



CENTRAL BANK OF
TRINIDAD & TOBAGO

safe-tt

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safe-tt is a newsletter on developments in the Payments System in Trinidad and Tobago

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If you require any further details on any aspect of the reforms process, or would like to offer any suggestions, then please contact the Payments System Department at the Central Bank of Trinidad and Tobago.

Please see our full contact details on the last page.

Now that *safe-tt* and the GSS have been launched, the *safe-tt* newsletter will now be published on a quarterly basis.

Spotlight on the ACH - the countdown begins...

The Central Bank, together with all commercial banks, is currently actively involved in the implementation phase of the country's first **Automated Clearinghouse (ACH)** called the Trinidad and Tobago Interbank Payments System (TTIPS). TTIPS was incorporated in November 2004 and is the headquarters for the operations of the ACH switch. The ACH will revolutionize the way in which business is done in Trinidad and Tobago by offering another safe and secure means of making and receiving electronic payments.

Unlike *safe-tt*, which processes individual large payments, the ACH will process high volume, low value transactions (less than TT\$500K). The ACH is owned by all commercial banks and the Central Bank. Infalink Services Limited (ISL) has been contracted to operate TTIPS. The major target groups for the use of this system are corporations, the government, wholesalers, retailers and the general public. Examples of transactions which will be processed over the ACH include mortgage and insurance payments, utility bill payments, cable TV subscriptions and health club dues.

The implementation of the ACH is being coordinated by TTIPS under the stewardship of the TTIPS manager and consultants. A vendor has been selected for the design and implementation of the



software required for the operation of the clearinghouse.

TTIPS is run by a Board of Directors consisting of senior officials of the commercial banks and the Central Bank. The Board is supported by four specialized committees. Each committee has representation from the commercial banks and the Central Bank. The Committees serve the Board in an advisory capacity only in the implementation of its decisions. The four committees are:

- The Marketing Committee
- The Finance Committee
- The Operations Committee
- The Information Technology Committee

The work of the committees is diverse and comprehensive in nature. Some of the tasks in which the committees were involved include the development of operating

regulations for TTIPS, finalizing IT requirements for the ACH, formulation of a marketing plan for the roll-out of the ACH, informing and educating bank staff on the workings of the ACH and development of a TTIPS budget.

Pilot testing of the TTIPS infrastructure began in June 2005. This will be followed by finalization of the rules and procedures, formal agreements with the banks, the pricing for ACH transactions and preparation for the official launch of the ACH in September 2005. Banks will also be involved in training their staff and marketing the use of electronic retail transactions to corporate clients and the general public. ■



Goldleaf Technologies Unveils its ACH Product to the Central Bank

Goldleaf Technologies Limited visited the Central Bank from 13th to 15th June, 2005 to provide introductory training on the operations of its software. Mr. Tom Kalina instructed members of staff during this three day training programme on a variety of aspects of the Goldleaf software. The session began with an overview of how the Central Bank and its customers will use the Goldleaf Client and Manager applications. Discussions surrounded how the ACH Clearinghouse Network operates, ACH terminologies and how the Goldleaf applications will integrate into the Bank's network.

The training then focused on the Goldleaf Client Software, firstly from the perspective of the financial institution and then for the customer side. Staff was exposed to how to create and access customer websites, send and pickup customer transactions for processing within the Bank using Goldleaf Manager.

A special demonstration of Goldleaf Client was done for those responsible for marketing the ACH. The presentation included the benefits of customers using the Goldleaf Client application.

The final day of training focused on the Goldleaf Manager. This application will be used by Bank staff to process ACH items from (i) customers/in-house departments; and (ii) ACH files from the operator (TTIPS).

Goldleaf Technologies Limited, making their presentation to Bank staff.



Instructions were given on:

- Processing ACH items from customers;
- Processing incoming ACH Files from the ACH Operator (TTIPS) and
- Configuring the Production System.

The training was well received by all. There was a vibrant feedback session where attendees were able to clarify issues, offer suggestions and ask questions. ■

TTIPS Education Session at the Central Bank



On 19th May 2005 staff of various departments of the Central Bank was exposed to general information on the Trinidad and Tobago Interbank Payments System (TTIPS). The education session began with introductory remarks by the Deputy Governor, Ms. Joan John. Mr. Robert Boopsingh, General Manager of TTIPS then addressed the audience.

Staff was enlightened on the fundamentals of the ACH, how it works, typical types of

transactions on the ACH and its benefits. The aim of the session was to sensitize staff to the ACH and its functionality so that they can appropriately answer questions about the ACH from the bank's customers or the general public.

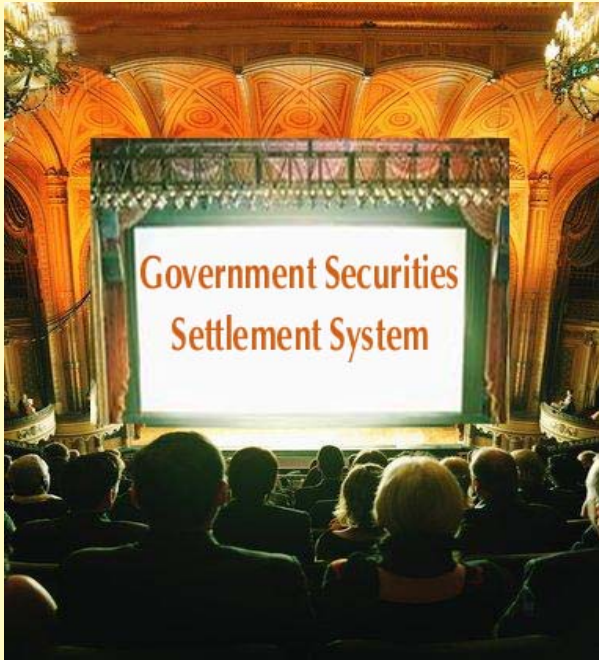
Staff from the departments of Banking Operations, Office of the Ombudsman, Financial Institutions Supervision and other departments attended the presentation. The training did not accede to the technical aspects

of the ACH as this would be covered with operational staff during the testing phase.

The session was particularly useful as staff members were exposed to some of the practical aspects of the clearinghouse operations. ■



GSS Participants meet at the Central Bank



Representatives from the Government Securities Intermediaries (GSI's) met with the Domestic Market Operations department of the Central Bank on 19th May 2005 to discuss their experiences since the start of the Government Securities Settlement (GSS) system. Also discussed at that meeting were the data entry requirements for the operations of the system, pricing of the GSS services and the establishment of a formal GSS User Group.

Participants were generally pleased with the operations of the GSS system. Some participants admitted that they have had not yet used the system. Those who have participated described it as fairly user friendly and found the Help

Desk at Central Bank useful in handling their issues.

Some of the concerns identified included:

- The need to increase the window of time available for arranging an overnight Repo;
- The timely receipt of information on upcoming auctions;
- Periodic log-on difficulties being experienced by certain participants;
- Making available to participants the Deliver Free and Receive Free functions of the GSS.

The Central Bank noted all comments and will be addressing these issues promptly. ■

The safe-tt User Group

The Central Bank has formed a **safe-tt** User Group. The first meeting was held on April 20th 2005. The participants found it was a useful avenue for discussing their ideas and concerns. Initially the members agreed to meet monthly but that was subsequently changed to once a quarter. The

next meeting is scheduled for September 2005.

The User group is essentially a forum where issues relating to the operations of the RTGS are raised and addressed. Participants are also given the opportunity to discuss areas of concern, arrive

at solutions to problems and offer suggestions for the improved efficiency of the service.

As at May 2005, the total of TT\$290.8 billion in transactions were settled on **safe-tt**. An average of 80 payment transactions is processed daily. ■



The safe-tt and GSS Volume Meter



Date	Safe-tt	GSS
October 2004	860	—
November 2004	1527	—
December 2004	1751	275
January 2005	1681	563
February 2005	1345	329
March 2005	1784	541
April 2005	1671	437
May 2005	1639	376

Frequently Asked Questions



1. What is TTIPS?

TTIPS is the acronym for the Trinidad and Tobago Interbank Payments System. It is an Automated Clearinghouse (ACH) due to be launched in Trinidad and Tobago in September 2005.

are exchanged among financial institutions, primarily via magnetic media of telecommunication networks, and handled by a data-processing centre. (*Bank for International Settlements*)

2. What is an Automated Clearinghouse (ACH)?

An ACH is an electronic clearing system in which payment orders

3. What is the difference between the RTGS and the ACH?

The RTGS, called **safe-tt**, is owned and operated by the

Central Bank. It processes high value electronic transactions, over TT\$500K, payment by payment. The ACH however is owned by all commercial banks and the Central Bank. It will process low value, high volume transactions less than TT\$500k in value in a batch system.

Automated Clearinghouse was first established in California in 1972. In the United Kingdom, the Bankers Automated Clearing Services was formed in 1971, having previously been known as the Inter-Bank Computer Bureau.

4. When was TTIPS formed and what is the status of the project?

The company was incorporated in November 2004. The project is currently in its implementation phase. From June 2005, the system will be tested with all banks and some of their customers.

6. Who finances TTIPS?

All commercial banks and the Central Bank have invested in the operation of TTIPS. The clearinghouse will also charge each member which uses its services, a fee for each transaction. The banks in turn may charge their customers a fee. ■

5. How long has the ACH been in use internationally?

ACH systems have been in existence for a very long time in the USA, Canada, and many countries in Europe. The

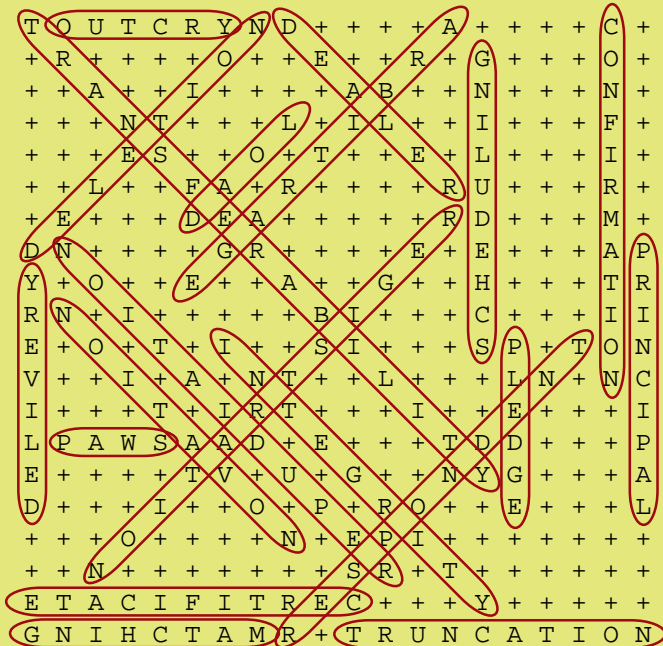


safe-tt Word Search... March 2005 Solution

(Over, Down, Direction)

- ARBITRAGE (14, 1, SW)
- CERTIFICATE (11, 19, W)
- CONFIRMATION (19, 1, S)
- DEALER (9, 1, SE)
- DELETION (1, 8, NE)
- DELIVERY (1, 16, N)
- INTEGRITY (7, 11, SE)
- LOAD (9, 4, SW)
- MATCHING (8, 20, W)
- NOVATION (9, 17, NW)

- OUTCRY (2, 1, E)
- PLEDGE (16, 11, S)
- PRINCIPAL (20, 8, S)
- REGISTRATION (14, 7, SW)
- REPUDIATION (12, 18, NW)
- RESPONDENT (9, 20, NE)
- SCHEDULING (15, 11, N)
- SWAP (5, 14, W)
- TRANSFERABILITY (1, 1, SE)
- TRUNCATION (11, 20, E)



If you would like to see any additional features in this publication, please send us an e-mail.

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