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WELCOME TO OUR NEW HEAD OF SADC BANKING ASSOCIATION, NEW IPL'S AND NEW MEMBERS ON THE PAYMENT SCHEME MANAGEMENT BODY (PSMB)

On 1 April 2014 the SADC Banking Association welcomed Ms. Maxine Hlaba the new head of the SADC Banking Association – Executive Secretariat, who joins us from the Committee of Central Bank Governors (CCBG) Secretariat, hosted by the South African Reserve Bank.

We also take this opportunity to welcome the following IPL's, Mrs. Lumba Akayombokwa - Phiri of Zambia and Mr. Francois Duchenne of Mauritius. The PSMB welcomes Mr. Brian Boby from Malawi and Mr. Andrew Mugari from Zimbabwe both representatives from Non CMA countries.

WELCOME TO...



Maxine Hlaba

Head of the SADC Banking Association – Executive Secretariat



← Lumba Akayombokwa Phiri

IPL Zambia



← Francois Duchenne

IPL Mauritius



← Brian Boby

PSMB representative
Malawi



← Andrew Mugari

PSMB representative
Zimbabwe

IN COUNTRY PAYMENTS MEETING – BLANTYRE, MALAWI

The SADC BA held their 7th In Country Payments Leader (IPL) meeting on May 13, 2014 in Blantyre, Malawi at the Protea Ryalls Hotel. IPL's from the SADC region attended and were provided with presentations and guidelines by SADC BA team in preparation for banks participating in the third phase of the project.



Standing from left to right:
Mr. Francois Duchenne (IPL – Mauritius);
Mr. Douglas Anthony Teye (IPL – Tanzania);
Mr. Hezekiel Nzibandze (IPL – Swaziland);
Mr. Sijabuliso Thabani Biyam (IPL – Zimbabwe);
Mr. Ravi Shunmugam (IPL – South Africa);
Mr. Mohau Masia (IPL – Lesotho);
Mr. Albert Mutonga Matongela (IPL – Namibia);
Mr. Camal Daude (IPL – Mozambique);
Mr. Arthur Cousins (SADC BA Payments Project)
Seated from left to right:
Ms Pat Adams (SADC BA Payments Project);
Mr. Christian Kamanzi (IPL – DRC);
Ms Maxine Hlaba (SADC BA Secretariat);
Mr. Daniel Mbozi (IPL – Malawi);
Mrs Lumba Akoyombokwa – Phiri (IPL – Zambia);
Mrs. Lyness Tamandani Nkungula (Bankers Association of Malawi) and
Mr. Ediretse Ramahobo (IPL – Botswana)



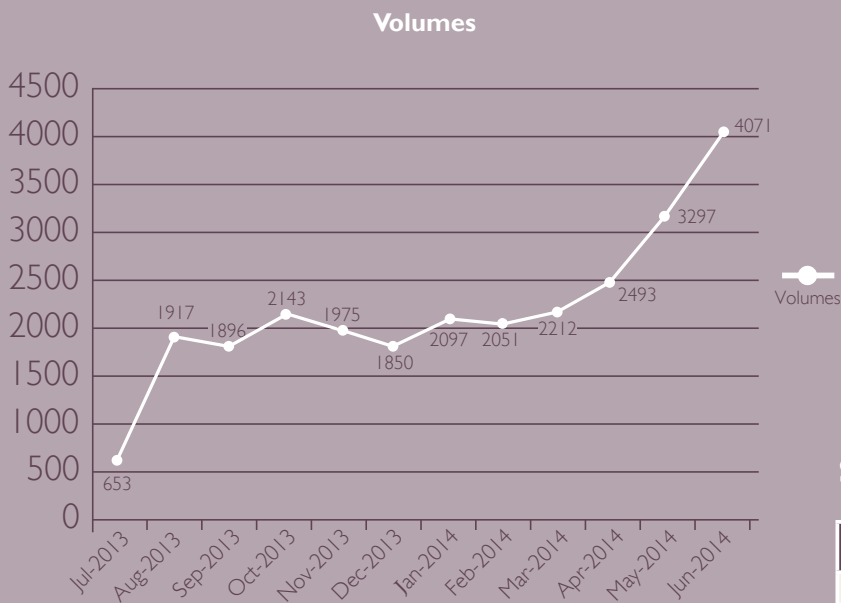
Mr. Ravi Shunmugam,
Mr Christian Kamanzi and
Mr. Ediretse Ramahobo
having a discussion.

THE SECOND IN COUNTRY PAYMENTS LEADER (IPL) ORIENTATION WORK SESSION

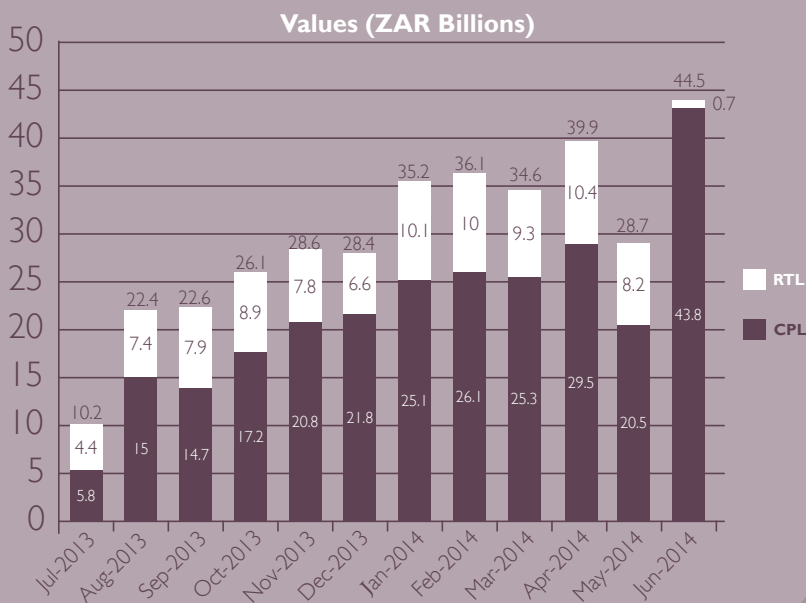
A half day work session was held in Johannesburg at the SADC Banking Association's office on May 15, 2014. The purpose of this meeting was to orientate new IPLs on their roles and responsibilities. Presentations were provided and a terms of reference was provided to guide IPLs. Added to that a briefing on what support was required from the respective IPLs and Bankers Associations to allow for successful country visits and workshops planned in identified countries.

SIRESS UPDATES

SIRESS: Volumes - CPL and RTL (excl. funding) Transactions Settled



SIRESS: Value of Settled Payments - CPL and RTL (excl. function)



SIRESS: Additional Information

SIRESS Participation	Numbers
Participating Countries	6
Participating Central Banks	5
Participating Commercial Banks	36
Total Participating Banks	41

SEPTEMBER 15 WILL BE A MAJOR MILESTONE FOR THE SADC PAYMENTS PROJECT

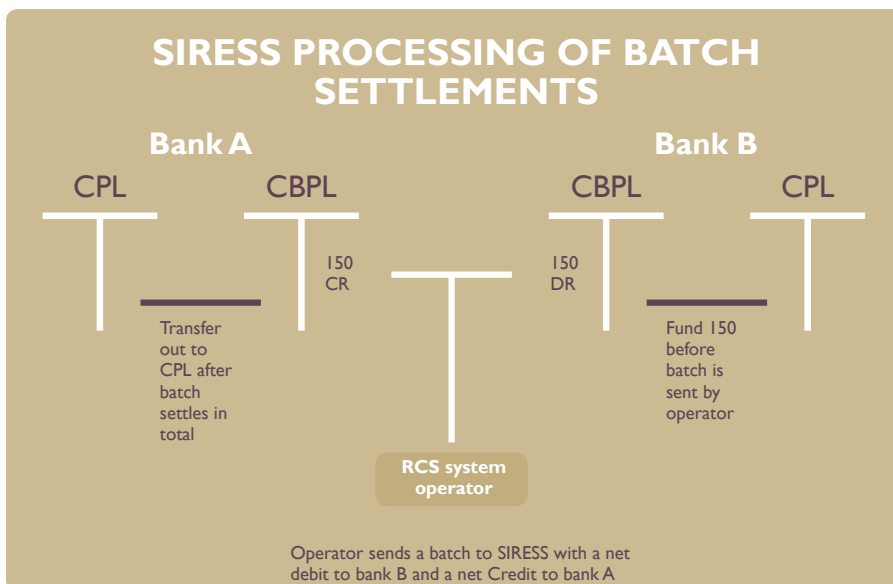


Since SIRESS went live in July 2013, banks in non-CMA countries have subsequently gone live, i.e. Malawi, Zimbabwe and Tanzania. Banks in D.R. Congo, Mauritius and Zambia are now preparing for live implementation on 15 September 2014. Banks in Angola and Botswana will also be doing full testing with the intention to get approval from their central banks to go live as soon as practical.

September 15, 2014 also sees an implementation of certain enhancements to SIRESS. The testing of SIRESS settlements of batch processing of settlements from regional clearing and settlement system operators. This means that all banks currently live on SIRESS as well as those banks testing to go live in September will need to test this functionality. In order for banks to settle their obligations arising from clearing operations at a regional clearing and settlement system operator they will be required to open Continuous Batch Processing Line accounts (CBPL). Banks will need to test the ability to fund to and from CPL and CBPL accounts.

SIRESS Phase III (Additional Countries - 3rd Intake)

Activity	Start Date	End Date
Legal Agreements	22 April 2014	8 August 2014
Roadshows, Business and Technical Readiness Country Visits	Mid May 2014	Mid June 2014
SWIFT FIN copy Subscription - Test and Training	27 May 2014	24 June 2014
SWIFT FIN copy Subscription - Live/Production	16 June 2014	18 July 2014
Connectivity Testing	07 July 2014	11 July 2014
Participants Market Testing	14 July 2014	15 August 2014
Participants Error Free Testing	18 August 2014	05 September 2014
Go Live Preparations	08 September 2014	12 September 2014
Implementation	13 September 2014	14 September 2014
Go Live	15 September 2014	



DEVELOPMENT PHASE OF SADC PAYMENTS PROJECT COMING TO AN END

At the end of June all aspects of the development phase of all payments streams were completed. This includes; business models, rule books, message standards, service level and other operating agreements etc. The next phase of the project will focus on pilot programs and live implementations with those institutions that are ready and able to participate in the following streams;

- Low Value Credit Transfers Cleared and Settled through a Regional Clearing and Settlement system operator – available from 15 September 2014

- Cross-border direct debits
- Regional settlement of card/ATM transactions
- Cash leg of securities Delivery vs Payment transactions and;
- The inter-bank settlement of Mobile-to-Mobile transfers for both the banked and un-banked markets

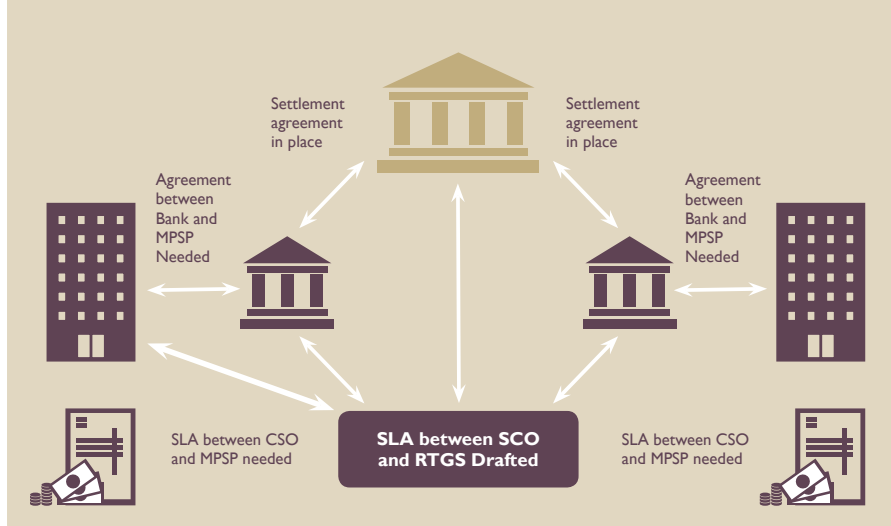
Each of these streams will have their own implementation schedules, timelines and manner in which implementation will take place.

THE SADC PAYMENTS PROJECT AND FINANCIAL INCLUSION

In line with the strategic thrust of the G20 countries and more so in terms of the strategic direction set by the SADC Banking Association Board, the payments project team is completing the development aspects of an interoperability scheme that will allow both banks

and Mobile Network Operators to clear and settle intra-SADC mobile-to-mobile transfers. Settlement will be via the banks of the mobile network operators via SIRESS.

PLAYERS IN THE MOBILE TO MOBILE SCHEME AND AGREEMENTS



The introduction of this payment scheme in SADC will enable the un-banked segment of the population in SADC to easily make payments now not only locally in their country of residence but also cross-border within SADC.

THE INAUGURATION OF THE SADC ACH ASSOCIATION - SACHA

The inauguration of the SADC ACH Association – SACHA was held on 30 May 2014 at the offices of the SADC Banking Association. In attendance were representatives from ACH's within the SADC region.

SADC AUTOMATED CLEARING HOUSE ASSOCIATION (SACHA)

The Charter – Terms of Reference Aims

- be a forum that enables its members to share information on topics of common interest
- advance the views of its members on issues of interest to its members collectively
- to resolving issues by, for instance, contribution to developing common guidelines
- support the SADC financial integration objectives
- to promote corporation amongst members

Name

SADC ACH Association – SACHA

Objectives and Scope

- To act as a regular but informal channel of communication between the various ACHs/switches operating in the SADC countries as well as with the SADC regulators, that is the SADC Payment Scheme Management Body/(PSMB) and/or the Central Bank Payment Systems Oversight Committee (PSOC);

- To communicate to the various ACHs within SADC, the SADC payments initiatives, and measures they should pursue in promoting the efficient implementation of the overall SADC payments project;
- To offer advice and suggestions to existing ACHs and switches/vendors on matters of common interest;
- To make recommendations to the regulators in relation to the SADC payments project on issues raised by the ACH Association, (such as implementation and connectivity proposals/obstacles...etc);
- Understand and support the SADC financial integration objectives;
- Understand and support fellow ACHs in their efforts to comply with SADC requirements;
- SACHA may liaise with technical solution providers as stakeholders in the region in the interests of members;
- Understand and support fellow ACHs in their efforts to support local payment players in countries and work towards addressing their SADC interoperability challenges and needs and create minimum standards for ACHs.

Membership

- Open to ACHs in SADC as well as to possible associate members.

The organization was formalised and the name agreed upon by all present. Mr. Cyril Nyatsanza from Zimswitch in Zimbabwe was elected as chairperson of SACHA, with the appointment of Mr. Lionel Slowe from BankservAfrica as vice chairperson and Mr. Fabian Tait of Namclear from Namibia, elected as secretary.



From Left: Mr. Andy Theron - Finteq (South Africa) Mr. Eddie Muyaba - Zamlink (Zambia); Mr. Brightwell B. Kunene - Saech Limited (Swaziland); Mr. Lionel Slowe - BankservAfrica (South Africa); Mr. Jorge Basilio - ABC Africa Holdings Pty Ltd (South Africa); Mr. Gus Warwick - Finteq (South Africa); Mrs. Angie Culverwell - Payserve (Zimbabwe) and Mr. Cyril Nyatsanza - ZIMSWITCH (Zimbabwe).

SADC BA MAURITIUS, ZAMBIA AND DRC COUNTRY VISITS AND WORKSHOPS

The SADC BA Team welcomes Mauritius to the SIRESS project. Country visits and workshops were held in Mauritius and Zambia and the DRC in preparation for banks participating in the third phase of the project which goes live September 15, 2014.

The SADC BA team conducted a country visit and workshop during June 3, 2014 at the Hotel Labourdonnais - Port Louis, Mauritius. Appointed project coordinators, alternate representatives together with the appointed IPL leader for Mauritius, Mr. Francois Duchenne were in attendance. Mr. Chakeel Prayagsing from the Banking Association Mauritius was also part of the workshop. Representatives attended the workshop to gain a broader understanding of the process and procedures in order to go live. Amongst others, presentations covered business models for payments and funding, a demo of SWIFT e-ordering and check list documents, the SIRESS Implementation Guide, Funding Guide, Batch payment streams, CBPL accounts and the SADC Governance structure – PSMB. On June 4, 2014 the SADC BA team joined the SIRESS team for a joint session at the Central Bank of Mauritius's office where commercial banks attended to

gain a better understanding of the SIRESS system.

The next week took the SADC BA team to Zambia where they conducted a country visit and workshop during June 9, 2014 at the Intercontinental Hotel, Zambia. Industry participants as well as the Zambia Bankers Association representatives attended. A joint session with the SIRESS team was held on June 10, 2014 at the Southern Sun Lusaka hosted by the Central Bank of Zambia for participants from the Central Bank and Commercial Banks.

During July 9 to July 11, 2014 the SADC BA Team visited the DRC. On 11 July 2014, a meeting was held with the Governor, Mr. Deogratias Mutombo Mwana Nyembo who received both the SADC BA team and the SIRESS team. He congratulated them on their efforts and was excited that the DRC was part of the project. The SADC BA team then held a workshop with project coordinators and industry participants at the Banker's Association office in Kinshasa. Further to that a joint session with the SIRESS team was held on July 12, 2014 at the Kinshasa hosted by the Central Bank of the DRC for participants from the Central Bank and Commercial Banks.



Mr Arthur Cousins providing participants with a graphic explanation at the workshop held on July 10, 2014 at the Association Congolaise Des Banques in Kinshasa.



Participants listening attentively at the workshop held in Kinshasa at the Association Congolaise Des Banques.



Keegan Moolman, of the SIRESS team doing a presentation at the SIRESS and SADC BA Joint Session held in Kinshasa hosted by Banque Centrale du Congo on July 11, 2014 in Kinshasa.



Mauritius banking industry participants at the joint SIRESS and SADC BA workshop held at the Central Bank in Mauritius and not the heading of the article

THE SWIFT AFRICA REGIONAL CONFERENCE (ARC) MARRAKESH – JUNE 25 TO 27, 2014

The annual SWIFT AFRICA REGIONAL CONFERENCE (ARC) was held in Marrakesh, Morocco from June 25 to 27, 2014. The theme of the conference was “Africa – The Next Frontier”

The keynote speech was given by Mr. Mohammed Boussaid, Minister of Economy & Finance, Morocco who welcomed the delegates to Morocco. Minister Boussaid emphasized the importance of Intra Regional Trade amongst countries within Africa. The topic of Regionalisation – project update and lessons learned, was of keen interest to participants at the conference.

right are transacting via the SIRESS system for cross border purposes. He informed the panellists that the SIRESS System is housed at the South Africa Reserve Bank as agreed to by the Committee of Central Bank Governors (CCBG).

Mr Masela stressed the point that this project was a success, simply because it was a good example of the public sector and private sector working together.

Challenges experienced on the project ranged from the varying time zones within the SADC region to two countries that went out and came back into the project.



From Left – Mr. Melvin van Niekerk (Nedbank SA); Mr. Dave Hardingham (FNB SA); Mr. Owen Jones (FNB SA); Mr. Ravi Shunmugam (FNB SA); Mr. Tim Masela – Head of Payments at the Reserve Bank of South Africa and Chairperson of the SADC Payments Systems Committee)



From left – Mr. Dave Hardingham (FNB SA) and Ms. Pat Adams (SADC BA Payments Project)

Since last year's ARC, The SIRESS Project and RTGSs in Sierra Leone, Guinea and Nigeria have gone live. Panellists were in agreement that the purpose of these projects was to create an enabling environment to allow for Intra Regional Trade. This allows for the development of payment infrastructures, ease of payments, efficiency, risk management within payment systems, rapidity and to assist with monetary policy. The common factor in all these projects is that all participating countries are leveraging off SWIFT connectivity.

Mr. Tim Masela, Head of National Payments at the Reserve Bank of South Africa and Chairperson of the SADC Payments Systems Committee provided delegates present with an update of “The SIRESS Project”. Mr Masela informed delegates that the project went live in July 2013 beginning with high value payments in the Common Monetary Area (CMA countries) which comprise of four countries; namely:- South Africa, Namibia, Lesotho and Swaziland and different banks participating within these countries. The second phase went live in April 2014 and this included non-CMA countries. Values settled thus far over SIRESS is in excess of half a billion Rand. Commercial Banks and Central Banks in their own

Some participating banks focused more on domestic payments than regional payments.

Mr. Ravi Shunmugam from First National Bank Limited and IPL representing South Africa, provided a view from a SADC commercial bank perspective, he emphasised the fact that this was a huge regional initiative with an inclusive regional country and commercial bank participation. The project articulated greater financial inclusion, SADC Intra Trade and free movement of investment. Some of the challenges faced in different countries are the different levels of IT Infrastructure, as well as each country had various projects being implemented and have had to rely on directives from their Central Bank in terms of which project took priority.

RTGSs in Sierra Leone, Guinea and Nigeria are now live, all panellists agreed that there were challenges relating to all projects, however going forward, there was a greater need for sharing of information within the continent so that people can benefit and improve systems allowing for efficiency. Greater emphasis should be placed on Intra trading and linking systems within the continent.



UPCOMING ACTIVITIES

DATE	ACTIVITY	VENUE
July 3, 2014	SADC BA DVP Meeting	Holiday Inn, Rosebank, Johannesburg, Rep of South Africa.
July 8, 2014	SADC BA Seventh ATM/CardWork stream Meeting	Banking Association - South Africa
July 9 to 11, 2014	SADC BA DRC Country Visit and Workshop	Kinshasa, DRC
July 14, 2014	SADC BA First Mobile to Mobile	Holiday Inn, Rosebank, Johannesburg, Rep of South Africa
July 15 to 17 2014	SADC Payment System Regional Conference - 2014	Pretoria
August 4 to 6 2014	CCBG Meeting	Zambia
July 30 to August 1, 2014	SADC BA Angola Country Visit and Workshop	Luanda, Angola
August 25, 2014	SADC BA Board Meeting	Johannesburg, Rep. of South Africa
Sept 25 to Oct 3, 2014	SIBOS	Boston, USA
September 2014	SADC BA DVP Vendors Work shop	Banking Association, South Africa
October 2014	SADC BA IPL Meeting	Tanzania

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