Launch of the East African Payment System (EAPS)

1. The Secretary General and the entire East African Community Secretariat staff wishes to commend and congratulate the Governors of East African Partner States Central Banks following the launch of East African Payment System (EAPS) on 16th May 2014 in Nairobi, Kenya. We note with enthusiasm that the EAPS system went live on November 25th, 2013 between Kenya, Tanzania and Uganda and has operated smoothly and efficiently to date.

2. The successful launch of the EAPS is a remarkable milestone and a key achievement by the Monetary Affairs Committee (MAC) towards the integration of the EAC region’s financial sector. We are aware that the initiative has been ongoing since 2001 pursuant to the Committee’s decision that required the EAC Central Banks to work out modalities to facilitate cross border funds transfer for the region and to the benefit of the community’s population.

3. EAPS is a secure, effective and efficient funds transfer system that will enhance efficiency and safety of payments and settlement within the EAC region. The systems operates on a real time gross settlement basis by utilizing the linkage between the various Partner States’ Real Time Gross Settlement (RTGS) systems using SWIFT (Society for Worldwide Interbank Financial Telecommunication) messaging network for safe and secure delivery of payment and settlement messages to each other. EAPS will therefore increase efficiency and facilitate cross border transactions that is essential for boosting intra-regional trade among the East African.

4. EAPS is currently operational between Kenya, Tanzania and Uganda successfully linking Kenya Electronic Payment and Settlement System (KEPSS), Tanzania Interbank Settlement System (TISS), and Uganda National Interbank Settlement (UNIS). Rwanda is in the process of testing the linkage between Rwanda Integrated Payment Processing System (RIPPS) and EAPS. RIPPS is expected to be fully linked to EAPS this month. Burundi is in the process of implementing the RTGS system and is expected to join EAPS once the system is in place.

5. EAPS like any other real time gross settlement system has many benefits that accrue to users including; real time funds transfers, safe and efficient transfer of large value payments, enhanced safety of funds transferred through the utilization of SWIFT infrastructure, finality and irrevocability of payments, increased accessibility as EAPS is available in all the commercial
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banks' branch networks, and same day settlement. EAPS uses local currencies of the East African countries including the Kenya Shilling, Tanzania Shilling, Uganda Shilling, Rwanda Franc and Burundi Franc. In addition, it reduces the cost of transactions as well as the cost of doing business in the region.

6. The EAC Secretariat, therefore, takes this opportunity to encourage the business community and the public in the EAC region to use the EAPS system and benefit from the immerse attributes including safety and efficiency to boost the regional trade and intra-regional payments.

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