

July 1, 2008

Prime Minister Inaugurates

Real Time Gross Settlement System at SBP

Prime Minister Syed Yousuf Raza Gilani today inaugurated the Real Time Gross Settlement System (RTGS) that would enable banks to settle their large value payments in real time using a computerized network.

The inauguration ceremony which was held at the State Bank of Pakistan, Karachi was attended, among others, by Sindh Governor, Dr Ishratul Ibad, Sindh Chief Minister, Syed Qaim Ali Shah, Federal Finance Minister, Syed Naveed Qamar, Federal Minister for Labour, Manpower and Overseas Pakistanis, Syed Khursheed Ahmed Shah, Special Assistant to Prime Minister on Finance, Revenue and Economic Affairs, Ms. Hina Rabbani Khar and Special Assistant to Prime Minister, Ms. Shahnaz Wazir Ali.

Speaking on the occasion, Dr Shamshad Akhtar, Governor State Bank of Pakistan, informed the Prime Minister about the functionalities being offered by the new system and its positive impact on the banking industry. She mentioned that the RTGS will facilitate the instant transfer of high value funds via electronic means and pointed out that the RTGS project is a complex undertaking and a lot of work has been done to make its implementation a reality. By launching the RTGS system, Pakistan became one of those countries who had such advanced payment systems, she added.

Dr Akhtar said that Centralized Multilateral Net Settlement in RTGS will enable banks to efficiently use their liquidity, which previously they had to maintain in different current accounts with the SBP BSC offices for retail clearing. She said the corporate customers of the banks will also be able to use RTGS for their time-critical payments and added that RTGS Implementation provides the capability of connecting with various other regional / international payment systems for foreign exchange, government bonds, and private equity settlements.

SBP officials demonstrated and explained the process of funds transfer via RTGS to the Prime Minister, who completed one such transaction to inaugurate the system. Initially 39 commercial banks and Development Finance Institutions (DFIs) would be the direct members of the system.

Mr. Gilani also visited the State Bank Treasury where he was briefed by the Governor and the Executive Director, Mr. Asad Qureshi about the treasury operations of the Bank.

The Prime Minister also inaugurated an exhibition titled 'Celebrating the Past' at the SBP premises, which was held to commemorate the 60th Anniversary of the Bank. The Prime Minister took keen interest in different vintage coins, historical artifacts and documents displayed at the exhibition.
