



تعميم

المحترمون

السادة/

السلام عليكم ورحمة الله وبركاته،

الموضوع: السياسة التسعيرية لخدمة التحويلات المالية عبر نظام المدفوعات الخليجية "أفاق".

إلحاقاً لتعميم البنك المركزي رقم (٤٢٠٦٨٣٠٩) وتاريخ ١٤٤٢/٩/٢٤هـ في شأن وثيقة خدمة التحويلات المالية عبر نظام المدفوعات الخليجية "أفاق" الخاصة بالقطاع المصرفي المحلي.

مرافق لكم السياسة التسعيرية لخدمة التحويلات المالية عبر نظام المدفوعات الخليجية "أفاق" (Charging Policy for Cross Currency Payments using AFAQ Service).

للإحاطة، والعمل بموجبها اعتباراً من تاريخ ١٤٤٣/٥/٨هـ الموافق ٢٠٢١/١٢/١٢م.

وتقبلوا تحياتي،

يخبر

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نطاق التوزيع:

- البنوك والمصارف العاملة في المملكة.

Saudi Central Bank (SAMA)

# Charging Policy for Cross Currency Payments Using AFAQ Service

December 2021

البنك المركزي السعودي  
SAMA  
Saudi Central Bank



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## 1. Definitions:

In this document, the following terms will have the following meanings except as the context may otherwise require:

Term	Definition
SAMA	Saudi Central Bank.
GPC	Gulf Payments Company.
AFAQ	Arabian Gulf System for Financial Automated Quick Payment Transfer
Cross-Currency Payment	Payment from the bank of one country to a bank from another country through the GCC RTGS Central Component. The Paying Bank sends funds in its country domestic currency, and the Receiving bank receives funds in its country domestic currency.
Operating Rules	Operating Rules for Cross Currency Payments using AFAQ Service
Pilot Phase	The period of time commencing upon April 19, 2021 until close of business on July 17, 2021

## 2. Introduction:

### 2.1 General

The "Arabian Gulf System for Financial Automated Quick Payment Transfer" (AFAQ) is the Real Time Gross Settlement service for cross-currency cross-border payments between Gulf Cooperation Council (GCC) Countries; that is owned and managed by the National Central Banks (NCBs) of the six GCC countries (Kingdom of Saudi Arabia, United Arab Emirates, Kingdom of Bahrain, Sultanate of Oman, Qatar and Kuwait).

AFAQ Service is in line with the Charter of the Cooperation Council for the Arab States of the Gulf, which aims at achieving closer convergence and stronger links among the GCC countries, reaching advanced economic and financial integration, promoting collaboration, integration, interconnectedness and all aspects of cooperation among the GCC member states and their people at all levels.

AFAQ service has been designed to effectively mitigate frictions associated with conventional cross border payments; namely cost, speed and transparency. This innovative service would serve to bring down the cost of executing cross border payments incurred by relevant stakeholders within the ecosystem.



## 2.2 Purpose

With the aim of Facilitating cross-border payments in the region, providing essential infrastructure to enable the on-going integration of financial markets across the GCC region, utilizing the advantages of real-time gross settlement, Encouraging closer financial and economic integration between the GCC countries; SAMA has implemented a Specific Model in which functions of the Domestic RTGS system for both Sending & Receiving cross-border payments will be performed at the AFAQ Service's Central Component hosted technically by the Gulf Payments Company (GPC); While controlled, supervised & operated by SAMA according to the Operating Rules.

## 2.3 Statuary Authority

Without prejudice to Saudi Central Bank "SAMA" rights under applicable laws and regulations, this Charging Policy is constituted by SAMA in exercise of the powers stipulated in the Saudi Central Bank Law dated ١١.٤.١٤٤٢H (26.11.2020); Designating SAMA as the competent authority to Establish, Develop & Operate national infrastructures for Payment, Clearing & Settlement systems; Issue rules, guidelines, and licenses; Control and Oversee Payment, Clearing & Settlement systems within its sphere of competence.

## 2.4 Scope

Fees are levied by SAMA on the Participants for the use of the Service. Fees are levied under the following headings:

- Service & Transaction Fees charged to the Sending Participant according to the volume of messages sent by that Participant.
- Exceptional and Penalty fees aimed at encouraging best practice to ensure the smooth functioning of the overall service for the benefit of all Participants and their customers.

## 2.5 Amendment

SAMA may amend, replace or supplement the contents of this Charging Policy as it deems fit; in consultation with Participants. Such amendment will be duly notified to Participants.

## 2.6 Compliance

Each Participant will comply with this Charging Policy.

### **3. Service & Transaction Fees:**

#### **3.1 Participant Membership Fee**

SAMA will charge an annual charge of SAR 50,000.00 to cover the expenses incurred in regards to operating & maintaining the Service.

#### **3.2 Discounted Participant Membership Fee**

Participants joining AFAQ within the first 6 months after completion of the Pilot Phase will receive a 50% reduction on the Participant Membership Fee.

During the discount period of 6 months, the amount of the Participant Membership Fee will be calculated as 1/12th of the annual fee for each month or part thereof from the date of joining.

From the start of the seventh month after completion of the Pilot Phase, Participant Membership Fee will revert to the full annual charge of SAR 50,000.00

#### **3.3 Transaction Fees**

A fee of SAR 12.00 will be charged for each payment message sent by the Participant.

#### **3.4 Discounted Transaction Fees**

No transaction fees will be charged during the Pilot Phase.

For a period of 6 months from the completion of the Pilot Phase, a discount on the transaction fees will apply resulting in a fee of SAR 10.00 to be charged for each payment message sent by the Participant.

From the start of the seventh month after completion of the Pilot Phase, transaction fees will revert to SAR 12.00 for each payment message sent by the Participant.

### **4. Exceptional and Penalty Fees:**

Penalty fees and charges intended to encourage best practices and to ensure the smooth operation of the Service will be charged to Participants who fail to meet the required standards.

These Exceptional and Penalty fees aren't expected to yield any significant income to SAMA, as Participants can avoid such charges by adopting the best practices, which this type of fee is intended to promote.

#### **4.1 Cut-off time extension**

When a Participant wishes to have the cut-off time on any day extended, a formal request must be submitted to SAMA by whatever communication facility is agreed with SAMA at the time. Such requests should be sent to SAMA as early as possible.

If the request is approved by SAMA, a penalty fee will be charged to the Participant requesting or causing the cut-off time extension. The amount of the fee payable will be SAR 25,000.00 for each period of 30 minutes by which the cut-off time is to be extended.

#### **4.2 Late Return of Payments**

The Operating Rules specify latest times governing the return of payments by a Receiving Participant. If the payment is returned after the specified time, a penalty fee of SAR 100.00 will be charged for the late return of a payment.

SAMA may levy an additional charge based on the amount of the payment returned.

Any Participant that receives a Return Payment later than that set out in the Operating Rules shall forward the details to SAMA.

### **5. Payment of Invoices:**

Invoices will be issued by SAMA to Participants in respect of AFAQ as follows:

- Transaction Fees will be invoiced to Participants on a monthly basis.
- Participant Membership Fees will be issued to Participants yearly in advance. During the 6 month discount period set out in Section 3.2 above, invoices for Participant Membership Fees will be issued at the time of joining.
- Exceptional & Penalty Fees will be charged to Participants on a case-by-case basis.

All fees are payable within 10 business days of receipt of the relevant invoice by the Participant.

If the designated fee is not paid within 10 business days, A penalty fee of SAR 1,000.00 will be charged for late payment.

### **6. FX Margin:**

Given the fact that the FX Rate is guaranteed by the respective central banks during the daily operations of AFAQ & taking into consideration that Participants wouldn't incur FX rate risk, cost of funding foreign currencies or other costs associated with the conventional correspondent banking model, No FX margin may be applied.

## **7. Fees charged to Customers:**

Whilst a Participant opting for charging fees to remitters is urged to set discounted & competitive fees with the aim of encouraging the use of the Service & in alignment with the Banking Tariff communicated by SAMA, the tariff which may be charged to a Customer by a Participant for sending a cross currency payment using AFAQ Service must not exceed the allowable maximum fee for cross border transfers as illustrated in the Banking Tariff; as amended from time to time.

## **8. Other Exceptional and Penalty fees:**

SAMA may charge additional appropriate penalty fees where there is,

- A breach of the Operating Rules,
- Non-compliance with any of the timings set by SAMA in the Daily Business Cycle,
- Contravention of any of the conditions stated in this Charging Policy, or,
- Any other circumstances that SAMA deems to be not in the best interest of the smooth functioning of the Service.



## Appendix 1

### Service Fees

Fee Type	Fee Scale		
	Pilot Phase	Discount Period of 6 Months	After The Discount Period And Subsequent Years
* Participant Membership fees	0 SAR	SAR 25,000.00 (1/12th for each month or part thereof) = 12,500.00 SAR	SAR 50,000.00

### Transaction Fees

Fee Type	Fee Scale		
	Pilot Phase	Discount Period of 6 Months	After The Discount Period And Subsequent Years
*Transaction fees	0 SAR	SAR 10.00 per payment message	SAR 12.00 per payment message

## Appendix 2

### Exceptional & Penalty Fees

<b>Penalty Type</b>	<b>Fees Scale</b>
Participant who returned the payment late	100.00 SAR per payment message
Participant requests to have the cut-off time on any day extended	25,000.00 SAR for each 30 minutes extension
A breach of the Operating Rules.	Penalty amount will be determined by SAMA
Non-compliance with any of the timings set in the Business Day Timetable.	
Contravention of any of the conditions set out in the Charging Policy.	
Any other circumstances that SAMA deems to be not in the best interests of the smooth functioning of the Service.	