

Bahrain

AFAQ User Guide

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1. Introduction

This User guide aims to answer frequently asked questions about the new **Financial Automated Quick Payment Transfer** (AFAQ) platform for GCC payments.

The AFAQ platform will be used for the settlement of cross-border payments from one GCC country to another via the local RTGS system of the sending and receiving country. HSBC Bahrain is a participating bank in the new network.

The AFAQ platform went live 26th June 2022, enabling faster settlement of GCC cross-border payments.

In the first phase, payments (in BHD currency) made from Bahrain to Saudi Arabia and Kuwait to participating banks, were routed through the AFAQ platform during operational hours.

In this second phase gone live in June 2023, the below two scenarios were added to the AFAQ routing:

- SAR currency (debiting a BHD account) for payments from Bahrain to Saudi Arabia
- KWD currency (debiting a BHD account) for payments from Bahrain to Kuwait.

2. User Guide – Your Questions Answered

2.1. What is AFAQ?

AFAQ stands for Arabian Gulf System for **Financial Automated Quick Payment Transfer** (formerly GCC RTGS). This is the Real Time Gross Settlement (RTGS) service for cross-currency cross-border payments between GCC countries.

2.2. What are the operating hours of AFAQ?

The AFAQ network has limited operating hours between 08:30 am till 1.15 pm, on working days (processing hours are subject to regulatory changes).

Important note

- Any payment that falls outside this window of 8.30am to 1.15pm (Bahrain time) will be routed via the usual correspondent banking channel and will incur the usual correspondent bank charges.

2.3. Which payments will qualify for AFAQ?

- ◆ Payments from a savings or a current account with a debit currency in BHD and a remit currency in BHD going to Saudi Arabia and Kuwait.
- ◆ Payments with debit account currency in BHD and remit currency SAR going to Saudi Arabia.
- ◆ Payments with debit account currency in BHD and remit currency KWD going to Kuwait.
- ◆ Payment types with OUR (sender will pay all fees) or SHA (fee will be shared between sender and beneficiary) charge type Payment initiated through branch.
- ◆ Beneficiary bank in Saudi Arabia or Kuwait should be direct participant of AFAQ.
- ◆ Payment should be within AFAQ Window “Sunday-Thursday 08:30am and 1:15pm (Bahrain time)”.

Important note

- Beneficiary bank in Saudi Arabia or Kuwait must be a direct participant of AFAQ for the payment to be routed via AFAQ. You can contact us for more details of the participating banks.

2.4. What happens to my fees if payments are sent via AFAQ vs standard correspondent banking?

No change to your “fees” for payment, however, **no correspondent bank charge** will be collected for payment charge type **OUR** (Note: charge type OUR means, sender will pay all fees)

Example:

If you send a payment to Saudi Arabia with charge type OUR and it goes via AFAQ, we will not charge you the additional correspondent banking fee. However, your transaction fee for the payment will still be collected.

2.5. Can I choose not to route payments via AFAQ?

The use of AFAQ is a regulatory requirement by the Central Bank of Bahrain, and currently, only qualifying payments (as explained under question 2.3) falling within the **operating hours**, will **automatically be routed** through the system.

Payments made outside of the operating hours, will be processed using usual correspondent channels.

2.6. Is there FX involved?

FX eligibility will be as per the below scenarios:

1. BHD remitted in BHD to Saudi Arabia and Kuwait- no rates are applied by HSBC.
2. For payments with debit account currency in BHD and remit currency SAR going to Saudi Arabia, equivalent BHD amount will be calculated/derived by HSBC based on AFAQ's published rates. The actual conversion will be done by AFAQ via their clearing system.
3. For payments with debit account currency in BHD and remit currency KWD going to Kuwait, equivalent BHD amount will be calculated/derived by HSBC based on AFAQ's published rates. The actual conversion will be done by AFAQ via their clearing system.
4. The AFAQ rates are agreed between the Central Banks.

2.7. Do I need to make any change in my payment message?

No. Payments qualify for AFAQ will pick the rate agreed by the Central Banks. You can continue submitting the standard transfer form through our branches.

2.8. Can I cancel a payment through AFAQ?

No. Payments are automatically processed and cannot be cancelled or recalled.

2.9. What are the benefits of sending payment via AFAQ?

- ◆ **Speed:** The AFAQ network will enable faster settlement of the payment as there is no correspondent bank in the chain.
- ◆ **Fee Savings:** You will benefit from no correspondent bank charges for charge type OUR.
- ◆ **Exchange Rate:** The rates used for AFAQ payments are agreed between the Central Banks and are not bank rates.

3. Customer Support

For any questions arising, reach out to our call center at below numbers:

Premier customers:

- Within Bahrain: 8000 1288
- Outside Bahrain: +973 1756 9643

Advance customers

- Within Bahrain: 1756 9569
- Outside Bahrain: +973 1756 9569

Personal banking customers

- +973 17529460 (within and outside Bahrain)

Or visit your nearest branch from Sunday to Thursday within the branch working hours.

Thank you for banking with HSBC.

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