



**PAYMENT SYSTEM OVERSIGHT  
ANNUAL REVIEW OF THE \$1MILLION ACH VALUE THRESHOLD  
ADVISORY # 9**

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**Purpose**

1. The purpose of this document is to advise that the Bank of Jamaica (Bank) has completed its annual review of the ACH value threshold, which remains in effect at \$1million. The value threshold means that all payments and transfers greater or equal to \$1 million are to be migrated to alternate payment methods such as JamClear®-RTGS.

**ACH Value Threshold Review**

2. A review of transactions processed through the ACH for the period May 2016 – April 2017 indicated that transactions greater than or equal to J\$1mn represented 18.02% (\$186.17 billion) of aggregate values. There was a 65% reduction in the aggregate value of transactions equal to or greater than \$1 million processed through the ACH when compared to the aggregate values for the same period in 2015.
3. Based on our review, Commercial Banks that were not compliant with the targeted threshold of J\$1million incurred a charge of \$5000.00 for each transaction greater than or equal to \$1 million which was processed through the ACH.
4. Invoices representing charges relating to breaches of the ACH value threshold for the review period were dispatched to the respective Commercial Banks.
5. The ACH value threshold of \$1million is a successful strategy being used to significantly reduce, if not eliminate, settlement risk to the safety and security of the National Payment System, which is posed by large value transactions that are processed through the ACH for settlement on a deferred net settlement basis.
6. Commercial Banks are advised that the strategy remains in effect subject to any further advice from the Bank. Commercial Banks are therefore required to continue



## **PAYMENT SYSTEM OVERSIGHT - ACH VALUE THRESHOLD - ADVISORY #6**

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to migrate all payments and transfers that are greater than or equal to \$1 million to alternate payment methods such as JamClear®-RTGS.

7. The following remains applicable with regard to compliance with the stated target:
  - i. Commercial Banks that ensure full compliance with the targeted threshold of J\$1million for those payments and transfers that are processed through the ACH will incur no charge.
  - ii. Commercial Banks that are not compliant with the targeted threshold of J\$1million for those payments and transfers that are processed through the ACH will incur a charge.
  - iii. Charges will be computed at \$5,000.00 for each transaction, greater than or equal to \$1million, that is effected via the ACH.
8. Invoices representing charges relating to breaches of the ACH value threshold will be dispatched on a quarterly basis commencing with billing for the second quarter of 2017.