

**REQUEST FOR INFORMATION (RFI) N°90002503
FAST PAYMENTS PROJECT**

I. Objective

The objective of this RFI is to obtain background and information on services and technical capabilities of entities, public or private, that have knowledge and/or experience with retail payment systems, as well as fast payments. The information received will be analyzed and will serve as input to prepare a Request for Proposal (RFP) process for a possible contracting by the Central Bank of Chile (CBC) of specialized advisory services to support the development of a project that allows expanding the use of fast payments in the country.

II. Current Situation

Retail payment systems play a very important role in the functioning of the economy and the payment chain because they are used to make payments and transfer funds between individuals and/or companies. These systems are characterized by processing a large number of transactions of relative lower individual value, normally linked to the purchase and sale of goods and services. Given their importance, central banks seek to ensure that these systems operate efficiently and securely.

Technological advances have allowed the evolution of retail payment systems in Chile and the massification of means of payment other than cash and checks, as well as new ways of using the existing means of payment. In this sense, the emergence of Fintech companies has the potential to promote the emergence of innovative solutions that allow greater speed, security and irrevocability to the payments that are managed.

In this context, fast payments have emerged as an innovation in retail payment systems that can bring various benefits in multiple dimensions to their participants, individuals, and companies, and ultimately to the economy. The BIS defines fast payments as those in which the transmission of the payment message and the availability of final funds to the payee occurs in real or near-real time, and with 24/7 availability or as close to it as possible.

Fast payments have benefits for their users by providing adequate speed for their payments, expediting transactions, and allowing payees to free up resources such as working capital. In turn, they complement the means of payment market by making available to users a less costly instrument than the card system, thus increasing the competition and efficiency of the system as a whole.

On the other hand, fast payments are not exempt from risks, such as credit risk, if settlement is deferred (as is the case in Chile); liquidity risk, if the paying institution does not have it available at all times; and operational, fraud and cybersecurity risks.



From a financial stability perspective, fast payments reduce counterparty risk exposure between financial institutions since reciprocal obligations are extinguished as close as possible to the time they are generated.

III. General

In order to provide guidance regarding the scope of the eventual advisory services to be requested by the CBC at later stages, it is required to obtain information on the different alternatives and necessary conditions, from the regulatory, technological and operational points of view, to expand the use of fast payments in the country implementing a settlement as close to real time as possible.

The analysis should consider the existence in the country of Electronic Funds Transfers, of an instantaneous and deferred settlement nature, the current characteristics of the RTGS System of the CBC and the regulation and future operation of Retail Payment Clearing Houses. In addition, implementation alternatives both of private initiative and possibly by the CBC should be considered.

By virtue of the foregoing, and in the context of being able to learn about the capabilities, experience and general background that will serve as input for the preparation of RFP terms for specialized advisory services, we would appreciate that you answer the following questions:

IV. Questions

On design and implementation

1. What successful models in other countries could be replicated in Chile? Main advantages and drawbacks of different approaches.
2. How could interconnection with existing central clearing and settlement systems be achieved to facilitate the implementation of fast payments? In particular, considering different possible approaches, how should a fast payments infrastructure be connected to the Large-Value Payment System (RTGS)?
3. The increased accessibility of payment services as a result of technology has allowed the volume of transactions to grow. This combined with immediacy or real-time payments has increased concerns about fraud and money laundering prevention. How has the rest of the world dealt with the trade-off between speed and security, understood in a broad sense, of payment services?
4. What should be the basic technological requirements for a safe and efficient operation of a fast payments system?



Potential benefits

5. What would be the digital payment services that can benefit most from the technologies associated with fast payments?
6. The Fintech bill considers the incorporation of an open finance system. How could this impact the development of fast payments schemes?

Advisory experience

7. Could you point out any advisory services you have provided or projects you have developed that could be considered similar to the advisory services referred to in this RFI, in terms of the problems or situations addressed in such advisory services or projects?
8. Considering the requirements raised for these possible advisory services, could you indicate only at a referential level an estimate of: a) timeframe to carry them out, b) professional resources required, in terms of profile and quantity, and c) cost to be incurred?
9. Please provide any other background information that you consider may be useful for preparing the technical specifications for the eventual bidding process for the advisory services to advance in the development of fast payments.

V. Additional considerations

- It is noted that this RFI process does not constitute a RFP process, and the values and background information required are only referential.
- This RFI process does not generate the obligation of the CBC to contract any service, either in whole or in part, and the information obtained may be used for general budgetary purposes.

VI. Contacts

Suppliers interested in participating in this RFI process should send their responses to the following e-mail addresses: jrodriguez@bcentral.cl with a copy to pfurche@bcentral.cl and dlopez@bcentral.cl.



For all purposes of this RFI process, interested parties should abide by the following schedule:

Activities	Deadlines
Sending of RFI to Participants	March 29, 2022
Receipt of questions about the process/questionnaire	April 5, 2022
Response to process/questionnaire inquiries	April 11, 2022
Receipt of Responses from Suppliers to RFI No. 90002503	April 22, 2022
Evaluation of the information received by the Bank	April 22 to 29, 2022
Period of Individual Meetings with Suppliers (if applicable)	May 2 to 6, 2022
Communication of Process Closure to Suppliers	May 20, 2022

