

Department of Currency Management and Payment Systems
Bangladesh Bank
Head Office
Dhaka-1000
Website: <http://www.bb.org.bd>

DCMPS (PSD) Circular No. 02/2012

Date: March 20, 2012

Managing Director/CEO
All Scheduled Banks in Bangladesh

Dear Sir,

Implementation of National Payment Switch

Bangladesh Bank has started to implement National Payment Switch (NPS) under the Central Bank Strengthening Project. National Payment Switch will act as a mother switch and will gradually connect all the child switches owned or shared (owned and operated either by bank or a non bank entity) by the scheduled banks in the country. Each child switch will have a single interface with the NPS through which child switches will send inter-bank transactions originating from their alternate delivery channels, namely ATM, KIOSKS, POS, E-Commerce, Internet Banking, Mobile Banking etc. as offered by the banks. NPS will support transactions made through cards or account number (direct debit/credit), clear and settle these electronic transactions through the settlement accounts of all the scheduled banks maintained with Bangladesh Bank.

Furthermore, NPS will have interfaces with all the major international payment schemes e.g., VISA, MasterCard, AMEX etc so that the banks will be able to send the transactions originating from those international branded cards through National Payment Switch.

Bangladesh Bank strongly believes that National Payment Switch will help grow electronic payment infrastructure in Bangladesh, facilitate electronic commerce and thereby reduce dependency on cash transactions substantially.

Banks those have their own transaction switching system or share others' system or planning to install their own system are advised to take necessary preparation to build up a single interface with the National Payment Switch so that they can send all inter-bank transactions originating from ATM, POS, KIOSKS, E-Commerce, Internet Banking, Mobile Banking etc. channels through this interface. Banks are also advised to consult with Bangladesh Bank before taking any new initiatives in this regard to ensure conformity with the NPS.

Further information/guidelines in this regard will be communicated from Bangladesh Bank in due course.

Please acknowledge receipt.

Sincerely,

-Signed
(A K M Fazlur Rahman)
Deputy General Manager
Phone: 7123443