kept in the current account with SBPBSC (Karachi office) would be uploaded into the RTGS system.
- Accordingly, participants would be allowed to make their interbank funds payments using the RTGS system. All other payments including transfers between non-participants, securities settlement, and SBP's internal transactions should continue to be handled as they are presently being done till further instructions.



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- Inter-bank payments between RTGS participants and non-participants should be handled as per the following scheme:
  - Participants who want to make payments to non-participants should enter them in the RTGS system, if the BIC of non-participant is available in RTGS. (list of RTGS participants is attached along with this letter).
  - If the BIC of a non-participant is not available in the system, then the participant can send the payment to SBPBSC via cheque.
  - Any payment from non-participant to a participant bank should be presented at SBP BSC (Karachi office) counters via cheque.
- For control purposes, it has also been decided that initially cheques for the inter-bank transactions posted in RTGS should continue to be lodged at SBP BSC (Karachi office) though these cheques will not be posted in SBP's system and will simply be cancelled after reconciliation of the payments. Also ensure that RTGS transaction reference number (field # 20 of MT 202) along with the word "POSTED VIA RTGS" should be written on the back of these cheques. At an appropriate time, this practice would be discontinued and SBP would inform the participants accordingly.
- As the system will stabilize, SBP will introduce additional features like participants inter-bank securities trading, Intra-day Liquidity Facility (ILF), SBP's internal transactions (export refinance settlement, auction/OMO settlements, foreign exchange etc), clearing nets received from NIFT and access to balances of participants in their current accounts maintained at remaining SBPBSC offices.



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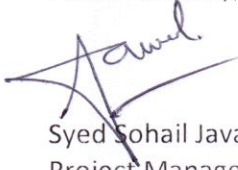
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- Fund transfer to/from the accounts held in other SBP BSC offices should also not be posted in the system and should be handled as per the existing practice till further instructions.
- Please note that initially the planned Intra-day Liquidity Facility (ILF) will not be offered. Any transaction that remains queued in RTGS at the time system is closed would be settled in SBP's internal system by SBPBSC (KHI Office).
- SBP would inform the Participants before introducing any of the above functionality or any other additional functionality
- The system would remain available to Participants from 9.00 am to 3.30 pm daily except for Saturday when the system would be available from 9.00 am to 1.30 pm.

All participants are advised to comply with the above instructions and ensure their full readiness for RTGS Launch on July 1, 2008. The readiness of RTGS related infrastructure may also be checked as per the guidelines issued from time to time.

For any queries/clarifications please feel free to contact the RTGS Team at [prismhelp@sbp.org.pk](mailto:prismhelp@sbp.org.pk) or at phone numbers 2453411, 2453432, 2453497, 2453391 and 2453402.

Yours faithfully,



Syed Sohail Javaad  
Project Manager