

FIJICLEAR

Tired of delivering goods or providing services and waiting for more than three days to get your bank payments processed? Do you want to send money to your family and friends in other parts of Fiji but worried of high service fees? If so, there is a faster clearance payment system available through your commercial bank. The Reserve Bank of Fiji gives you "**FIJICLEAR**", a payment system that settles payments on the same day or in some cases immediately at a very reasonable cost.

FIJICLEAR – Modern Way of Making Payment

FIJICLEAR is the name of Fiji's "**Real Time Gross Settlement System**" (RTGS) which went live on 30th August 2007. This is a funds transfer payment system where the transfer of money takes place from one bank to another on "real time" and on a "gross" basis. Settlement in "real time" means that a payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. "Gross settlement" means the transaction is settled on a one-to-one basis without bulking or netting with any other transaction. Once processed, payments are final and irrevocable.

FIJICLEAR is a modern and secure payment instrument available in Fiji to make payments to one another within one business day. In some cases payments through FIJICLEAR can be made almost instantaneously unlike the use of cheques and other payment methods where you have to wait a few days. FIJICLEAR transaction involves only 3 parties, these are the Payer, the commercial bank and the payee.

FIJICLEAR is an electronic payment system which enables payments to be made electronically within Fiji in Fiji dollars. The key elements of FIJICLEAR are:

- **Speed** – the payment is settled on the same day,
- **Certainty** – the commercial banks ensure that the payer has funds in his/her bank account prior to making a FIJICLEAR payment,
- **Reliability** – FIJICLEAR system is able to deliver funds as required in a short time span.
- **Safety** – The Reserve Bank of Fiji has put in appropriate measures to ensure the safety and security of the system,
- **Convenience** – this system is available at all bank branches in Fiji,
- **Cost Effectiveness** – the cost per transaction depends on the value of the transaction set by the Reserve Bank of Fiji.

How does FIJICLEAR work?

It is very simple.

A payment in FIJICLEAR is driven by the payee (person receiving the money) requesting the payer (person paying) to be paid electronically instead of cheque or cash. Hence the payee does not have to do anything except to provide his bank details to the payer. The payer makes all the arrangements to

have the funds deposited into the payee's bank account. In this way both parties reduce their exposure to some of the risks that may arise from dealing with handling cash or cheques.

The payer can negotiate with his/her bank whether to send the instruction via email or whether a specific form needs to be filled at the bank. Can we give examples from each bank?

What does the payer (person paying) have to do?

Instead of writing a cheque and giving it to the payee, when using FIJICLEAR, the payer instructs his or her bank to make the payment electronically by giving such details as amount and the bank details of the payee.

The following are the benefits to the payer for using FIJICLEAR:

- Allows payments to be made same day to anyone with a bank account with any bank anywhere in Fiji;
- Significantly reduces transaction costs such as special answers & bank cheques;
- FIJICLEAR is more convenient as it eliminates physical transportation/delivery of cheques;
- There is less risk of loss, theft and transportation of cheques;
- There is also less risk of identity theft as payer deals directly with his/her bank;
- There is savings in time and charges; and
- There is better business relationship with creditors.

What does the payee (person receiving money) have to do?

It is also very simple.

The payee enquires with his/her bank on whether the funds have been deposited into his/her account. If necessary, the bank can provide a payment advice or deposits will be recorded in the payee's bank statement.

The following are the benefits to the payee for using FIJICLEAR:

- Funds are credited to the payee's account almost immediately. There is no waiting of 3 to 7 working days for funds to be cleared when using a cheque;
- There are time savings as the payee does not have to physically visit a bank to deposit cheque;
- There is no uncertainty of having a cheque dishonored and the associated charges and loss of time and income;
- Immediate crediting of an account means that any overdraft limit is reduced. Hence the payee could potentially lower interest charges;

- Immediate receipt of funds will help in cash flow and any smart businessman can tell you “that cash is king”;
- Reduced overhead of staff cost as there is less paperwork; and
- There is also no risk of identity theft as the payee’s account is credited directly.

FIJICLEAR fees structure

The FIJICLEAR cost per transaction is based on value and all banks adhere to a standard fee structure set by the Reserve Bank of Fiji.

FIJICLEAR fees are as follows:

<u>Value of transaction</u>	<u>Fee</u>
Up to \$100	\$2.00
\$101 — \$1,000	\$5.00
\$1,001— \$10, 000	\$10.00
\$10, 000 plus	\$15.00

What is the role of the Reserve Bank of Fiji?

The Reserve Bank of Fiji is the operator as well as the supervisor of the FIJICLEAR system.

Its role is to ensure that the system has sufficient funds and the smooth functioning of the system with appropriate policies. The Reserve Bank of Fiji also provides oversight of the system to ensure that procedures in relation to the functioning of FIJICLEAR are complied with as stipulated in the FIJICLEAR business rules.

What are the business hours for FIJICLEAR?

The operating hours for customer payments to be made through FIJICLEAR is from 9.30am to 3.30pm from Monday to Friday. FIJICLEAR payments can be made in any of the four banks (ANZ, Bank of Baroda, Bank of South Pacific, and Westpac) in Fiji for domestic payments only.

For more information on FIJICLEAR, please contact your nearest bank or the Reserve Bank of Fiji's Financial Systems Development and Compliance group on 322 3320, 322 3360 or 322 3361.