DIT.CO.(Pol).Cir 1/2942/09.63.26 /2008-09   May 04, 2009

The Chief Executives of all Commercial Banks

Dear Sir / Madam,

<u>Network based operations – RBI Supported Systems</u>

Please refer to the <u>Annual Policy statement</u> of the Governor, Reserve Bank of India, announced on April 21, 2009 ((cf. <u>paragraph 154</u>). The network based communication facilities relating to critical IT based payment and other systems supported by the Reserve Bank, are being improved, based on technological developments in this sphere of operations.

2.   Accordingly, applications such as the Negotiated Dealing System (NDS) for transactions in Government Securities, the Real Time Gross Settlement (RTGS) System, the Centralised Funds Management System (CFMS) etc. are being migrated to operate in a network based environment using the Multi Protocol Label Switching (MPLS) technology, which uses a meshed network topology thereby providing increased redundancies vis-à-vis the point-to-point connectivity at cheaper costs without impacting the security aspects.

3.   Banks are advised to migrate to the MPLS system on a time bound basis.

Yours faithfully,

Sd..
(A M Pedgaonkar)
Chief General Manager-in-Charge