

Central bank unveils electronic money transfer system

The bank of the lao PDR (BoL) expects to offer an electronic payment service for commercial banks in Laos to use for money transfers from next year.

The central bank yesterday introduced the system to representatives of commercial banks, financial institutions and the Ministry of Finance, urging them to set up the system within their organisations.

The new IT system will enable commercial banks to transfer money to other banks more easily. The new technology will also enable the Lao Securities Exchange to provide electronic money transfer services to share traders.

At present, bank customers have withdraw cash from one bank and deposit it another because there is no electronic transfer system.

The new system would also enable banks to join ATM pools, allowing customers to withdraw money from a greater number of ATMs.

Speaking in vientiane at the opening of the event to introduce the system yesterday, Bol Governor Phouphet Khamphounvong said that development of the national electronic payment system was one of the bank's policies to modernise banking in Laos.

“To implement the resolution of the eighth Party Congress and the government's 6th five-year socio-economic development plan, the Bol has established an action plan to modernise banking systems so it can perform its duty as Laos integrates with the region and the world.”

He said the instalment of the electronic transfer system would strengthen the capacity of the bank to perform its duty in a market-based economy and enable greater connectivity with the region and the world.

The central bank had hired the CSCC company to develop the system because the company has extensive experience in banking

technology and has an established network of partners to develop an international standard system.

CSCC Company President Ms Xamsivath Keobounphanh said her company had joined forces with two others to develop the system in line with international standards.

She said commercial banks in Laos can feel confident in the transfer service to be offered by the central bank and trust that it is safe, reliable and timely.

According to BoL officials, the total cost of setting up the system was about US\$10 million.

Project manager Mr. Phanethong Kongvongsa said that at present commercial banks use electronic transfer services offered by other countries to provide international credit and debit card services for their customers.

He said the central bank would monitor money transfers and collect fees for the use of the system.

Reference from Business newspaper

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