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**TANZANIA INTER-BANK SETTLEMENT  
SYSTEM RULES AND REGULATIONS**

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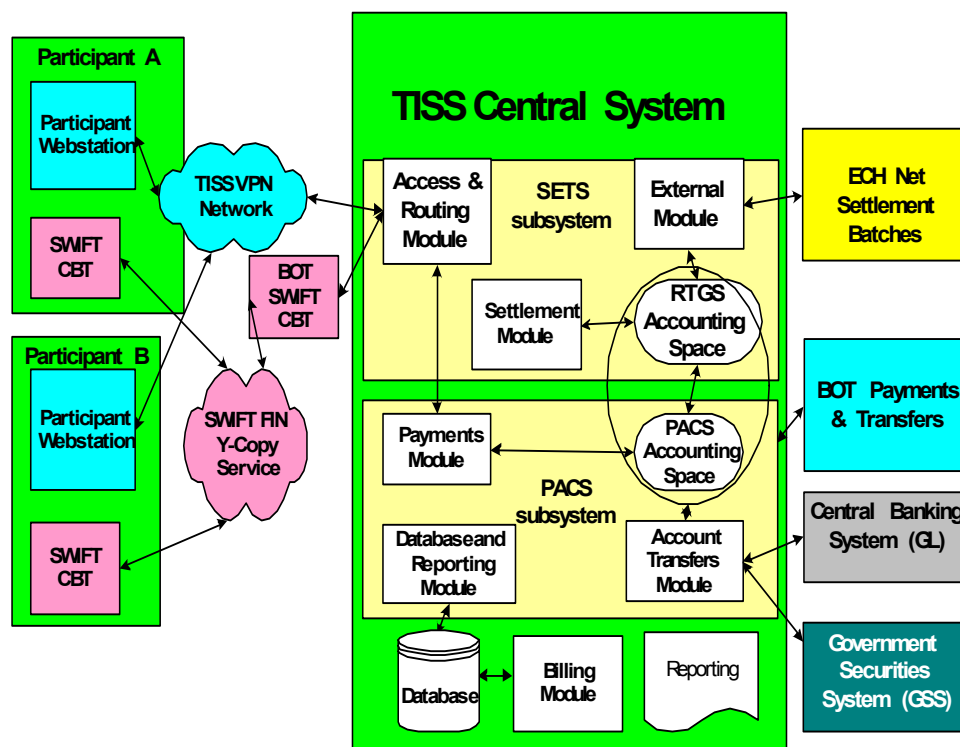
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**PART I**  
**PRELIMINARY PROVISIONS**

1. These Rules and Regulations may be cited as the “Tanzania Inter-bank Settlement System Rules and Regulations” and are issued under the provisions of Section 5A and 66B of the Bank of Tanzania Act, 1995 as amended in 2003. Short Title
2. These Rules and Regulations shall come into operation on the date the Tanzania Inter-bank Settlement System (TISS) goes live. Commencement
3. These Rules and Regulations shall apply to all TISS participants for the transactions in the TISS and are binding to the TISS participants by the “Agreement for Participating in TISS” signed by the TISS participants. Application
4. The purpose and objective of these Rules and Regulations is to provide a framework for governing settlement of funds between the participants by setting up participation rules and regulations of the TISS, which is a System that transfer funds between banks in Tanzania on gross in real time or deferred basis with finality and irrevocability of payments using settlement accounts of banks and financial institutions held in the Bank. Purpose and Objective
5. (1) TISS uses three main components, as shown in the diagram below:
  - (i) SWIFT Network and the FIN Y-Copy Service. System Components
  - (ii) The Participant Webstation – a PC that connects a participant to the TISS central system through a Virtual Private Network.
  - (iii) The TISS Central System - with its associated hardware, communications and webstation facilities at Bank.



2) The following are brief explanations to the three main components

highlighted in subsection (1) above;

(i) SWIFT Network and the FIN Y-Copy Service:

- (a) TISS shall use the SWIFT network for the exchange of inter-bank payment and settlement instructions. All TISS Participants, including the Bank shall be connected to SWIFT Network.
- (b) SWIFT shall monitor the payments traffic of members of the TISS Closed User Group and shall direct any payments designated as TISS payments to the FIN Y-Copy Service. The FIN Y-Copy shall then extract information from the original payment message to create an abbreviated message. This message holds only enough information to allow settlement across accounts of the sending and receiving Participants at the Bank.
- (c) The FIN Y-Copy shall hold the original payment instruction pending receipt of an authorisation or rejection message from Bank. On receipt of a positive authorisation, the FIN Y-Copy shall forward the settled payment instruction to the receiving Participant. Otherwise it shall return appropriate negative acknowledgment to the sending bank.
- (d) Participants are responsible for installing and managing the software and hardware that enables them to use the SWIFT network.

(ii) The Participant Webstation:

- (a) All TISS Participant shall be required to have one or more TISS Webstations. These Participants' Webstations and a local network are used by TISS to support, including but not limited to, TISS settlement related commands and enquiries and to non value functions such as on-line access to account balance and activity information, on-line access to queued payment information and a secure communication hub for exchange of messages between participants and between participants and the Bank.
- (b) The on-line access to the settlement account balance, activity information and queued payments, will allow participants to monitor, and where applicable, control financial risks appropriately.
- (c) Participants are responsible for installing and managing their own Webstation(s)

(iii) The TISS Central System:

- (a) The TISS Central System shall perform three main roles, which are; (i) it shall handle the processing of settlement accounting on behalf of Participants and associated liquidity management facilities, (ii) The Bank's own inward and outward TISS related payments and (iii) non-TISS Account Transfers across Participants' accounts initiated by the Bank (to be known as Account Transfers).
- (b) The TISS Application, which will reside at the Central System, will have two main settlement modes, the modes are described below:
  - (i) Real Time Gross Settlement (RG mode) – an option whereby settlement instructions will be processed to finality using real time gross settlement process. Final settlement occurs immediately if sufficient funds are available, otherwise the instruction is rejected/ discarded and the sending bank is notified. The RG mode requires a significant amount of liquidity for each participant.
  - (ii) Liquidity Optimisation Settlement (LO mode) -an option whereby settlement instructions will be processed in a such a way that first it will attempt to settle on the real time gross settlement basis (but internal to LO mode), and then resort to processing settlement on a deferred settlement process if funds are not available. The instruction remains in a holding queue until multilateral settlement occurs, or they are withdrawn. The LO mode shall be optimally use the available liquidity of each participant.

6. In these Regulations unless the context requires otherwise:-

Interpretations

“the Act” means the Bank of Tanzania Act, 1995.

“Account” means settlement account maintained by the participant with the Bank.

“Account Transfer” means an accounting entry initiated by the Bank that debits or credits an Account.

“Abort Reason Code” means a SWIFT and TISS assigned code for instructions that have been aborted or rejected.

“Bank” means the Bank of Tanzania established by the Bank of Tanzania Act, 1995



- “bank” has the meaning ascribed by the Banking and Financial Institutions Act, 1991
- “Business Day” means a day on which banks are open for general banking business in Tanzania and on which the TISS is operating to process Payment Instructions and Account Transfers.
- “Clearing House(s)” means the Dar es Salaam Electronic Clearing House and other up-country clearing centres.
- “Closed User Group (CUG) means service user groups which the Bank establishes to provide settlement services, with the Bank acting as the CUG Administrator. Closed User Group must be S.W.I.F.T. members, signatories to the Agreement for Participating in TISS and must be approved by the Bank
- “Contingency event” means any event that disrupts or has the potential to disrupt the normal exchange and settlement of transactions in TISS. Five main potential types of Contingency Event are envisaged:
- (i) Individual Participant contingency event
  - (ii) SWIFT contingency event
  - (iii) TISS SWIFT Gateway contingency event
  - (iv) TISS Central System contingency event
  - (v) Other contingency events.
- “Dispute” means a dispute or difference between the Bank and the Participant; or two or more Participants, arising out of, or in any way connected with, these Rules and Regulations.
- “Financial institution” has the meaning ascribed by the Banking and Financial Institutions Act, 1991
- “Gridlock resolution” means the process of unblocking the backlogs or standstill of queued payments.
- “Live Operation Date” means the date on which the TISS starts live operation for and in respect of all its operations, and Settlement is undertaken through it on a real time or deferred basis.
- “Minimum Account Balance” means the minimum level of balance required in the settlement account of each participants, which is set by the Bank from time to time. Initially the minimum balance shall be set to zero for each participant thereafter the Bank may increase it to a figure greater than zero
- “Net Settlement Batch” means an Account Transfer involving multiple debits and credits, initiated by the Net Settlement Systems to settle net obligations arising from the conduct of a payment or securities clearing

system as described in these Rules and Regulations.

“Net Settlement Systems” means a funds transfer system whose settlement operations are completed on a bilateral or multilateral net basis

“Notifiable Event” means, in respect of the Participant:

- (a) Its making a general assignment for the benefit of, or entering into a reorganisation, arrangement or composition with, its creditors; or
- (b) Its admitting in writing its inability to pay its debts as they become due from its own money; or
- (c) Its seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
- (d) The presentation or filing of an application in respect of it:
  - (i) In any court or before any agency alleging or for its bankruptcy, winding up or liquidation (or any analogous proceeding) unless it can be demonstrated by the Participant to be vexatious or that it is otherwise unlikely to result in the liquidation of the Participant, in either case within a period of time to be specified by the Bank;
  - (ii) Seeking any reorganisation, arrangement, composition, readjustment, administration, liquidation, dissolution or similar relief, under any present or future statute, law or regulation, such application (except in the case of an application for liquidation or any analogous proceeding) not having been stayed or dismissed within 30 days of its filing; or
  - (iii) The appointment of a receiver, administrator, liquidator or trustee or analogous officer of it over all or any material part of its property;
- (e) The appointment of a Receiver/Manager under the Banking and Financial Institutions Act, 1991;
- (f) The occurrence of any event having a substantially similar effect to any of the events specified in (a) to (f) above under the law of any applicable jurisdiction.
- (g) A system failure that renders the Participant unable to send its normal level of payment message through the TISS
- (h) If the Participant has good reason to doubt its authority or ability to continue to make payments or send payment messages through TISS,

“Participant” or “ Participants” means the Bank or a participant(s) approved by the Bank to participate in TISS in accordance to section 11 herein.

“Payment Instruction” means, in respect of a Participant, an instruction to debit its Account and credit the account of another Participant received via the SWIFT network.

“Real-Time Gross Settlement” means the processing and settlement of payment obligations in real time on a gross basis.

“Rules and Regulations ” means these Rules and Regulations and standards adopted by the Bank from time to time, which govern the operation of the TISS and the conduct of inter-bank Settlement.

“Settlement” means, in respect of a Payment Instruction or Account Transfer, the successful posting for value of debits and credits to the relevant Accounts for the amounts notified in the Payment Instruction or Account Transfer.

“SWIFT” means Society for Worldwide Inter-bank Financial Telecommunications s.c. having its registered address at Avenue Adele 1, B-1310 La Hulpe, Belgium.

“SWIFT Network” means the telecommunications network and services provided by SWIFT to individual Participants and the Bank.

“System Fault” means a fault, malfunction or error in TISS such that the System is unable to perform the functions it is required to perform for the time being.

“TISS” means the Tanzania Inter-Bank Settlement System.

“TISS Service Provider” means the Bank as an Operator of the TISS rendering such services as stipulated in these Rules and Regulations.

“Valid Instruction” means an instruction received by TISS, which is:

- (a) from a source approved by the Participant and or
- (b) in a format which provides the Bank with a clear instruction to transact.

7. These Rules and Regulations describe how participants interact at business level with each other and the Bank. Separate documentation describes how the TISS and SWIFT systems support these interactions at the operator level. Participants should make reference to the following associated documentation as necessary;

- (a) TISS Participant User Guide.
- (b) TISS Operations and Procedure Manual.
- (c) SWIFT FIN Copy Service Description

(d) SWIFT User Handbooks

8. If a provision of these Rules and Regulations is inconsistent with the Agreement for Participating in TISS, the provision of these Rules and Regulations shall prevail. Inconsistency with Agreement for Participating in TISS
9. If a provision of these Rules and Regulations is inconsistent with any mandatory requirements of SWIFT, the SWIFT requirement shall prevail to the extent of that inconsistency. Inconsistency with SWIFT requirements

## PART II

### PARTICIPATION

10. (1) The TISS system is owned and operated by the Bank. Roles of the Bank  
(2) The Bank is also a participant in TISS and an overseer of the payment systems, a settlement agent and a catalyst of change in the payment systems.
11. Participation to the TISS is open to a bank or financial institution or any participant provided it meets all the eligibility criteria and conditions provided in the subsection (a) to (f) of this section or as may otherwise be prescribed by the Bank from time to time;- Eligibility requirements
- (a) It has a settlement account at the Bank,
  - (b) It meets the SWIFT connectivity requirements for domestic inter-bank settlement systems, which settle on both Real Time Gross Settlement and Deferred Settlement modes.
  - (c) It is capable of exchanging SWIFT authentication keys with all participants and any other components of the TISS necessary for proper authentication of messages,
  - (d) It has in the opinion of the Bank, appropriate technical capacity, including adequate contingency arrangements to enable it to participate in the TISS without hindering the TISS smooth operations,
  - (e) It has demonstrated and undertaken to ensure that in the event of problem with its system it shall be able to resume payment processing through the system within a period acceptable to the Bank, and
  - (f) It has executed, and agrees to be irrevocably bound by the terms and conditions of the Agreement for Participating in TISS and these Rules and Regulations.
12. (1) An applicant seeking admission to participate in TISS shall be required to apply to the Bank for admission in the prescribed form in schedule 1 of these Admission to TISS

Rules and Regulations.

(2) The Bank shall analyse the application by considering the eligibility criteria provided in section 11 above.

(3) The Bank may accept or reject an application. Provided that before a rejection is made the Bank would have informed the applicant its intention to reject and had given the applicant reasonable opportunity to amend its application where necessary.

Acceptance  
Rejection  
Admission  
or  
of

(4) If an application is granted;

- (a) the applicant shall be required to execute the Agreement for TISS Participation agreeing to be irrevocably bound by it and these Rules and Regulations,
- (b) the applicant shall pay the Bank applicable Fees and Charges stipulated in schedule F of these Rules and Regulations. The applicable fees and charges shall be specified and determined by the Bank from time to time, and
- (c) the Bank shall notify all TISS participants.

(5) The Bank may delay the admission date of the applicant until it is satisfied that the applicant has fully complied with the subsection (4) above.

### PART III

#### WITHDRAWAL AND SUSPENSION FROM PARTICIPATION

13. TISS participant may withdraw from participation in TISS in such manner and upon such terms as the Bank shall permit or require. Provided that a six (6) months notice of intention to withdrawal shall be submitted to the Bank.

Withdrawal  
Participation  
from

14. The Bank may suspend any participant in TISS upon occurrence of any of the following;

Suspension from TISS

- (a) The failure of the participant to comply with any of the provisions of these Rules and Regulations,
- (b) The Participant fails to have communications infrastructure that causes it not to be able to communicate with TISS
- (c) The failure of the participant to effect payment through the TISS for (six 6) consecutive months
- (d) The participant breaches a provision of the Agreement to Participate in TISS
- (e) In the Bank's opinion, the participation in TISS is likely to:
  - (i) Cause unacceptable risk to the TISS, to other participants, to the BOT, or to the national payment system as a whole; or
  - (ii) Cause a system fault or otherwise hinder the satisfactory functioning of the TISS.

Automatic Suspension

15. The Participant shall be automatically suspended from the TISS;

- (i) If in terms of the Banking Financial Institutions Act, 1991 and any

other subsequent amendments thereto;

- (a) The Participant's registration is cancelled, or
- (b) The Participant is directed to suspend all its banking business, or
- (c) The Participant has been granted the approval by the Bank for voluntary liquidation, or
- (d) The Participant is placed under statutory management of the Bank.

(ii) If in terms of any other Act, Order, Ruling or event;

- (a) The Participant's registration is cancelled, or
- (b) The appointment of a receiver, administrator, liquidator or trustee or analogous officer over all or any material part of the participants property; or
- (c) The participant is making a general assignment for the benefit of, or entering into a reorganisation, arrangement or composition with its creditors; or
- (d) The participant is admitting in writing its inability to pay its debts as they become due; or
- (e) The participant is seeking, consenting to or acquiescing the appointment of any trustee, administrator, receiver or liquidator or analogous officer of it or any material part of its property; or
- (f) The presentation or filing of an application in respect of it in any court or before any agency alleging or for its bankruptcy, winding up or liquidation (or any analogous proceeding) unless it can be demonstrated by the participant to be vexatious or that it is otherwise unlikely to result in the liquidation of the participant, in either case within a period of time to be specified by the Bank;

16. The Bank shall notify all other Participants in the TISS as soon as practicable following such suspension or withdrawal.

17. In the event the Participant is suspended it shall not participate in the TISS in any way whatsoever, except to the extent that the Bank permits it to do so.

Notification to other Participants in event of suspension or withdrawal

18. The withdrawal or suspension of the Participant shall not entitle the Participant a refund of any fee it has paid in terms of the Agreement to Participate in TISS or these Rules and Regulations.

Restrictions to participate after suspension

19. The Participants shall immediately upon the occurrence, or threatened occurrence, of a Notifiable Event (as defined in section 6 above) must notify the BOT and;

Non-refund of fees after suspension or withdrawal

(1) shall ensure that no further Payment Instructions are submitted to the TISS and

Notification of a Notifiable Event

(2) shall also inform the BOT the steps (if any) it is taking to ensure that it continues to have the authority and ability to issue Payment Instructions.

**PART IV**

**OPERATING SCHEDULE**

20. (1) The Bank shall operate TISS on a fixed schedule from Monday through Friday except on public holidays for purposes of sending payments and settlement according to the TISS operating schedule described in the table below;

Operating Day and Hours of TISS

<b>Time</b>	<b>Event</b>	<b>Activities and Available Transactions</b>
8.30 am	Start-of-Day	TISS start-of-day
9.00 am	Operating Day Commences	<ul style="list-style-type: none"> <li>• Participants can send and receive payments.</li> <li>• The Bank shall enter Net Settlement batches from other clearing systems, Account transfers and its own payments</li> </ul>
3.30 pm	Initial Cut-Off	<ul style="list-style-type: none"> <li>• Closed to new payments, except for bank-to-bank (MT2XX series) and Account Transfers.</li> <li>• Queue clearance may be effected by application of gridlock resolution tools by the Bank and by deletion or reprioritisation of queued payments by Participants.</li> <li>• Participants must arrange to have sufficient available funds to allow reversal of ILF drawings prior to Final Cut-off.</li> </ul>
4.30 pm	Final Cut-Off	<ul style="list-style-type: none"> <li>• No further inputs accepted.</li> <li>• At session close, queue/settlement processing will cease and any transactions still in queues will be rejected with MT097 issued to SWIFT and passed by SWIFT to the relevant Participant.</li> </ul>
4.45 pm	System Close	End-of-day processes, such as reports, archiving.

(2) Participants are required to be connected to the TISS so as to receive and send TISS Payment Instructions and other TISS-related messages whenever TISS is operating.

Participants must be connected to TISS

(3) The operating schedule is fixed and all participants shall observe it. However, the schedule will only change in very exceptional circumstances, particularly due to occurrence of an adverse circumstance or a need for an ad hoc adjustments, such changes would be made to deal with these unforeseen contingencies, in so doing the Bank shall extend or reduce the operating schedule and sessions at its sole discretion, however any change of the operating schedule shall be notified to the participants, and shall not extend past midnight of the business day. The Bank will send a notification, via a web station or any other means, to all participants before such changes are effected.

Changes to TISS operating hours and sessions

(4) The Bank may in notifying the participants upon occurrence of a need to change the operating schedule stipulated in subsection (3) above, provide a facility in the TISS to enable Participants to enquire on the next scheduled time, business day and a forward calendar.

Notice upon changes to operating schedule

(5) Requests by Participants for an extension of the operating schedule or

session may be considered at the discretion of the Bank only if a likelihood of causing a systemic crisis may arise if such extension is not granted. Provided always that any extension to the operating schedule shall not exceed midnight of the reference business day.

Requests  
Participants for an  
extension by an

## PART V

### ROUTING OF PAYMENTS

21. (1) For the purpose of routing of payments in the TISS each Participant shall be required to have a single SWIFT Bank Identifier Code (BIC) on which all TISS payments shall be routed to this BIC.

Routing of Payments  
via SWIFT- BIC

(2) A Participant shall not initiate any change to its BIC with SWIFT, without a prior notification to the Bank. Upon such change as approved by SWIFT the participant shall immediately notify the Bank.

(3) Current BICs of TISS Participants are recorded in Schedule A of these Rules and Regulations.

22. (1) Payment instructions to a participant must be precisely sent to the BIC Code of the concerned participant identifying intended beneficiaries of payment messages using account name, number, and the branch of the bank or financial institution at which the beneficiary account is domiciled.

Clear address of  
beneficiary

(2) Participants must ensure that all TISS Payments contain a reference number. This reference, combined with the amount and the receiver BIC Code, must be unique within the business day for the sending Participant.

23. TISS shall accept transactions with current or future Value Date subject to the limitation of the SWIFT network. Date format will be as per international and SWIFT standards, that is: YYYY/MM/DD

Value date

24. All TISS transactions shall be denominated in Tanzania Shillings (with its international currency code TZS) only.

25. (1) A sending Participant may withdraw a queued payment instruction from its settlement queue.

Currency

(2) Once a payment has been settled across the TISS accounts, the sending Participant shall not have an ability to recall the payment.

Cancellation of a  
queued payment

26. (1) A participant may request return of a payment from a receiving party by using any available means of communication open to it.

(2) A return payment shall be initiated as a new MT202 - Financial Institution Transfer message instruction. The return instruction shall contain related reference number being the reference number of the original instruction and clearly indicate "Return Payment".

No obligation to return  
of a settled payment

Return Payments

(3) Any costs or claims arising thereof shall be dealt with by the participants outside these Regulations and Procedure



27. (1) A receiving Participant shall disgorge a received payment in the event it is unable to apply.

(2) Participants shall return such payments to the sending Participant within two (2) hours of receipt. If the original payment is received less than an hour before Final Cut-off time, the payment return shall be affected within thirty (30) minutes of the Start of Day time in the next TISS business day.

## PART VI

### DETERMINING THE FATE OF PAYMENTS

28. (1) A receiving Participant shall determine the fate of a received payment to the account of the beneficiary within two (2) hours after receipt of the payment from the sending participant.

Determining Fate of Payment

(2) A receiving Participant shall be liable for a claim of undue enrichment from a sending Participant if the receiving Participant fails to credit the beneficiary's account with the value;

Period of determining value of payment to account of beneficiary

(a) within two (2) hours of that payment being received by the receiving Participant where the payment was received not less than one hour before the Initial Cut-off time, or

(b) within thirty (30) minutes of Start-of-Day time in the following morning in those cases where the payment is received less than two (2) hours before the Initial Cut-off time.

(3) A receiving Participant shall also be liable for a claim of undue enrichment from a sending Participant if the receiving Participant fails to return a payment which it is unable to apply within the times stipulated in section 27 above.

Liability for undue enrichment

## PART VII

### FINALITY AND IRREVOCABILITY OF PAYMENT

29. Payment instructions in TISS are deemed to be finally and irrevocably settled once the sending participant account is debited and the receiving participant is credited with the amount specified in the payment instruction. The TISS Central Application at the Bank, will effect such debits and credits.

Finality and irrevocability of payment

## PART VIII

### QUEUE MANAGEMENT

30. (1) All debit transactions to Participants' accounts in TISS shall be checked for funds availability. Transactions shall not be processed unless there are sufficient available funds in the account at the time of checking. Availability of funds shall be determined with reference to account balance as well as any

Checking on availability of funds

other parameters set on the account.

(2) If there are sufficient available funds, the accounts of the two Participants involved shall be respectively debited and credited and required message outputs shall be issued.

31. Transactions for which there are insufficient funds shall be queued by the TISS if they are sent through a Liquidity Optimisation (LO) mode. Queued transactions are rechecked when account conditions change, for instance when an account has been credited with funds or other account constraints are changed. Queues
32. (1) All transactions shall be queued and re-submitted for funds availability checking on a First-In-First-Out (FIFO) basis, that is all transactions shall be queued in the order in which they were received and the “oldest” transaction in each Participant’s queue shall be checked first. First-In-First-Out queue order  
(2) Only the transaction at the head of each Participant’s queue shall be checked for funds availability. The FIFO order of queues shall only be overridden by use of the queue management facilities described in the sections below.
33. (1) SWIFT payments can be assigned two priority classes;  
    (a) Normal and  
    (b) Urgent.  
(2) Normal or Urgent priority is assigned to a payment instruction by the Participant as part of the SWIFT message header.  
  
(3) Within TISS, account transfers initiated by the Bank shall be tested ahead of Urgent payments (see section 34 below); and Urgent payments shall in turn be tested ahead of Normal payments. All transactions shall be tested in FIFO order within these three classes except where a Participant elevates a queued payment (Urgent or Normal) to the head of the Urgent section of the queue.
34. (1) Account Transfers initiated by the Bank shall have an Urgent priority over others including SWIFT –sourced transactions.  
  
(2) Account transfers shall always take precedence over other transactions in a Participant’s queue.
35. Sending Participants shall be able to change priorities of outgoing payments held in their queue by promoting individual payments to the head of the payment queue via the TISS Webstation facility. Changing the order of payments in the queue
36. (1) A sending Participant may cancel any of its payments held in its queue using the TISS Webstation. TISS shall return an MT097 to SWIFT Fin-Copy. TISS shall append a code indicating the reason for rejection.  
  
(2) A Participant cannot cancel an Account Transfer from its queue. Only the Bank is able to cancel queued Account Transfers. Cancelling payments from the queue

37. (1) The TISS provides the Bank with tools to resolve significant backlogs of queued payments. This is called gridlock resolution. Gridlock resolution

(2) The TISS shall apply an algorithm to select those payments that can be settled on an offset basis. This shall change the FIFO ordering of settlement.

(3) Gridlock resolution can be scheduled for automatic activation at set times or intervals as specified by the Bank and can also be manually invoked by the Bank. Gridlock resolution is most likely to occur in the period between Initial and Final Cut-Off.

38. Transactions that are not settled by the end of the operating day shall be rejected with an appropriate Abort Reason code appended to the MT097. Treatment of Unsettled Transactions at End-of-Day

## PART IX

### INTRADAY LIQUIDITY FACILITIES OVERVIEW

39. (1) The Bank may, at its discretion, extend Intraday Liquidity Facility (ILF) to Participants to assist them meet their intraday liquidity requirements under TISS. The ILF must be fully secured by eligible collateral securities, in such manner as prescribed by the Bank. Intraday Facility

(2) The Bank shall establish the amount and collateral arrangements for the ILF with each Participant.

40. (1) A Participant shall provide sufficient liquidity in its account prior to Final Cut-off to allow any outstanding amount(s) to be debited.

(2) Additional liquidity may be sourced during the period between Initial Cut-off and Final Cut-offs by borrowing from the Bank.

Clearance of ILF Drawings Prior to Final Cut-off

## PART X

### MINIMUM BALANCE REQUIREMENTS

41. (1) The Bank shall require each Participant to maintain its Settlement Account above a minimum balance that shall be set by the Bank. Initially this minimum balance shall be set to zero for every Participant. Account minimum balance

(2) As a general principle, over an extended period, as Participants become used to operating in the TISS environment, the Bank may increase the minimum balance to a figure greater than zero but not without first notifying the Participants.

(3) The general principle stated in subsection (2) of this section does not prevent the Bank changing the minimum balance of a Participant should the Bank consider a situation has arisen, or is likely to arise, which warrants the Bank making a change to the minimum balance of a particular Participant or

particular Participants.

(4) The minimum balance set for a Participant, shall be enforced by TISS, that is transactions that would reduce balance below the minimum shall be rejected and sent back to the participant (if sent through Real Time-RG mode or to the Participant's queue for later rechecking to ensure it will not reduce the minimum balance, it will only be settled if there will be sufficient fund otherwise it will later be rejected (if sent through Liquidity Optimisation - LO mode) .

42. The Bank shall notify a Participant of any change to its minimum balance.

Notice of changes to minimum balance

## PART XI

### NET SETTLEMENT BATCHES

43. (1) A Net Settlement Batch is an Account Transfer involving multiple debits and credits, initiated by the Net Settlement Systems to settle net obligations arising from the conduct of a payment clearing system, for instance Cheque clearing or Point Of Sale (POS) clearing.

Conduct of Net Settlements over TISS Accounts

(2) The Bank may introduce additional net settlements at its discretion.

44. (1) The Dar es Salaam Electronic Clearing House (DECH) cheque clearing settlement shall be entered into TISS by 2.30 p.m.

DECH Cheque clearing settlements

(2) On completion of the entry of a net settlement batch, TISS shall generate MT900 and MT910 debit and credit advices to those Participants that have opted to receive these message types (refer to section 59).

45. (1) Participants shall ensure that there are sufficient available funds in their account to allow immediate processing of the batch.

(2) Each Participant shall nominate a senior officer and an alternate who the Bank shall contact in the event that a settlement fails as a result of insufficient funds. These contacts are listed on Schedule E. Participants shall make immediate arrangements to fund their accounts to enable the settlement to complete.

(3) At the Initial Cut-off time TISS shall reject the Net settlement batch that has failed to settle.

TISS rejects Net Settlement batch that fails to settle at Initial cut off time

(4) The requirement of section 20(2) that Participants be able to receive and send TISS Payment Instructions and other TISS-related messages whenever TISS is operating shall apply until Final Cut-Off time is achieved.

## PART XII

### OTHER TRANSACTIONS INPUT

46. (1) The Bank at its discretion shall enter debit and credit transactions that shall be reflected in the Participant's settlement account.
- (2) Such transactions stipulated in subsection (1) above may include, but are not limited to, transactions arising from;
- (a) Shorts and Overs
  - (b) TISS charges and fees
  - (c) Interest charges
  - (d) Penalties

Other transactions  
input

## PART XIII

### SWIFT SERVICES

47. (1) The Bank shall enter into a contract with SWIFT for the provision of FIN Y-Copy services to support the settlement of TISS payment instructions exchanged between Participants.
- (2) The Participants being SWIFT users shall apply to SWIFT to become FIN-Y Copy users for the FIN-Y Copy identifier code TIS.
48. (1) The FIN Y-Copy service uses the facilities of the FIN messaging service, which it enhances by copying, selected information to the Bank for settlement authorisation. This Store-Copy-Authorise-Forward facility requires that all Participants be members of the TISS Closed User Group (CUG).
- (2) The Bank shall administer the FIN Y-Copy service, including the determination of the membership of the CUG, the message types to be supported by the TISS CUG and various other aspects of the FIN Y-Copy service. In determining the membership the Bank shall apply SWIFT criteria.
- (3) SWIFT is responsible for implementing Bank's FIN Y-Copy requirements.
49. A Participant shall seek the Bank's approval prior to submitting any requests to SWIFT for any amendment to its SWIFT identity or capabilities that may impact on its participation in the TISS CUG.
50. (1) Each Participant must maintain a single current Bank Identifier Code (BIC) for use in TISS. Bank Identifier Codes of TISS Participants are shown in Schedule A.
- (2) Participants who maintain multiple identities in SWIFT for related or subsidiary entities may only nominate one BIC as a destination for TISS payments.

SWIFT Y-COPY  
Services

Closed User Group  
administration

CUG member details

Y-Copy Bank  
Identifier Code (BIC)

51. (1) A sending Participant must include a three character Service Identifier Code in an outgoing SWIFT payment message for it to be intercepted and copied by the SWIFT Y-Copy service.  
 (2) The Service Identifier Code (placed in Field 103 of the user header) for TISS is TIS.
52. (1) The following SWIFT Message types will be available for use in the TISS CUG.

Message types accepted in the TISS Closed User Group

MT102	Multiple Customer Credit Transfer
MT103	Single Customer Credit Transfer
MT202	General Financial Institution Transfer
MT205	FI Transfer Execution

(2) Message formats are contained in the SWIFT User Handbook.

(3) MT202 and MT205 are both used for the exchange of bank-to-bank payment instructions and contain the same information. Participants should use MT202 in preference to MT205.

53. (1) The FIN Y-Copy service uses the following message types to facilitate acknowledgement during the settlement process.

TISS settlement messages

MT096	FIN Copy to Central Institution Message
MT097	FIN Copy Message Authorisation/Refusal Notification

(2) The incoming payment message shall be intercepted, copied and stored pending receipt of a positive or negative response from TISS. The Y-Copy service operates in partial-copy mode that is only some information is included in the MT096 sent to TISS for settlement processing. The following Fields are included in the MT096 to TISS.

MT	Field Tags to be Copied		
102	20	32A	72
103	20	32A	72
202	20	32A	72
205	20	32A	72
<i>Tag 20 = Transaction Reference Number</i>			
<i>Tag 32A = Value date, Currency Code, Amount</i>			
<i>Tag 72 = Sender to receiver information</i>			

- (3) The Header and Trailer data shall also be copied.  
 (4) TISS shall process the MT096 and respond to FIN Y-Copy with an MT097. The MT097 shall either authorise or reject the MT096 request for settlement depending on the outcome of TISS testing processes.  
 (5) A positive MT097 authorisation response from TISS shall contain the following settlement-related information;  
     (c) Timestamp of settlement completion, and  
     (d) TISS transaction reference number.  
 (6) FIN Y-Copy shall forward the successfully settled payment instruction to the receiving Participant with these details contained in the header block of the message.

54. If TISS rejects the payment instruction, a negative MT097 rejection response shall be returned to FIN Y-Copy. TISS shall append a two-digit code to Field 432 of the MT097. This Abort Notification Code describes the reason for the rejection of the MT097 by TISS. Abort Code      Notification
55. (1) If FIN Y-Copy is unable to complete processing of a payment instruction, it shall send an Abort Notification (MT019) to the sending Participant, advising the reason for the rejection.  
 (2) Reasons for rejection shall be assigned a two-digit Abort Reason Code, which shall appear in Field 432 of the Abort Notification (MT019). The Abort Reason Code may be assigned by SWIFT or TISS depending on the reason and point in the process at which rejection occurred.
56. The tables below list SWIFT and TISS assigned Abort Reason Codes.

**Table 1. SWIFT Assigned Codes**

Code	Reason
60	Failed security validation at TISS (MAC/PAC check failed)
61	Failed message format validation at TISS
62	Duplicate Transaction reference (for this date)
70	Invalid Value Date – not equal to current value date
71	Customer Payment Received after Initial Cut-off
72	Payment Received after Cut-off
72	TISS Closed
73	Beneficiary Bank does not exist
74	Bank suspended
80	Payment cancelled from Settlement Queue at your own request
81	Payment unsettled at Final Cut-off

**Table 2. TISS Generated Abort Codes**

Code	Reason
01	Message too old (remained undelivered for n days)
02	Too many unsuccessful delivery attempts
03	Destination disabled
04	Operator aborted
05	Message could not be recovered after a major system failure because it was user encrypted
06	Message Type incompatible with SWIFT Gateway mode
11	Message is too old, but was authorized
12	Too many delivery attempts, but message was authorised
13	Destination is disabled, but message was authorised
14	Message is too long, but was authorized
21	Message is too old and was bypassed
22	Too many delivery attempts and the message was bypassed
23	Destination is disabled and message was bypassed
24	Message is too long and was bypassed
32	Message is too old and was not authorized
33	Copy message to the copy service server was aborted
99	Other

57. On receipt of a positive MT097 Authorisation response from TISS, the FIN Y-Copy has the capacity to send a Sender Notification (MT012) to the sending Participant. Sender Notification (MT012) is an optional FIN Y-Copy service.
58. (1) SWIFT shall charge each Participant directly for messaging costs

associated with FIN Y-Copy treatment of payment instructions initiated by that Participant. SWIFT determines these charges.

- (2) Messages initiated by TISS to Participants shall also be charged to Participants by SWIFT under a “reverse billing” arrangement, that is SWIFT charges are usually levied against the sender of a SWIFT message. Messages subject to reverse billing shall be limited to those described at section 59 below.

SWIFT Charges and Reverse billing

59. (1) The following non-value message types may be generated by TISS and sent to Participants;

Other SWIFT messages used by TISS

Non-Value Message Type	TISS Treatment
MT900 Confirmation of Debit	Used by TISS to provide advice to Participants of Account Transfers. Receipt is optional.
MT910 Confirmation of Credit	Used by TISS to provide advice to Participants of Account Transfers. Receipt is optional
MT950 Statement Message	Generated at end-of-day to provide account statement information to Participant. Receipt is optional.
MT999 Free Format	Used by Bank for sending messages to individual or multiple Participants, eg Broadcast announcement or warnings.

- (2) For the optional messages shown in the table above, each Participant shall advise the Bank which messages it wants to receive. TISS shall not issue these messages unless Participants have requested them.

Optional messages issued only if requested by participant

## PART XIV

### SECURITY OF TISS OPERATIONS

60. Both SWIFT and TISS provide security facilities to protect data, payments in transit, and to control user access. Participants are responsible for ensuring the integrity of transactions, data and user access within their own organisations.
61. Any actual or suspected breach of security must be reported to the TISS Help Desk immediately.
62. (1) The Participants shall ensure that their own systems and procedures provide appropriate protection against fraudulent activity in connection with the TISS.  
 (2) All actual or suspected fraudulent activity in connection with the TISS must be reported immediately to the Bank whether such fraud or suspected fraud is on the part of the Participants’ staff or customer or any one else.  
 (3) The Participants shall provide all reasonable assistance, requested by the Bank or any other Participant in TISS to investigate and identify the source of any actual or suspected fraud or suspicious transaction.

Participant’s responsibility to ensure security of TISS operations

Reporting of actual or suspected breaches of security



63. (1) SWIFT security and control arrangements are described in the SWIFT FIN Copy Service Description and in the FIN Security Guide of the SWIFT User Handbook.
- (2) All payment messages passed through TISS are double-authenticated, by utilising the SWIFT Standard FIN messages which uses an authentication mechanism based upon Bilateral Key Exchange (BKE) between the sender and receiver. SWIFT FIN Y-Copy  
double authentication
- (3) The TISS Bank Identifier Code (BIC) address must be used by Participants for bilateral key exchange with TISS. The TISS BIC address is contained in Schedule A – Bank Identifier Codes.
64. (1) Key exchange between Participants and between TISS and Participants will be required at six monthly intervals. The Bank may require more frequent or ad hoc key exchanges to take place. Frequency of Key  
exchange
- (2) New keys shall be exchanged immediately if there is any actual or suspected breach of key security.
65. (1) Participants shall use Webstations to access TISS through a Virtual Private Network (VPN). The Webstations, whether attached to proxy servers or directly attached to the network shall support the enquiry, queue management and e-mail functions of TISS. Line encryption shall be provided over the link between the Participant Webstation(s) and the Bank. TISS security Webstation
- (2) Participants shall each have one or more Webstations at their choice. Physical security of these devices in Participant premises shall be the responsibility of the Participant.
- (3) Logon to TISS by a Webstation shall require the use of a Smartcard, which shall establish a secure dialogue with the TISS server at the Bank site. TISS shall have facilities to generate keys and create Smartcards. Smartcards.
- (4) TISS shall provide access security with User-IDs, passwords and functionality limitations that may be controlled by the appropriate authority in each Participant organisation. It is the responsibility of each Participant to establish and enforce appropriate user access and authorities within their organisation.
- (5) For the purposes of maintaining standardisation and consistency, the Bank may acquire smart cards and readers on behalf of participants. Upon delivery of the cards and card readers, each Participant shall appropriately reimburse the Bank.
66. (1) Participants shall perform a periodic self-assessment of the integrity and resilience of their own internal TISS arrangements. This self-assessment will be in the form described at Schedule B, the self-assessment shall cover such issues as; Periodic assessment self-

- (a) physical site security
- (b) occurrences of operational risk related events, such as system downtime.
- (c) occurrences of financial risks related events, e.g. fraud, number of requests for extension of system operating schedule and the reasons thereof.
- (d) adequacy of throughput capacity
- (e) adequacy of contingency arrangements and facilities.

(2) The self-assessment report is to be submitted to the Bank biannually in January 31<sup>st</sup> and June 30<sup>th</sup>, under signature of an authorised signatory of the Participant.

## PART XV

### BUSINESS CONTINUITY PLAN

67. The Participants shall develop and maintain an effective business continuity plan, which will be monitored and tested on an ongoing basis. The plan shall encompass the relevant to systems, procedures, records, audit trails, and human resources, in order to ensure effective and continuity of participation in TISS. Development and maintenance of business continuity plan
68. Each Participant shall nominate a first contact point for responding to enquiries or exchanging information in the event of processing problems; and a second contact point to act in case of the unavailability of the first contact point. A list of Contact Points is shown at Schedule D. Contingency Event Contact Points
69. An inability to access the Central System using the TISS Webstation facility for the purposes of enquiry, queue management or non-value message exchange, shall only constitute a Contingency Event where such an inability effectively prevents the exchange and settlement of payments. Contingency event
70. (1) If a Participant experiences any technical or operational problems that prevents it from processing payments and other TISS-related messages, it shall advise the TISS Help Desk within 15 minutes of becoming aware of the problem. Notification to TISS Help Desk on technical or operational problem
- (2) Participants must immediately notify the TISS Help Desk of any change in their situation.
- (3) The Bank shall notify other Participants at its discretion where the problem appears likely to be protracted or potentially disruptive to the overall operation of the system, for instance, close to end-of-day Cut-off. Notice to other Participants in case of persistent problem
- (4) Each other Participant shall make its own judgement as to whether to continue to send payments in favour of the Participant with network reception problems.
71. (1) If a Participant is experiencing problems that result in it being able to

receive but not to send payments, for instance, a back office system rather than a SWIFT Gateway failure, it shall continue to allow receipt of payments to its SWIFT Gateway.

Continued processing of inward transactions

(2) In the event of an outage in a Participant's SWIFT Gateway interface, TISS shall continue to process any MT096 settlement requests already held or subsequently received from SWIFT. Settled payments in favour of the Participant and other messages shall accumulate in SWIFT pending re-establishment of communications with SWIFT.

72. It shall be the obligation of each Participant to re-establishing its SWIFT Gateway connection.

Participants obligation of re-establishment SWIFT Gateway connection

73. In certain circumstances the Bank may, at its discretion, accept from a disabled Participant a listing of critical transactions for input by the Bank as Account Transfers, these would be;

Listings of critical Account Transfers for the Bank input

- (a) Restricted to critical bank-to-bank transactions,
- (b) Only basic accounting information shall be accepted for input, that is beneficiary Participant, amount and transaction reference and
- (c) The Listings must be in the form shown at Schedule C. Provided always that the Participants shall only submit such listings after obtaining the consent of the Bank.

74. (1) In the event of a prolonged SWIFT outages the Bank shall consult and communicate with Participants via the Emergency Contacts contained in Schedule D and via the TISS email facility.

SWIFT contingency event

(2) Participants shall remain logged on to their TISS Webstations in the event of a SWIFT system outage to allow for receipt of contingency warnings and instructions over the TISS email facility.

Determination of SWIFT contingency event

(3) The Bank shall invoke Diskette Exchange Fallback arrangements and announce this via fax to Emergency Contact points as well as broadcasting it via the TISS email facility in the event it forms the view, following consultation with SWIFT and the Participants, that;

Diskette Fallback Arrangements

- (a) SWIFT shall not be able to restore communications for the rest of that operating day; and
- (b) that Participants have a critical mass of uncompleted transactional business that cannot be completed by alternate means or deferred to the next business day; and
- (c) it shall be operationally feasible to conduct diskette exchanges in the time remaining for that business day,

(4) SWIFT-based operations cannot be reinstated for the business day once diskette-based processing has been invoked.

75. (1) TISS shall reject all MT096 messages pending in the system and generate MT097 rejection responses. These shall be held in the Access and Routing Module of TISS for later transmission to SWIFT. The Bank shall provide

each Participant with a listing of the MT097s rejection responses via fax or the TISS email facility.

(2) Participants shall immediately notify the Bank whether they intend to submit payments in diskette form henceforth all Participants shall accept inward diskette exchanges.

(3) The Bank shall notify the schedule for the diskette exchange, that is the time by which all diskettes must be submitted for processing by the Bank and the time at which Participants are to collect their inward diskettes. All Participants must attend at the Bank's premises to collect their inward diskettes at the time of notice.

(4) Diskettes shall be delivered and collected by two officers from each Participant.

(5) Each diskette delivered to the Bank shall be clearly labelled.

(6) A hardcopy listing of the payments stored on the diskette must be submitted with the diskette. The listing shall be signed by two authorised officers of the Participant.

(7) One officer from each Participant shall attend at the Bank to collect the Participant's inward diskettes at the time announced by the Bank. The collecting officer shall sign to acknowledge receipt of Participant's inward diskette

76. (1) Participants initiate and or receive diskette payments at their own risk. Participants shall therefore take care to manage the possibility of duplicated payments, that is there may be payments that;

Duty of care to avoid potential for duplicated payments and settlements

(a) have been settled in TISS but not received by the receiving Participant,

(b) are unsettled payments still held in Y-Copy (that shall be cancelled when SWIFT receives MT097s generated in the course of these contingency arrangements).

(2) Participants must also take their own precautions to ensure against the fraudulent inclusion or amendment of payments in their outward diskettes.

(3) Participants in any doubt as to the authenticity of a received diskette payment instruction should seek confirmation from the sending Participant.

77. (1) In the event of a prolonged outage in TISS SWIFT Gateway, the Bank shall consult and communicate with Participants using the Emergency Contacts at Schedule D and TISS email facility.

TISS SWIFT Gateway contingency event

(2) Participants must remain logged on to their TISS Webstations in the event of a TISS SWIFT Gateway outage to allow for receipt of contingency

warnings and instructions over the TISS email facility.

(3) The Bank shall invoke Diskette Exchange Fallback arrangements and announce this via fax to Emergency Contact points as well as broadcasting it via the TISS email facility in the event that that it forms the view, following consultation with Participants, that;

- (a) it shall not be able to restore communications for the rest of that operating day; and
- (b) that Participants' have a critical mass of uncompleted transactional business that cannot be completed by alternate means or deferred to the next business day; and
- (c) it shall be operationally feasible to conduct diskette exchanges in the time remaining for that business day.

(4) SWIFT-based operations cannot be reinstated for a business day once diskette-based processing has been invoked.

(5) The procedures stipulated in section 75 and 76 above shall apply.

78. (1) TISS Central System contingency event occurs when TISS is unable to process transactions to Participant's accounts. The outage shall be in the TISS application itself rather than in its SWIFT interface. Diskette Exchange fallback will not be feasible in this circumstance.

TISS Central System  
contingency event

(2) If the contingency event involves both the TISS SWIFT Gateway and the TISS Central System, it shall be treated according to these procedures set out in this section.

(3) In the event of a prolonged outage in the TISS Central System, the Bank shall consult and communicate with Participants using the Emergency Contacts at Schedule D.

(4) In the event that the Bank forms the view that it shall not be able to restore TISS operations for the rest of that operating day, the Bank shall submit an emergency request to SWIFT by Authenticated Telephone Call (as per C.2.3 and P8 of the FIN Copy Service Description) requesting SWIFT to amend the TISS CUG operating mode to "Closed". This could take up to 45 minutes from authentication of the emergency call. Once transferred to "Closed" mode SWIFT shall abort any further payment instructions submitted by Participants with an MT019 Abort Notification.

(5) Pursuant to subsections (1) to (4) above, the contingency procedure for an outage of the TISS Central Application shall require participants to resort to the use of normal SWIFT- FIN Services.

79. Other system disabling events may arise that must be dealt with on a case-by-case basis. In these situations, the provisions of section of 87 hereunder shall apply.

Other  
events contingency

80. Each participant shall maintain a written record of all contingency events and system problems. The record shall;
- (a) include details of date, time, nature of problem, action taken to rectify and time of rectification,
  - (b) be reviewed by the Bank on monthly basis.
  - (c) be copied and such copies are to be forwarded to the TISS Help Desk Supervisor (refer to section 86 hereunder) within two working days of the end of each calendar month. A template for recording this information is set out at Schedule G.
81. (1) The Bank shall test the TISS contingency arrangements at least annually. All Participants are required to cooperate and participate in this process.
- (2) Participants may arrange, as necessary, with the Bank for conduct of their own contingency arrangement tests. As a minimum, the Bank should be advised of any testing that could affect a Participant's ability to operate in the system.
82. (1) In the event that it proves necessary to move TISS operations to the Bank's Fallback facilities, Participants shall be advised of any action that needs to be taken.
- (2) It is intended that the transition to the Fallback site shall be largely transparent to Participants. Participants shall need to establish a new Logon session from their Webstation(s) to the Bank's Fallback site.
83. In the event that a participant needs to move to its Fallback site for any reason during the day, it should be able to do this without impacting the other Participants or the Bank. It should, however, notify the Bank of its intention to move to the Fallback site and also of its successful move to the Fallback site.

Contingency event  
record

Testing of contingency  
arrangements

Transition to TISS  
Fallback site

Participant transition  
to its Fallback site

## PART XVI

### SYSTEM ADMINISTRATION AND USER ASSISTANCE

84. (1) Participants shall ensure that there are sufficient funds in their account to allow immediate processing of the batch transaction. Each Participant must nominate a senior officer that the Bank shall contact in the event that a settlement fails as a result of insufficient funds. These contacts are listed on Schedule E.
- (2) If the batch is unable to be processed by 3.00 pm due to insufficient funds, the Net Settlement Batch Failure Contact set out in Schedule E shall be immediately informed. Participants shall make immediate arrangements to fund their accounts to enable the settlement to complete.
85. Participants experiencing SWIFT-related problems should make use of their ordinary SWIFT Customer Support Centre facilities, in accordance with the SWIFT User Handbook.

SWIFT assistance  
User

SWIFT customer  
Support Centre

86. (1) The Bank shall establish and maintain a TISS Help Desk at its headquarters situated at 10 Mirambo Street, Dar es Salaam to assist Participants with their use of the TISS system and to address any service difficulties encountered. The TISS Support Desk shall be available throughout the TISS Operating Day.

TISS Help Desk

(2) All requests or enquiries regarding provision of liquidity by the Bank should be directed to an authorised officer of the Bank designated as notified to the participants from time to time.

Enquiries on Liquidity

## PART XVII

### SYSTEM CHANGES AND CHANGE CONTROL

87. (1) The Bank may perform any fixes, changes or enhancements to the TISS that the Bank considers to be necessary to:

Fixes changes and enhancement to TISS

- (i) ensure the TISS continues to perform as designed; or
- (ii) meet any additional reasonable requirements ; or
- (iii) change the functionality of the TISS from the level of functionality in the TISS.

(2) The Bank shall control planned TISS changes, fixes or enhancements according to the following guidelines;

TISS system changes and change control

- (a) the Bank shall issue notices and instructions to Participants prior to implementation of planned system changes,
- (b) accompanying amendments to the Rules and Regulations and other system documentation shall be issued where appropriate,
- (c) any modifications shall be tested in a test environment prior to implementation in a production environment. Participants may be required to assist the Bank in the conduct of this testing.

88. The Bank shall review SWIFT advance information on upcoming SWIFT applications and standards. The Bank shall determine whether an upcoming change is likely to impact on TISS operations. The Bank shall notify the Participants of these changes and advise what action shall need to be taken by Participants. Participants shall implement any SWIFT changes that impact on the operations of TISS.

Changes to SWIFT standards

89. (1) Any proposed change to the operating environment of the TISS Webstation or changes to the TISS telecommunications links at Participant sites shall require prior approval of the Bank before implementation.

Changes to Participant TISS Webstation or TISS telecommunications links

(2) The Bank may, at its discretion, refuse to ratify any change that does not conform with TISS standard configuration requirements.

## **PART XVIII**

### **FEES CHARGES, AND PENALTIES**

90. (1) The Bank shall calculate fees and charge these to Participants' accounts. Charging shall be undertaken at the end of each calendar month.
- (2) Notwithstanding the forgoing, the Bank shall charge penalties to the participants upon occurrence of an event that requires penalty in the use of TISS services, as per Schedule F to these Rules and Regulations.
- (3) Participants shall be provided with invoices providing detail of TISS charges and penalties. Schedule F sets out current TISS fees, charges and penalties
- (4) The Bank shall review the fees charges and penalties from time to time by giving a prior notice to the participants.

Fees charges and Penalties

## **PART XIX**

### **AMENDMENTS**

91. The Bank may amend these Rules and Regulations provided that the participants are notified of any such amendment in advance of its taking effect with sufficient notice so as to allow reasonable time for the amendment (if any is required) of the participants internal systems and procedures.

Amendments

## **PART XX**

### **SUSPENSION OF PROCEDURES**

92. (1) The Bank may suspend the TISS Procedures in whole or part in circumstances where continued operation of the Procedures would undermine the operation and stability of the system
- (2) During the suspension of TISS Procedures operations will be conducted as determined by the Bank following reasonable consultation with the participants.
- (3) The Bank shall restore operation of the TISS Procedures as soon as practicable under immediate notice to the participants

Suspension Procedures

of



## PART XXI

### DISPUTE RESOLUTION

93. (1) The participant that considers a dispute has arisen must send a notice to the other party setting out full description of the matters in dispute and the participants shall thereupon attempt to settle the matter amicably within seven business days. Dispute Resolution
- (2) If the participants fail to settle a dispute amicably as contemplated in subsection (1) the dispute shall be referred to a dispute resolution process as provided in the following sections
94. In the case of any dispute arising between the participants with regard to the construction of these Rules and Regulations or the rights, duties or obligations of the participants, including any dispute in respect of and termination of the Agreement to Participate in TISS, such dispute shall be referred to arbitration by the Inter-Bank Settlement System Dispute Resolution Committee as established in section 95 below.
95. (1) The Inter-Bank Settlement System Dispute Resolution Committee shall comprise of ten (10) members made up as follows: Inter-Bank Settlement System Dispute Resolution Committee
- (i) Two members from the Bank and;
  - (ii) Eight rotating members, appointed by participants, for purpose of continuity four new members shall be appointed each year;
- (2) A “Secretary” shall be appointed among the members to act in an ex-officio capacity for one year.
- (3) The Chairman of the Committee shall be a member from the Bank conversant with the TISS system;
- (4) The vice chairman shall be elect annually among the members;
- (5) A committee member shall cease to be a member of the Committee if the participant he/she represents ceases to be a participant of TISS.
- (6) The Committee meetings shall be held at least once every two months or at any time in case of an extraordinary meeting and the minutes thereof submitted to the members of the Committee. The quorum of the committee shall be five members and a representative from the Bank.
- (7) The decisions of the Committee shall be on the basis of a simple majority vote, with the Chairman having a casting vote
96. The Committee shall be charged with the responsibility of arbitrating disputes arising between participants in their participation in TISS with regard to their rights, duties or obligations provided in these Rules and Regulations including any dispute in respect of and termination of the Agreement to Participate in TISS.
97. An aggrieved participant shall after trying to solve the dispute as contemplated in section 96 above and having not received any redress by the other party, shall thereafter submit its grievance in a written statement addressed to the Committee Chairman. The written statement shall narrate the facts accompanied with evidence of the dispute pointing to the violation

of a right or obligation as provided in these Rules and Regulations or Agreement to participate in TISS. The Statement shall state under which provision of the Rules and Regulations the participant is seeking arbitration.

98. The Chairman of the Committee shall, in liaison with the participants in dispute, within ten business days determine the gravity of the issue and decide whether the issue requires to be raised at an extraordinary meeting of the Committee or if the case can be deferred until a regular Committee Meeting is held.

99. (1) The grievances shall be discussed at a Committee meeting at which time the participants in dispute shall attend to present their case and answer relevant questions relating to the grievance that may be posed by the Committee. The Committee after hearing the case from both sides shall make a ruling of the matter. The ruling of the Committee shall be binding on the participants.

Hearing  
Determination  
Disputes and  
of

(2) Notwithstanding the foregoing in any Committee meeting of solving a dispute, if the accused participant is a member of the Committee he shall absent himself from the session, save where the accused participant is the Bank.

(3) The Committee shall reach its decision in the matter within one month after the matter has been set for hearing, unless the participants agree to an extension of that period.

(4) The decision of the Committee in terms of subsection (3) shall be final and binding on the parties.

100. Pending the resolution of the dispute, the participants shall continue to perform all their obligations in participation in TISS.

101. Without prejudice to the generality of the foregoing, a participant shall not be entitled to withdrawal its participation in TISS pursuant to a dispute with another TISS Participant.

## **PART XXII**

### **PUBLIC DOCUMENT**

102. These Rules and Regulations are public documents and shall be kept open for public inspection at the offices of the Bank and of every participant.

Public Document