



SADC Payment System integration project

Adv. Magedi-Titus Thokwane



- Senior Manager, Regional Settlement Services, NPSD, South African Reserve Bank
- SADC Payment System Subcommittee Project Manager

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Developments in the regional payments

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Adv. Magedi-Titus Thokwane
South African Reserve bank



Topics to be covered

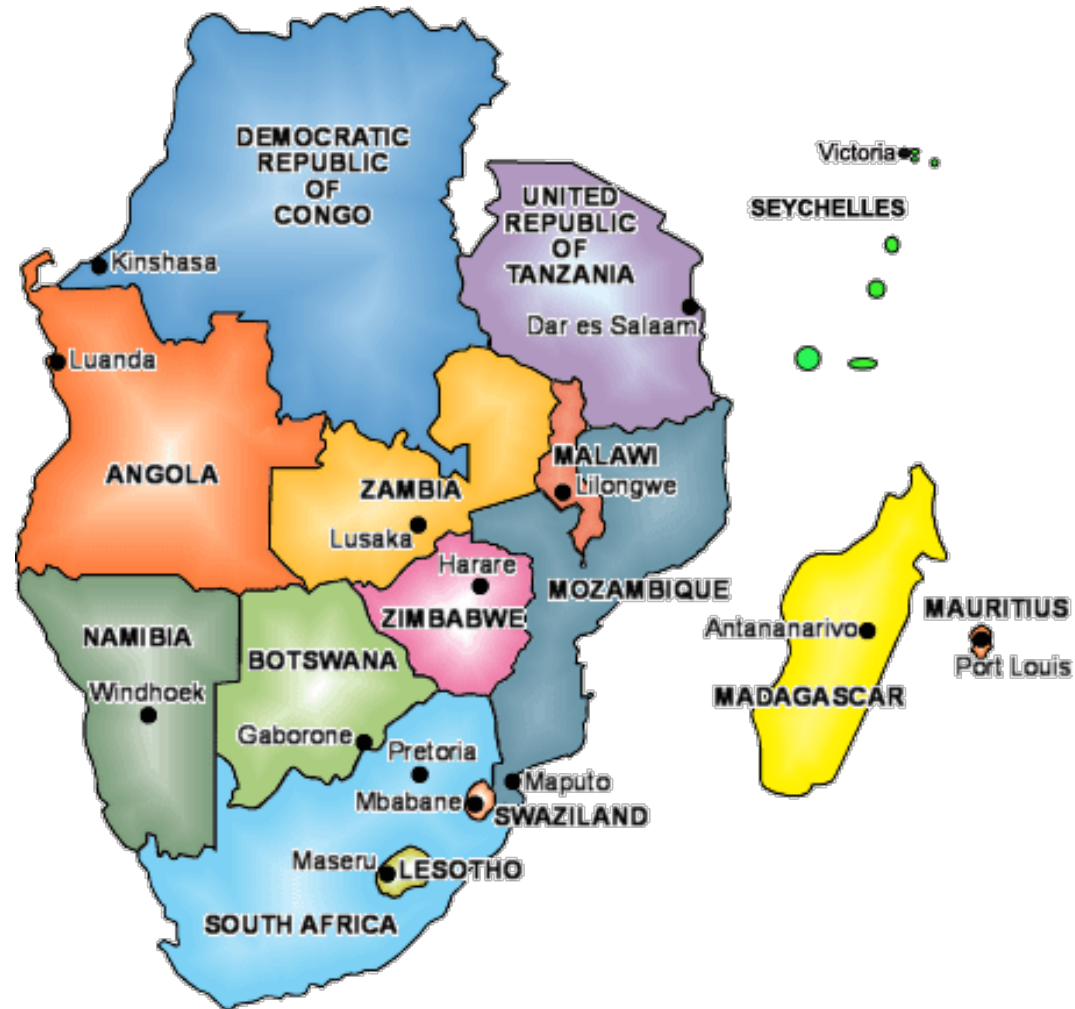
1. The Southern Development Community (SADC)
2. SADC Institutional Arrangements
3. SADC Payment System Subcommittee
4. SADC Payment System Project : Modernisation
5. SADC Payment System Project : Member states stocktake
6. SADC-RTGS: Strategic initiatives, legal framework, governance arrangements and business model
7. SADC Payment System Initiatives : Fintech, Intracontinental and future
8. SADC-RTGS in numbers



1. Southern African Development Community

16 member countries,
including Comoros
which recently joined

Co-operate on
matters
pertaining to
finance and
investments
within the region.



2. SADC Institutional Arrangements

SADC Summit (Head of States)

SADC Council of Ministers

SADC Committee of Ministers
responsible for Finance and
Investment

Committee of Central Bank
Governors (CCBG)

CCBG
Secretariat

Sub-Committees includes

Banking
Supervision

Financial
Markets

Payment
System

SADC
Banking
Association



3. SADC Payment System Subcommittee



Informed the Vision of the
SADC Payments Project

- Sub-committee of the CCBG
 - Mandate is drawn from SADC Protocol on Finance and Investment (FIP)
- Oversees the implementation of the Annexure 6 of the FIP
 - Co-operation on Payment Systems, Clearing and Settlement Systems
- Annexure 6 of the FIP aims at:
 - **Implementation of safe and efficient payment system in each Member State**
 - Development of cross border payment strategy for the region
- Each Member State Central Bank appoints one person to serve on the Sub-committee

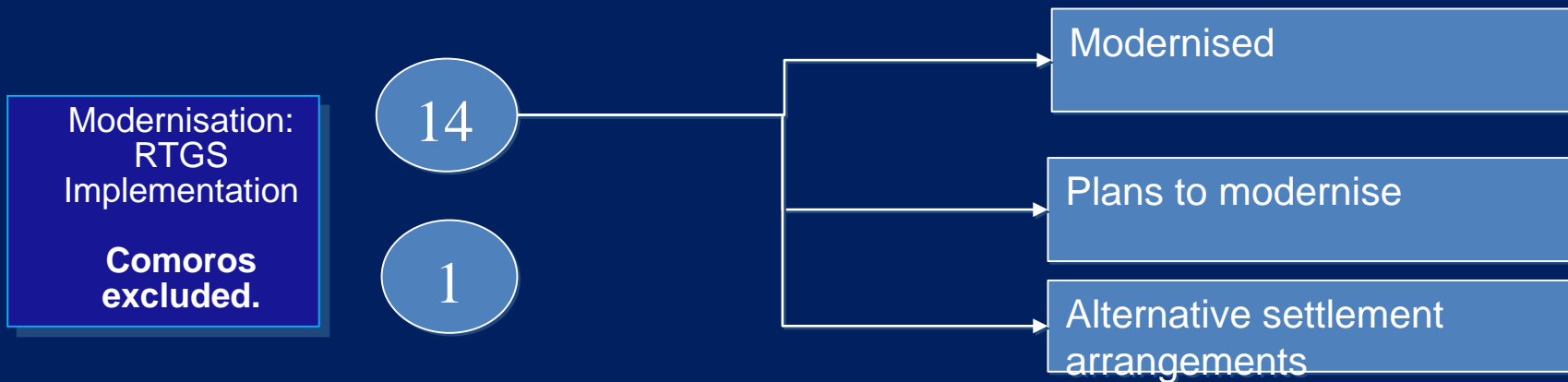


4. SADC Payment System Project: Modernisation of Payment Systems



5. Modernisation : Member State Stocktake

Develop Domestic Vision and Strategy documents	Promulgate of National Payment System acts	Establish of National payment system departments or divisions within the respective SADC central banks	Developed and implemented of domestic (RTGS)	Developed domestic oversight functions and frameworks	Domestic RTGS interlinked with Central Securities depositories to achieve delivery versus payment (DvP)	Implemented of domestic Retail Payment infrastructures for different payment streams/schemes	Introduced and enhanced mobile payment and mobile banking initiatives to support financial inclusion
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6. SADC Payment System Integration: Strategic Objectives

Strategic objective 1:
Enhance (harmonise) the regional legal and regulatory frameworks to facilitate regional clearing and settlement arrangements

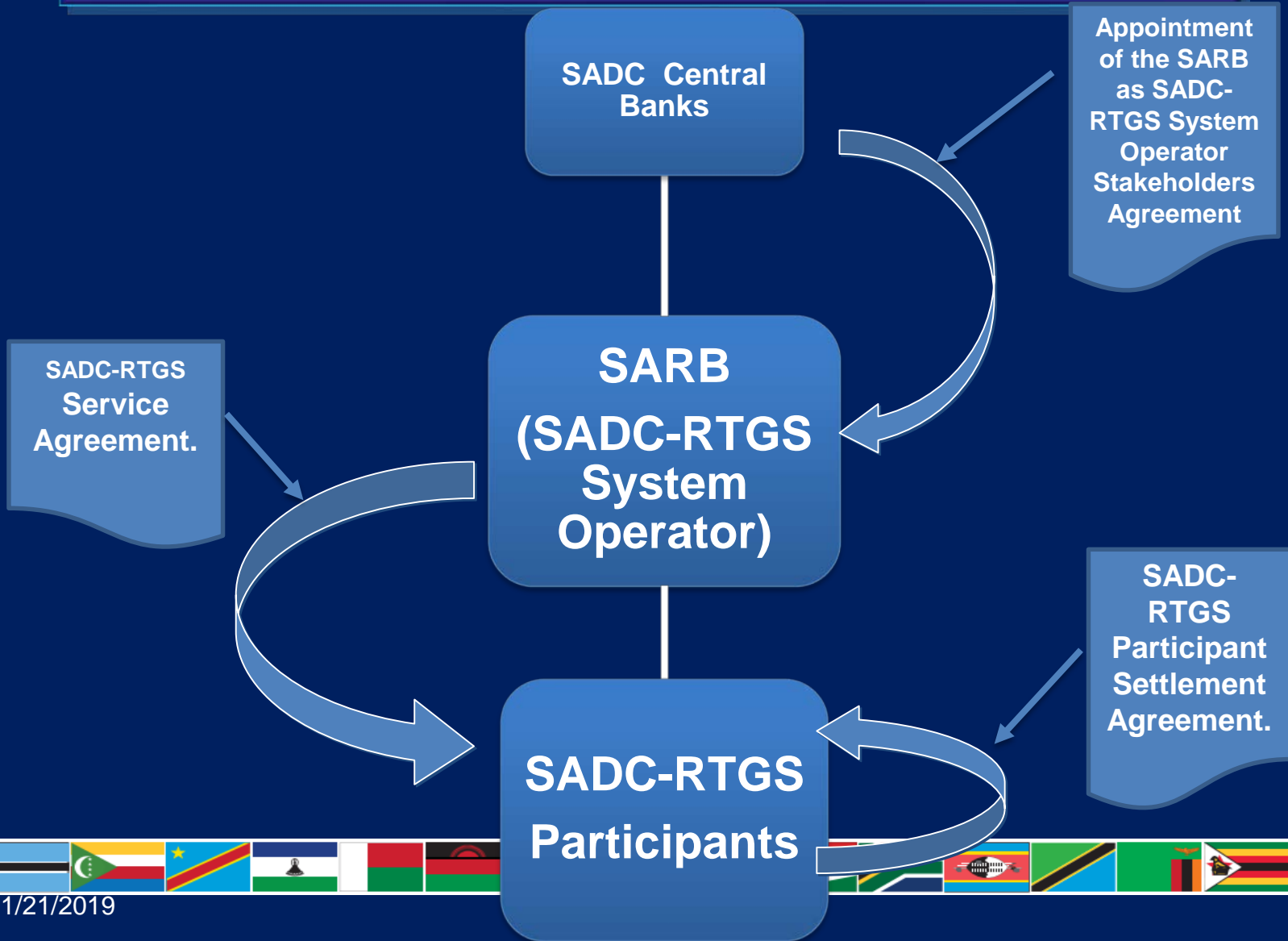
Strategic objective 3:
Implement an integrated regional cross-border payment and post-trade clearing infrastructure

Strategic objective 2:
Implement an integrated regional cross-border payment settlement infrastructure (business, technical and system)

Strategic objective 4:
Establish a co-operative oversight arrangement based on the harmonised regulatory framework for regional cross-border payment and settlement among participating member countries



6. SADC-RTGS Legal Framework : Contractual arrangements



6. SADC-RTGS Governance Arrangements

- Ensure compliance with CPMI IOSCO standards e.g. PFMI
- Oversee SADC-RTGS & RCSO and functions as:
 - Access Criteria
 - Disputes
 - Finality

SADC PSOC

SADC PSMB

IMMS

LVT

Payment Scheme Rule Book

SLA's & other operating agreements

SADC-RTGS

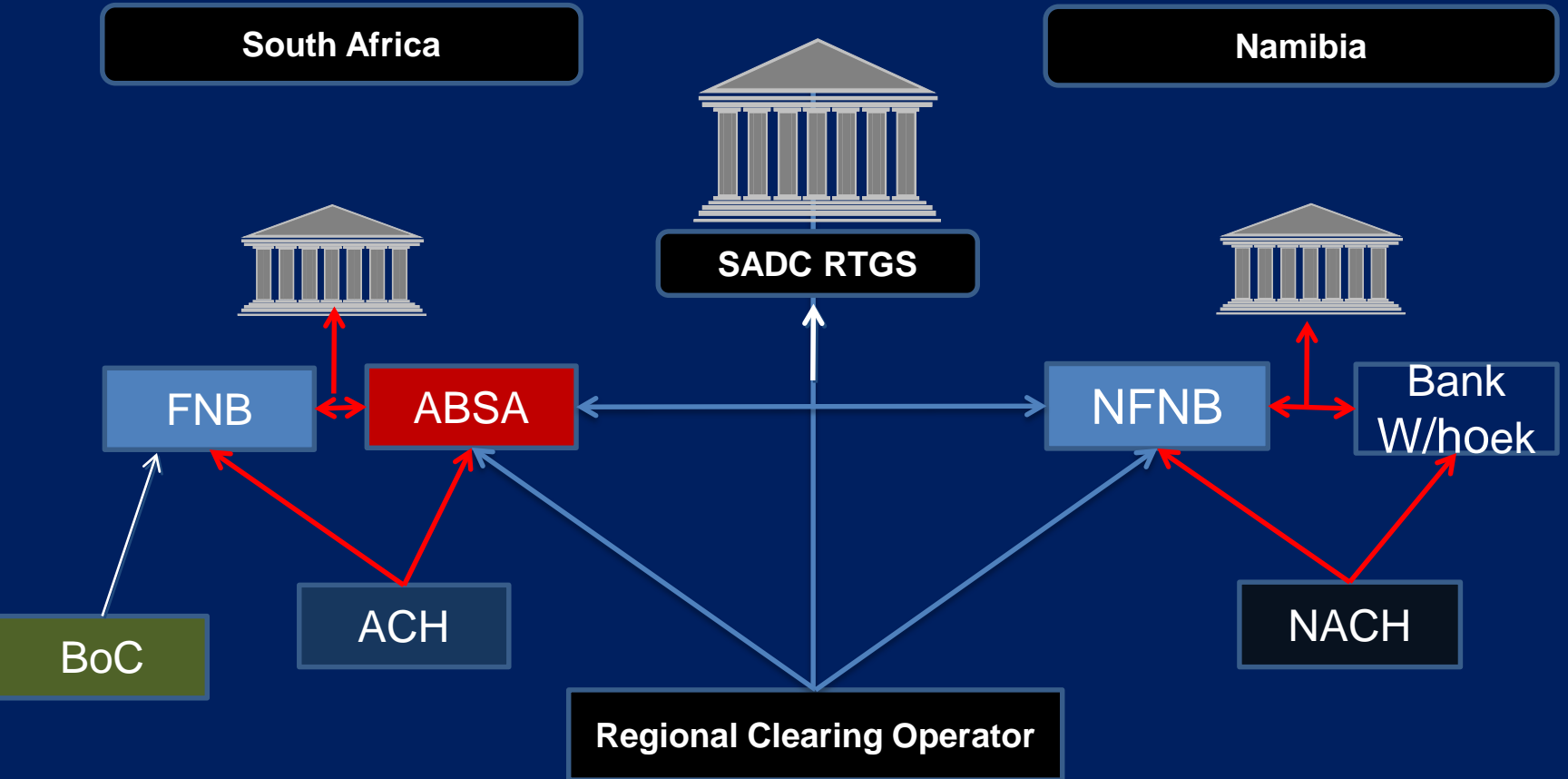
RCSO

DVP

Payment Scheme



6. SADC Payment System Integration Business Model



7. Strategic initiative: Intracontinental Payment Systems integration

- **Action :**
 - Facilitate public-private sector engagements on payment system regional integration issues.
- **Progress:**
 - Under the auspices on the Association of African Central Banks executing the integration on the mobile payments and regional payment systems in the African continent
 - Engage SADC Banking Association, African Mobile Network operators (MNOs), Non-banks, FMI, and Central Banks as regulators to execute the project.



Summary of SADC Payment system integration initiatives

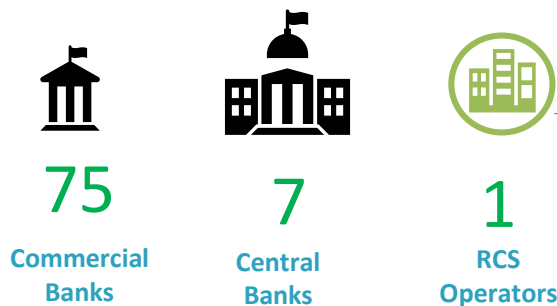
- Completed
 - Settlement infrastructure – SADC-RTGS
 - Business models – SADCBA Beige Book
 - Regional clearing and settlement operator – appointed
 - High value payment scheme – operational
 - Oversight functions established
 - RTGS modernisation (first generation) or settlement arrangements
 - NPS Departments/Units/Division established
- In progress
 - SADC Transactions clearing on immediate basis (TCIB) incl. participation of non-banks (faster payments scheme)
 - CMA low value cross border electronic debit (batched transactions scheme)
 - Fintech workgroup
 - Policy and supervision
 - NPS system incl. RTGS modernisation (ZA Project Future, RTGS Replacement)
- Future planned
 - Card scheme
 - DVP
 - SADC EFT scheme



8. SADC-RTGS indicators infographic

Participation

83 Total SADC-RTGS Participants **14** Participating countries



Totals since inception And Peaks



1 528 540
Total Volume

2 780
30 April 2018
Peak Daily Volume



ZAR 6.13 Trillion
(USD 402bn/EUR 364bn)
Total Value

11.4 billion
28 December 2018
Peak Daily Value

32 059
October 2018
Peak Monthly volume

119.53 billion
August 2017
Peak Monthly Value



Number of participating banks per country



Volume/Value distribution by instruction type



70% Customer payments



18% Interbank payments



12% System generated



ZAR 620 bn
Customer Payments



ZAR 5.59 tn
Interbank Payments



8. Main Indicators (Sept18-Aug19)



Number of instructions

343 307

(Last: 343 805)



Value of Instructions
ZAR(TN)

1,246

(Last: 1,269)



Average Value (Interbank)
ZAR (ml)

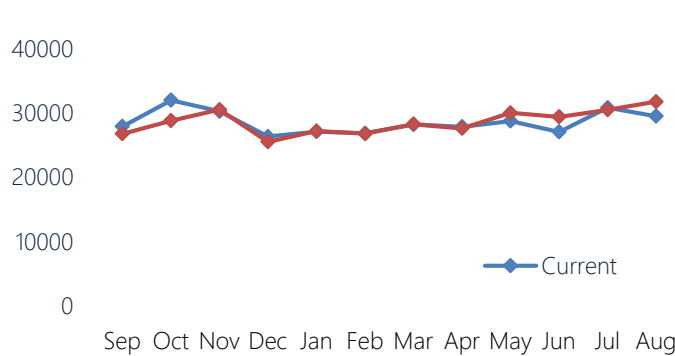
18,147



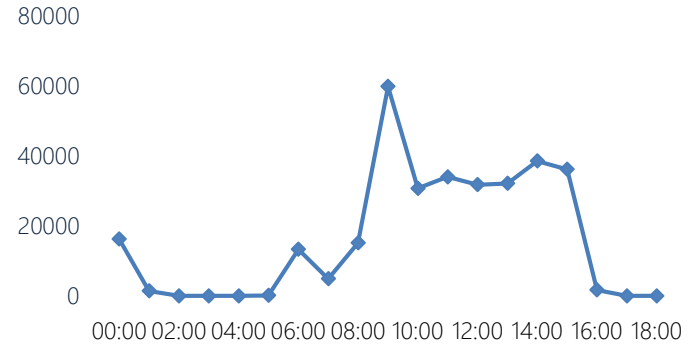
Average Value (Interbank)
ZAR (ml)

625,413.74

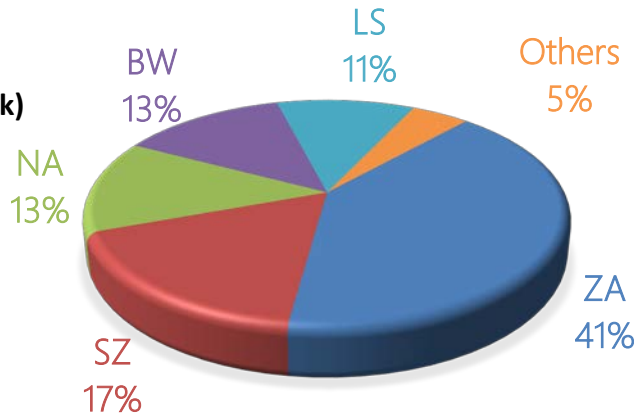
Growth in volumes



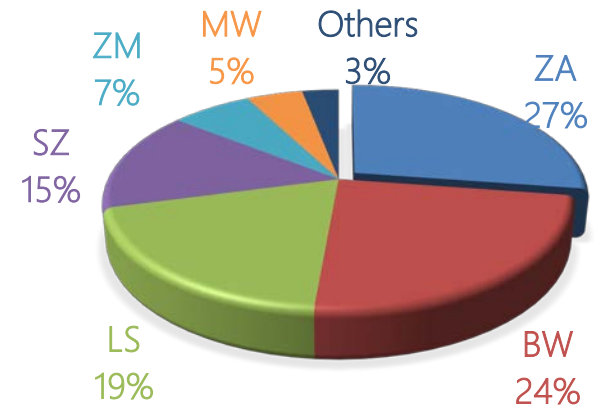
Processing per hour



Country distribution customer payments (Value)



Country distribution customer payments (Volume)



THE END

