

Bahamas Automated Clearing House (BACH)

What is it?

Why do we need it?

How will it affect me?

The Dry Details

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- Questions?

Yesterday and Today

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- Ask me about volumes, clearing times, and other details omitted in an effort to make this presentation shorter and clearer

Tomorrow (1 A.B.)

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- “On Them” cheques are exchanged electronically via the ACH the same day

Tomorrow (1 A.B.)

- Cheques are deposited at a Clearing Bank
- Cheques are processed at the end of the day
- “On Us” cheques are immediately posted
- ~~• “On Them” cheques are exchanged at the Central Bank the following day~~
- “On Them” cheques are exchanged electronically via the ACH during the same day
- ~~• Cheques received during the exchange are brought home, processed, and posted~~
- Files received from the ACH are immediately posted

So What's the Difference?

- Physical Exchange v. Electronic Exchange

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- Processing and Posting Received Cheques v. Posting an Electronic File

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- Physical Exchange v. Electronic Exchange
- Processing and Posting Received Cheques v. Posting an Electronic File
- “On Them” Cheques will clear faster
- ... but still not as fast as “On Us” Cheques
- So, you're not impressed?

Potential

- Add two transactions:

Potential

- Add two transactions:
 - Direct Credits – you pay someone - anyone

Potential

- Add two transactions:
 - Direct Credits – you pay someone - anyone
 - Direct Debits – someone debits you by prior agreement

Potential

Now some applications...

Applications

- Payroll – Credit any account anywhere any amount

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- Pre-arranged payments – *with prior agreement*, debit any account anywhere any amount
- NIB payments
- Insurance premiums
- Basically, what happens today will happen tomorrow, just quicker.
- If you submit a file to your bank you *may* have to change the format of your file.

Applications

After the ACH is live,
banks can offer
enhanced products

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent
 - The real estate agent

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent
 - The real estate agent
 - The furniture store

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- From your home, by way of Internet Banking:
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 - The travel agent
 - The real estate agent
 - The furniture store
 - School fees

Applications

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 - The travel agent
 - The real estate agent
 - The furniture store
 - School fees
 - Credit Card bills

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent
 - The real estate agent
 - The furniture store
 - School fees
 - Credit Card bills
 - Utilities

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent
 - The real estate agent
 - The furniture store
 - School fees
 - Credit Card bills
 - Utilities
 - Your nephew, the recent graduate

Applications

- From your home, by way of Internet Banking:
 - Pay anyone, anywhere, any amount
 - The plumber
 - The travel agent
 - The real estate agent
 - The furniture store
 - School fees
 - Credit Card bills
 - Utilities
 - Your nephew, the recent graduate
 - Alimony

Applications

- With your prior approval:
 - Allow deductions to your account by any corporate entity, anywhere, any amount
 - School fees

Applications

- With your prior approval:
 - Allow deductions to your account by any corporate entity, anywhere, any amount
 - School fees
 - Credit Card bills

Applications

- With your prior approval:
 - Allow deductions to your account by any corporate entity, anywhere, any amount
 - School fees
 - Credit Card bills
 - Utilities

Applications

- With your prior approval:
 - Allow deductions to your account by any corporate entity, anywhere, any amount
 - School fees
 - Credit Card bills
 - Utilities
 - Insurance premiums

Applications

- With your prior approval:
 - Allow deductions to your account by any corporate entity, anywhere, any amount
 - School fees
 - Credit Card bills
 - Utilities
 - Insurance premiums
 - Savings

Applications

- From your office:
 - Cash Management between any account anywhere

Applications

- From your office:
 - Cash Management between any account anywhere
 - Vendor Payments (Look mom! No cheques!!)

Other Stuff

- When: project substantially on target for October

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- The design of cheques will change but this will be over time
- The number of cheques will gradually reduce over time, being replaced by DDs and DCs
- Increased functionality will be offered over time with the development of the ACH and Clearing Bank product offerings
- Watch out! This will change the way you and your bank work together. Expect more for the same or less.