



OFFICIAL PRESS RELEASE

1 July 2022

The official launching of The National Reserve Bank of Tonga's Domestic Electronic Payment System (DEPS) to promote the efficiency and safe functioning of the payment system and the stability of Tonga's financial system.

His Royal Highness Crown Prince Tupouto'a 'Ulukalala launched the Domestic Electronic Payment System (DEPS) marking the beginning of the progressive move towards digitalization of the payment system. The National Reserve Bank of Tonga (NRBT) would like to acknowledge the support and contribution of KlickEx Trading Limited of New Zealand, the sharing of their expertise to develop such a software that facilitates a payment system fit for Tonga's financial system and meets the NRBT's requirements.



The launching of the DEPS also coincided with the NRBT's 33rd Anniversary on July 1, 2022.

The DEPS is an interactive web application that modernises and ensures Tonga's payment and settlement system operates efficiently in a safe and secured environment.

This is a significant and important first step towards maximising banking convenience for the people of Tonga in reducing the time it takes to make payments and receive funds within the banking system. In addition, the system will reduce the costs currently associated with initiating payment and settlement transactions. To this end, individuals and businesses would be able to better manage their cash flow and benefit from lower transaction costs, a vital relief particularly during these challenging times as they recover from the Hunga Tonga Hunga Ha'apai volcanic eruption and the COVID-19 pandemic while coping with high inflation. The banks would also have up to date information on their accounts that would improve liquidity management while minimising systemic risk from non-settlement of payments. This would in turn help in safeguarding financial stability in Tonga and support economic growth, a mandate of the NRBT.

The DEPS system is hosted at the NRBT in its own dedicated network infrastructure. The infrastructure consist of a client terminal that is distributed to each bank and connected via a dedicated leased fibre optic line. The infrastructure has built-in security measures and controls including a connection via Virtual Private Network. The access to DEPS is permitted for banks' authorised personnel only and endorsed by the NRBT.

The ground work for DEPS was initiated in mid-2018 by the NRBT in partnership with Klickex Pacific Limited of New Zealand. Developing the system involved regular training and technical meetings which was followed by thorough testing of the system until the system was piloted in 2021. Since then DEPS has been running in parallel with the current manual payment system at the NRBT. On 22 June 2022, the Governor and the Association of Banks in Tonga met to finalise the DEPS Agreement after a comprehensive review of the draft by all participants in preparation for the system to be launched.

The event also included the signing of the DEPS Agreement by the Governor and the Association of Banks in Tonga, a final step for the DEPS to go live.



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