

## REQUESTOR DETAIL

Requested by : Chooi So Fun

Signature: 

Reviewed by : Malarvili Muniandy

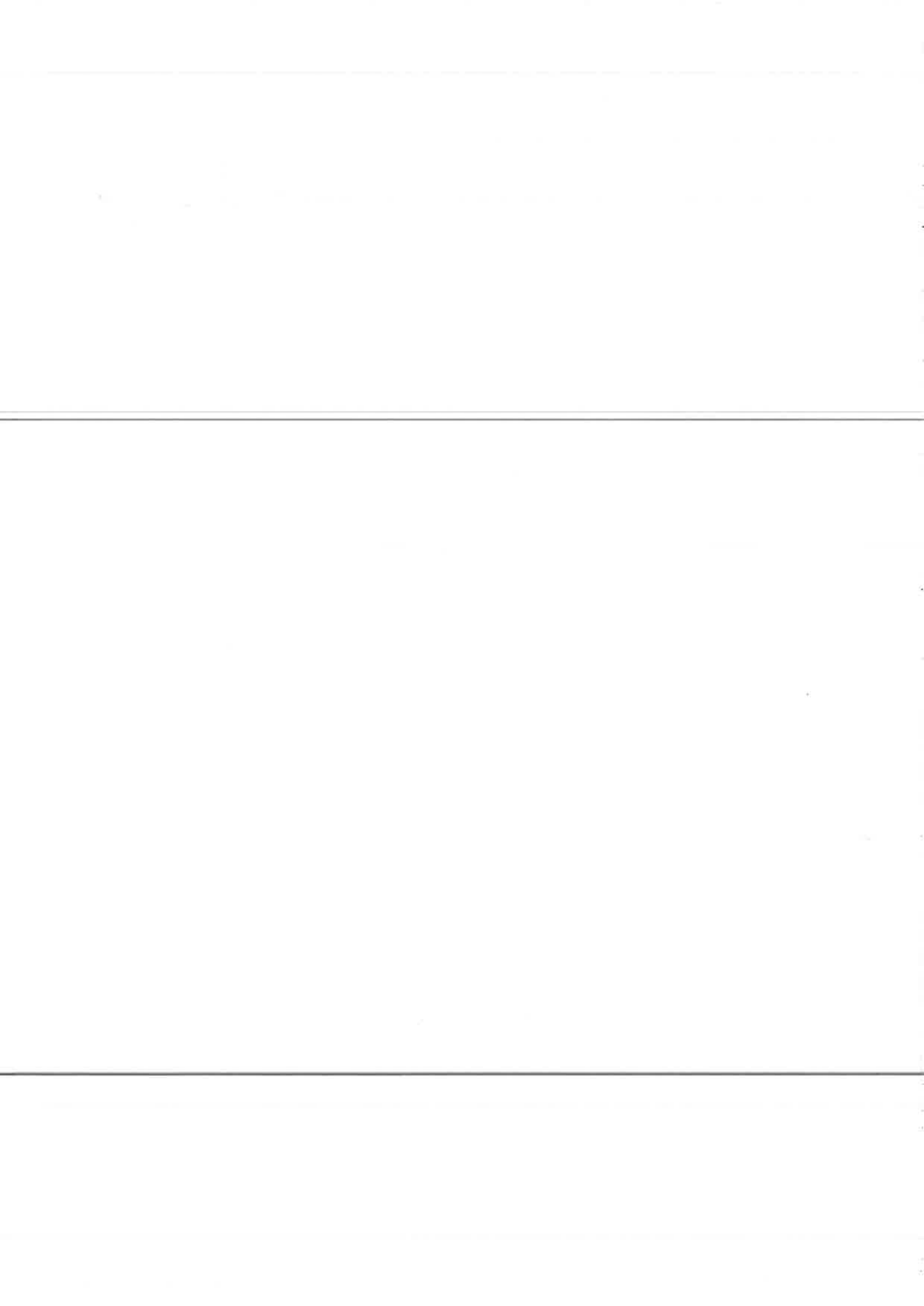
Signature: 

Department : Alternate Channels

Date Request : 16 July 2014

## REQUEST DESCRIPTION

No	Item	Description
1	<b>OBJECTIVE of the Project / Enhancement</b>	<b>IBG Multiple Windows – To Extend Time for Same Day Payment</b>
2	<b>General Overview</b>	To introduce additional windows per day and change on the extending of IBG cut-off time from 12.30pm to 5.00pm.
3	<b>Proposed Process Flow</b>	Change from existing 4 windows to “Y” windows.
4	<b>Charges</b>	Nil
5	<b>Features / Functions</b>	<p>a) Must have the flexibility to maintain the increase or decrease of the IBG processing windows from existing “X” windows to “Y” windows where the number of windows will be determined by MyClear in the future for both Processing Windows and Settlement Windows</p> <p>b) Able to handle and process Settlement Report for each window.</p> <p>c) File naming conversation for the below files/reports will follow the IBG windows timing. For further details please refer to attached specification:</p> <ul style="list-style-type: none"> <li>- IBG Filename (mnc, mrt, pnd)</li> <li>- IBG Settlement Reports (prs &amp; pns)</li> <li>- IBG Collection Report (prc &amp; pec)</li> <li>- IBG Distribution Report (prd &amp; ped)</li> <li>- IGG Later Return Report (prp)</li> <li>- IBG Auto Debit Fees Report (prf)</li> </ul>
6	<b>Screen and Design (Include Notes / Messages)</b>	<p><b>Corus:</b></p> <p>a) Allow maintenance of number of IBG windows</p> <p>b) To reflect all the OFI &amp; RFI Files/Repts for all windows in the following sections:</p> <ul style="list-style-type: none"> <li>- IBG Core Transaction History</li> <li>- Daily IBG Core Engine Reports</li> <li>- Daily MEPS Reports</li> </ul>
7	<b>Reports (new / enhancement) and samples</b>	As per current practice and format. Follow MyClear’s requirements.
8	<b>Audit Trails</b>	As per current practice
9	<b>BVMC Changes / Enhancements</b>	If related
10	<b>Back-end processes / enhancements</b>	Details specification please refers to attached specification.
11	<b>Exception Handling</b>	As per current handling and able to process manually if the schedulers did not trigger automatically for contingency process.
12	<b>Timeline</b>	<p>Internal UAT – 11 August 2014 – 28 August 2014</p> <p>External UAT with MyClear – 29 August 2014 – 10 October 2014</p> <p>Implementation – 15 November 2014</p>





# Interbank GIRO Extend Time for Same Day Payment

## Business User Requirements Version 3.0 (Requirement #1)

# #1

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### Extend Time for Same Day Payment Background



#### Business News

### Internet banking made easier

KUALA LUMPUR: Internet banking will be made easier come March next year when all banks provide at least one internet banking kiosk at all their branches to

Meanwhile, Datuk Abdul Farid Alias, chairman of the Association of Banks in Malaysia, said that the clearing time for funds transfer via IBG would be made faster by the end of this month

The effort, he said, would see customers' accounts being credited within two hours of IBG clearing for there would be at least two clearing windows by the end of September 2013. Currently, customers' accounts are credited anytime before midnight

"By the end of February 2014, there will be faster fund availability as there will be four clearing windows," said Abdul Farid, who is also the president and CEO of Malaysian Banking Association

He said that by the end of next year, IBG payments initiated by customers before 5pm would be credited to the recipients by 10.30pm on the same day. At present, the cut-off time for same-day clearing for IBG was 12.30pm

- To position e-Payments as an attractive alternative to cheques.
  - Customers will be able to make same-day payments up until 5 pm instead of 12:30 pm currently.
- The initiative was decided during the e-Payment and Currency Management Consultancy Group (ePCMCG) Meeting on 20 August 2013 chaired by Deputy Governor Dato' Muhammad Ibrahim and attended by bank CEOs.
- Subsequently, the Chairman of the Association of Banks (ABM) on 3 September 2013 announced the extended same day settlement

*"By end of next year, IBG payments initiated by customers before 5 pm would be credited to the recipients by 10.30 pm on the same day. At present, the cut-off time for same day clearing for IBG was 12.30 pm"*

- ABM Chairman

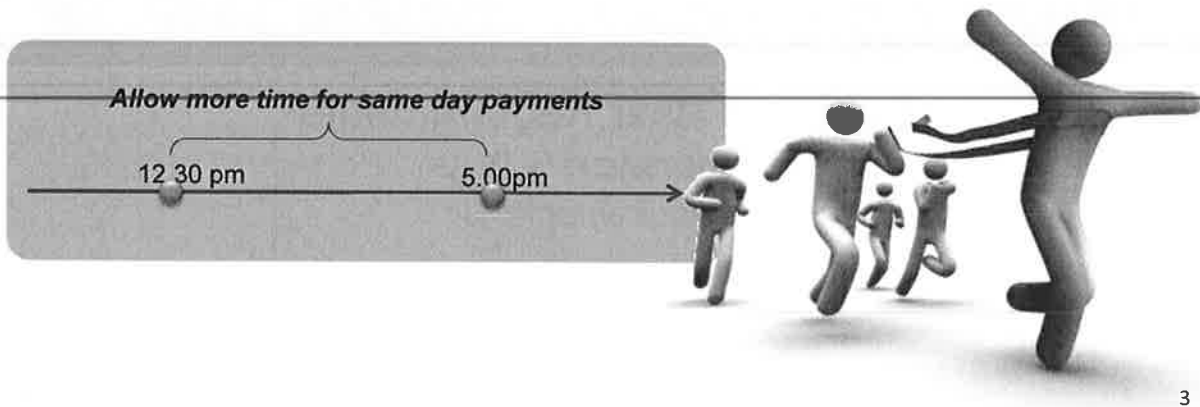


## Extend Time for Same Day Payment Introduction

### Project Goal

This initiative aims to provide **more time for the customers to make same-day payment** and improves IBG's facility in relative to cheques by:

- **By Dec 2014** - Extending the **Originator (customer) cut-off time** from 12.30 pm to **5.00 pm** for **same day crediting** of IBG payments.
- **By Q1, 2015** - Exploring on the possibility to process IBG over **weekends** and **public holiday**.



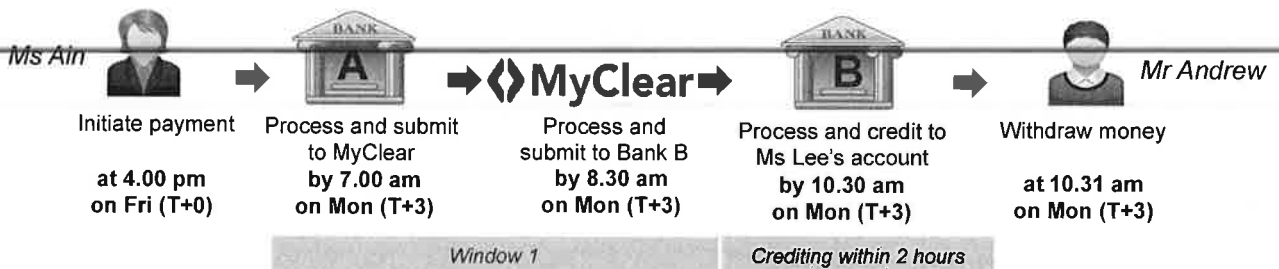
## Extend Time for Same Day Payment Introduction

### Rational

- Currently, there is a gap between the banks' cut-off time for same day clearing of cheque at 4 pm vs IBG at 12:30 pm.
  - IBG customer can only initiate transactions up to 12.30 pm in order for the recipient to receive fund on the same day.
  - For payment made after 12.30 pm, recipient will only receive the fund on the next working day.
- As such, this initiative is to extend for additional 4 hours and 30 minutes payment made after 12.30 pm to be similar with banking operating hours e.g. 4.45 pm.

### Current Process

Scenario If the customer perform IBG payment on Friday after 12.30pm cut-off time, recipient will only receive on next working day on Monday.



It will take about **2 days 22 hours**, if payment made after 12.30 pm on Friday.



**Extend Time for Same Day Payment  
Service Improvement**



Originator cut off-time to be extended to 5.00 pm for same day crediting



IBG last collection window 7.00 pm (First window – 7.00 am)



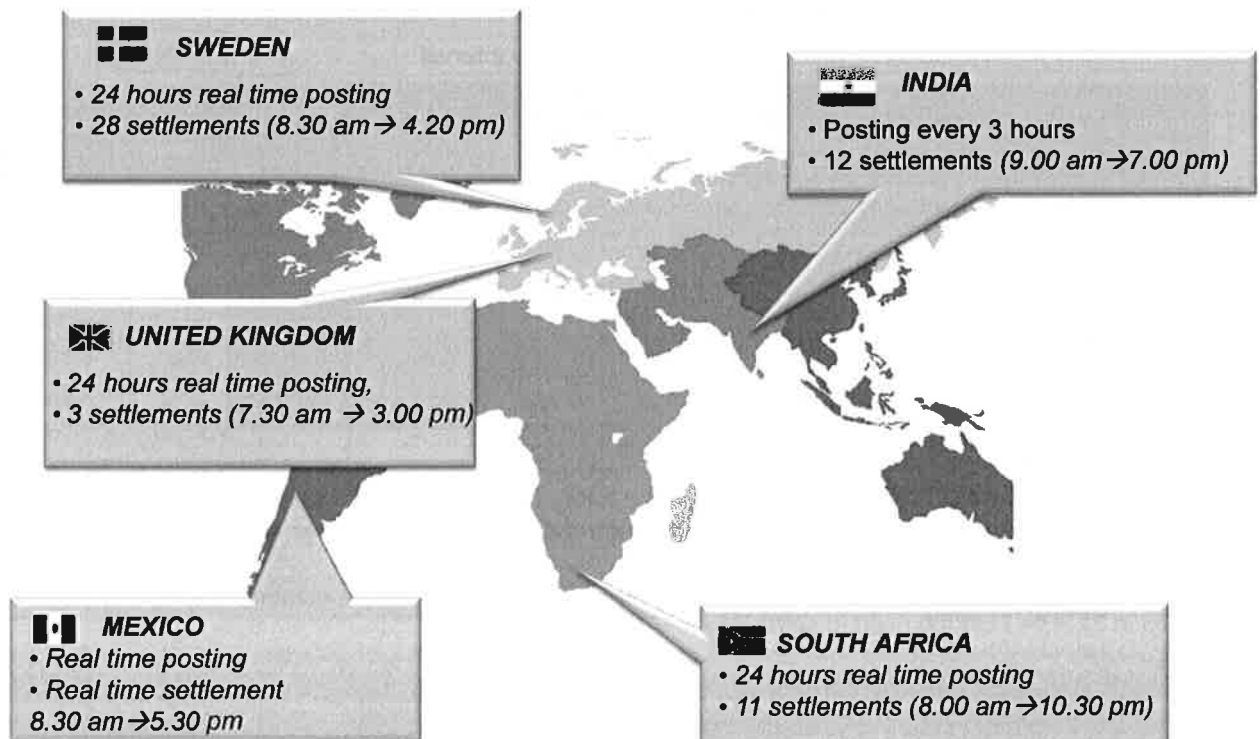
Last fund availability is by 11.00 pm on same day



Settlement every Window



**Extend Time for Same Day Payment  
How Other Countries Doing**





## Extend Time for Same Payment The Requirements

- As decided during ePCMCG meeting on 6 Jun 2014:

Current IBG Clearing Windows					New IBG Clearing Windows by end 2014				
Customer Cut-off	MyClear IBG Clearing		RENTAS Settlement	Customer Crediting	Customer Cut-off	MyClear IBG Clearing		RENTAS Settlement	Customer Crediting
	Collection	Distribution				Collection	Distribution		
12:30 pm	7:00 am	8:30 am	12:00 noon	10:30 am	5:00 am	7:00 am	9:00 am	8:50 am	11:00 am
	9:00 am	11:00 am		1:00 pm	8:00 am	10:00am	12:00 pm	11:50 am	2:00 pm
	11:30 am	1:00 pm	4:20 pm	3:00 pm	11:00 am	1:00 pm	3:00 pm	2:50 pm	5:00 pm
	1:45 pm	3:45 pm		5:45 pm	2:00 pm	4:00 pm	6:00 pm	5:50 pm	8:00 pm
				5:00 pm	7:00 pm	9:00 pm	8:50 pm	11:00 pm	

- A customer would be able to **initiate a same day IBG payment until 5:00 pm**
- RENTAS will facilitate late settlement of IBG clearing positions so that same day settlement is performed to avoid credit risks to IBG banks
- In-line with best practices of the **Bank for International Settlement's (BIS) Principles for Financial Market Infrastructures**, moving forwards settlement in RENTAS will take place before IBG clearing outcome is distributed to banks

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## Extend Time for Same Day Payment (1) Requirements – IBG Windows Specification

### IBG Schedule Processing Time

- IBG window timing is based on 3 x 2 hourly window interval

Window	Customer Cut-off Time	Collection	RENTAS Settlement			Clearing/ Distribution (Latest by)	Crediting (Latest By)	Return Timing	Submission Time
			Settlement Report	Fund Held Time	Posting (Latest by)				
Win 1	5.00 am	7.00 am	8.30 am	8.45 am	8.50 am	9.00 am	11.00 am	Win 3	5.01–7am
Win 2	8.00 am	10.00 am	11.30 am	11.45 am	11.50 am	12.00 pm	2.00 pm	Win 4	7.01–10am
Win 3	11.00 am	1.00 pm	2.30 pm	2.45 pm	2.50 pm	3.00 pm	5.00 pm	Win 5	10.01am–1pm
Win 4	2.00 pm	4.00 pm	5.30 pm	5.45 pm	5.50 pm	6.00 pm	8.00 pm	Win 1, T+1	1.01–4pm
Win 5	5.00 pm	7.00 pm	8.30 pm	8.45 pm	8.50 pm	9.00 pm	11.00 pm		4.01–7pm

Refer Note 1 & 2 below

#### Note:

- Most of the time, settlement and clearing can be ready 30 minutes earlier than the stated time.
  - Thus, banks shall **set the scheduler at PS Client 30 minutes earlier** to grab settlement report and distribution files.
- Settlement posting for Window 1 would be done at 8:50 am after cheque clearing at 8.45 am. Intraday credit in RENTAS can be used to settle Window 1

#### IBG Rules (issued in Q3 2014)

Participants wishing to end RENTAS operations at 6pm would need to either hold sufficient balances in RENTAS or have sufficient collateral to borrow overnight to cover Window 4 and 5 settlement



### Extend Time for Same Day Payment (1) Requirements – IBG Windows Specification

#### IBG Schedule Processing Time (cont)

Example of Window 2, most of the time, settlement and clearing can be ready 30 minutes earlier than the stated time.

Window	Customer Cut-off Time	Collection **	RENTAS Settlement			Clearing/ Distribution (Latest by)	Crediting
			Settlement Report	Fund Held Time	Posting (Latest by)		
Win 2	8:00 am	10.00 am	11.30 am	11.45 am	11.50 am	12.00 pm	2.00 pm
Win 2	8:00 am	10.00 am	11.00 am	11.15 am	11.20 am	12.00 pm	2.00 pm

SLA to banks

Most of time will be ready earlier

#### OFI Submission of IBG file in Every Window

##### RECAP

- **COMPULSORY** to submit if receive instruction from Originator as compliance to IBG Rule of Originator Cut-off time (clause 5.2).
- Submission of IBG file are based on IBG filename within the file submission time.



### Extend Time for Same Day Payment (1) Requirements – IBG Windows Specification (cont)

#### OFI Submission of IBG file in Every Window (cont)

- **Change:** Banks need to change the Window Time in the transmittal file (MRT) according to the new window timing.

**Window 1600 Transmittal File**

TRANSMITTAL REGISTER

ORIGINATING BANK: \_\_\_\_\_

DATE : 25/06/2014  
TIME : 1618  
WINDOW TIME : 1600

TOTAL DEBITS			TOTAL CREDITS		TOTAL WASHING
COUNT	AMOUNT	RM	COUNT	AMOUNT	
0	0.00		20	1.29	1881

**Note:** By October 2014, feature will be available for the banks to send and receive tasks concurrently.

#### Submission of IBG file via Contingency Procedure

- Contingency procedure remain unchanged e.g. Banks to send IBG files 30 minutes earlier before Windows cut-off time.
- MyClear will provide new Contingency Procedure Form to banks (to cater for additional Windows).



## Extend Time for Same Day Payment (1) Requirements – IBG Windows Specification (cont)

### Receiving of IBG file (RFI)

- RFI is compulsory to receive at all 5 windows.
  - OFI must comply with the Crediting Time & Faster Return rule for all Windows
- **Change:** Settlement Report will be provided 30 minutes earlier before IBG distribution files.
- **Change:** Banks need to set 2 scheduler tasks to retrieve:
  - Settlement Report (PRS file) and
  - IBG distribution file (PND file)

### Retrieving of IBG Reports

- Banks to retrieve the IBG Reports via MyClear FI Report Server – remain unchanged



## Extend Time for Same Day Payment (1) Requirements – IBG Windows Specification (cont)

### IBG Filename

- IBG filename will follow the IBG windows timing:

Window	NACHA Collection File	Transmittal Register File	NACHA Distribution File
<b>Window 1</b>	mncmdd0700.txt	mrtmdd0700.txt	pndmdd0700.txt
<b>Window 2</b>	mncmdd1000.txt	mrtmdd1000.txt	pndmdd1000.txt
<b>Window 3</b>	mncmdd1300.txt	mrtmdd1300.txt	pndmdd1300.txt
<b>Window 4</b>	mncmdd1600.txt	mrtmdd1600.txt	pndmdd1600.txt
<b>Window 5</b>	mncmdd1900.txt	mrtmdd1900.txt	pndmdd1900.txt

### IBG Settlement Reports

- IBG Settlement Reports (PRS & PNS) name will be ended with the following file naming conversion:

Window	Filename end with:	Report Timing Availability
Window 1	...mdd0700.txt	8.30 am
Window 2	...mdd1000.txt	11.30 am
Window 3	...mdd1300.txt	2.30 pm
Window 4	...mdd1600.txt	5.30 pm
Window 5	...mdd1900.txt	8.30 pm





**Extend Time for Same Day Payment  
(1) Requirements – IBG Windows Specification (cont)**

**IBG Collection and Distribution Reports**

- IBG Collection (PRC & PEC) and Distribution (PRD & PED)

Window	Filename end with:	Report Timing Availability
Window 1	...mmdd0700.txt	After each distribution window time
Window 2	...mmdd1000.txt	
Window 3	...mmdd1300.txt	
Window 4	...mmdd1600.txt	
Window 5	...mmdd1900.txt	

**IBG Late Return Report**

- IBG Late Return Report (PRR)

Window	Filename	Report Timing Availability
All Windows	prmmdd1900.txt	After Window 5 distribution time

**IBG Auto Debits Fees Report**

- IBG Monthly Fee Transactions Report (PRF)

Filename	Report Timing Availability
prfmmdd1900.txt	1 <sup>st</sup> business day of the month

