

**The SADC-RTGS User Group Conference  
2021: 9 to June 2021**

**Evolving Payments in SADC and  
Shaping the Future**





## Tina Mathabegoane

- Tina Mathabegoane is a Senior Oversight Analyst in the National Payment System Department (NPSD) of the South African Reserve Bank (SARB). She has been with the central bank for over 20 years. She joined the SARB in November 1998 as a Bank Analyst in what was then known as the Bank Supervision Department, and joined the NPSD in 2005 as an Analyst in the Oversight Section.
- Her responsibilities include overseeing the cross-border payments in relation to the Common Monetary Area (CMA) and the Southern African Development Community (SADC) regions. For SADC, Tina participates in the formulation of an oversight approach, which includes the governance arrangements for the regional retail payment system. She also formulates the mandate as well as roles and responsibilities for the TCIB Scheme Manager.
- Tina is involved in the assessment of the financial market infrastructures (FMIs) against the Principles of Financial Market Infrastructures (PFMIs).
- She also participates in the Interchange Determination Project for retail transactions in the South African payments market.
- Tina holds a Bachelor of Commerce degree in Accounting and Information Technology from the University of the North-West, a Diploma in Advanced Banking from the University of Johannesburg, and a Master's degree in Business Leadership from the University of South Africa (Unisa) School of Business Leadership.



# Feedback by the SADC PSOC

8 June 2021

SADC PSOC Lead Overseer

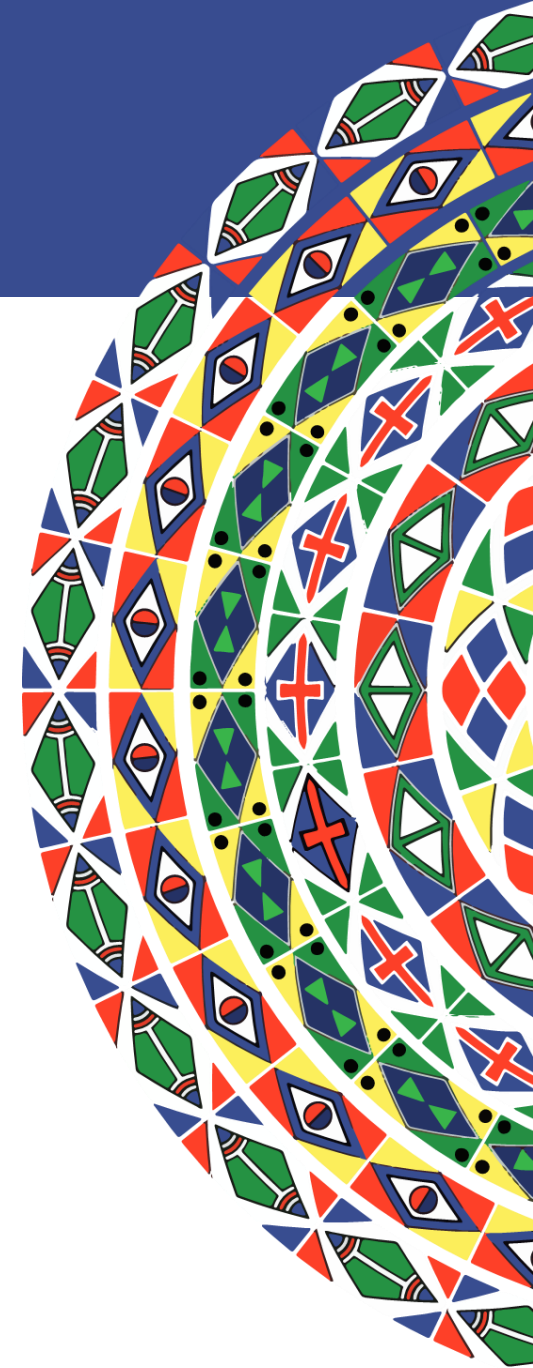
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# SADC-RTGS as a Financial Market Infrastructure



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# The SADC-RTGS as an FMI

- ❑ The SADC-RTGS system provides settlement services : SADC regional payments
- ❑ Designated as an FMI ito PFMI
- ❑ Its safety, stability and efficient functioning is critical for financial stability and economic growth within the SADC region
- ❑ The SADC-RTGS system should therefore be properly operated, regulated and overseen
- ❑ Operational resilience for the SADC-RTGS system is a key aspect for the overseers



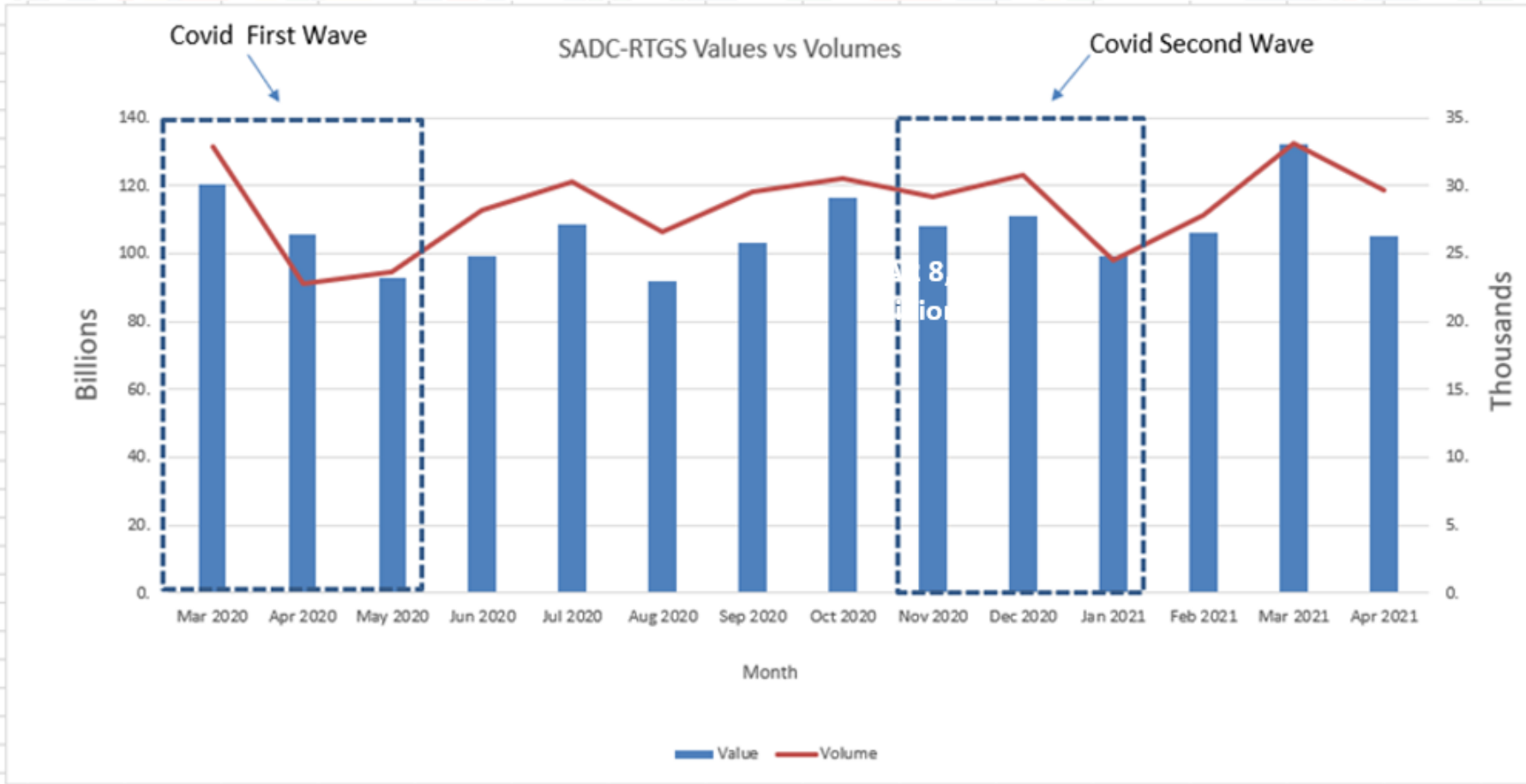
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# The SADC-RTGS system operations and COVID-19 pandemic

- ❑ Arrangements and measures to continue with the provision of settlement services
  - ❑ Reports to the overseer re: protection of staff and continuity of operations
- ❑ SADC-RTGS is performing as expected
  - ❑ SADC-RTGS is available; No downtime was reported
- ❑ SADC-RTGS participation stable despite mergers and termination of participation.
- ❑ New monthly peaks in March 2021 achieved



# SADC-RTGS values and volumes and Covid-19 Pandemic



**NB: Reported South African Covid-19 Pandemic waves**



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# SADC-RTGS Key Indicators and Figures : April 2021

## Go-live date

**23 July 2013**

**Age: 7 years  
11 months**

## Participants

SADC Member states	15
Participants	85
• Commercial banks	77
• Central banks	8
RCSO	1

**2,110,386**

**Instructions processed to date**

**ZAR 8,25  
Trillion**

**Value of instructions  
processed to date**

**1,504**

**Average volume of  
transactions processed daily**

**ZAR  
6 Billion**

**Average value of transactions  
processed daily**

**ZAR 133  
Billion**

**Peak Monthly Value: March 2021**

**33,079**

**Peak Monthly Vol: March 2021**

**Settlement figures**



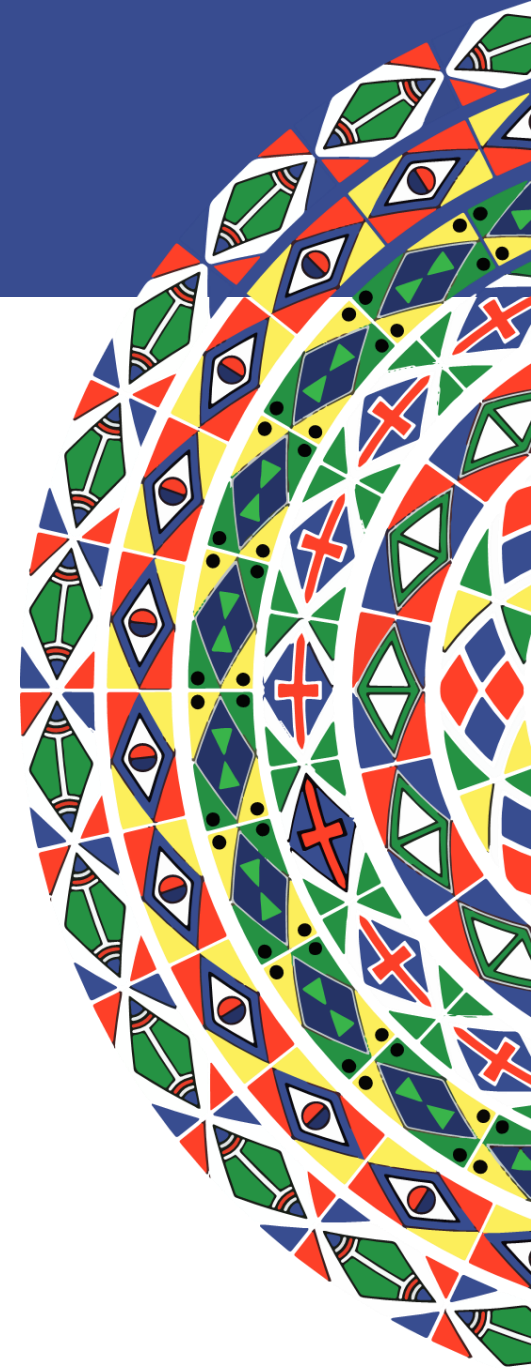
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# SADC-RTGS and Principles for Financial Market Infrastructures(PFMIs)

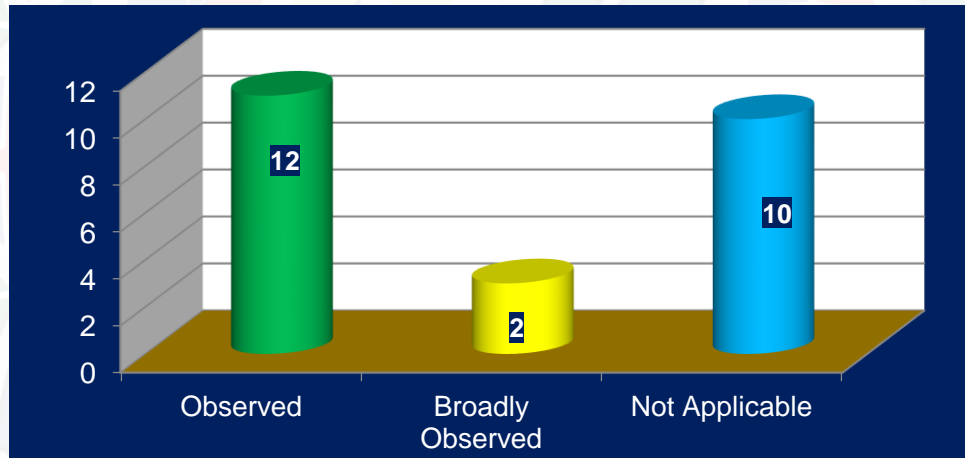


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# SADC-RTGS and PFMI

- ❑ Self-assessments against the PFMI every second year
  - Three self-assessment
  - One assessment by the overseer
- ❑ Latest SADC-RTGS PFMI compliance status



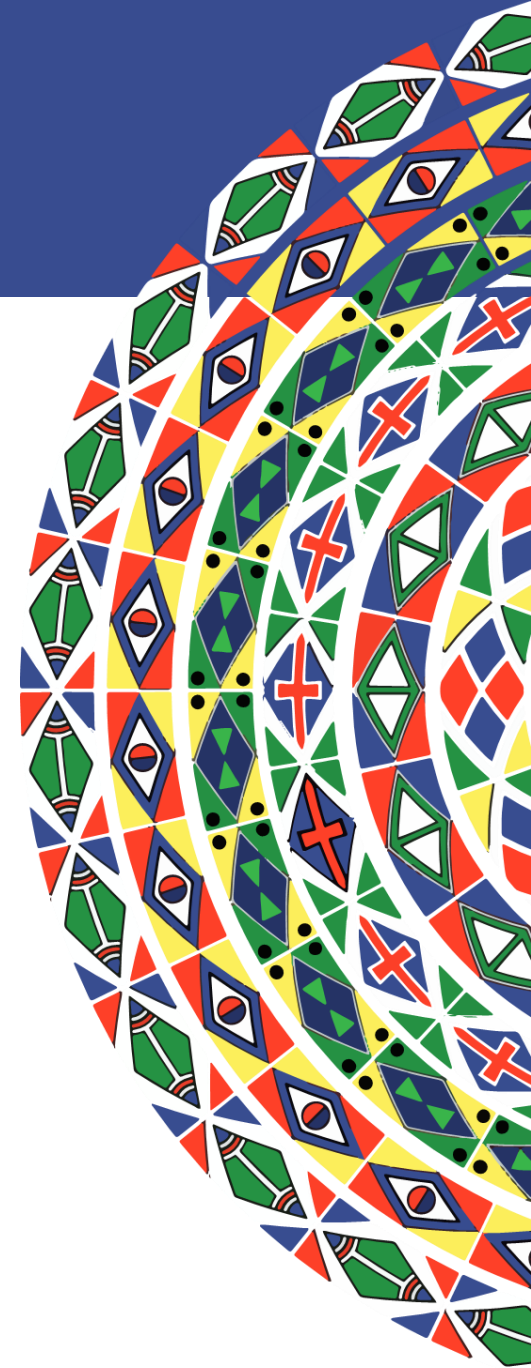
- ❑ Measures in place to address the identified issues re: broadly observed PFMI
- ❑ No concerns from the Lead Overseer perspective



# Projects and activities : SADC Payment System Integration Project



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# SADC-RTGS system Renewal Project

- ❑ **Work Package 1:** Lifespan Extension for the Current RTGS applications
- ❑ **Work Package 2:** Payment Industry ISO20022 Migration
  - ❑ New messaging platform and standards aligned to the Payments Industry Modernisation Project.
  - ❑ Version changes to SADC-RTGS are required to enable the transition
- ❑ **Work Package 3:** Target Operating Model and Architectures: Transformational changes within the RTGS operations affecting technology, people, processes, data and location
- ❑ **Work Package 4:** - Effective Integration Layer : Proposals for designs will enable interoperability and accessibility to accommodate a wide range of participants



# Transactions Cleared on an Immediate Basis Payment Scheme

- ❑ CCBG SADC Payments Integration Initiative : SADC Instant Payment
- ❑ Led by SADC Banking Association in collaboration with BankservAfrica
- ❑ Participation : Approved banks and non-banks re: participation criteria
- ❑ Technical development completed; testing phase
- ❑ 'Go-live' in controlled environment to commence soon
- ❑ BankservAfrica is the licensed Regional Clearing and Settlement System Operator
- ❑ To finalise governance arrangements re: appoint BankservAfrica as a Scheme Manager



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# Inclusion of non-banks in the SADC payments platforms

- ❑ BIS CPMI paper on Non-banks in retail payments, September 2014
- ❑ CCBG SFA : Enhance the SADC payments system platform to include non-bank financial institutions on the current SADC payment platforms (SADC-RTGS and RCSO)
- ❑ SADC PSOC approved that provision should be made for the participation of non-bank on the SADC-RTGS system
- ❑ The SADC-RTGS participation criteria was revised to include non-banks
  - ❑ One of the main participation requirements : Letter of authority to be obtained from the CBs
- ❑ Settlement models yet to be bedded down



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# SADC-RTGS system capability to cater for multicurrency settlement

- ❑ Approved by the CCBG : Other SADC currencies and USD eligible to settle in the SADC-RTGS system
- ❑ The SADC-RTGS in a process of being enhanced
- ❑ Status : User Acceptance Testing phase: To be implemented in version 4.2 of the system
- ❑ CCBG to consider funding arrangements for the USD



# ISO 20022 Migration journey

## □ Coordination

- SADC PSS Project Manager - Regional programme
  - Central banks - Member state level
  - The SADC-RTGS Operator - Infrastructure and participants
- ## □ Migration Approach and Plans : Towards November 2025
- Workshops are conducted to provide guidance - SADC PSS Project Manager



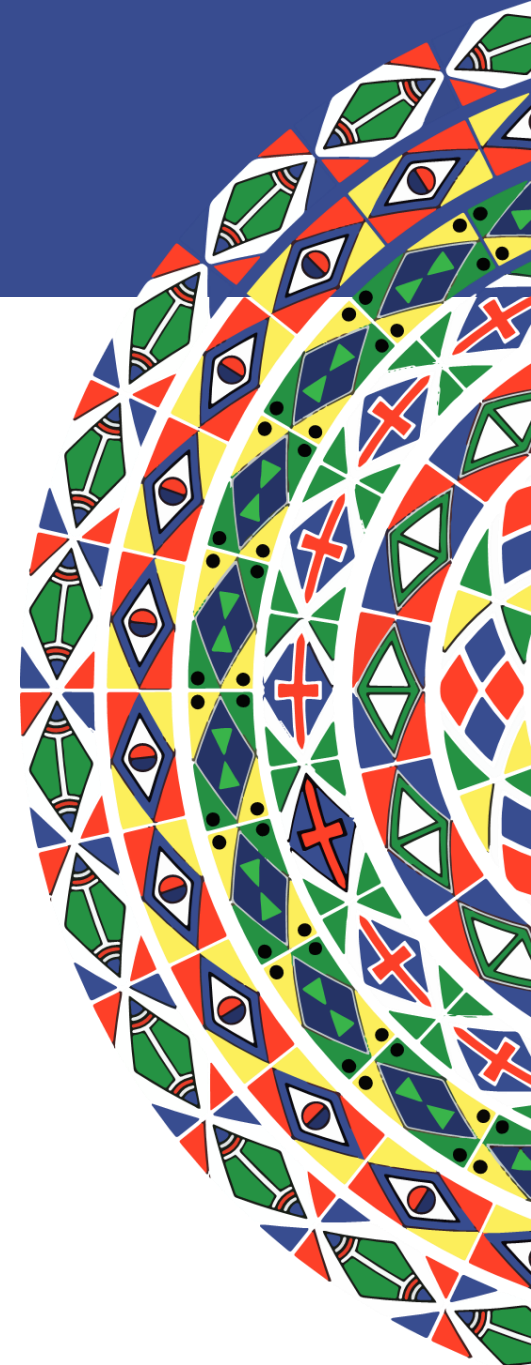
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# G20 Roadmap for Enhancing Cross-border Payments

**BIS CPMI paper on Enhancing cross-border payments:  
building blocks of a global roadmap, July 2020**

**Related Roadmap by the Financial Stability Board**

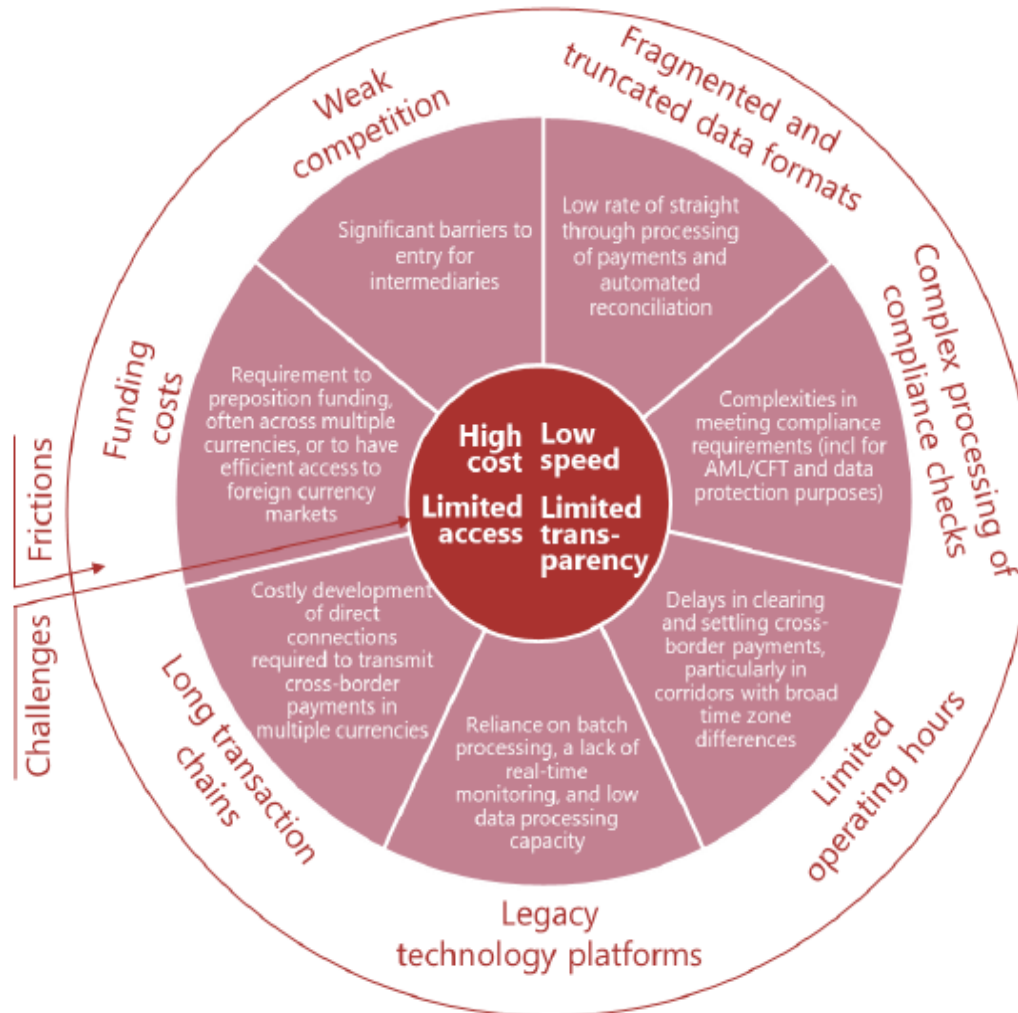


# Cross-border payment :Challenges and Frictions



## Four challenges

- High costs
- Limited access
- Limited transparency
- Low speed



## Seven Frictions

- Funding costs
- Weak competition
- Fragmented and truncated data forms
- Complex processing of compliance checks
- Limited Operating hours
- Legacy technology platforms
- Long transaction chains



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# Building Blocks to address the challenges and frictions



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**Source:** BIS CPMI paper on Enhancing cross-border payments: building blocks of a global roadmap, July 2020

# Same challenges and frictions within the SADC payments integration space....



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**Countries and regional formations to note the CPMI paper and the work done by the FSB to address the cross-border payments.**

# Conclusion

In shaping the future of payments, the overseers will:



Continue to collaborate to the stakeholders and participants

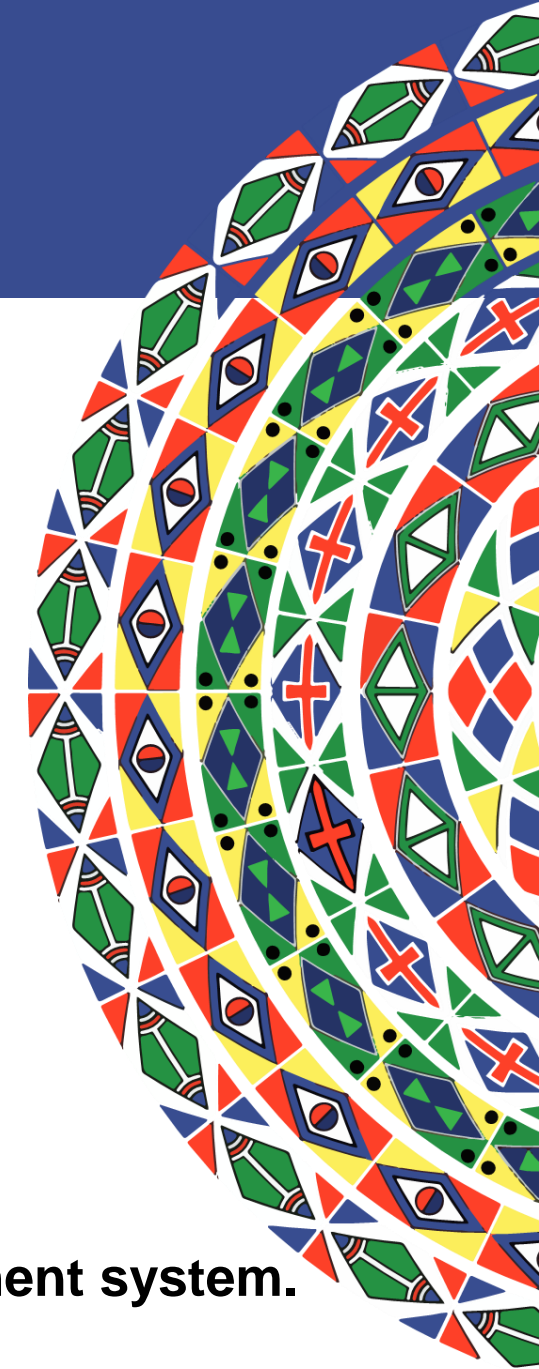


Continue support innovation within the payments



Endeavour to provide an enabling environment

...while ensuring that safety and efficiency regional payment system.





**End of the presentation**

**Thank you! Merci! Obrigada !**

