



MEDIA RELEASE

CENTRAL BANK LAUNCHES PAYMENT SYSTEMS DEVELOPMENT PROJECT

Dili, 18 April 2013 — The Central Bank announced today that it has launched a project to develop the national payments system in Timor-Leste.

The objectives of the project are to ensure that the financial sector in Timor-Leste is built on solid foundations, and that inter-bank electronic clearing and settlement systems will meet the needs of businesses and individuals. Opportunities would also be identified to exploit recent advances in new technologies to permit all people in Timor-Leste to benefit from access to banking and other financial services. The Central Bank has a statutory role to promote and maintain a stable and competitive financial system based on free-market principles.

The Central Bank noted that at present only a limited range of payment services is available in Timor-Leste and that these tended to be expensive and inefficient. New systems and infrastructure would enable the economy to function more effectively by reducing the delays, costs and risks associated with making payments.

When developed, the national payment system will have well-defined payment instruments, high quality payment processing systems, a sound legal framework, and strong institutional support.

As a first step the Central Bank will implement a Real Time Gross Settlement (RTGS) system that will support bank initiatives to introduce more ATMs, internet banking, telephone banking and other forms of electronic banking. Reducing paper-based transactions and cash would permit people and businesses throughout the country, and particularly those in the districts outside Dili, to obtain the benefits that the financial services sector offers.

The payment system development project is expected to take place in a number of stages and take several years to complete therefore a project team has been established to work with staff from commercial banks and the Government.

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