YEAR 2000 PREPARATIONS IN THE BANKING AND FINANCIAL SECTOR

DEPARTMENT OF INFORMATION TECHNOLOGY
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FOREWORD

The world is heading towards the advent of the millennium. In modern day banking with heavy dependence on computers and communications, the date January 1, 2000 has come to signify a date with destiny. For, every one is familiar - at least by name - with the phenomenon that is variously termed as the Year 2000, Y2K, century date change or the millennium problem. The problem threatens to disrupt the systems that are dependent on computers and computer based processing. The banking and financial sectors could prove to be especially vulnerable, if the problem is not resolved before the end of this century.

In tune with the approach of the central banks in all countries, the Reserve Bank of India has focussed its attention on the problem and its ramifications. In particular, the Bank has devoted its energy towards ensuring Year 2000 compliance within the Bank and co-ordinating with the banks and financial institutions at different levels directly and through their Associations/Unions to ensure Y2K compliance well in time. This publication attempts to bring out the broad strategy adopted by the Reserve Bank in periodically monitoring and overseeing the progress made by the Financial Sector in achieving Y2K compliance. The efforts made by the Reserve Bank in co-ordinating with the Government of India, Indian Banks' Association, Associations of Trade, Commerce and Industry, SEBI, Insurance, Power, Telecom and Transport sectors for Y2K compliance have also been brought out. The Reserve Bank is also co-ordinating with the Bank for International Settlements and other International Banks to update on the progress made in this area and share with them the Indian experience and efforts.

We hope this book would contribute significantly to a clear understanding of the efforts of the banking sector in meeting the problem and to give confidence to the participants in different economic activities in the stability and maintenance of the financial system.

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