

**EXECUTIVES' MEETING OF EAST ASIA-PACIFIC CENTRAL BANKS  
AND MONETARY AUTHORITIES (EMEAP)**

**PAYMENT SYSTEMS IN EMEAP ECONOMIES**

**EMEAP Working Group on Payment and Settlement Systems**



## TABLE OF CONTENTS

**Foreword**

**Introduction**

**Payment Systems in:**

Australia

China

Hong Kong

Indonesia

Japan

Korea

Malaysia

New Zealand

Philippines

Singapore

Thailand

**Annex 1: Comparative tables**

**Annex 2: Statistical methodology for country tables**

**Annex 3: Core Principles for Systemically Important Payment Systems**

**Annex 4: Recommendations for Securities Settlement Systems**

**Annex 5: Officials of central banks and monetary authorities involved in the preparation of this edition**



## FOREWORD

The Executives' Meeting of East Asia-Pacific Central Banks and Monetary Authorities (EMEAP) was established in 1991 as a cooperative organization for central banks and monetary authorities from eleven economies. In July 1998, the EMEAP Working Group on Payment and Settlement Systems was initiated by the EMEAP Governors as a forum to discuss and share information on issues of common interest to members relating to payment and settlement systems. The Working Group, reorganized from the former Working Group on Financial Market Development, has met twice a year since its first meeting in March 1999 and six meetings have been held so far.

*Payment Systems in EMEAP Economies*, or the second edition of the EMEAP Red Book, is an accomplishment of collective study over the past years by the EMEAP Working Group on Payment and Settlement Systems. The Working Group has exchanged information and discussed payment and settlement system updates in member economies at its regular meetings. As part of its activities, it also conducted an internal survey on the structure of interbank payment systems. Through the exchange of information and also based on the survey results, the Working Group recognized the need for providing up-to-date information and promoting further understanding of payment and settlement systems in the EMEAP region. Thus, the Working Group decided to revise the Red Book, first published in November 1997, and publish a second edition.

Payment infrastructures in EMEAP economies have changed significantly since the publication of the first edition of the Red Book. For example, real-time gross settlement (RTGS) systems have been launched in almost all member economies, and new payment instruments such as electronic money have been developed in some economies. And, the legal and regulatory framework for payment and settlement systems have changed in some economies, including amendment of respective central bank acts and the enactment of new legislation covering payment systems.

The second edition of the EMEAP Red Book adopts a format similar to that of Red Book publications by the Bank for International Settlements and the European Central Bank, thereby facilitating cross reference with such publications.

The revision of the EMEAP Red Book greatly owes to invaluable contributions made by EMEAP member central banks and monetary authorities, which have collaborated in drafting individual country chapters and compiling statistical data. In particular, members of the editorial committee, who were kind enough to volunteer their time, have provided great assistance in completing the publication.

Tadashi Nunami  
Chairman, EMEAP Working Group on Payment and Settlement Systems  
and Adviser to the Governor, Financial and Payment System Office, Bank of Japan

July 2002



## INTRODUCTION

*Payment Systems in EMEAP Economies*, or the EMEAP Red Book, describes payment and settlement systems in eleven member economies of the Executives' Meeting of East Asia-Pacific Central Banks and Monetary Authorities (EMEAP). Like the Red Book published by the Committee on Payment and Settlement Systems (CPSS) of the Group of Ten (G-10) central banks and the Blue Book by the European Central Bank (ECB), the EMEAP Red Book gives an overview of payment and settlement systems in each member economy. It also includes statistics for payment instruments as well as payment and settlement systems in each member economy.

This is the second edition of the EMEAP Red Book prepared by the EMEAP Working Group on Payment and Settlement Systems. While the first edition, issued in November 1997, covers financial market structures as well, the second edition focuses solely on payment and settlement systems. Not only does it provide updates from the previous edition, but it details payment and settlement mechanisms for funds and securities transfers. It also discusses the legal and regulatory framework and the role of the central bank of each member economy. In addition, the second edition has been compiled based on a format similar to that of CPSS and ECB publications so as to enable easy comparison with the G-10 and ECB member countries.

Each country chapter includes descriptive text and statistical tables. The descriptive part consists of five chapters. Chapter 1 outlines the institutional aspects including legal and regulatory framework, and institutions providing payment and securities settlement services. Chapter 2 reviews payment methods including cash and non-cash instruments. Chapter 3 describes interbank settlement systems, both wholesale and retail payment systems. Chapter 4 describes securities settlement systems by type of security and by trading, pre-settlement, and settlement process. Chapter 5 discusses the role of the central bank, including oversight. Descriptions in this part are based on the information at the end of March 2002, except as specified. The statistical part provides some basic information on the institutional framework and the use of payment instruments, and also the volume of transactions with respect to interbank settlement and securities settlement systems. It should be noted, however, that data coverage is limited in some cases. Each member's chapter also includes a list of abbreviations and selected references for the convenience of readers.

Annexes include comparative tables and excerpts from CPSS publications. Comparative tables in Annex 1 compare payment infrastructures among EMEAP member economies, which can also be compared with those of CPSS and ECB member countries. These tables are based on a standard methodology for the compilation of statistics prepared by the CPSS. Part of the methodology is tailored for the EMEAP version, which is given in Annex 2. *Core Principles for Systemically Important Payment Systems* and *Recommendations for Securities Settlement Systems* are quoted in Annex 3 and 4 for references. Annex 5 lists the main contributors to the preparation of the EMEAP Red Book in each member economy.





## MEMBERS OF THE EMEAP WORKING GROUP ON PAYMENT AND SETTLEMENT SYSTEMS

Chairman  
Mr. Tadashi Nunami  
Bank of Japan

Vice Chairman  
Mr. Greg Johnston  
Reserve Bank of Australia

Reserve Bank of Australia	Mr. Greg Johnston (until April 2002) Mr. Bernie Egan
People's Bank of China	Mr. Song Pan
Hong Kong Monetary Authority	Mr. James Lau Mr. Esmond Lee Mr. Henry Yung
Bank Indonesia	Ms. Dyah Nastiti K.
Bank of Japan	Mr. Shuhei Aoki
The Bank of Korea	Mr. Kahn Park (until May 2002) Mr. Yee Mo Jung
Bank Negara Malaysia	Mr. Ahmad Hizzad Baharuddin
Reserve Bank of New Zealand	Ms. Allison Stinson
Bangko Sentral ng Pilipinas	Ms. Ramona Santiago
Monetary Authority of Singapore	Mr. Enoch Ch'ng Mr. Terry Goh
Bank of Thailand	Ms. Saowanee Suwannacheep (until February 2002) Mr. Sayan Pariwat Ms. Sibporn Tavornchan

Significant contributions were also made by members of the Editorial Committee comprised of: Mr. Greg Chugg (Reserve Bank of Australia), Ms. Pipih Dewi Purusitawati (Bank Indonesia), Ms. Hiroko Itoh (Bank of Japan), Mr. Andrew Rodgers (Reserve Bank of New Zealand), Dr. Magno L. Torreja Jr. (Bangko Sentral ng Pilipinas), Mr. Goh Chiow Sek (Monetary Authority of Singapore), and Mr. Tanai Khiaonarong (Bank of Thailand).

