



PRESS RELEASE

IMPLEMENTATION OF BRUNEI AUTOMATED CLEARING HOUSE DIRECT CREDIT

1. Autoriti Monetari Brunei Darussalam (AMBD), with the collaboration of Brunei Association of Banks (BAB), introduced direct credits into the Automated Clearing House (ACH) system on 3rd March 2017. This follows the implementation of the Brunei Real Time Gross Settlement (RTGS) system for high-valued electronic transfers between banks in 2014, and the implementation of the ACH system for automated cheque process last year.
2. Direct credit is an electronic transfer of multiple low value payments through the ACH system. The payment is initiated by the paying bank, and will send funds directly into the beneficiary customers' bank accounts at least one day earlier than cheques.
3. Direct credit is a fast, convenient and inexpensive process of depositing money into customers' accounts of another bank such as for payrolls, pensions, supplier payments, dividend payments, etc. It has been used globally, and is recognized as one of the most cost effective and efficient methods of sending funds to a customer's account.
4. Cheques and cash are comparatively expensive means of payment, and are less secure than their modern electronic counterparts. By using direct credit, the process of handling personal financial information will be more efficient, and will eliminate fraudulent activity risks when it comes to transaction relating to physical cheques.
5. The Brunei Darussalam Financial Sector Blueprint 2016-2025 (FSBP) sets a specific objective to reduce the use of physical cheques by approximately 50% by 2020, aligning with our neighbours in the region, and also to ensure that all high-value inter-bank cheques be replaced by Brunei RTGS payments for rapid risk-free settlement. AMBD and the banks will continue to work together in preparing policies that are relevant, which will encourage customers to choose the more reliable, efficient and secure electronic methods.
6. AMBD's next innovative phase is developing plans and policies for an interoperable market infrastructure for retail payments. This may include payment cards, internet banking, mobile phone payments and other new technology payment instruments, in line with AMBD's initiative to promote e-payment economy. In parallel, AMBD will also be implementing a Central Securities Depository (CSD) to automate securities and depository for Government Sukuk and other potential securities that are registered in Brunei Darussalam.

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