

Banks report Full Y2K Readiness

December 21, 1999

The Reserve Bank of India has brought out the fourth “Monograph on Year 2000 Preparations in the Banking and Financial Sector” as at the end of November 1999 and has put it on its website y2k.rbi.org.in. The important features brought out in the monograph are as under :

- The computer systems at the RBI including those having interface with the banks and financial institutions are Y2K ready. Y2K compliant state-of-the-art MICR cheque processing systems at Mumbai, Calcutta, New Delhi and Chennai have gone live during July – October 1999; All hardware and software of RBI have been tested for Y2K readiness by independent third parties;
- All 103 commercial banks and their non-banking subsidiaries, scheduled and major urban cooperative banks, having introduced computerisation have reported Y2K readiness. Further contingency plans, duly tested in simulated environment, have been put in place. The 77 banks have reported completion of third party testing by independent vendors and remaining are expected to complete well before rollover to Year 2000; However, this may not come in the way of Y2K readiness in view of constant live operations of the systems.
- Cross border connectivity of banks through SWIFT has been made Y2K ready;
- Banks have adequate cash stocks and could further draw cash from the currency chest bank or RBI Issue Offices, if need therefor arises;
- Collateralised liquidity support has been extended to the banks by the RBI in case of need;
- Banks and IBA have reported that the account holders could obtain the statement of accounts from the branches of the banks any time ; if desired;
- An Event Management Mechanism has been developed for reporting Y2K related issues during the transition by computerized branches to their controlling office and head office. The Central Event Management Centre (CEMC) of the Reserve Bank and Regional EMC of the RBI would monitor with the Head Offices of the banks and controlling offices transition to Year 2000;
- The CEMC of the RBI would provide cross-market assessment as it emerges for better public awareness;
- The core staff and vendor support in banks would be available round the clock from December 27, 1999 onwards till smooth rollover to Year 2000 is complete.

➤ The banks would observe holiday for public transactions on January 1, 2000.

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