



CENTRAL BANK OF
TRINIDAD & TOBAGO

safe-tt

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

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The Chinese New Year

The Red Envelope

The Chinese New Year, otherwise named the Lunar New Year or Spring Festival was celebrated on 18th February 2007. This is the Year of the pig. In Asian cultures, monetary gifts are usually presented in red envelopes during festive occasions. While their main task is to bear gifts, their second duty is to shower the recipient with luck, joy, and prosperity. Often embellished with gold designs, bright colors, and the words "Luck" or "Fortune," the envelopes' details are believed to bring auspices to any occasion¹.



The red envelope or red packet is called *lai si* (also transcribed *lai see*) in Cantonese, *Ang Pao* in Min Nan/Taiwanese and *Pung Pao* in Hakka. Red envelopes are often presented on social and family occasions such as wedding receptions and on the Chinese New Year.

The red color of the packet symbolizes good luck. The cash amount contained within is not important but is required to be of an even number as odd numbers are related to cash given during funerals.

During the Chinese New Year, a *hóng biāo* is typically given by the married to the unmarried. Any unmarried individual is eligible regardless of age. Similar gift giving customs also exist in other countries in Asia. In Vietnam, red envelopes are called *lì xì*, similar to the Cantonese pronunciation, *laissee*. In Japan, a monetary gift, called *otoshidama*, is given to children by their relatives during the New Year period. A white envelope, however, is used instead

in Japan and Korea, with the name of the receiver written on its obverse. In Malaysia, ethnic Malays give monetary gifts in green packets inscribed with Islamic motifs during Eid ul-Fitr. In Thailand, Chinese-Thai have red envelope called *Ang Pow* or *Tae Ea*. In Myanmar (Burma),

Burmese Chinese use red envelopes known as "an-pao"²

The Legend of Nian³

On Chinese New Year it is believed that wearing clothes that are red in color can bring good luck and prosperity throughout the year.

In Chinese mythology, one story behind the color red started long ago. A beast called 'Nian' would come down from the mountains in Spring to hunt people and create havoc in the village. The people wanted to get rid of it, but were too frightened to attack it as they feared for their lives.

Soon all their livestock were eaten up.



¹ <http://www.asianideas.com/redenvelope.html>

² http://en.wikipedia.org/wiki/Red_packet

³ <http://library.thinkquest.org/C004179/occasions.htm>

continued... The Chinese New Year



The beast turned up at the village looking for food. A wise old man decided to attack the beast.

This man was wearing red colored clothing. The beast saw him and immediately tried to shield itself. It suddenly dawned upon the man that the beast was afraid of bright colors like red and orange, and he yelled to the villagers to bring all kinds of bright colored objects from the village.

They managed to scare the beast away, and after that incident, on every Chinese New Year's eve, Chinese people put up red and bright New Year decorations, as well as wear red colored clothing.

Large Lucky Chinese Coin – 'I Ching' Coin⁴

In ancient times, Chinese *I ching* coins were part of the monetary system. No longer in use, these Chinese coins have come to symbolize wealth and good

fortune, and are used extensively for gift giving at weddings and Chinese New Year. One side of the *I ching* lucky Chinese coin features calligraphy symbolizing wealth, luck, contentment, and magnificence. The other side of the Chinese lucky coin features a dragon and phoenix design which is very popular for weddings for it symbolizes a perfect match with male and female harmony and a balanced relationship! ■

⁴ JapaneseWeddingFavors.com

TTIPS Celebrates its First Year of Full Production!

January 11th 2007 marked a significant milestone for Trinidad and Tobago Interbank Payments System Limited, as it concluded the first full year of production for the Company and for the Automated Clearing House (ACH) system in Trinidad and Tobago. Prior to its official launch in January 2006, TTIPS focused on conducting its detailed User Acceptance Testing, which assured adherence to strict technological guidelines, allowing for the highest level of security and dependability that ACH users enjoy today.

During its first year of production, the ACH system has moved closer to becoming a household name within the banking industry, with all six commercial banks, along with the Central Bank, as active users of its

services and derived benefits. Presently all seven banks actively participate in the processing of electronic credit and debit transactions, which allow them to transfer funds from one bank to another in a secure seamless manner. This has marked a new era in the banking landscape of Trinidad and Tobago and has taken us one step closer towards modernizing our payment systems and improving the customer service throughout the country.

Throughout the year, we have been faced with several operational challenges, which we have successfully overcome through open communication and cooperation among the seven banks.

Despite these, we can however, boast that the system has performed as it was designed to do and we have not encountered any significant technical set backs, which is a testament



Mrs. Marsha Mckell-Suite
former Manager,
Trinidad and Tobago
Interbank Payments
System Limited

to the solid foundation built during our implementation years.

In the year ahead, TTIPS is seeking to increase visibility and ultimately use of the system by engaging in its own branding campaign which will be co-branded with the Banks' own internal Marketing drives. We wish to take this opportunity to thank the shareholders and all the members of the TTIPS committees for their continued support and guidance and we look forward to continued collaboration to ensure the viability of the ACH system in Trinidad and Tobago.

This article was provided by the Trinidad and Tobago Interbank Payments System. ■





Q & A What is Money Laundering?

Last year we shared with you various forms of business fraud and how to avoid instances of fraud. This year we hope to bring to you a four part series on **money laundering**⁵.

Money laundering continues to be a serious concern worldwide and it is imperative that financial institutions implement measures to combat such crimes. Financial institutions are attractive conduits for money launderers and persons wishing to finance terrorism since the services offered can be easily utilized to conceal the true origin of money.

What is Money Laundering?

Money laundering is any process used by criminals in an attempt to conceal the true origin and ownership of the proceeds of criminal activities, e.g., a specified offence or drug trafficking. If undertaken successfully, the money can lose its criminal identity and appear to be legitimately derived.

What are the stages of Money Laundering?

Money Laundering involves three stages and financial institution's anti-money laundering programs should seek to ensure that appropriate methods exist for identifying and reporting money laundering at each of these three stages:

These stages are placement, layering and integration:-

1. **Placement** – The placing of “dirty money” or unlawful cash proceeds into the financial system via deposits, purchases of cheques, money orders.
2. **Layering** – this is the separation of criminal proceeds from their source by the creation of layers of transactions designed to disguise the audit trail and provide the appearance of

legitimacy. These transactions may include purchasing investment instruments, insurance contract, wire transfers, money orders and letters of credit.

3. **Integration** – illicit funds enter the legitimate economy by way of investment in real estate, luxury assets and business ventures until the laundered funds are eventually disbursed back to the criminal.

What legislation governs Money Laundering?

In Trinidad and Tobago the legislation governing Anti-Money Laundering is the Proceeds of Crime Act, 2000. It outlines the circumstances in which a financial institution and/or its employees shall be guilty of the offence of money laundering. Financial institutions are required to have systems in place to ensure full compliance with the provisions of the Act. ■

⁵ Source: Guidelines on Combating Money Laundering and Terrorist Financing, Central Bank of Trinidad and Tobago, September 2004.



ABC.. Glossary on the ACH

Here are 8 terms applicable to the New Electronic Payments System:



Agreement	A contract between an originating company and an ODFI that defines the operational and legal relationship between the two entities when transferring funds electronically through the ACH.
Algorithm	a mathematical process used to encode or decode a message; or a prescribed set of well-defined rules or processes for the solution of a problem.
Originating Company (Originator)	An organization or company that produces an ACH file and delivers it to an ODFI for introduction into the ACH Network.
Originating Depository Financial Institution (ODFI)	The financial institution that delivers ACH entries directly or indirectly through a third party to its ACH Operator.
ACH Network	The funds transfer system governed by the rules of NACHA which provides for the inter-financial institution clearing of electronic entries for participating financial institutions.
Addenda Record	The ACH record type that carries the supplemental data needed to completely identify account holder(s) or provide information concerning a payment to the RDFI and Receiver.
Authentication	A data security technique used to ensure that the professed sender of information or payment order is actually who they claim to be.
Automated Notification of Change (COR)	A Notification of Change transaction automatically derived from the original erroneous item.

The *safe-tt*, GSS and ACH Volume Meter

Transactions processed in the RTGS, the Government Securities System (GSS) and ACH:-

Date	safe-tt	GSS	ACH
January 2006	1889	372	2753
February 2006	1819	683	4116
March 2006	2321	578	8071
April 2006	1959	401	8201
May 2006	2313	438	11581
June 2006	2137	466	11787
July 2006	2237	599	12817
August 2006	2184	377	16505
September 2006	2302	658	17596
October 2006	2477	624	25931
November 2006	2869	1138	33102
December 2006	2490	636	38069
January 2007	2381	756	37285
February 2007	2546	1507	40601



ACH Word Search

The terms hidden in the puzzle below were defined in the "ABC...Glossary on the ACH" provided in 2006. Do you remember these terms and what they are all about? Have fun!

N N E E K H O E N A C H A S Q
 I O V N C R W D G M F L N Q T
 Y X I T C S O R F M Z O Z U N
 P N A T P R E W N I I M Q O O
 P B C S A E Y S T T H H N R I
 D C U U M C P P C E E D R I T
 D X X E J E I A T H N S U G A
 O K N Q X N S T Z I R H T I Z
 X T M H O N J R N G O B E N I
 Q W C P A C H J M E T N R A R
 W R W R W A X H N D H K Q T O
 D S T R O T A R E P O T V O H
 E L E C T R O N I C B Z U R T
 H Z H M H U M G H Z R V K A U
 L D F B G P C V Y V Y V O M A

AGREEMENT
 AUTHENTICATION
 AUTHORIZATION
 BATCH
 CCD
 ELECTRONIC
 ENCRYPTION
 NACHA
 NETWORK
 ODFI
 OPERATOR
 ORIGINATOR
 PPD
 RETURN
 TRANSACTIONS



TRANSACTIONS(28,29,N)
 RETURN(7,6,NW)
 PPD(7,8,SE)
 ORIGINATOR(1,1,SE)
 OPERATOR(13,9,SW)
 ODFI(13,15,E)
 NETWORK(20,7,W)
 NACHA(2,14,NE)
 ENCRYPTION(4,24,E)
 ELECTRONIC(19,10,NE)
 CCD(15,2,S)
 BATCH(13,29,N)
 AUTHORIZATION(25,19,NW)
 AUTHENTICATION(22,17,W)
 AGREEMENT(10,1,S)
 (Over,Down,Direction)

ACH Word Search Solution

恭贺新禧

Happy New Year to our Chinese Community.