

BULK RAND BANK NOTE PROCESSING



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INTRODUCTION

The SADC Banking Association identified the need for the bulk ordering and repatriation of Rand (ZAR) notes to be considered as a payment stream in the SADC Payments Project. This was necessary as the proceeds of such transactions will affect the liquidity the SADC settlement system (SIRESS). The SADC Payments Project is not concerned with the individual transactions undertaken by banks and bureau de changes but only with the wholesale or bulk ordering or repatriation of bank notes.

WORK STREAM KEY PLAYERS



Daniel Mbozi
IPL for Malawi
Chairperson of SADC Bank Notes Work Stream
Head: Country Operations
Standard Bank Malawi Limited

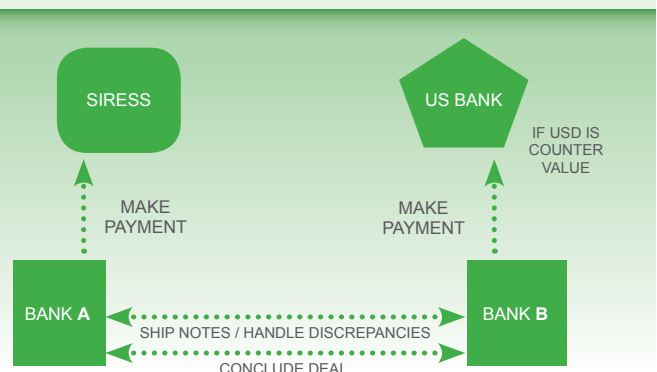
William Chatsala
President and Chairperson of Bankers
Association of Malawi
Managing Director of INDEbank

BUSINESS MODELS

The SADC Banking Association work group that is focusing on this payment stream has identified two separate business processes in SADC concerning this business. The one process is undertaken between South African banks and banks in the non-CMA area of SADC and the other process refers to the bulk note transactions within the CMA.

South Africa and the non-CMA area: Here banks have well developed processes and agreements based on direct correspondent arrangements. The only envisaged change to procedures going forward will be the need to settle the Rand (ZAR) leg of these transactions via SIRESS and not over the Rand Vostro accounts that the banks outside of South Africa maintain with South African banks.

PURCHASE OF NOTES FROM SOUTH AFRICAN SETTLEMENT PROCESS



Transactions with the CMA: In this case banks in Namibia, Lesotho and Swaziland obtain their Rand (ZAR) notes via their central banks. It is envisaged that as and when the commercial banks in future need the proceeds of these transactions to settle over their accounts at SIRESS, for liquidity reasons the central banks in the CMA will not credit their accounts in the domestic RTGS but rather their accounts in SIRESS. Otherwise all other aspects of the transactions will stay the same as they are currently.

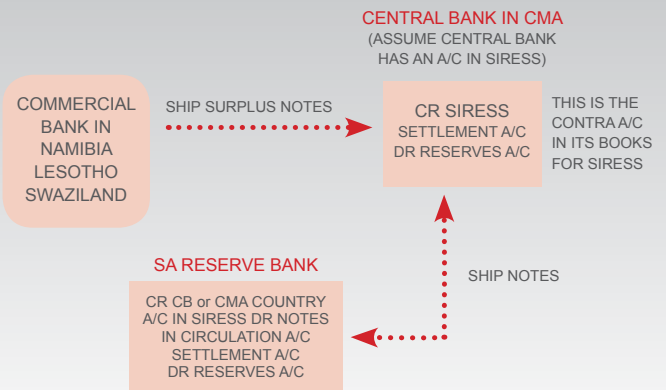
CURRENT STATUS

The business models have been signed off, settlement message examples have been drafted. The rule book for credit transfers requiring immediate has been drafted and is out for comment. A program of work will be developed together with the central banks in the CMA in order to implement the agreed processes.

TESTING NEXT YEAR

Given the fact that the settlements of bulk Rand transactions will go via the credit transfers requiring immediate settlement payment stream, banks in the participating countries will be required to send test messages from March next year. The sending of live transfers will be scheduled from June 2013 onwards.

REPATRIATION FROM CMA TO ZA AND COMMERCIAL BANK PROCEEDS IN SIRESS



THE ACCOUNTS DEBITED BOTH AT THE CMA CENTRAL BANK AND SARB MAY BE DIFFERENT TO THOSE MENTIONED IN THIS DIAGRAM



SADC BA Bank Notes Work Stream Reps



Daniel Mbozi
Standard Bank Malawi
IPL for Zambia
Chairperson of SADC Bank Notes Work Stream

Rosa Silverio Correia Victor
Banco de Poupança e Crédito
Angola



Roelof Bartleman
First National Bank
Lesotho

Camal Daude
Standard Bank Mozambique
Mozambique



Chidi John Melie
Access Bank DRC
Democratic Republic of Congo



SADC BA Bank Notes Work Stream Reps (continued)



← **Ryan Geysler**
Bank Windhoek
Namibia



← **Pinzya Sikasula**
Investrust Bank Zambia Plc
Zambia



Christa Viljoen →
First National Bank
South Africa



Andrew Mugari →
ZB Bank Zimbabwe
Zimbabwe



UPCOMING ACTIVITIES

Date	Time	Upcoming Activities	Venue
12 – 14 September 2012	09h00 – 16h00	CCBO and CCBG Meetings	Pretoria – South Africa
20 - 21 September 2012	09h00 – 16h00	Second Round SADC BA Regional Operators Meetings	Holiday Inn Rosebank – South Africa
1 October 2012	9h30 – 16h00	Third SADC BA SIRESS Joint Implementation Work Stream Meeting	Banking Association of South Africa
3- 4 October 2012	08h00 – 16h00	Meetings with Malawi Banking's Association	Blantyre – Malawi
15 October 2012	08h30 – 12h30	Third Round SADC BA Credit Transfers for Immediate Settlement Work Stream	Banking Association of South Africa
15 October 2012	13h00 – 17h00	Third Round SADC BA Interbank Settlement Work Stream Meeting	Banking Association of South Africa
16 October 2012	08h30 -12h30	Third Round SADC BA P2P Work Stream Meeting	Banking Association of South Africa
16 October 2012	13h00 – 17h00	Third Round SADC BA Card/ATM Work Stream Meeting	Banking Association of South Africa
17 October 2012	08h30 – 12h30	Fifth Round SADC BA DVP Work Stream Meeting	Banking Association of South Africa
17 October 2012	13h00 – 17h00	Fifth Round SADC BA Financial Markets Work Stream Meeting	Banking Association of South Africa
18 October 2012	08h30 – 12h30	Fifth Round SADC BA EFT Credit Work Stream Meeting	Banking Association of South Africa
18 October 2012	13h00 – 17h00	Fifth Round SADC BA EFT Debit Work Stream Meeting	Banking Association of South Africa
19 October 2012	08h30 – 12h30	Fifth Round SADC BA Cheque Work Stream Meeting	Banking Association of South Africa
19 October 2012	13h00 – 17h00	Fifth Round SADC BA Bank Notes	Banking Association of South Africa
29 October – 1 November 2012	08h00 -18h00	SIBOS	Osaka, Japan



QUERIES

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Securities DVP