

SUMMARY OF THE SADC SPECIFIC COUNTRY REPORT 2007/2008



ANGOLA

■ Operational issues

1. Current focuses on:
 - Management of the semi automated clearing house for cheques and credit transfer.
 - Supervision of the Multicaixa (ATM and POS switching systems).
 - Administration of the RTGS (SPTR).
 - Implementation of the new applications for the calculation and control of the fulfillment of the compulsory reserves.
 - Oversight of national payment system.
2. Experiencing growth in the RTGS volume.
3. Actions to be implemented to meet Core Principles for SIPS.



ANGOLA

- **Settlement system developments and projects**
 1. New routine for tax payments, started with implementation in 2007.
 2. Discussions on financial settlement of transactions within the open market (Stock Exchange).
 3. Preparations for Consolidated Manual on payment system legislation, such as RTGS regulations and norms.
- **Retail system developments and projects**
 1. ACH to be implemented.
 2. Implementation of credit cards.
 3. Project on salaries payment to the state workers .



ANGOLA

- **E-money and mobile banking initiatives**
 1. No developments.
- **Oversight issues**
 1. Angolan Payment Systems law (9th June 2007).
 2. Banks should introduce in their respective internal systems a solution to make possible the execution through automated means, without manual interference, of the credits settled on RTGS.



BOTSWANA

- **Operational issues**
 1. Discussions for the Bank to introduce penalty charges on selected (BISS) transactions to instil discipline.
 2. Participants working towards achieving STP processing between front and back offices.
- **Settlement system developments and projects**
 1. The volumes in BISS are stable.
 2. Central Securities Depository (BSE) expected in the 1st quarter 2008.



BOTSWANA

- **Retail system developments and projects**
 1. Plan to introduce Cheque Imaging and Truncation.
 2. Plan of capping cheques.
 3. Increase in use of retail payments instruments (debit/credit cards).
- **E-money and mobile banking initiatives**
 1. Issues Paper has been drafted.



BOTSWANA

- **Oversight issues**
 1. NPS oversight framework and implementation guidelines – drafted.
 2. MOU to clarify roles of PSD and BSD – drafted.



BANQUE CENTRALE DU CONGO

■ Operational issues

1. Achieved over the period under review:

- Modern information system.
- Telecommunication network by satellite.
- Implementation of the Bank supervision Application (solvency, liquidity).
- Telecommunication network between Bank and branches.
- Automatization of the Clearing House transactions.
- Implementation of software (Flex cube), management of the reserves between offices.
- Modernisation of management of the Treasury Department.



BANQUE CENTRALE DU CONGO

- **Settlement system developments and projects**
 1. Because of new software in clearing house, settlement is automatically. No distinction yet between gross and net settlement system.
- **Retail system developments and projects**
 1. Launching of new products (credit, debit cards) (Visa and MasterCard).
 2. Installation of ATMs and POS devices in shops.
 3. Lack of collaboration by banks in embarking on the modernisation of their payment services could result in issues relating to interoperability of different systems in the near future.



BANQUE CENTRALE DU CONGO

- **E-money and mobile banking initiatives**
 1. Cell Pay implemented a mobile payment services.
- **Oversight issues**
 1. Oversight function has not been implemented.



LESOTHO

- **Operational issues**

1. First year of operation of Lesotho RTGS (Lesotho Wire).

- **Settlement system developments and projects**

1. Values and volume increased in the Wire.
2. M100 000 limit on cheques.
3. Exploring possibility of introducing straight through processing.



LESOTHO

- **Retail system developments and projects**
 1. Installation of the Automated Clearing House (ACH) is at an advanced stage.
 2. Funded by Millennium Challenge Corporation (MCC) (USA).
 3. ACH will cover the clearing and settlement of:
 - EFT
 - Cheque Code Line Clearing stream
 - Mobile banking
 - Smart card
 - Card payments



LESOTHO

- **E-money and mobile banking initiatives**
 1. ACH expected to facilitate the introduction of e-money and mobile banking.
 2. Smart cards and its POS (included in the funding).
 3. Internet banking is at the small scale.
- **Oversight issues**
 1. Requested IMF technical assistance for oversight framework and attendant manual of operation.



MADAGASCAR

- **Operational issues**
 1. to reduce the float by introducing a new system 01/2007
 - Settlement system based on decentralized clearing.
- **Settlement system developments and projects**
 1. **project of modernization (stages)**
 - preliminary studies
 - user requirements preparation
 - materials and services delivery
 - operationalization of the new system



MADAGASCAR

- **E-money and mobile banking initiatives**
 1. Initiatives do not exist in Madagascar.
 2. Few people use card system.



MALAWI

- **Operational issues**

1. Proposal to establish Electronic Cheque Clearing House (ECCH).
2. Proposal to register ECCH as a company.
3. Review the structure of the NPC (council).

- **Settlement system developments and projects**

1. Decrease in RTGS system (volume and value) to be investigated.
2. RBM intends to interface the RTGS system with its banking application (Midas) – testing phase.
3. carried out an analysis of the value and volume of ECCH transactions.
 - revealed that some high-value cheques are cleared through the ECCH.
4. Value cap to be discussed by stakeholders.



MALAWI

- **Retail system developments and projects**
 1. Implementation of interoperability of ATM.
 2. Investigating the possibility of capturing deposit slips and effecting low-value credit transfers – ECCH.
- **E-money and mobile banking initiatives**
 1. Establish a task force to promote the use of cards.
 2. Three out of nine banks offer mobile banking (information services and balance enquiry only).
- **Oversight issues**
 1. Formulation of the NPS Oversight Policy (IMF assist through Bank of Norway).
 2. Designated RTGS and ECCH as SIPS, smart card scheme as SWIPS.



Mauritius

- **Operational issues**
 1. Migrated to SWIFT Net phase II.
 2. Next target – migrate towards Relationship Management Application (RMA) replacing Bilateral Key Exchange.
- **Settlement system developments and projects**
 1. Cheque truncation.
 - Images of cheques are captured and forwarded to paying bank for clearing.
 2. Member of REPSS (COMESA), provide clearing and settlement facility for cross-border payments.



Mauritius

- **Retail system developments and projects**
 1. Launched a Financial literacy program.
- **E-money and mobile banking initiatives**
 1. Two banks provide internet and mobile banking.
- **Oversight issues**
 1. DR and BCP on a yearly basis.
 2. Report on technical and operational problems.



Mozambique

- **Operational issues**

1. NPS under restructuring (automated):
 - Automated clearing of cheques and debit payment instruments
 - Inter-banking debit cards clearing system
 - VISA national clearing system
 - Government electronic system
 - Money market system
 - Stock exchange system



Mozambique

- **Settlement system developments and projects**
 1. Finalised the software development and performed testing for live production (RTGS system “in house development”).
 2. Prepared regulatory, procedures and operating rules framework (await approval).
 3. NPS draft Act approved by parliament and to be promulgated by Head of State.
 4. NPS infrastructure by June 2008.



Mozambique

- **Retail system developments and projects**

1. There are 2 retail systems:
 - Interbancos – Ponto 24 (debit cards clearing systems).
 - MOZ-MNSS (Visa national net settlement (went live March 2007)).
2. Introduced clearing and settlement of EFTs.
3. Negotiations for creation of an ACH for major instruments.

- **E-money and mobile banking initiatives**

1. No developments.

- **Oversight issues**

1. In the process to formalise the oversight function as a unit of Payment System Department.



Namibia

- **Operational issues**
 1. No developments.
- **Settlement system developments and projects**
 1. Namswitch to be operational by end of April 2008.
 2. Namibian inter-bank Settlement system experienced growth in value and volume.
- **Retail system developments and projects**
 1. Card Switching System project.
 - Project Charter, business and technical specifications signed-off in 2007.
 2. Implementation of 5 day national cheque clearing cycle.
 - Live implementation date 1 April 2008.
 3. Feasibility study on imaged-based cheque truncation.
 - Results – not feasible.



Namibia

■ E-money and mobile banking initiatives

1. Authorised Namibian Post to issue electronic money.
2. FNB launched mobile banking.
3. Mobile payment systems to be regulated through **determination** on payment systems issued on the 6th July 2007.

■ Oversight issues

1. Bank of Namibia taking over the Chairpersonship and Secretariat function of the PAN and half of the operational budget and Bankers association the other.
2. Issued Directives that relates to EFT transactions (to notify all Namibian registered companies, which are routing Nam dollar transactions through (Bankserv) to implement the necessary system changes for the submission of all Namibian domestic EFT transactions through (Namclear) for final settlement in NISS.
3. PAN successfully completed the assessment of Smartswitch, Namclear and RealPay (entry criteria).



South Africa

■ **Operational issues**

1. Payment stream was implemented to provide near Real-Time Clearing (RTC) for retail payments.
 - batches of (RTC) stream are submitted for settlement several times during the business day
2. **Settlement system developments and projects**
 - A new version of RTGS system shall be implemented in Quarter 2 of 2008 to facilitate cash settlement of the dematerialized money market instruments.

■ **Retail system developments and projects**

1. Growth in total value of payments.
2. Commercial banks to comply with EDO directives by end 2007.
3. Successfully completed SARB DR and BCP testing.



South Africa

- **E-money and mobile banking initiatives**
 1. Growth in prepaid gift card market.
- **Oversight issues**
 1. Conducted on-site oversight of the PCH operators, Bankserve and STRATE.
 2. Issued non-bank stakeholders directives.
 3. Formed National Payment System Advisory Body.
 4. Jointly developed Terms of Ref (CMA).
 - to govern the management of risks and oversight initiatives.
 5. Finalised cross-border correspondent banking agreements (CMA).



SWAZILAND

- **Operational issues**

1. SAECH rules signed by participants.
2. Service Level Agreement between the participants – in process.
3. Banking Agreement – advanced stage.
4. Considering reviving the National Payment System's Council and its Sub-Committees.



SWAZILAND

- **Settlement system developments and projects**
 1. Implemented the RTGS System in June 2007.
 2. Implemented a mandatory monthly collateral security of short-term treasury bills to be lodged and pledged to the Central Bank based over a three months revolving average.
 3. Banks are required to fully implement straight through processing (STP) by the 1st of April 2008.
 4. Advanced stage of implementing DR and BCP.
 5. Planning Tax Payment Stream to the SWIPSS/RTGS.
 6. Strengthened public sensitization.



SWAZILAND

- **Retail system developments and projects**
 1. Introduced a debit item value limit of 1 million Emalangeni.
 2. Clearing cycle has also been further reduced from T+4 to T+3 country-wide effectively from the 1st of July 2007.
 3. Electronic clearing house back-up site was upgraded in August 2007, through the installation of an Uninterrupted Power Unit (UPS).
 4. The System's interface to the SWIPSS/RTGS which was also fully implemented by the live date of the 15th of June 2007.



SWAZILAND

- **E-money and mobile banking initiatives**
 1. No developments, but MTN is currently negotiating for an all purpose license.
- **Oversight issues**
 1. Advanced stage of implementing the oversight function.
 2. The Oversight Framework Policy Document and Guidelines have been drafted.



Tanzania

- **Operational issues**

1. Improved efficiency in the payments system by eliminating the settlement time lag.

- **Settlement system developments and projects**

1. Developed UmojaSwitch Net Settlement Services (UNSS) obligation.
2. Ministry of Finance joined TISS.
3. East Africa Payment System to be implemented in August 2008.

- **Retail system developments and projects**

1. DECH enhanced to use SWIFTNet File Act (Automated).

- **E-money and mobile banking initiatives**

1. No developments.



Tanzania

- **Oversight issues**

1. Review of rules and regulations for clearing houses following automation.
2. Formulation of NPS Oversight Policy.
3. Review of Electronic Payment Schemes guidelines.
4. Conducted on-site and off-site examination.



Zambia

- **Operational issues**

1. Zambia Interbank Payment and Settlement System experienced growth in volume and value.
2. Introduction of Tax Payment Stream.
3. Value limits on Physical Interbank Clearing, Direct Debits and Credit Clearing payment streams.

- **Settlement system developments and projects**

1. Implementation of Reserves and charges Modules on ZIPSS.
2. Implementation of Straight Through Processing at commercial banks.



ZAMBIA

- **Retail system developments and projects**
 1. Item value limits - physical interbank clearing (cheques)- direct debits- direct credits.
 2. Visa transactions settle under Visa-National Net Settlement Services.
 3. Implemented payment stream for pension contribution.
 4. In the process of linking:
 - Ministry of Finance and National Planning
 - Lusaka Stock Exchange
 - Zambia Electronic Clearing House Limited



ZAMBIA

- **E-money and mobile banking initiatives**
 1. Received inquiry on mobile phone transaction medium for cotton farmers in the Eastern province of Zambia (successful pilot test).
- **Oversight issues**
 1. Implementation of the National Payment Systems Act, 2007.
 2. Money Transmission Guidelines (providers)
 3. Finalising the oversight policy.
 4. Adopted the National Payments Systems Vision and Strategy 2007 – 2011.



Zimbabwe

- **Operational issues**
 1. Increased utilisation levels of the RTGS System.
- **Settlement system developments and projects**
 1. CSD system upgraded.
- **Retail system developments and projects**
 1. Completion of SWIFTNet Phase II Migration.
 2. Progress on implementation of Straight Through Processing (STP) RTGS (testing with most institution).
 3. Interoperability of local cards on a common ATM and POS platform.
 4. Framework for retail payment system is being developed.



Zimbabwe

- **E-money and mobile banking initiatives**

1. No e-money developments
2. Mobile banking offered by 7 banks.

- **Oversight issues**

1. Undertook assessment of financial institutions' BCP and DR.
2. Value limits on cheques and other paper based instruments.

