



# BACH - a leap towards Digital Bangladesh

Tapan Kanti Sarkar



The universal role of Information and Communication Technology (ICT) is vital for socio-economic development of a developing country like Bangladesh.

Availability of information helps increase productivity, ensures fair and competitive market and empowers marginal people. Digital technology makes and ensure reaches to any people, any location within shortest time. Therefore, to be a digitized nation we should not only dream but also take intuitive to achieve & sustain the dream. Recently Bangladesh Bank is taking on such a tremendous technology based initiative towards Digital Bangladesh. BACH is one of such, technologies which enables integration with different Bank has already been tested successfully.

In order to understand ACH processing, it is important to grasp the concept behind the Automated Clearing House. In essence, ACH is actually a network that enables consumers, companies and other establishments (i.e. Bank) to make electronic financial transactions within the participating Bank under the Bangladesh Bank Clearing House. Thus, if you own a business, you would be able to process electronic payments from your customers through this type of clearing house. Without this system or network, online bills payments and certain bank transfers may not be possible at all and it will be regulated by BACH Operating Rules very soon.

The process is made up of several entities. There are Receivers, Originators, Originating Depository Financial Institutions (ODFI) and Receiving Depository Financial Institutions (RDFI). The series of steps involved in a transaction consist of Receivers that authorize the payment or credit to be made and eventually ends in the payment being credited to a merchant or service provider. Between the start and end point, the transaction makes its way through originating and receiving financial institutions. This process is facilitated by ACH processors.

Payment through BACH will be very useful and helpful for a lot of people and businesses. This payment system, which will make use of the Automated Clearing House to enable electronic payments or fund transfers, can benefit small and big businesses alike. If you own a business and planning to make use of such a system for your company, it is important that you are aware of the pros and cons of

using this payment method. Knowing both the benefits and risks will help you make informed decisions that can improve your business online

Basically, BACH processing makes it possible for online businesses to collect payments using the Automated Clearing House network. For businesses, this method is important in order to secure payments from customers faster and without hassles.

With the help of such an electronic fund transfer system, actual funds can be credited to business account almost instantaneously. You do not need to wait for the cheques to be delivered to your doorstep nor do you need to wait for days to clear the funds. In the same manner, you also do not need to go to the bank and deposit the cheques.

Another advantage that businesses can have if they use BACH processing is that it can be possible to allow direct deposits for social security, tax refunds, payroll and other payments to the government in future phase by phase. Such processing methods will surely save a lot of company's time and resources. Currently, a company needs one whole department to process payroll and other employee benefits, but with the help of an easy and fast electronic processing system, the people needed to do the job of an entire accounting and finance department can be cut significantly.

Since BACH processing is done electronically, businesses do not need to process bad cheques several times! Furthermore, this system or method is also exposed to fewer mistakes. More often than not, once any account is set up for a particular customer, processing of payments from that particular account will work seamlessly even for future transactions. During the time when clients wrote cheque and mailed them to the company, a lot of things can go wrong. But with BACH system, business and customers are better protected.

There are still some things that can go wrong with online payment schemes. For one, cyber criminals can hack into your system and compromise your online banking transactions. Nevertheless, even if there are risks involved in using BACH payment method, the benefits outweighs the downsides. Besides, there are a lot of things that we can do to minimize the risks involved in this kind of electronic processing method. Ensuring that you only use one PC exclusively for Internet banking and other important transactions that involve online fund transfers will lessen the chances of your account being hacked.

and shipbuilding industry. government should lay is on improving infrastruc- s our IT industry holds ous potential to establish s a strong brand in the market with the pool of e and skilled manpower," d.

ther mentioned that this undoubtedly benefit esh in terms of job cre- port revenues, transfer of gy, creating new entrepren- developing new busi- ortunities and models. cal ship building industry s current performance s to be a major source of arnings after the ready- rment sector as cheap and manpower gives esh the competitive edge rival countries in this sec- the world economy grad- covering from the reces- shipbuilding sector in esh is expected to experi- siderable growth in the of orders received.

g other factors that limits sibility of our economy the efficiency of ng port and also the very ling rate of the banks. e commented that if we enhance the Chittagong rformance to at par with rnational standard, our s will face difficulties in g with other countries in f both order processing also increased cost. With tion, even a delay of 2/3 mean losing a valuable . In Chittagong port the nd time for cargo is 8-10 pared to 2-2.5 days a few ack. This increased time ns increased costs for the , thus making our goods competitive.

resent interest rate of l loan is 13 per cent ns up to 15 per cent with rges,"

nted that this high bor- te from banks also acts f the barriers for invest-

er, Sadique is positive : outlook of the economy rged the government to n the 'Bangladesh Better Forum' and Regulatory ommission (RRC) for cre- stment-friendly environ- t will attract both local n investment.

ove the economy onto a growth trajectory, sh needs to improve its t climate, upgrade and infrastructure, maintain ent political stability, nergy security, improve nd order situation and economic reforms," he

Malaysia, Singapore and rea as examples, Saria n his concluding state- , "I am very hopeful and that Bangladesh will ge as a leading econom- in this region and