

The Mission Statement and the Corporate Objective relating to the Financial Sector Technology Vision continue to be as follows:

**Mission Statement**

**<<< I T FOR EFFICIENCY AND EXCELLENCE >>>**

**Corporate Objective:**

**“Enabling financial sector to leverage on I T for better customer service, improved housekeeping and overall systemic efficiency”**

**1.1** Information Technology (IT) continues to be the single largest facilitating force behind the successful transformation of transactions and analytical processing of banking business in the country. Developments which have taken place during the last few years all have IT as the pivotal centre-point. Since the publication of the Financial Sector Technology (FST) Vision in July, 2005, there have been significant changes in the banking sector of the country, as far as IT implementation is concerned. Some of the major developments which have taken place since then are as follows:

- 1.1.1 The introduction of Core Banking Systems (CBS) which was at its nascent stages has become full blown and all banks are at varying stages of implementation of Core Banking Systems in their branches.
- 1.1.2 The introduction of Core Banking has resulted - as a natural offshoot - in the computerisation and networking of branches of banks in a larger scale since these are essential pre-requisites for the implementation of Core Banking.
- 1.1.3 A few of the older banks have also implemented Core Banking fully across all their branches
- 1.1.4 There has been an explosive growth in the use of payment and settlement systems for funds transfers, with a substantial value of funds getting settled using electronic means, implying the commencement of a gradual shift away from traditional paper based transaction flows
- 1.1.5 One of the major developments during the period was the introduction of new delivery channels for customers, by banks. Internet Banking, Mobile Banking, Mobile Automated Teller Machines (ATMs), multi-functional ATMs, shared ATM services, large scale usage of Real Time Gross Settlement (RTGS) for quick, immediate funds transfer and smart card based cards as part of initiatives aimed at Financial Inclusion are some of the landmark

developments aimed at improving customer service facilitation using innovative systems.

- 1.2 Within the Reserve Bank too, there have been many developments using IT which have an impact on the financial sector of the country. The stabilisation of the RTGS system has resulted in the entire approach to liquidity management by banks undergoing a sea-change. The introduction of the Online Tax Accounting System (OLTAS) for tax related payments for the Central Board of Direct Taxes and the Electronic Accounting System In Excise and Service Tax for the Central Board of Excise and Customs have revolutionised the method of tax payment to the Government. Filing of returns by banks through the Online Line Return Filing System (ORFS) which has commenced is poised to make the process of submission of data to the Reserve Bank less cumbersome.
- 1.3 As far as the environment for IT enabled services is concerned, there have been welcome developments too. The availability of multiple service providers for network based communication has resulted in varied options for users and the quality of service has also improved. This has prompted the migration from Closed User Group Networks to use of public networks, albeit with adequate safeguards. IT systems have also shown substantial strides in terms of later versions of systems with more resilient and better features.
- 1.4 All these have resulted in the need for a review of the FST Vision, so as to ensure that developments in technology are harnessed optimally for the benefit of the banking sector in particular and the financial sector of the country in general.