

5th Stage Zengin System Started

On November 17, the 5th Stage Zengin System (Data Telecommunications System of All Banks) was started.

The Zengin System connects banks on-line to conduct domestic inter-bank fund transfers, with the Bank of Japan acting as the settler of funds. It is one of the largest inter-bank computer networks in the world.

The system was inaugurated in April 1973 and has since been upgraded in several stages to accommodate an increase in data volume and participating financial institutions, and to respond to the heightened awareness of settlement risks. The 4th stage system started operating in November 1995 and was to end its system life in November 2003. JBA has been preparing the 5th stage system since fiscal 1999 and conducted a succession of tests in preparation for its implementation.

The 5th stage system features greater processing capacity, and heightened security and reliability of the system, which was achieved by encrypting transmitted data and on-line information feed back.

The 5th stage system opened for operation with the participation of 1,679 financial institutions (37,246 branches), or virtually all private financial institutions of Japan, linked through the network.

History of Zengin System

April 1973	Zengin System launched with participation of all banks and Shoko Chukin Bank.
February 1979	The 2nd stage system starts. Sogo banks, shinkin banks and Norinchukin Bank join.
April 1982	Foreign bank joins.
August 1984	Credit cooperatives, labor banks and agricultural cooperatives join.
November 1987	The 3rd stage system launches. The dual-center system (Tokyo and Osaka) is introduced. Data transmission using magnetic tapes is implemented.
March 1993	Same day settlement is implemented.
January 1994	Sender Net Debit Cap system is refined.
November 1995	The 4th stage system launches.
January 2001	New Domestic Fund Transfer System is launched.
November 2003	The 5th stage system launches. Data encryption and on-line information feed back is introduced.