

A FOCUS ON INFRASTRUCTURES TO SUPPORT TAKE OFF

IN THIS ISSUE	Pg
Delivery vs Payment	1
DVP Workstream Country Participants	2
SWIFT's Partnership with the SADCBA on Regional Payments Intergration	3
SWIFT Africa Regional Conference (ARC): SADCBA to Exhibit	4
SWIFT 'MyStandards' FOR SADC	5
PASA Payment Course Information	5
IPL High Level Dashboard	6
Master Project Plan: High Level Dates	6
Upcoming Activities	7

DELIVERY VS PAYMENT

In the markets where shares in companies or ownership of government bonds etc. (the securities markets) are traded and transferred, a process is required to ensure that ownership is changed and payment is made. This process is known as Delivery vs Payment (DVP). The SADCBA under the leadership of the Mozambique Bankers Association, has created a DVP work stream to define the business model, procedures and processes for the settlement of cross-border trades in SADC over SIRESS. This work stream is also working with a number of other bodies to ensure a robust approach to DVP in SADC.

The SADCBA DVP work stream is working with the Committee of SADC Stock Exchanges (COSSE). COSSE has developed a concept paper for the DVP of equity transactions (shares in companies) and is now working with the SADCBA on development of processes and procedures for the cash leg settlement of these transactions through SIRESS.

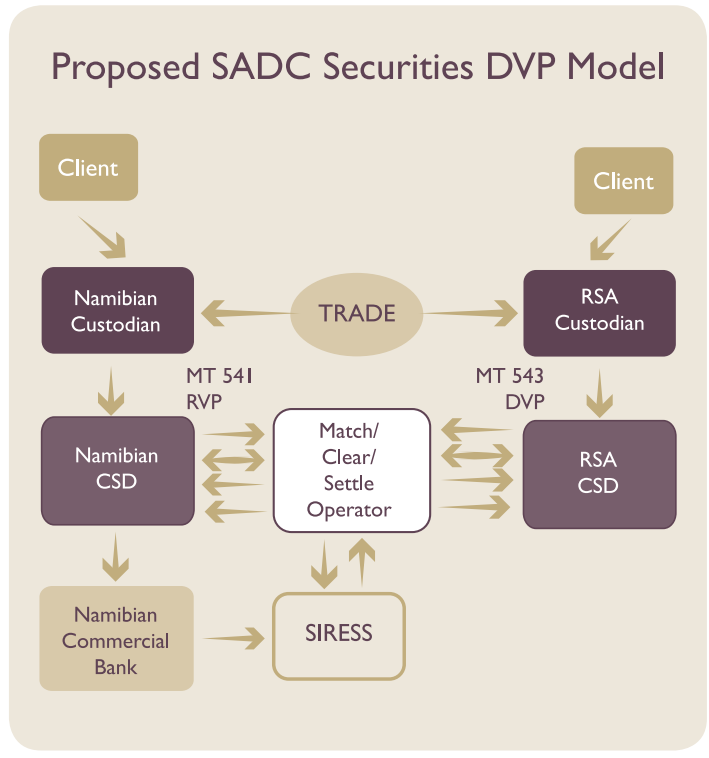
The SADCBA DVP stream and a sub Group of the CCBG financial markets sub-committee will soon commence discussions to develop the processes and procedures for the settlement of public debt securities traded cross-border in SADC.



SADC BA DVP Workstream Leaders

Dr Mario Fernandes da Graca Machungo
Chairperson of the Mozambican Association of Banks
Board Chairman of Millennium BIM

Camal Daude
IPL for Mozambique
Board Member of the Mozambican Association of Banks
Member of the Executive Committee and Head of Risk Standard Bank Mozambique



DVP WORK STREAM COUNTRY PARTICIPANTS



Camal Daude

Chairperson of SADC BA DVP Work Stream
Board Member of the Mozambican
Association of Banks
Member of the Executive Committee and
Head of Risk Standard Bank Mozambique.



David Chewe

CEO Bankers Association of Zambia
Zambia



Joaquina Litsure

Barclays Bank Mozambique
Head of Wholesale Operations
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Khetsiwe Faith Dlamini

First National Bank Limited
Swaziland



Kumbirai Archibolo Kumbirai

Standard Chartered Bank Zimbabwe
Senior Relationship Manager
Zimbabwe



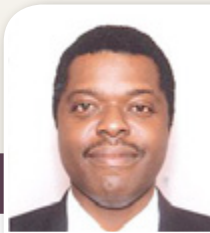
Mphaphathi Moshoeshoe

Standard Lesotho Bank
Assets and Liabilities Management Manager
Lesotho



Trompie Bothma

ABSA Capital
Associate Principal Custody and Trustee
South Africa



James Chikoti

FDH Bank
Operations Manager
Malawi



Corny Zaaruka

Standard Bank Namibia
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Ms Mahlape Tjela
Nedbank Lesotho
Lesotho

Samuel Maunde
Barclays Bank Mozambique
Mozambique

Grace Mate
Standard Bank Namibia
Namibia

Kafula Mutale
Intermarket Bank Limited
Zambia



SWIFT'S PARTNERSHIP WITH THE SADC BANKING ASSOCIATION ON REGIONAL PAYMENTS INTERGRATION

INTERVIEW WITH **HUGO SMIT** HEAD, SWIFT AFRICA SOUTH

1. As a matter of interest to our readers, do you see any trends in financial messaging growth in Africa?

Within SWIFT's Europe, Middle East & Africa region, Africa is the fastest growing sub-region for payments traffic, with 11.8% growth. But within Africa we are seeing changes. Financial messaging in Africa has traditionally been dominated by South Africa, but growth there is now being outpaced by growth in messaging volumes elsewhere. In the year to November 2012, total South African traffic (payments and securities) grew by 3.1%, versus 19.5% in Uganda, 16.9% in Tanzania and 17.1% in Zambia to mention a few examples. We expect these higher growth trends across Africa to continue.

“SWIFT understands that the participants to the SADC payment project should be considered as a community, and that we are looking at ways we can tailor our various services and solutions in such a way that they can be offered to the community and not only to individual customers.”

2. The SADC Payments project is gaining momentum. What steps have been taken to make sure that SWIFT offers the right support to participants?

SWIFT understands the strategic importance of the The SADC Payments Project (the project) and we appreciate that the SADC Banking Association (SADC BA) involved SWIFT from the outset. The level of collaboration between SWIFT and the SADC banking community means we have been able to jointly identify areas where SWIFT can support and add value to the project – and we are already involved in joint initiatives that will contribute to the success of the project.

In practical terms, SWIFT has allocated a project coordinator in our Johannesburg office who works closely with the SADC BA team to monitor progress on joint activities on a regular basis. The project coordinator also works closely with various teams and domain

experts in SWIFT's international office in order to coordinate all SWIFT activities. In terms of ensuring local support to our users in the different countries, we have assigned country managers for every country. They work closely with the local user group and are further supported by our business partner for the region, Trustlink. This structure enables us to stay “close to the market” and to ensure that we meet the needs of our customers in every country.

3. Can you elaborate on SWIFT's role and contribution to the project?

SWIFT is traditionally known for its secure and reliable financial messaging service, and this remains core to our service offering. But we have always strived to optimize the value that our customers derive from SWIFT by reducing cost of ownership, and providing solutions and services that unlock further value from our traditional services.

We see various opportunities where SWIFT can contribute to the project and where we can assist our customers to unlock additional value from their SWIFT environment. For example, we have already worked with the SADC BA in order to establish a centralized repository to record and disseminate message standards and market practices for the project. We have also offered SWIFT's message matching service on a trial basis to all banks in SADC as part of this project. We are offering training in new message standards (ISO20022) to all banks in SADC on a community-basis. We are assisting by offering consultation services to assess the business as well as technical readiness of all participants to the system. And we are assessing opportunities to offer sanction screening services to the community.

In my view, the important message is that SWIFT understands that the participants to the SADC payment project should be considered as a community, and that we are looking at ways we can tailor our various services and solutions in such a way that they can be offered to the community and not only to individual customers. Using this approach we are coming up with innovative offerings that are in the interest and to the benefit of the entire community.

Continued on next page....

4. Having said this, how does the SADC financial industry benefit from its existing investment in SWIFT?

The SADC banking industry is realising enormous value from its investment in SWIFT. By far the majority of SADC countries already use SWIFT for their domestic RTGS systems, and these customers can now participate in the SADC project without incurring additional costs. In addition, because they use SWIFT already, participants can already meet the necessary security and reliability standards, and the operational procedures, for the SADC payment system – so there is really no impact on participating banks' operational procedures.

This "backward compatibility" is one of the key benefits of using SWIFT, namely that customers can gain access to new systems and markets without any material investment. For example, the SADC financial industry could gain access to regional Clearing Houses and Security Depositories using their existing SWIFT environment. So not only do they realise a material benefit with regard to the SADC payment project, they are also positioned to leverage this benefit in future phases of the SADC regionalization projects.

5. And do you see potential for additional growth in the region?

Absolutely! Africa is widely recognized as the new frontier for economic growth and, as the region's banks and financial markets grow, we expect message traffic to rise and to see growing demand for our products and services.

We also see opportunities to extend the SWIFT offering to corporates. More importantly we wish to collaborate with the community to identify opportunities to leverage the use of SWIFT in initiatives such as balance-of-payment reporting and to support cross-border trade transactions using services such as the Bank Payment Obligation service.

What I find interesting is that the SADC BA project team has not only considered the systems requirements for the regional RTGS system, but has also taken an holistic view of services to be offered to participants in order to optimize the value that they would derive from this project. This ensures that we will identify opportunities for cooperation and mutual benefit and I am excited to see the SIRESS system being implemented this year!

“...we will identify opportunities for cooperation and mutual benefit and I am excited to see the SIRESS system being implemented this year!”

SWIFT AFRICA REGIONAL CONFERENCE (ARC): SADCBA TO EXHIBIT AND SUPPORT IN SUPPORT REGIONAL INTEGRATION IN SADC

The SADCBA will be exhibiting at the ARC in order to be available for one on one meeting with all members to discuss any final matters prior to testing and Go live. In addition, two specific training sessions will be held at ARC on Friday 25th May covering ISO2002 payment messaging and SWIFT ACCORD matching Services for SIRESS funding.

For queries and specific appointments please contact:
Juliet Kairuki: Julietk@banking.org.za

For more info on ARC and to register go to:
<http://www.swift.com/events/2013/ARC>



From left: Christian Sarafidis, Mr Oabile Mabusa, CEO Bankers Association of Botswana and member of SADC BA and Mr. Leina Gaabarane, Chairperson of the SADC BA South Africa,

SWIFT ‘MyStandards’ FOR SADC

The SADCBA has acquired “MyStandards” to streamline and centrally manage the mapping of messaging standards for both low value payments cleared through a regional clearing and settlement Operator as well as High Value payments settled through SIRESS. MyStandards for SADC can be accessed through the SWIFT website i.e. www.swift.com/mystandards. Access is restricted.

For more information contact Julietk@banking.org.za



MyStandards

NEW PAYMENTS COURSE IN SA: OPPORTUNITIES FOR THE SADC COMMUNITY



PASA together with Bankseta initiated the development of a robust introductory payments programme to address the gap in formal Payments Training in South Africa. The training course was launched during 2012 and has received good attention since then.

The payments domain is complex. It also has its own language (e.g. debit pull instruments, SFIDVP, RTC and clearing etc). These complex concepts form a base knowledge for successful engagement on most cross industry initiatives. Without this foundational knowledge much effort and time is lost in translation or in rectifying misunderstandings. With a common knowledge base it is anticipated that industry engagement will improve, possibly also leading to an increase in suggested industry innovations. As Louis Pasteur noted, “Chance favours the prepared mind!”

What makes this course unique?

Designed by experts

The course has been designed and developed by the leading payments experts from across our payments domain (i.e. the course has been developed by our industry – for our industry).

Covers broad payments spectrum

The course covers low value retail payment systems and basic concepts from the high value payments domain.

Structured decn

The design of the course is packaged in a structured manner starting from simple concepts and gradually building to more complex concepts.

Expert facilitation

The course is facilitated by experienced payment practitioners.

Robust learner material

A thorough learner manual aligned with what is covered in the course will be provided. The manual also covers practical activities and real-life case studies that supplement learning.

Independent and group work

The design incorporates facilitated case studies and group work. Frameworks to tackle complex payment scenarios will also be provided.

Supplementary assessments

There are electronic assessments, individual assignments and group presentations to continuously stimulate and supplement learning.

The programme is structured and spread over 5 weeks in total, to accommodate working practitioners and to allow for proper assimilation of the material. There are 4 days of intervention, with self-study and group work spread across the total programme.

Programme dates on next page

[BACK TO TOP](#)

The training is offered on a continual basis and is currently hosted in Midrand, South Africa. The remaining training programmes for 2013 are:

	Day 1	Day 2	Day 3	Day 4
Programme 5	13 May 2013	14 May 2013	10 Jun 2013	24 Jun 2013
Programme 6	15 May 2013	16 May 2013	11 Jun 2013	25 Jun 2013
Programme 7	8 July 2013	9 July 2103	5 August 2013	19 August 2013
Programme 8	10 July 2013	11 July 2103	6 August 2013	20 August 2013
Programme 9	9 September 2013	10 September 2013	7 October 2013	21 October 2013
Programme 10	11 September 2013	12 September 2013	8 October 2013	22 October 2013

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IPL HIGH LEVEL DASHBOARD

APPROACH DEADLINES - All banks to consult their IPL's on the following:

March 2013

1. Confirm e-mail Addresses of all Project coordinators nominated to test.
2. Confirm which banks will test.
3. Ensure all test banks subscribe to Y copy service.
4. Interested banks subscribe to ACCORD.
5. Receive Legal Docs.
6. Get Project coordinators to register on MyStandards.

MASTER PROJECT PLAN: HIGH LEVEL DATES

Activity	Start Date	End Date
Legal Agreements	Ongoing	February 2013
Co-operative oversight	Ongoing	April 2013
Implement Operational Model	Ongoing	22 March 2013
Technical Solution	Ongoing	01 March 2013
SWIFT FINCopy Service	Completed	13 October 2012
User Acceptance Testing	04 March 2013	26 April 2013
Market Testing (SADC BA)	06 May 2013	13 July 2013
Go Live Preparation	08 July 2013	19 July 2013
Implementation	20 July 2013	21 July 2013
Go Live	Monday 22 July 2013	

Implementation

Sat 20 and Sun 21 July 2013

NB: Conditional. Subject to change.

Go Live

Monday 22 July 2013

[BACK TO TOP](#)



UPCOMING ACTIVITIES

Date	Activity	Venue
25 March 2013	Fourth Round SADC BA ATM/Card work stream Meeting	Banking Association
28 March 2013	SADC BA Public Sector DVP Securities Meeting	Banking Association
10 May 2013	Sixth SADC BA SIRESS Joint Implementation Meeting	Banking Association
20 May 2013	SADC BA AGM Meeting	Botswana
21 – 23 May 2013	Swift Africa Regional Conference	Botswana
21 June 2013	Fifth Round SADC BA ATM/Card Work Stream Meeting	Banking Association
14 August 2013	Sixth Round SADC BA EFT Credit Work Stream Meeting	Banking Association
14 August 2013	Sixth Round SADC BA EFT Debit Work Stream Meeting	Banking Association



Low Value (batched) Credit Transfers Cleared and Settled by a Regional Operator



QUERIES

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