



## **BANK OF TANZANIA**

### **THE TANZANIA INTERBANK SETTLEMENT SYSTEM (TISS)**

#### **What is TISS?**

TISS is an acronym of Tanzania Inter-bank Settlement System, which is the country's payments settlement system that processes high value and time sensitive payments on real time basis. The system facilitates settlement of interbank fund transfers, cheques and electronic funds transfer clearing obligations, payment card switch balances and money market transactions. The system is owned and operated by the Bank of Tanzania.

#### **Who are TISS users?**

The participants of TISS are commercial banks and some financial institutions whose number currently stands at 33. Tanzania Revenue Authority also participates in TISS albeit as an indirect participant who uses the system to collect Government revenue. TISS members send and receive payment messages on their behalf or on behalf of their customers through this system.

#### **How does the System work?**

TISS participants are also members of SWIFT, which is a very secure electronic fund transfer message carrier. A person intending to transfer funds through TISS gives a payment instruction to his/her bank to credit the intended beneficiary's account in another bank. After receiving the payment instruction from its customer, the sending bank sends the instruction to the beneficiary's bank through TISS after confirmation of availability of funds in the paying customers' account. On receipt of the instruction, the receiving bank (payee's bank) is required to credit the beneficiary's account within "**TWO HOURS**" after receiving the instructions.

#### **How does the system ensure that the funds transfer from a bank customer reaches the beneficiary's account on time through TISS?**

TISS Rules and Regulations require participants to ensure that the beneficiary's account is credited within **two hours** after receiving the payment instruction.

#### **Apart from TISS are there other payment systems used to transfer funds?**

Other payment systems include:

- The Automated Cheques Clearing System which processes interbank cheque payments;
- The Electronic Fund Transfer (EFT) system which processes low value bulk payment such as salaries, dividends and pension funds;
- A payment Card Switch that processes card payment transactions through Automated Teller Machine (ATMs), Point of Sale (POS);
- Internet Banking
- International fund remittance schemes such as Western Union, MoneyGram and Coinstar
- Tanzania Postal service fund transfer services such as the Postal order, Money order and Money fax; and
- Mobile phone payment schemes such as M-pesa, Z-pesa and ZAP.

**What are the advantages of using TISS?**

- A payment sent through TISS is processed on real time, and therefore the beneficiary is assured of receiving the funds on the same day, hence an easy and convenient way of sending high value and time sensitive payments
- TISS reduces risks associated with physical movement of cash between the sender and the beneficiary.
- TISS fees do not exceed TZS 10,000/- (ten thousand) for each transfers regardless of the amount, hence cost effective.