



SADC Payments Project

Introduction

- In line with the political intention to integrate the economies in the SADC region a protocol on Finance and Investment was signed by the heads of state of countries in SADC
- The SADC Payments Project is one of a number of SADC projects being undertaken in terms of the SADC Finance and Investment protocol
- The SADC payments project is being driven by the Payments system sub-committee of the Committee of Central Bank Governors (CCBG)
- The SADC Banking Association has been mandated to represent the interests of the commercial banks in the project and to develop the required regional payment instruments
- All inter-bank settlements are being settled in ZAR through the regional Real Time Gross System called SIRESS – SADC Integrated Regional Electronic Settlement System

Key Strategic Aspects of the Initiative

- Each country will maintain its own currency for the foreseeable future

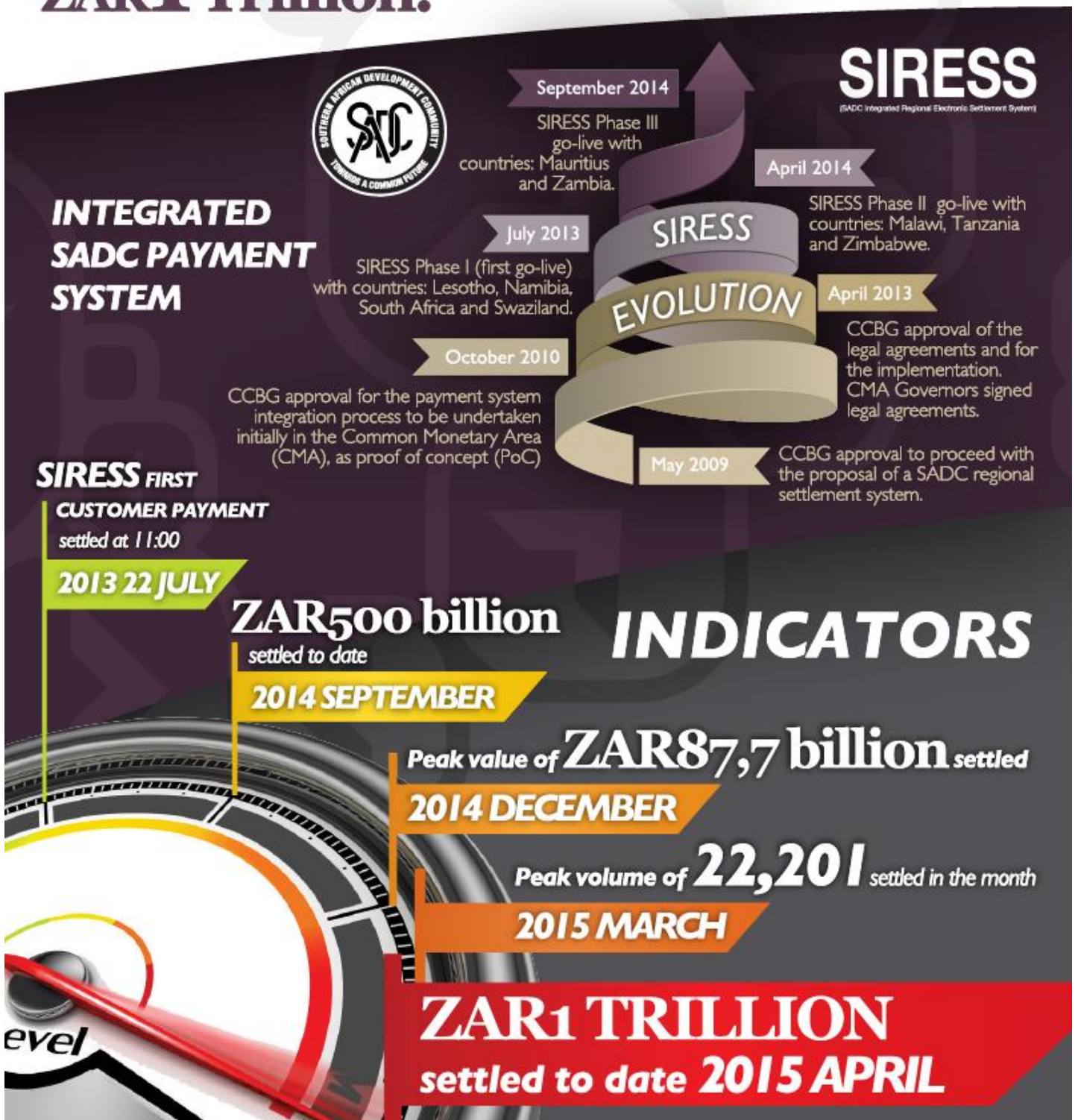
- Each country will maintain its own financial infrastructures
- Intra-SADC payments will be settled over a central settlement system – SIRESS
- All banks and subsidiaries of banks will, over time, be required to maintain settlement accounts at SIRESS
- Intra-regional settlement currency adopted is the South African rand (ZAR)
- Operational hours based on Central African Time

Progress to Date

- The High Value payment stream is alive in 9 countries
- 3 More countries are planning to go live by October 2015
- Low value payment stream in inter-bank testing for preparation for live implementation
- Testing settlement of financial market transactions to start in terms of its implementation schedule
- Other streams are scheduled for start of implementation in the first half of the next year

SIRESS Milestone

On April 29, 2015, SIRESS reached a significant milestone with a settlement of **ZAR1 Trillion.**



THE SIRESS JOURNEY – moving the region forward towards regionalisation

Since the **SWIFT Africa Regional Conference in Botswana, 21 – 23 May 2013**, the SIRESS Payments Project embarked on an exciting journey in the region. The SADC Banking Association has conducted country visits and held workshops on High Value Payments, in Zimbabwe, Angola, DRC, Zambia and Namibia. These visits were well supported by the Banking Associations' in the SADC region. The payment scheme has grown enormously and has become a much talked about system both in Africa and abroad.



The **SADC Integrated Regional Electronic Settlement System (SIRESS)** went live with High Value Payments for the Common Monetary Area Countries with the first customer payment settled at 11:01 on 22 July 2013, followed by the non-CMA countries. SIRESS Phase I (first go-live) with the following countries: Lesotho, Namibia, South Africa and Swaziland followed by SIRESS Phase II go live with countries: Malawi, Tanzania and Zimbabwe. SIRESS Phase III go-live included countries: Mauritius and Zambia.

SIRESS Participation during the period July 2013 to June 2014 had 6 countries, 36 Commercial Banks and 5 Central Banks. SIRESS Volumes' – CPL and RTL (excl. funding) Transactions Settled reached 4071 and SIRESS: Value of Settled Payments – CPL and RTL (excl. function) reached 44.5 (ZAR Billion).

Angola • Botswana • Lesotho • Democratic Republic of Congo • Namibia • Madagascar • Malawi • Mauritius
• Mozambique • Seychelles (Affiliate) • South Africa • Swaziland • Tanzania • Zambia • Zimbabwe

In May 2014, the inauguration of the **SADC ACH Association (SACHA)** took place with attendance of representatives from ACH's within the SADC region. The organisation was formalised and Mr. Cyril Nyatsanza from Zimswitch in Zimbabwe elected as Chairperson of SACHA, Mr. Lionel Slowe from BankserveAfrica elected as Vice Chairperson and Mr. Fabian Tait of Namclear from Namibia, elected as Secretary.

At the end of June 2014, all aspects of the development phase of all payment streams

were completed. This included: business models, rule books, message standards, service level and other operational agreements, etc.

Between June 3, 2014 and August 30, 2014, the SADC BA's team continued with country visits and held workshops in Mauritius, Zambia, DRC and Angola for commercial banks wanting to join the SIRESS project.

COUNTRY VISITS

In preparation for the **Low Value Credit Transfer and Settled via a Regional Clearing and Settlement Operator Payment Stream** going live in SIRESS, the SADC Banking Association together with BankserveAfrica and SACHA visited the countries already live in SIRESS. With the assistance from Central Banks, Banking Associations and the In-country Payments Leaders, the country participants met with the teams to discuss first-hand, this the 2nd payment stream. The meetings provided the participants and the teams with the opportunity to discuss the procedures and processes involved in the new payment stream to the benefit of everyone present.



Payment Scheme Management Body (PSMB)

The **PSMB** is an autonomous sub-structure of the SADC Banking Association overseen by the **SADC Payment System Oversight Committee (PSOC)**.

The committee members include one representative from each of the countries live in SIRESS, SADC BA and Observers from SADC PSOC and Payments Association of Namibia. Currently Lesotho, Swaziland, Namibia, South Africa, Malawi, Mauritius, Tanzania, Zambia and Zimbabwe are represented. When a new country joins SIRESS, an invitation is issued to the Banking Association of the country to invite them to nominate a country representative on to the PSMB.

The committee members are chosen for their local banking knowledge, nominated by their Banking Association and approved by the Nominating and Governance Committee – a sub-committee of the SADC BA Board.

The PSMB administers various payment streams, creates rules, process of compliance and maintains on-going development and meets business and regulatory changes. This is a formally structured group that meets at least 3 times a year.

At this stage, the banks already live in SIRESS are gearing up for the 2nd payment stream and are participating in the testing process.

Currently there are 5 central banks and 56 commercial banks already live and transacting in the system. During September 2014, ZAR 500 billion was settled through SIRESS with a peak value of ZAR 87,7 billion settled in December 2014 and a peak volume of 22,201 settled.

There are 12 banks participating in Phase IV. They are currently in the testing stage and aim to go live on 25 May 2015.

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