



CENTRAL BANK of SOLOMON ISLANDS

P.O. BOX 634, Honiara, Solomon Islands

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CBSI Automated Transfer System (ATS) Implementation Training Underway

CBSI successfully completed a one-week training session on the ATS solution for its stakeholders (Administration and Operation teams) from the 14th to 18th of November 2022 at the CBSI premises. Facilitated by Mr. Chandrasatyavikas Tadi, Senior Technical Lead at Montran Corporation, the implementing vendor of the project, the training comprised an overview of the product features and functionality followed by application training, detailing each application menu, its corresponding functions and an end-to-end payment processing sequence.

The current mode of money transfer (apart from the widespread use of cash) occurs mainly via cheques – a manual process that take several days. The ATS solution eliminates these manual tasks with an automated payment infrastructure that comprises two integrated core components. The Real-Time Gross Settlement (RTGS) core component settles high-value and high-priority payments submitted by participants in real-time, and the Automatic Clearing House (ACH) core component performs the clearing of Electronic Fund Transfer – Credits (EFT – Credit) and Instant Funds Transfers (IFT) payments, which handle batch and net processing in a continuous or periodic settlement mode.

The following example of two bank customers demonstrates the payment process via the ATS application:

Alan wants to transfer a sum of \$1000 to Ben. Alan contacts Bank A and gives instructions to carry out an RTGS payment to Ben, who has an account at Bank B. After collecting the required details of the beneficiary (Ben) and his account details, Bank A initiates an RTGS transaction with SOLATS. As and when the ATS application receives the payment instruction, it processes the transaction by debiting the Bank A settlement account at CBSI and crediting the settlement account of Bank B. SOLATS then forwards the transaction to Bank B within a time interval of 3-5 seconds. Bank B receives the payment and transmits/ credits Ben's account with \$1000. Typically, with the existing infrastructure, this transaction would take several days to complete, but the ATS solution expedites the entire process with a Turn Around Time (TAT) of 5-10 minutes for completion.

Additionally, the system will also assist the Ministry of Finance by expediting customs and tax payments processing. With this system in place, the time frame for clearing such payments is significantly reduced and can be completed in a single day.

The System Participant Training is one of the on-going implementation steps organized by the CBSI and IFC under the project. Through regular meetings, the Participant Working Group, including potential SOLATS members, discuss and implement the project workplan. Future activities will include system integration with members and user testing and preparation for the system launch.

Successful implementation of the ATS by CBSI and the participants is one of the primary objectives of the National Payment Systems Project.

The National Payment System (NPS) is a project supported by the World Bank through the International Finance Corporation (IFC), with assistance from the Governments of Australia and New Zealand. The NPS which is now referred to as the Solomons Automated Transfer System (SOLATS) will be used by the Central Bank for clearing and settlement of domestic payments.

The SOLATS solution will help commercial banks and the Ministry of Finance & Treasury (MOFT) to achieve payments digitalization. It will accelerate payment processing through automation, technology, and end-to-end payments visibility. It will also facilitate bank customers to transmit payments in real-time without any wait time for payments to be reflected in the accounts.

The project has completed key inception and development milestones, along with the technical training phase for all stakeholders.

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For more information, contact the Central Bank of Solomon Islands (CBSI) on 21791 or Email: info@cbsi.com.sb | Website: www.cbsi.com.sb