

Bahrain

AFAQ User Guide

Promoting faster, seamless cross-border payments in GCC

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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.

In this first phase, payments made between **Bahrain** and **Saudi Arabia** to participating banks, will be routed through the AFAQ platform during defined operating hours.

The AFAQ platform will be live from **26th June 2022**, enabling faster settlement of GCC cross-border payments.

2. User Guide – Your Questions Answered

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. What are the operating hours of AFAQ?

The AFAQ network has limited operating hours between 09:30 am till 12.00pm, on working days (processing hours are subject to regulatory changes).

Important note

- Any payment that falls outside this window will be routed via the usual correspondent banking channel and will incur the usual correspondent bank charges.

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
- ◆ Payment types with OUR (sender will pay all fees) or SHA (fee will be shared between sender and beneficiary) charge type
- ◆ Payments initiated from Personal Internet Banking and Smartform

Important note

- Beneficiary bank in Saudi Arabia must be a direct participant of AFAQ with a SWIFTRMA with HSBC Bahrain for the payment to be routed via AFAQ

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 of BHD 10. However, your transaction fee for the payment will still be collected.

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

No. AFAQ is a regulatory project by the Central Bank of Bahrain, and currently qualifying **BHD payments** (as explained under question 3) falling within the **operating hours of the network**, will **automatically be routed** through the system. Payments made outside of the operating hours, will be paid using usual correspondent channels.

6. Is there FX involved?

In the currently eligible payment scenario **there is no FX at HSBC**, as both debit and remit currency are in BHD. However, as the payment is routed between Bahrain and Saudi Arabia RTGS schemes using the AFAQ platform, the payment **will be converted from BHD to SAR by the platform at FX rates agreed between the Central Banks** so that when the payment reaches the beneficiary bank it will be in SAR.

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

No. You can continue to submit payments using the current format.

8. Can I cancel a payment through AFAQ?

No. Qualifying BHD payments (as explained under question 3) made during the defined operating hours of the network (as explained under question 2) will be automatically routed through the system and once in the system cannot be cancelled.

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.

3. Customer Support

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

- HSBC Premier: 8000 1288 (within Bahrain) and +973 1756 9643 (outside Bahrain)
- HSBC Advance: 17569569 (within Bahrain) and +973 1756 9569 (outside Bahrain)
- HSBC Personal: +973 17529460 (within and outside Bahrain)

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