

Governor

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## **PRESS RELEASE**

### **COMMENCEMENT OF THE EAST AFRICAN PAYMENT SYSTEM (EAPS)**

The Central Bank of Kenya is pleased to announce the commencement of the East African Payments System (EAPS) which went live on 25<sup>th</sup> November, 2013.

The EAPS project is part of East Africa's payments modernization efforts spearheaded by the EAC central bank governors to enhance cross border payments system across the EAC region. EAPS will enable the public to pay as well as receive payments on real time basis. The transactions will be made through commercial banks in EAC regional currencies. The implementation of EAPS addresses deficiencies in the current cross-border payment methods, through enhanced efficiency and risk controls.

Currently, EAPS integrates with the respective Real Time Gross Settlement (RTGS) Systems of Kenya, Uganda and Tanzania that utilize internationally recognized SWIFT messaging network for safe and secure delivery of payment and settlement messages. All the commercial banks in Kenya, Tanzania and Uganda are participants in the systems. Commercial banks in Rwanda and Burundi are expected to join later.

EAPS has many benefits, namely; real time transfer of funds across the EAC borders; transfer of large value payments in the region; enhanced safety through use of the SWIFT infrastructure; increased accessibility as it is available in all the commercial banks; same day settlement; increased reliability through integration with RTGS; and improved risk control mechanisms. Transactions are carried out in any of the EAC local currencies hence reducing cost and risk of the transactions. This will facilitate trade in the EAC region and is a quick win for EAC.

The Central Bank of Kenya therefore wishes to encourage members of the public to make full use of the EAPS system and benefit from the resulting efficiencies including the enhancement of safety and security of intra-regional payments.

**PROF. NJUGUNA NDUNG'U, CBS**

11<sup>th</sup> December, 2013