



BANK OF PAPUA NEW GUINEA

PUBLIC NOTICE

“Kina Automated Transfer System (KATS)”

The Bank of Papua New Guinea and all commercial banks commenced using Real Time Gross Settlement System, a component of Kina Automated Transfer System (KATS), to improve interbank financial payments for their customers. This means all high value financial payments conducted between the banks are now done instantaneously or in real time.

In the next phase, there will be a move to cheque processing based on cheque images and accompanying details being sent between banks electronically, commonly known as “cheque truncation”. This will vastly speed up the processing of cheques within and outside of Port Moresby and reduce the existing cheque clearance time. All banks are currently testing this change and will be introduced in mid-2014.

This notice is to advise users of cheques that all cheques need to be compliant with the standard adopted by the banks, which is “MICR Encoded Format”, the Australian Payments Clearing Association (APCA) standard.

Once the changes are introduced, cheques which are non-compliant will be rejected and payment dishonoured in KATS.

To avoid the inconvenience of having cheques dishonoured, all bank customers who originate cheque payments must ensure that their cheques comply with the standard as soon as possible. Please consult your bank, particularly if you use privately printed cheques.

For further information, please contact the Manager, Banking Department, Bank of PNG on Ph.: 322 7279 or email; rkule@bankpng.gov.pg.

Authorised by,

Mr. Loi M. Bakani
Governor