Da Afghanistan Bank

Directorate General of Payments

Regulation on Domestic Payment Operations of Da Afghanistan Bank

2026

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بِسۡمِ ٱللَّهِ ٱلرَّحۡمَٰنِ ٱلرَّحِيمِ

الحمد لله ربّ العالمين و الصّلاة و السّلام على سيد المرسلين و على آله و اصحابه اجمعين.

Chapter 1

General Provisions

Basic

Article 1

This Regulation has been enacted pursuant to Articles 87, 88, and 89 of the Da Afghanistan Bank (DAB) Law, under the title "Payment, Clearing, and Settlement of Payment Systems and Their Operators," to regulate domestic payment operations.

Objectives

Article 2

The objectives of this Regulation are as follows:

1- To introduce and process payment services.

2- To clear, settle, and regulate domestic payment operations in Afghanistan.

3- To specify the manner of using domestic payment systems under the administration of DAB.

Terminologies

Article 3

The following terms used in this Regulation shall have the meanings set forth below:

1- **Account for the Performance of Payment Operations:** A transaction account within the framework of the Interbank Payment System (IPS) operated by DAB or another cooperating association, in which the opening and closing balances of the account, as well as each transaction, are recorded. Similar accounts maintained by banks, such as current account, deposit account and loan account, which fall outside the scope of this system, are distinguished separately.

2- **Bank:** A legal person that accepts monetary deposits or other repayable funds from the public for investment and financing to earn a profit.

3- **Beneficiary (or Payee) Bank:** A bank that receives funds at the creditor's order.

4- **DAB Liquidity Facilities:** Standing Credit Facility maintained at DAB that may be drawn upon by an account holder (bank). In some cases, an account holder may access these facilities automatically upon instruction (e.g., the use of required reserves for intraday liquidity). In other cases, DAB reserves the right to exercise its discretion. In all cases, credit extended to banks for liquidity purposes shall be secured, as separately stipulated in the Regulation on Liquidity Maintenance and Measurement.

5- **Clearing:** A set of procedures whereby participants present and exchange data and/or documents relating to funds or securities transfers with other participants at a single location; In a net settlement system, these procedures typically include the calculation of participants' bilateral and/or multilateral net positions, which are delivered to the settlement agent to accomplish final settlement.

6- **Settlement:** With respect to a payment instruction or account transfer, settlement refers to the successful posting of debit and credit values to the relevant accounts as specified in the payment instruction or account transfer.

7- **Credit Transfer:** A payment instrument characterized by the fact that the participant initiating the transfer places funds at the disposal of a beneficiary participant.

8- **Current Account:** An account held in a system operated by a bank outside the IPS and used to make payments on behalf of one of the parties to a payment transaction. If the account has a credit balance, it represents a claim by the respective party against the bank. If the bank permits a debit balance in the account, it represents a claim by the bank against the customer (i.e., an extension of credit to the customer).

9- **Customer or Client:** A natural person or legal entity having an account with a bank, including a bank, that has an account with DAB or with another bank.

10- **Debit Transfer:** A payment instrument characterized by the fact that the participant initiating the transfer is the beneficiary of that transfer. A debit instrument may be based on the paying party's authorization for a specific amount or for variable amounts (such as a direct debit scheme).

11- **Legal Tender and Monetary Unit:** The currency of Afghanistan and its monetary unit is the Afghani, the symbol of which shall be "Af."

12- **First In, First Out (FIFO):** An abbreviation indicating that pending instructions are processed in the order in which they are received by the system.

13- **Final Settlement:** The final discharge of obligations between participants through irrevocable transfers between their accounts at a predetermined settlement institution.

14- **Finality (or Settlement) at DAB:** Final settlement where irrevocable credit transfers are executed through accounts held on the books of DAB.

15- **Funds Transfer:** The transfer of funds from one account to another, whether between accounts of the same person or between accounts of different natural or legal persons, constituting payment arrangements or redistribution of liquidity.

16- **Gridlock and Its Resolution:** A condition that may arise in a funds transfer system where the failure to execute certain transfer instructions (due to insufficient funds) prevents the execution of a significant number of instructions submitted by other participants.

17- **Interbank Payment Account:** An account used to execute payment operations and held by one of the parties to a payment transaction. The account is maintained in a payment system operated by DAB or another cooperating association. The account either relates to transactions of the participant itself (e.g., as a bank's current account) or is used by the participant as an intermediary for transactions of other parties. At any time, the balance of a party's account represents a claim of that party against the intermediary participant. DAB operates accounts as an agency service for participants and facilitates payment operations on behalf of its own clients.

18- **Interbank Payment System (IPS):** IPS is operated by DAB or another cooperating association. The IPS is provided to participants by DAB as an optional, cost-based agency service. It processes both high- and low-value payments and may provide RTGS intraday finality for such payments using DAB money. It is a credit transfer system. Debit transfers introduced into the IPS are converted into credit transfers for interbank settlement by placing them in a participant's settlement queue pending the participant's authorization. The IPS exists and operates within a single integrated information technology platform that includes a wide-area data communications network connecting participants to DAB.

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19- **Interbank Payment:** A payment between paying and beneficiary banks, where the banks may be principals to the underlying obligations (i.e., parties to the underlying transaction) or may act as intermediaries for payments made on behalf of their customers.

20- **Interbank Settlement:** The final settlement of interbank obligations of banks arising from interbank payments.

21- **Intra-bank Payment:** Payments conducted between customers within the same bank.

22- **Intraday Finality:** A mechanism operated by DAB whereby real-time settlement in central bank funds is executed, or irrevocable liquidity is allocated in real time to accounts maintained at DAB.

23- **Liquidity:** The availability of unrestricted funds in an account that are immediately accessible to the account holder at a given point in time.

24- **Liquidity Risk:** The risk that a participant may be unable to settle a debit position at a specified time due to insufficient liquid assets. Such liquidity problems do not necessarily imply insolvency, as the participant may be able to settle its obligations later.

25- **Net Credit / Debit Position:** In a net clearing system, the net credit or debit position of a member bank (participant) equals the total value of transfers received from another participant minus the transfers sent to the same participant at a given point in time. A positive result indicates a net credit position; a negative result indicates a net debit position.

26- **Net Settlement:** A settlement process whereby participants settle only their net settlement positions or the net positions resulting from the clearing process.

27- **Net Settlement Position:** The net credit or debit positions between bilateral combinations of participants at the time net settlement occurs. In a netting system, a participant's net settlement position equals the total transfers received minus the transfers made to other participants. If negative, the participant is in a net debit position; overall, the sum of all participants' net positions equals zero.

28- **Operational Risk:** The risk arising from hardware or software failures, human error, or malicious attacks (cyberattacks) that may cause system outages or malfunctions, resulting in financial exposure and possible losses.

29- **Originating Bank:** A member bank or participant in the payment system that initiates a payment instruction (credit transfer or debit transfer).

30- **Originator:** A party that typically initiates payment instructions (credit or debit transfers), usually through an intermediary bank.

31- **Originator's Account:** An account held by the initiator of an instruction within the IPS at a bank.

32- **Paying Bank:** The bank that transfers funds at the creditor's order.

33- **Payment Initiation:** The submission of validated and authorized payments into the payment system in accordance with the payment system's operating procedures.

34- **Payment:** The satisfaction and discharge of an obligation, by the debtor's irrevocable provision of an unconditional claim on a third party acceptable to the creditor (e.g., banknotes and deposits held at banks or at DAB).

35- **Payment Operations:** The use of payment systems to execute payments and to settle resulting interbank liabilities arising during this process.

36- **Bilateral Payment Operations:** Payments between natural or legal persons through which obligations between them are discharged. In this Regulation, the term specifically refers to persons using the payment system through intermediaries or participants. In IPSs, participants intermediate bilateral obligations.

37- **Payment Order (Payment Instruction):** An order or message requesting the transfer of funds (in the form of a claim on a third party) to the order of the creditor; The order may relate either to a credit transfer or a debit transfer; The instruction may be oral or in physical or electronic media in accordance with prior agreement.

38- **Payment System:** A defined group of participants and a set of instruments and procedures used to ensure the circulation of money within a defined area. Modern payment systems typically make extensive use of information technology (IT).

39- **Payment System Operator:** A natural or legal person responsible for providing regulated operational and technical services to the payment system.

40- **Payment System Participants:** Participants are financial institutions authorized to perform payment operations within a payment system in accordance with that system's regulatory framework and operating procedures.

41- **Payment System Regulator:** Pursuant to the DAB law, the Da Afghanistan Bank is responsible for regulating the country's payment system.

42- **Queues (Queuing):** A risk management arrangement whereby transfer orders are held pending sufficient cover in the settlement account.

43- **Real-Time Gross Settlement (RTGS):** A gross settlement process in which each transaction is processed and settled individually, in a continuous real-time operation; Settlement takes place at the same time as or before the payment order is passed to the transferee.

44- **Receiving Bank:** The participant bank that is the last to receive a payment order in a payment system. In a credit transfer, this is the payee's bank; in a debit transfer, this is the payer's bank.

45- **Receiving Account:** The destination account to which a payment order is directed; in a credit transfer, it is the beneficiary account; in a debit transfer, it is the paying account.

46- **Settlement Account:** An account operated by the settlement institution and used to facilitate final settlement. Business accounts are among the settlement accounts.

47- **Settlement Agent:** An institution that initiates final settlement on behalf of all participants.

48- **Settlement Institution:** An institution acting as an intermediary between participants for settlement purposes. Final settlement is executed through account postings in the settlement institution's books.

49- **Systemic Risk:** The risk that the failure of one participant in an interbank funds transfer system to meet its obligations will cause other participants to be unable to meet their obligations when due.

Scope of Application

Article 4

The Regulation on Domestic Payment Operations shall be implemented in accordance with the provisions governing transfer instructions set out in the DAB law. The law designates DAB as the

regulator of domestic and international payment systems within its scope of authority. Pursuant to this Regulation and other applicable regulations, DAB may exercise and enforce its regulatory powers in payment systems.

Currency

Article 5

1- The Afghani is the legal tender in Afghanistan.

2- Payments through the IPS, operated by DAB, are denominated in Afghanis or US dollars.

3- Payments may also be executed in other currencies in accordance with applicable laws.

Chapter 2

Duties and Responsibilities

Responsibilities of DAB

Article 6

(1) The responsibilities of DAB in payment operations are as follows:

1. DAB acts as the operator, settlement agent, and settlement institution of the IPS. DAB is also a participant in the IPS.
2. DAB provides collateralized liquidity facilities to participants of the IPS in accordance with the Standing Facilities Regulation, acting as the lender of last resort pursuant to Article 86 of the DAB Law.

(2) DAB performs the following functions:

1. Providing the regulatory framework and supervision for payment systems in Afghanistan.
2. Opening and closing payment operation accounts for parties and participants in the IPS and maintaining registers of accounts in accordance with separate regulations.
3. Processing interbank payments and carrying out interbank settlements.
4. Recording funds transfers in IPS accounts and updating the balances accordingly.
5. Performing payment operations on behalf of its clients (banks, the Government of Afghanistan, international financial institutions, and donor organizations) and maintaining IPS operation accounts accordingly.

6. Meeting its financial obligations to its creditors on the due dates.
7. Timely resolving discrepancies, errors, omissions, and exceptions, and maintaining adequate systems to identify such events.
8. Implementing, operating, and maintaining the necessary information technology systems to support the IPS and providing banking/payment services to its clients.
9. Monitoring participants' liquidity and providing intraday and overnight liquidity facilities to participants under regulated conditions.
10. Carrying out the central distribution of cash in the banking system.
11. Determining fees and tariffs that participants shall pay for using the IPS.
12. Providing statistics on payment traffic.
13. Participating in international and multinational committees and organizations related to payment systems.
14. Engaging with banks in the cooperative development and improvement of payment systems and the provision of new payment services.
15. Performing other activities as regulated.

Responsibilities of Banks in Payment Operations

Article 7

Banks have the following responsibilities in payment operations:

1- Banks open and maintain customer accounts in their own books and back-office systems, maintain accurate transaction records, and prepare financial statements in accordance with applicable laws, standards, and practices.
2- Banks perform cash and cashless payments for their customers.
3- Banks submit intrabank payments to DAB only where at least one of the accounts affected by the payment is in the IPS operated by DAB.
4- Banks shall meet their financial obligations on the due date.
5- Banks shall perform treasury activities to support cash payment operations.
6- Banks shall resolve discrepancies, errors, omissions, and exceptions promptly and maintain adequate systems to identify such events.

7- Participants in the IPS shall observe the regulations and operating procedures of the system.

Bilateral Agency Arrangements (Future Consideration)

Article 8

(1) For the time being, transactions are settled on a gross basis.

(2) A bank may enter into a bilateral agency agreement with another bank to perform payment operations on its behalf, subject to the supervision of DAB.

(3) Where a bank establishes such an arrangement with a participant to gain access to the IPS, the participant shall remain fully responsible for any action or omission affecting the IPS arising from such agency arrangement, whether caused by the principal or the agent bank.

(4) The banking obligations between the principal bank and its customer shall remain unaffected.

Multilateral Schemes and Third-Party Agency Arrangements (Future Consideration)

Article 9

(1) Banks may establish multilateral schemes (such as direct debit/credit schemes) and may delegate responsibilities for payment operations to a third-party agent (e.g., a clearing house, technical service provider, or plastic card processing center).

(2) DAB shall be responsible for supervising all such schemes and agencies. At first, DAB shall ensure that its establishment and operation have a valid legal basis (whether by contract or otherwise) and that it complies with standards and best practices to mitigate risks inherent in payment systems.

(3) DAB may directly participate in such schemes and arrangements (as operator, settlement agent, settlement institution, participant, etc.).

Other Domestic Payment Systems

Article 10

The Post Office may provide payment services as regulated by this regulation and the regulations applicable to the Post Office. However, it may not take deposits or open accounts for customers,

nor may it maintain a settlement account with DAB. Where the Post Office is used for these types of services, such services should be provided through the agency of a bank regulated by DAB.

Chapter 3

Interbank Payment System (IPS)

Participants in the IPS

Article 11

The IPS operates on a single, integrated information technology platform comprising a wide-area network that connects participants to DAB. Banks and DAB are the primary participants in the IPS. At DAB's discretion, other regulated financial institutions may be admitted as participants. Bank participation in the IPS is not mandatory. In this regard, the following shall be taken into consideration:

1- The IPS is the only system that provides settlement in DAB money.

2- A bank wishing to make use of the IPS agency services shall either be a participant in the IPS (and operate business and settlement accounts accordingly) or engage a participant to act as its agent.

3- The following are the participation criteria for the IPS:

a. Be duly licensed by DAB to perform payment operations.

b. Be in good standing with the banking licensing and supervision entities.

c. Maintain a settlement account and a business account with DAB.

d. Meet minimum technical, operational, and management standards set by DAB.

e. Pay membership fees and tariffs approved by DAB.

Payment Operation Accounts (IPS)

Article 12

(1) Payments between participants and parties holding accounts in the IPS shall be posted through payment operation accounts. These accounts shall be organized into sections under a single chart of accounts.

(2) DAB opens payment operation accounts for participants (business accounts and settlement accounts) and opens IPS accounts for parties.

(3) Accounts maintained in the back-office systems of banks (e.g., current accounts) may also be used for interbank payment operations. Such payments shall be routed through the respective participants' business accounts, and the participants shall be responsible for ensuring that such payments are correctly posted to the paying and beneficiary accounts.

Business Account of a Participant (If used)

Article 13

(1) A bank may have no more than one business account held at DAB per authorized currency (Afghani, USD, or other currencies).

(2) The business account is used to effect final settlement of interbank payments in DAB money through the Real-Time Gross Settlement (RTGS) process.

(3) At present, no business (transaction) accounts are maintained at DAB; however, such accounts may be opened at a later date to facilitate daily transactions before settlement through the settlement account.

Settlement Account of a Participant

Article 14

(1) DAB shall open a single settlement account for participants per authorized currency (Afghani, USD, or other currencies).

(2) The account shall be used to provide intraday finality in DAB money for payments processed through the RTGS system. This is achieved by recording in the settlement account, at any given time, the specific amount of liquidity that has been irrevocably allocated (blocked) in the participant's business account pending final settlement at the end of the day.

Settlement Account Queue

Article 15

The settlement account features a queuing mechanism that temporarily holds outstanding payments until liquidity becomes available in the settlement account.

Initiation of Customer Payments in the IPS

Article 16

(1) A party shall instruct and authorize the intermediating participant to make payments from the relevant IPS account by submitting credit transfer payment orders to the participant, or by authorizing an originator to initiate debit transfers against the IPS account.

(2) Following the customer's instructions/authorization, participants shall perform formal and logical controls on the payment order as regulated by the operating procedures, and submit the payment into the IPS by means of a terminal connection to the central processing platform of the IPS.

(3) Payments may be submitted by other means and using other media (e.g., bulk direct debit files, bulk credit transfer submissions, etc.) as provided for in the operating procedures.

Payment Authorization

Article 17

(1) In the case of credit transfer payments initiated in the IPS by a participant, the participant shall obtain and retain a record of the ordering customer's authorization for that payment (i.e., a copy of the payment order). The submission of the payment message to the system constitutes the intermediating participant's authorization to make the payment and to use the participant's liquidity for interbank settlement.

(2) In the case of credit transfer payments initiated by a party with online access to an IPS account, submission of the payment message to the system in accordance with the operating procedures shall be deemed to constitute the party's authorization of the payment. Such payments shall nevertheless require authorization by the intermediary participant. The participant's authorization shall be obtained by retaining such payments in the participant's RTGS queue until they are duly authorized by the participant through online notification. The participant may, at its own discretion and risk, use automatic authorization for certain categories of payments (i.e., low-value payments) to improve efficiency.

(3) In the case of debit transfers, payments shall be initiated by the originator and subsequently converted into standardized payment instructions at DAB. Such payments

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still require the authorization of the intermediating participant. The participant's authorization shall be obtained by retaining such payments in the participant's RTGS queue until they are duly authorized by the participant through online notification. The participant may, at its own discretion and risk, use automatic authorization for certain categories of payments (i.e., low-value payments) to improve efficiency.

Liquidity and Coverage Check

Article 18

(1) Individual payments are made in real-time (RTGS mode) against available liquidity in the relevant payment operation accounts.

(2) The second liquidity check (against the liquidity in the paying bank's settlement account) shall not be performed until the first cover check (against the liquidity in the paying party's IPS account) has been successfully completed.

(3) Payments for which there is insufficient liquidity cover during the course of the day are placed in queues according to priority and submission time (FIFO), and are settled once sufficient liquidity is available.

(4) Banks shall monitor their settlement account queue and provide sufficient liquidity in their settlement account to settle all payments in the queue during the settlement day.

(5) Intrabank payments initiated into the IPS by participants shall be settled immediately to the limit of available liquidity cover in the debited IPS account, and shall not affect the liquidity in the settlement or business account of the participant.

Gridlock Resolution

Article 19

As the system operator, DAB may implement technical and operational interventions to identify and resolve gridlock in settlement account queues.

Cancellation of Queued Payments at the End of the Day

Article 20

(1) Payments that remain outstanding in the paying party's account queue before cut-off time shall be rejected from the queue, and notifications are sent as follows:

1. In the case of a credit transfer, notification is sent to the party.
2. In the case of a debit transfer, notification is sent to the originating participant and, where the account is in the IPS, to the originating customer.

(2) Payments that remain outstanding in a participant's settlement account queue at the end of a business day shall be rejected from the queue, and notifications are sent as follows:

1. In the case of a credit transfer, notification is sent to the originating participant and to the originating customer's account holder (where this account is in the IPS).
2. In the case of a debit transfer, notification is sent to the default participant, the originating bank participant, and the originating customer's account holder (where this account is in the IPS).
3. DAB shall monitor interbank payments that fail to settle (i.e., those remaining in the settlement queue at the end of the day) and may impose sanctions against ordinary or large-scale offenders.

Finality in the IPS

Article 21

1- The funds shall be irrevocable immediately upon being credited to the account. They shall be made available in real time to the beneficial owner of a payment operation account in the IPS.

2- The RTGS workflow for both credit and debit transfer payments processed through the IPS ensures that the paying party's IPS account and the paying participant's settlement account are irrevocably debited at the same time as or before the beneficiary participant's settlement account and the beneficiary party's IPS account are credited.

3- The debit transfer workflow places debit items in the settlement account queue of the participant pending authorization by the participant. It effectively converts a debit transfer in the IPS into an interbank credit transfer for interbank settlement purposes.

Liquidity Facilities Provided by DAB

Article 22

(1) Banks may use required reserve deposits held at DAB to provide intraday liquidity for settlement through the current account, in accordance with the regulations governing required reserves for monetary policy purposes.

(2) Banks may also obtain collateralized credit from DAB in accordance with the Regulation on Liquidity Management and Measurement.

Account Statements / Confirmations

Article 23

1- Account changes resulting from settled payments shall be reflected in the end-of-day statement.

2- The statement consists of an opening balance, individual transaction amounts, transaction references, and the end-of-day balance.

3- If DAB does not receive a written notification of disagreement from or on behalf of a participant regarding the content of the statement within 24 hours of its issuance, DAB shall deem the participant to have agreed to the content of the statement.

Bank Accounting for IPS Operations

Article 24

(1) Participants shall record the transactions and/or balances held in accounts for which they are the intermediary participants in their financial statements, by mirroring the relevant transactions and/or balances in their own systems.

(2) Banks shall be responsible for the timely and accurate exchange of data between the IPS and their back-office systems, and for the proper presentation of assets and liabilities in their financial statements.

Bank Records of Payment Authorization and Processing

Article 25

Banks, including DAB, shall maintain auditable records (payment orders/proof of payment authorization, statements, etc.) until further notice.

Working Day of IPS

Article 26

(1) The IPS is available to participants during working days.

(2) "Working days" are set out in the operating procedures of the IPS and include all days of the week except Friday and other bank holidays recognized as non-working days under the Labor Law.

Operational Day of IPS

Article 27

(1) The operational day of the IPS, depending on the season and the month of Ramadan, consists of full working days from Saturday to Wednesday and a half working day on Thursday. Operating processes are set in phases and consist of the following key system functioning elements:

1. System start-up.
2. Acceptance of bank liquidity transfer orders.
3. Acceptance of payment orders.
4. End of acceptance of interbank payment transactions and closing of the settlement cycle.
5. Acceptance of bank orders to provide liquidity for queued orders.
6. End of liquidity provision for queued orders.
7. End of day.
8. Issuance of statements and notification on the next business day.

(2) For all other types of messages that do not represent payment transfers, DAB remains accessible until the end of the working day.

(3) DAB may extend operating hours under special or unforeseen circumstances.

(4) If the extension of IPS working hours is caused by one or more participants, they may be held responsible for expenses incurred as a result of extension hours.

Errors, Exceptions, and Omissions in IPS

Article 28

(1) Any party or participant, including DAB in its various capacities, may introduce errors, exceptions, and omissions into the IPS.

(2) These may be rectified by submitting a free-format message for transaction correction or a return notice at any time until:

1. The settlement account of the beneficiary participant (in the case of interbank payments) has been credited.
2. The customer account (in the case of intrabank payments processed through the IPS) has been credited.

(3) After these events (which constitute irrevocable settlement), the matter shall be resolved through direct negotiation between the affected parties and participants (ultimately, by directive of the Executive Board of DAB) and shall be completed by initiating a new corrective payment.

(4) Participants shall rectify omissions immediately upon becoming aware of them.

(5) Participants are required to:

1. Maintain a control account for recording incorrect or ambiguous payments pending resolution.
2. Keep a file of identified errors, exceptions, and omissions, including copies of original documents and records of correspondence and negotiations undertaken.
3. Immediately notify DAB and the counterparty participant, and provide copies of documents that may be required to resolve the issue.
4. Pursue resolution immediately.
5. Record the resolution of the error or deletion in the file.

DAB as Operator and Settlement Agent of IPS

Article 29

As the operator and settlement agent of the IPS, DAB has the following obligations regarding record-keeping and the resolution of identified errors and inadvertent mistakes:

1- Errors and omissions introduced by a party (including account holders who may have online access to their accounts) are resolved directly between the party and the intermediary participant. The intermediary participant is fully responsible for any errors introduced into the IPS by its customer with respect to any interbank liabilities arising.

2- Authorization of a payment for interbank settlement by a participant shall be deemed to constitute the initiation event for regulatory purposes under the IPS, and the participant shall assume full and immediate liability for any duly authorized payment submitted to the IPS.

Tariffs in IPS

Article 30

(1) The IPS, operated by DAB, may be operated on a cost-recovery basis. DAB shall determine a central processing tariff to cover the fixed, variable, and ongoing investment costs associated with the establishment and operation of the IPS.

(2) The central processing tariff reflects the real economic cost of processing each transaction, in accordance with established international practices for cost-based institutions.

(3) These tariffs shall be published and revised from time to time by DAB.

(4) Banks shall publish the tariffs charged to their customers in accordance with the nature of their business models. DAB shall regularly monitor the tariffs applied by banks and may intervene through direct regulation where such tariffs are deemed excessive or where there is evidence of restrictive practices among banks.

Blocking of Bank Accounts

Article 31

(1) DAB may block participants' payment operation accounts under the circumstances set out in the laws and regulations of DAB.

(2) An account may be blocked for all payments, all receipts, or both payments and receipts.

(3) The participant shall be notified immediately upon blocking of the account.

(4) Account blocking shall prevent any debit or credit orders from being settled against the blocked account. If a participant attempts to make a payment to an account blocked for receipts, the participant shall be notified of the block, and the payment order shall be returned.

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Chapter 4
Payment by Current Account or Other Types of Accounts

Current Accounts and Other Accounts (Deposit, Loan) in Banks

Article 32

(1) Banks may open current accounts and other types of accounts in their own back-office systems for both legal entities and natural persons.

(2) The mutual rights and obligations of the bank and the customer shall be regulated by the account opening and maintenance agreement entered into between them. Such an agreement shall be subject to the supervision of DAB.

Payments through Accounts Held in Banks

Article 33

(1) Banks may make intrabank and interbank payments from such accounts at the customer's instruction, whether or not sufficient funds are available in the account.

(2) Interbank payments may be processed through the IPS through the respective participants' current accounts. Participants shall ensure that such payments are correctly recorded in the paying party's and beneficiary's accounts in their respective books and back-office systems. Remittance (Hawala) details or other notification mechanisms shall be used by the receiving bank to identify the correct destination account.

(3) High-value transactions shall be conducted through accounts maintained with banks.

Due Care and Secrecy of Bank Accounts

Article 34

(1) Banks and their customers shall exercise due care in conducting transactions through these accounts, including taking reasonable measures to prevent fraud and mitigate errors, omissions, and discrepancies.

(2) Banks shall exercise due care in interpreting ambiguous payment orders.

(3) A bank shall be bound by the duty of confidentiality and may disclose account-related information only to the customer, unless otherwise required by a court order or a request from another competent authority, or where the customer has expressly authorized such disclosure, in accordance with applicable law.

Transaction Posting and Bank Obligations

Article 35

(1) In the case of an intrabank payment, a bank shall credit a correctly specified beneficiary account no later than the end of the same day on which the bank debited the paying account in its own books.

(2) In the case of interbank payments, banks have the following obligations for timely action concerning:

1. **Originating credit transfers:** to initiate the interbank credit transfer using liquidity in the customer's account no later than the end of the same working day on which it received the customer's instruction and authorization.
2. **Originating debit transfers:** to post credit to the beneficiary's (originator's) account by the end of the same working day on which the bank received the funds (e.g., receipt of credit into a participant's settlement account if the IPS is used).
3. **Receiving debit transfers:** to initiate payment to the originator by the end of the same working day on which the debit is successfully posted to the paying account.

(3) Banks shall maintain sufficiently robust systems and procedures to comply with these parameters.

Errors, Exceptions, and Omissions in Bank Systems

Article 36

Banks shall record transaction errors and exceptions to actively pursue their resolution as follows:

1- Maintain a control account for recording incorrect or ambiguous payments pending resolution (DAB transit account or interbank settlement account).

2- Keep a file of any errors, exceptions, and omissions that have been discovered or notified, including copies of all primary documents, and a record of any correspondence and conversations related to the problem.

3- Immediately notify DAB and the related participant, and provide copies of such documents as may be necessary to resolve the problem.

4- Pursue resolution immediately.

5- Record the resolution of the problem in the relevant file.

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Statements and Notifications

Article 37

(1) A bank shall provide the customer with an account statement covering a specified period and showing the opening balance brought forward from the previous period, all transactions during the specified period, and the closing balance for that period. The statement shall also include sufficient transfer information to enable the customer to identify and/or recall the purpose of each payment. The period covered by the statement (daily, monthly, annually, etc.) shall be agreed upon by the bank and the customer during the account-opening procedure.

(2) The customer shall exercise ordinary care in reviewing the bank's statement and shall notify the bank promptly upon becoming aware of any discrepancy or disputed debit or credit. The bank shall assist the customer in investigating such discrepancies or disputed transactions, provide relevant information available to it, and make appropriate adjustments to the account once the facts have been agreed upon or determined.

(3) The bank shall also deliver other individual transaction confirmations/receipts in accordance with good practice.

Collection of Service Fees

Article 38

A bank may, for the purpose of collecting fees and commissions for services provided to the customer, apply any funds held in the customer's sight deposit accounts with the bank and may exercise a lien over the customer's other assets, whether held by the bank or elsewhere, in accordance with this Regulation.



Chapter 5

Payment Services provided by the Post Office and Risk Management in the IPS

Payment Services provided by the Post Office

Article 39

The Post Office may provide payment instruction services for intrabank payments (including payments involving DAB branches) where no system connectivity exists at the branch, such as when DAB branches are not connected to the IPS.

Operational Risks in IPS

Article 40

(1) Operational risks in the IPS include the following:

1. Routine management procedures (operator, participants, and parties).
2. Routine external verification of transactions and balances.
3. Internal and external audits.
4. Access controls.
5. Contingency planning.

(2) Access to the IPS is restricted to authorized personnel of participants and DAB.

(3) Participants shall control the security of access points (user IDs) to the IPS.

(4) Participants bear full responsibility for the competence, integrity, and proper management of personnel who have user IDs and are granted access to the IPS.

(5) As operator of the IPS, DAB will regulate and-periodically test a contingency plan to ensure compliance with acceptable "Mean Time Between Failures" (MTBF) and "Maximum Time to Recovery" (MTTR), as well as disaster recovery facilities.

(6) Participants shall maintain their own contingency and emergency plans, disaster recovery and backup facilities, and participate in periodic tests organized by DAB.

Systemic Risk in the IPS

Article 41

Systemic risk in the IPS is managed through the following techniques:



1- Processing payments through the IPS in RTGS mode (i.e., providing intraday finality in DAB money).

2- Participation criteria to ensure that only regulated banks with sufficient liquidity and repayment capacity (solvency and liquidity) are permitted to join the IPS.

3- Disallowing participants from viewing incoming transfers in counterparties' queues.

Liquidity Risk in IPS

Article 42

Liquidity risk in the IPS shall be managed through the provision of liquidity facilities by DAB to participants as follows:

1- Banks may use their required reserves to obtain intraday liquidity, in accordance with the Required Reserves Regulation.

2- Banks may use collateralized credit facilities of DAB in accordance with the Intraday Liquidity Regulation.

Credit Risk in IPS

Article 43

Credit risk-in the IPS shall be managed through participation criteria to ensure that only regulated (solvent and liquid) banks are granted access to the system.

Chapter 6

Transitional Provisions

Prioritization of Enforced Collection Orders

Article 44

If the funds available in a participant's IPS account are insufficient to settle all payment orders, the payment orders shall be processed in the following sequence:

1- Orders for the enforced collection of taxes, contributions, customs duties, and other public revenues issued pursuant to the executive regulations of fiscal, customs, and other competent authorities, as well as customers' payment orders for such obligations, shall be processed in the order of receipt.

2- Payment orders for which collection priorities are established by law (orders issued by banks pursuant to executive court regulations and other executive regulations, orders of

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legal authorities, and charges for payment transaction services) shall be processed in the order of receipt.

3- Orders of account holders shall be processed according to the maturity date or, if no maturity date is specified, according to the time of receipt.

4- DAB may repeal this transitional provision when various laws requiring the enforced collection of payments through the IPS come into force.

Participation of Unlicensed Banks / Other Financial Institutions

Article 45

Banks whose licenses are under process, unlicensed banks, and other financial institutions shall not be admitted as participants in the payment system.

Enforcement

Article 46

This Regulation shall enter into force upon approval by the DAB Supreme Council. Upon its entry into force, the Regulation on Domestic Payment Operations shall be deemed repealed.

