



Central Bank of Kenya

KENYA ELECTRONIC PAYMENT AND SETTLEMENT SYSTEM (KEPSS)

KEPSS is an acronym for the Kenya Electronic Payment and Settlement System which is a Real Time Gross Settlement (RTGS) System implemented for Kenya. The system went live on 29th July 2005.

Real Time Gross Settlement (RTGS) System

A Real Time Gross Settlement System is a system in which both processing and final settlement of fund transfer transactions take place on an item by item (gross) basis continuously throughout a business day. It is an on-line system that facilitates the transfer of high value and/or time critical payments between participants in real time. It aims at enhancing efficiency by reducing inherent risks in the existing payment System

An RTGS system runs on a credit push basis in which final and irrevocable settlement can only occur if funds are available in the commercial bank's settlement account at the Central Bank of Kenya.

The system enables banks manage their liquidity efficiently while providing a better tool for Monetary Policy Management to the Central Bank of Kenya thus contributing to the realisation of a more stable financial system. The term, RTGS can be summarised as follows:-

REAL TIME – Payment instructions are carried out by a simultaneous credit and debit

GROSS – Settlement is always bilateral on a transaction by transaction basis continuously during an RTGS business day.

SETTLEMENT – Once payment instructions are successfully executed from a sender's account to a receiver's account at the Central Bank of Kenya, the payment is final and irrevocable.

Security measures in place for KEPSS

KEPSS uses SWIFT, a safe and secure message carrier for financial transfers which is accepted worldwide.

Benefits of KEPSS

- Ensures efficiency and speed as transactions are on a real time basis
- It enables commercial banks manage their liquidity as well as their settlement accounts at the Central Bank of Kenya.
- It eliminates settlement risk by minimising payment exposure

- It ensures finality and irrevocability of Payments

- It is secure and instantaneous

- It boosts the confidence of investors and the general public in Kenya's payment System.

Access to KEPSS

The system is available to both individuals and corporates through commercial banks in Kenya.

Contact your commercial bank for more details.

Role of the Central Bank of Kenya

KEPSS is financed and owned by the Central Bank of Kenya. Commercial banks that use the system pay transaction and annual fees to use the system.

Central Bank also oversees KEPSS in addition to other payment systems.

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