

Some considerations about Payment System in Bolivia

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ABSTRACT

Safe and efficient payment systems are fundamental for the stability of financial system and to facilitate the implementation of monetary policy and transactions in the economy. In this work have been identified two payment systems, systemically important in Bolivia, for the transcendence of their flows and for the impact they have on participants of financial system. The first one of them is the transfer system in Central Bank of Bolivia (CBB), whose operative mechanism generates liquidity risk that could derive in credit risk. With the implementation of SIPAV, a system of gross settlement in real time, these risks will be eliminated, and financial entities could optimize the management of their treasury. Nevertheless, costs in terms of liquidity needs, imposed by this system, justify the intra-diary credit of CBB, costless, completely collateralized, and limited. The results suggest that the limit in domestic currency, be similar to the first segment of the Fund of Liquid Assets Requirement (LAR), and that in foreign currency be established between the 5% and 10% of this Fund, in search of an equilibrium between efficiency of the system, exposure of reserves, and access to automatic monetization of financial resources. Likewise, collaterals should be constituted in the same currency, and cross operations must be recovered to demotivate them. It is necessary that heavily penalized rates, and a penalty mechanism due to recurrent usage, prevent that intra-diary credit turns in overnight transactions.

The other system is the Checks Clearing House that presents the inherent risks of the net settlement scheme, which could be neutralized through collaterals and the setting of exposure limits. In this sense, it is necessary to determine the percentage of LAR Fund that will be destined to collateral, and the guarantees scheme in case of intervene a bank. Prudence seems to indicate that the second segment of this Fund would be enough to guarantee the settlement under normal conditions, thus avoiding systemic risk, but ensuring that an entity with problems, do not result in greater unnecessary losses. The usage of guarantees to be liquidated in the Checks Clearing House would be causal of intervention of a bank to dispose its settlement or forced sale.

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