

Frequently Asked Questions (FAQ) BI-FAST

Overview

1. What is BI-FAST?

BI-FAST is national retail payment system infrastructure that can facilitate retail payments in real time, securely, efficiently and operating 24/7.

2. Why did Bank Indonesia develop BI-FAST?

Bank Indonesia developed BI-FAST to address the public need for fast (real-time) and efficient money transfer services available 24/7. Currently, the National Clearing System (SKNBI) is unable to fully meet such demand due to the finite window time, lack of real-time effective funds and limited payment channels, which ultimately detract from the convenience of cashless transactions. In addition, BI-FAST is expected to strengthen national retail payment system resilience by providing an alternative to existing national payment system infrastructure.

3. What is the objective function of BI-FAST development?

- 1) BI-FAST was developed to support national payment system industry consolidation as well as end-to-end integration of the digital economy and finance.
- 2) BI-FAST is a national-driven policy in accordance with the Bank Indonesia Regulation (PBI) on Payment Systems, PBI on Payment System Infrastructure and PBI on Payment Service Providers (PSP) as well as the CEMUMUAH Principles (fast, affordable, convenient, secure and reliable).
- 3) BI-FAST was developed in line with Bank Indonesia's policy direction moving forward, including monetary, financial system stability and payment system policies, to create an integrated, interoperable and interconnected (3i) ecosystem.

4. What are the benefits of BI-FAST for the industry and public?

Currently, National Clearing System (SKNBI) and Bank Indonesia – Real Time Gross Settlement (BI-RTGS) system services are limited to specific window times, while 24/7 online services are constrained by transaction value limits and there are also access limitations to e-channels (mobile and internet banking). The value proposition of BI-FAST is as follows:

- **Real-time 24/7** (real-time at the bank and customer levels and always available)
- **Complete** (serving various payment instruments and channels)
- **Secure** (complete with fraud detection and AML/CFT features)
- **Efficient** (using a proxy address as an alternative to account numbers)

5. **What are the main features of BI-FAST?**

BI-FAST features include 24/7 services, effective funds received in real time by the customer and bank, push and pull transfer services, use of a proxy address* (mobile number and email) replacing the account number, automatic customer notifications, fraud detection system and an anti-money laundering/combating the financing of terrorism (AML/CFT) system.

*A proxy address is used to enhance customer convenience because it is easier to memorise than an account number.

6. **Which channels have access to BI-FAST services?**

Initially, BI-FAST services will be accessible to mobile/internet and counter channels. In future, however, other channels will have access to BI-FAST services, including QRIS, ATM and EDC.

7. **When is BI-FAST implementation due to begin?**

BI-FAST will be implemented gradually commencing in December 2021, initially focusing on individual credit transfers. Beginning in 2022, BI-FAST services will be developed incrementally to facilitate debit transfers, bulk credit and requests for payment. Finally, BI-FAST will be expanded to serve other transactions, including instrument-based transactions, QRIS and cross-border transactions.

8. **What are the eligibility requirements for BI-FAST participants?**

BI-FAST participation is open to banks, nonbanks and other parties meeting the following criteria:

- a. BI-FAST participants must fulfil institutional arrangements, financial performance and information system capabilities.
- b. BI-FAST participants must meet 3C criteria, namely **Contribution** (to the digital economy and finance), **Capability** (capital and liquidity) and **Collaboration** (support for future BI policy).
- c. Candidate BI-FAST participants for the onboarding program must also meet the Champion in Readiness criteria based on the readiness of people, processes and technology.

9. **What is the mechanism for BI-FAST participation?**

Banks, nonbanks and other parties can register as BI-FAST participants through Front-Office Licensing at Bank Indonesia, complete with the required documentation in accordance with the Board of Governors Regulation (PADG) on BI-FAST.

10. When will industry players be designated as BI-FAST participants?

Bank Indonesia encourages all industry players to connect with BI-FAST. Nevertheless, the readiness of each candidate participant is different. Therefore, Bank Indonesia is selecting candidates based on the readiness of people, processes and technology. Initially, candidates meeting the selection requirements will participate in the onboarding program in Batch 1 (December 2021) and Batch 2 (January 2022). Batch 1 participants were selected after meeting the Checkpoint 4 Threshold and passing the Industrial Test. Subsequent batches will be open to other candidates wishing to participate in the BI-FAST system.

11. Is BI-FAST participation mandatory?

Bank Indonesia encourages all industry players to connect as BI-FAST participants to enjoy the value added of consumer-centric BI-FAST services and fulfil public demand for efficient and affordable digital transactions. Nevertheless, it is important to consider the readiness and needs of each candidate participant to ensure applications are submitted in accordance with the appropriate timeline of each candidate.

Price Scheme and Transaction Capping

12. What charges are applicable to BI-FAST services?

Bank Indonesia applies two price schemes, namely the price Bank Indonesia charges participants and the price participants charge their customers. BI charges participants Rp19 per transaction, while the fee participants may charge their customers is capped at Rp2,500 per transaction. The price schemes will be evaluated periodically.

13. What is the maximum value of transactions via BI-FAST?

Initially, the maximum value of transactions processed through BI-FAST is set at Rp250 million per transaction based on the seamlessness of the BI-FAST system on the operator and participant sides. This also provides a transition period as transactions shift from the National Clearing System (SKNBI) to BI-FAST and will be evaluated periodically in accordance with CEMUMUAH aspects (fast, convenient, affordable, secure and reliable). In practice, banks have full discretion to set a lower transaction cap per customer, below Rp250 million, in line with the risk appetite of each respective bank.

Infrastructure Availability

14. How can participants connect to BI-FAST?

Bank Indonesia provides a connector for all participants connected to the BI-FAST system. The participants must provide infrastructure to apply the connector. BI-FAST infrastructure can be provided by participants independently, sub-independently (affiliate) or by sharing between participants and third parties in accordance with prevailing requirements.

15. What are the criteria for providers of shared/managed infrastructure services?

Providers of shared/managed infrastructure services must fulfil certain criteria relating to the institutional arrangements (credibility and expertise), financial aspects, information system capabilities (business continuity plan, information technology controls, security standards) as well as governance and risk management.

16. What is the mechanism to apply for shared/managed infrastructure services with BI-FAST participants?

The approval mechanism for shared/managed infrastructure services occurs during the participant registration process with the operator.

Others

17. What are the key differences between BI-FAST, SKNBI and BI-RTGS?

From various aspects, the key differences between BI-FAST, SKNBI and BI-RTGS are as follows:

- **Transaction Value**
BI-FAST and SKNBI serve retail transactions up to a maximum value of Rp250 million per transaction through BI-FAST and Rp1 billion per transaction through SKNBI, while BI-RTGS is a high-value payment system (HVPS) for transactions exceeding Rp100 million.
- **Service Window**
BI-FAST is available 24/7, while SKNBI and BI-RTGS operate based on a finite window time between 06:30 WIB and 16:30 WIB.
- **Payment Channels**
SKNBI and BI-RTGS are only accessible through bank counters and mobile/internet channels, while BI-FAST is accessible not only through bank counters and mobile/internet channels, yet also using QRIS, ATM and EDC moving forward.
- **Payment Instruments**

SKNBI only provides credit and debit transfer transactions and BI-RTGS only offers credit transfer transactions, while BI-FAST will initially serve credit transfers and debit transfers before further development to accommodate ATM/debit cards (including virtual), credit cards (including virtual) and e-money.

18. What will happen to the National Clearing System (SKNBI) after BI-FAST implementation?

Fundamentally, BI-FAST is the modernisation of SKNBI. Credit and debit transfer services via SKNBI will be transferred to BI-FAST gradually based on industry readiness to connect to the BI-FAST ecosystem. Moving forward, SKNBI will focus on processing paper-based transactions.

19. What are the differences between BI-FAST services and the online services currently available?

From a customer's perspective, online services (internet and mobile banking) have similar characteristics as BI-FAST in terms of accommodating transactions 24/7. Notwithstanding, BI-FAST features a proxy address that allows customers to use their mobile phone number or email address as an alternative to traditional account numbers. In addition, the transaction value via BI-FAST is capped at Rp250 million per transaction, far higher than online transactions that are generally capped at Rp25 million per transaction.