

# New Payments Industry Body

PIB Functions & Scope version 3.0

Signed off on 8 April 2022

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# Consolidated overview of Functions of the PIB



# Consolidated functions of Payments Industry Bodies



Functions performed by global PIBs are typically a combination of the below five areas

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# Function 1 Payment System Management





# F 1. Payments System Management

## F 1.1 Rule setting

# Proposed Rules differentiation \*



<b>Interoperability rules: PIB (Interoperability across PSOs)</b>	<b>Scheme and operator rules: PSO (Ability to clear and operate within a scheme)</b>
Reference common messaging standards	Technical specifications
Agree mandatory and non-mandatory transaction types for the local market	Operational flows and rules
Common definitions of elements impacting interchange in support of SARB work	Message standards
Ensure common management of issues: fraud, system issues, user errors	Security standards
Ensuring adequate consumer protection	Commercial elements, including penalty charges and processing fees
Processes for changing rules or enhancing systems	Product definitions and standards, including user experience
Local variations on international scheme rules	There may be overlaps to some extent with PIB rules. If there is a contradiction, PIB rules should supersede the PSO rules.
PIB rules and/or multilateral agreements and/or sponsor bank agreements per the prevailing regulatory regime	Individual agreements between PSOs and participants





# F 1.1.1 Rule Setting – Interoperability rules

## Definition

Interoperability is the technical, process and legal compatibility that enables multiple parties to participate in a payment system. Interoperability rules refers to a set of rules to ensure interoperability across payment systems, such as common messaging standards, standardized set of transaction types, common rules for management of issues etc. It also involves the process for adapting the international scheme rules or enhancing systems to ensure local applicability

## Who does it today?



## Issues today

- Lack of transparency of rules beyond clearing participants
- Lack of consultation with other interested parties

## Decision point

Who manages interoperability rules?

As per the design principles the rule setting process requires transparency and consultation.



## Possible Options

### Option 1:

PIB not involved in the interoperability rules

### Option 2:

PIB to continue with the interoperability rules, however, refine the process to make it more transparent and consultative



## Initial recommendation rationale

The interoperability rules need to be set by a party other than PSOs to ensure interoperability in the scenario where there are multiple PSOs active in the same payment stream. This means interoperability rules either need to be managed by the SARB or the PIB. It makes sense for interoperability rules to be determined by clearing system participants, hence the preference for the PIB to house this activity. Rules may embed certain regulatory goals (e.g., safety, soundness, integrity, resilience of the system and consumer protection) and rules may also include technical standards.

The current issue of lack of transparency is the driving factor for recommending a more consultative process. Design principles enshrine the need for appropriate consultation and a robust decision-making process.

A rule-setting body must have a transparent and consultative decision-making process. In this regard, the PIB needs to design a robust decision-making framework to be followed for decisions impacting a large number of stakeholders.

✓ Recommendation



# F 1.1.2 Rule Setting – Settlement rules

## Definition

Settlement rules governs the activities to fulfil the financial obligations, such as those arising from clearing activities

## Who does it today?



## Issues today

PASA settlement rule writing for SARB

## Decision point

None. Already decided that settlement rules will be moved to SARB.

## Possible Options

### Option 1:

All settlement rules to be moved to SARB. ✓  
 Certain SAMOS rule setting, for example high value payment interoperability rules, may be outsourced to PIB.

## Initial recommendation rationale

It has already been decided that settlement rules will be moved to SARB. Exactly what this means in the current structures still needs to be unpacked between all impacted parties.

To support the decision, in most of the countries studied, we have observed that the central bank provides the settlement rules as well as performs the function.

✓ Recommendation





# F 1.1.3 Rule Setting – Scheme rules

## Definition

Rules or framework pertaining to a specific payment product or scheme which cover a variety of elements including commercial arrangements, branding, product functionality and roadmaps, loyalty and rewards etc. that the scheme members / participants need to comply with.

## Who does it today?



EFT, RTC, Collections- PASA  
RPP – Bankserv  
Cards - Mastercard, Visa,  
American Express, Diners Club

## Issues today

Lack of consistent model in  
ownership of rules / product  
development between  
Bankserv and PASA

## Decision point

Should we impose more  
consistency in who sets  
product / scheme rules?



## Possible Options

### Option 1:

Scheme rules - Operator  
Interoperability across operators - PIB  
Consistent conduct across operators -  
PIB  
Ensure scheme does not add  
unacceptable risk and adheres to NPS  
objectives - PIB  
(i.e. all payment streams move to card  
model)



### Option 2: As-Is

Scheme rules – could be with operator or  
PIB  
Interoperability across operators - PIB  
Scheme governance and assurance - PIB  
Consistent conduct across operators - PIB  
(i.e. current status)

✓ Recommendation

## Initial recommendation rationale

There is nothing explicit in the design principles which determine the preferred option; however, the South African market, with RPP, is seeking to do things differently and local experience suggests that the new model should be given a chance.

Hence to have a harmonised approach, it has been recommended that all payment product operators will transition to a scheme-like setup and define the relevant product rules. The transitions will need to be planned and gradually undertaken.

Further to this, The PIB will develop an appropriate framework to ensure that there is consistency being maintained across all operators, to promote interoperability. The PIB will also perform governance and assurance activities for the schemes.

# F 1.1.4 Rule Setting – Dispute resolution relating to interoperability rules (i.e. interpretation of rules)



## Definition

This refers to the facilitation of a process to resolve any disputes or conflicts arising between the participants in the interpretation and / or implementation of the interoperability rules defined by PIB. It includes the dispute management, dispute resolution and mediation\* process.

## Who does it today?



## Issues today

None

## Decision point

Who is best placed to drive interpretation of interoperability rules or update them?

## Possible Options

### Option 1:

Rule maker must drive interpretation of rules or update them (as may be required)  
Rule maker assists with interpretation and specific guidance



### Option 2:

Option 1 + for Scheme rules - PIB serves as a mediator if scheme owner is unable to resolve

## Initial recommendation rationale

It is important for the rule maker to have mandated authority to ensure better conflict resolution.  
Principle of the rule maker becomes the enforcer is applied.



Revised Recommendation

\* In the given context, Mediation refers to a process of facilitating a discussion between the parties to reach a non-binding agreement. 10



# F 1. Payments System Management

F 1.2 Standard setting

# F 1.2.1 Technical standard setting - Payment initiation layer



## Definition

This refers to the technical standards for payment initiation layer to ensure interoperability. For e.g., QR code standardisation, Payment API standardisation, biometric standards for payments, etc.. Specifically excluded from this definition are payment message formats.

## Who does it today?



## Issues today

- No Specified Mandate
- PASA's Involvement only on request of Members (voluntary basis) or SARB

## Decision point

Should PIB have a mandate to look at interoperability of payment initiation methods?



## Possible Options

### Option 1: Voluntary basis

- PIB only involved on request of its members in creating standards
- Standard adoption on voluntary basis (non-mandatory for the participants)

### Option 2: Membership Driven

- PIB mandated to consult with the members to define payment initiation standards, once defined adoption to be mandated

### Option 3: Regulatory driven

- PIB follows SARB's instructions on implementation of standards
- Standards set by PIB are mandated on the industry participants

### Option 4: Hybrid (Membership + Regulatory driven) ✓

- PIB mandated to consult with the industry to define payment initiation standards.
- SARB can also instruct PIB for implementation of standards.
- Once standards are defined adoption could be mandated

✓ Recommendation

## Initial recommendation rationale

Payment initiation standards should be mandated to provide interoperability and are intended to prevent fragmentation of payment systems. If, for example, payment initiation mechanisms are not aligned with common technical standards, then the effect is the same as a fragmented payment system, as the user must distinguish between different service providers for the same process.

Depending upon the type of standards, it could either be industry-driven (e.g., QR code standardisation) or SARB instructed (e.g., API standardisation in case of open banking).



# F 1.2.2 Message standard setting - Clearing

## Definition

This refers to the standards for payments system clearing processes. Example –Clearing File exchange formats, Message formats, Security requirements, liquidity management, BCP, redundancy, etc.

## Who does it today?



## Issues today

None

## Decision point

Should PIB act as standard authority ( i.e. registration of standards with PIB to ensure global alignment)?

## Possible Options

### Option 1:

Continue as is (PSO define the clearing standards, No involvement of PIB)

### Option 2:

PSO defines the clearing standards. PIB has standard authority (i.e., registration of standards with PIB to ensure SA aligns with global standards as far as possible and to ensure interoperability).



## Initial recommendation rationale

Standards are part of the payment product run by the PSO, but in keeping with the interoperability principle, must be aligned across PSOs (in the same payment stream) and be consistent with the global best practice.

PIB may have to register itself as a standard authority to ensure that its members or participants in the respective payment systems adhere to those standards to ensure global alignment.

✓ Recommendation



# F 1.2.3 Standard setting – Customer Authentication



## Definition

The function covers Authorization and Authentication for the Payer (funding party) in any payment related activity including in-store, ecommerce, recurring payments, once off payments and bill payment between all parties. It includes authentication of a participant in the payment system, authorisation of a transaction, getting access to cash, mandating future transactions, access to personal payment information or changing details about payments such as payee details, adding beneficiaries and more. This therefore will affect financial and non-financial transactions.

## Who does it today?

Card schemes; Issuers; Merchants; PASA, Bankserv, FSCA

## Issues today

Non face to face DebiCheck mandates, Considerations arising from Open Banking & screen scraping

## Decision point

What role should the PIB play in setting standards for customer authentication

## Possible Options

### Option 1:

Point of Acceptance/PSO/PSP and Account Provider/Store of Value set standards

### Option 2:

PSO's and Issuers/Account Providers set this for their Rails. (e.g., 3D Secure)

- The FSCA or SARB will define how customers/consumers should be protected and regulate that.
- PIB will then define the application of these principles across the different payment rails/PSO's



**Option 3:** PIB sets customer authentication standards

✓ Recommendation

## Initial recommendation rationale

Initial recommendation is to continue largely as is, but with the PIB having the ability to get involved should the need arise.

The Acquirers / Acceptance represent the merchants receiving the money. The issuer of the payment instrument represents the end customers paying the money.

Traditionally these standards are set by the Account Providers/Issuers, since they are required to protect the customer and to create a consistent Authorization experience.

PIB should intervene in application of these standards across different rails / PSOs to create a consistent and secured customer experience.





# F 1. Payments System Management

F 1.3 Risk Management

# F 1.3.1 Risk Management - Identification and monitoring of payment system risk



## Definition

Risk management is the identification, evaluation, and prioritisation of risks in order to minimise, monitor, and control the interoperability or impact of any payment system risks. Example – stability risks, fraud and cyber-attack risks, the systematic impact of one payment player, etc. Risk monitoring is the process which tracks and evaluates risks within an environment.

## Who does it today?



## Issues today

Continuous enhancement of the Risk Framework is necessary

## Decision point

Should the PIB continue as is for the risk management framework or are there any updates required?

## Possible Options

### Option 1:

Use the PASA Risk framework and enhance it to reflect the new scope of the PIB



## Initial recommendation rationale

PIB to continue the current framework which is being utilised for identification and monitoring of payment system risks. The risk framework may have to be extended to address the new scope of the PIB and to include new players and their associated risks.

✓ Recommendation





# F 1.3.2 Risk remediation / Mitigation actions

## Definition

Risk mitigation in this context refers to remedial actions to remove or mitigate the risks which are identified through the risk monitoring. This is also a critical component of risk management and falls within the risk management framework

## Who does it today?



& Banks

## Issues today

None. The risk function continues to mature and improve

## Decision point

Should the PIB continue to manage risk remediation as part of its risk function?

## Possible Options

### Option 1:

Continue as-is – PIB forums identify and categorise risk to the NPS and manage and track remediation. Continual improvement of the risk processes themselves is in scope



## Initial recommendation rationale

It is critical that risks identified through the risk monitoring are also managed and mitigated. To this end, the PIB needs to be able to manage that appropriate actions are taken to lessen risk to the NPS.

Where necessary, risk and the need for remediation will be escalated to the SARB.

The risk frameworks and processes should continually be assessed themselves, and mature and improve. They also need to cover all areas which are in scope for the PIB.

✓ Recommendation





# F 1. Payments System Management

F 1.4  
Compliance



# F 1.4.1 Compliance – Monitor Compliance

## Definition

This function indicates PIB's capability (or mandate) to monitor compliance on regular intervals **for the rules defined by PIB**. This monitoring can be in the form of risk data monitoring, member attestations, member reviews and timely submission of performance reports amongst other mechanisms.

## Who does it today?



## Issues today

Lack of compliance monitoring, issues are currently dealt based on complaints raised by others (Reactive approach)

## Decision points

Should the PIB build capacity to monitor compliance to PIB rules?  
Does the PIB only monitor compliance of sponsor banks or of all members?



## Possible Options

### Option 1: As is

Continue as is (Reactive approach, compliance by sponsor bank model)

### Option 2: PIB Mandated

- PIB to build appropriate and proportionate capacity to develop and monitor compliance data and other mechanisms as may be needed
- PSO responsible for ensuring compliance for their respective schemes

### Option 3: PIB Mandated

- PIB to build capacity and conduct regular reviews/audits
- PIB continue to follow sponsorship model for compliance
- PSO responsible for ensuring compliance for their respective schemes

### Option 4 : Other Body Mandated

Another body mandated by SARB/ regulator (or the regulator themselves) to build capacity and conduct regular reviews/audits

✓ Recommendation

## Initial recommendation rationale

Design Principles require PIB rules to be enforceable, therefore, compliance monitoring is required.

The body which creates the rules should ideally monitor those rules; it does not make sense for a separate body to monitor rules created by the PIB.

All PIB members should be monitored directly for adherence to rules, not just sponsor banks. However there should be a balance between the cost of the monitoring tools and the benefits of the risk reduction which would be achieved.

PIB will also need to build capabilities and processes to ensure sound monitoring functions are performed on regular basis.

# F 1.4.2 Compliance – Enforcement and Sanction Administration



## Definition

This function indicates the capacity to enforce compliance on member / non-member participants by means of taking punitive actions such as reprimands, penalties, suspension of member rights, administering sanctions amongst other compliance enforcement mechanisms.

## Who does it today?



## Issues today

Difficult when a member-based organisation applies sanction. Sanction is often insufficient to change behavior.

## Decision point

Who will investigate and enforce compliance / sanctions? Should PIB be involved in compliance enforcement and to what extent?

## Possible Options

### Option 1 PIB driven + SARB approved:

PIB investigates & undertakes enforcement actions (e.g. remediation, warnings with deadlines for compliance) Post which, PIB to recommend sanctions (Penalties, Termination, Revocation, Suspension) to SARB and enforced by PIB post approval from SARB

### Option 2 PIB investigates & SARB enforces sanctions\*:

PIB investigates & undertakes enforcement actions (e.g. remediation, warnings with deadlines) Post which, case referred to SARB to ascertain and enforce sanctions (Penalties, Termination, Revocation, Suspension)



### Option 3 SARB only:

No involvement of PIB (SARB to conduct independent investigations, enforcement & Sanctions )

## Initial recommendation rationale

The Design Principles require the PIB to be a member organisation, a situation that creates a very uncomfortable dichotomy if it is also required to sanction its members. By the same token, the rules must be enforceable, transparent, and consistent.

The proposal, therefore is that the PIB identify non-compliance, agree on a remediation route to compliance with its member and only escalate for sanction to the SARB should remediation fail.



# F 1. Payments System Management

F 1.5 Administrative  
Support

# F 1.5.1 Administrative Support - Member administration



## Definition

Administrative support includes management of the activities and coordinating the efforts of its members to accomplish its objectives. It includes activities such as onboarding / offboarding member organisations, invoicing, member communications, member management, etc.

## Who does it today?



## Issues today

- Very manual member administration processes.
- Website redesign to increase automation in progress

## Decision point

Internal process improvement area for PIB

## Possible Options

**Option 1:**  
Continue as is



## Initial recommendation rationale

A member-based organisation needs to have the ability to onboard, invoice, and communicate with its members.

PIB to continue the current framework which is being utilised for member administration, but to focus on efficiencies, automation and support for documentation (website enabled). As per Design Principles, the PIB must be appropriately equipped to deliver its mandate.

✓ Recommendation



# F 1.5.2 Administrative Support - Secretarial functions



## Definition

This refers to the activities for supporting management including executives using a variety of project management, communication, or organisational skills. It includes activities such as taking notes, organising meetings, distributing minutes and meeting documentation etc.

## Who does it today?



## Issues today

Review of quality of work ongoing and outputs largely positive. Concerns about capacity if there are more forums

## Decision point

Internal capacity building area for PIB

## Possible Options

**Option 1:**  
Continue as is



## Initial recommendation rationale

Much of the outcomes of a PIB are progressed in a collaborative environment (committees/workgroups) where discussions and decisions need to be recorded.

Consistent secretarial functions performed at acceptable standards are required for an organisation with the responsibility for industry rule making.

PIB will continue the current framework which is being utilised for secretarial functions.

✓ Recommendation

# F 1.5.3 Administrative Support - Ensuring coordination & management in participant groups



## Definition

This refers to the activities for supporting participant groups using a variety of project management, communication, or organisational skills. It includes activities such as taking notes, minutes, agenda finalisation, organising meetings, etc.

## Who does it today?



And Members

## Issues today

Members chair participant groups, PASA does minute taking and meeting logistics. PASA often prepares work related to agenda items.

## Decision point

Internal process improvement area for PIB

## Possible Options

**Option 1:**  
Continue as is



## Initial recommendation rationale

Current experience suggests that an expert chairing operational and strategic forums leads to better outcomes.

PIB will continue the current framework which is being utilised for ensuring coordination and management in participant groups.


✓ Recommendation





# Function 2 Payment System Operations





## F 2. Payment System Operator

F 2.1 System Operator

# F 2.1.1 System Operator - Technology and infrastructure provider



## Definition

The Payment System Operators (PSOs) provide technology and infrastructure for running and operating the payment systems. (Example – Bankserv, Visa, Mastercard)

## Who Does it today?



## Issues today

Do PSOs have the right authority to enforce security and connectivity standards?

## Decision point

Does the PIB play a role in managing risk associated with the operations of PSOs?

## Possible Options

**Option 1:**  
Continue as is (No PIB involvement)

**Option 2:**  
PIB manages operator risk introduced into the system and reviews operator risk frameworks.



## Initial recommendation rationale

PSOs should be able to define the security & connectivity requirements specific to their product/rails.

The operator risk framework should provide for the appropriate forum(s) to debate risks and mitigation requirements.

✓ Recommendation



# F 2.1.2 System Operator - Product Management & Clearing services



## Definition

Product Management - New product development, business justification, planning, verification, forecasting, pricing, product launch, and marketing etc. for setting up payment rails / systems

## Who Does it today?



## Issues today

None

## Decision point

Should the PIB ensure adequate risk management?

## Possible Options

**Option 1:**  
Continue as is (No PIB involvement)

**Option 2:**  
PIB manages risk introduced into the NPS by product management and clearing services



## Initial recommendation rationale

Product management and clearing services should be performed by the PSOs. However, product development and innovation are areas where multiple expertise entity involvement is important to capture a holistic view, and presumably PSOs would engage directly with their clients in this regard.

The PIB should monitor and manage any risks which are introduced into the NPS through payments products and payment clearing activities, using the PIB risk frameworks.

✓ Recommendation



# F 2.1.3 System Operator - Operations, performance and health monitoring



## Definition

Operations (e.g., window extension), performance monitoring (e.g., tracking issue logs) and overall health monitoring (e.g. decline ratios, frauds, cyber-attacks, dispute ratios, settlement risks etc) of the payment systems.

## Who Does it today?



## Issues today

Issue with members not always reporting incidents in a timely fashion.

## Decision point

Should PIB be involved in monitoring & managing performance of payment systems?

## Possible Options

### Option 1: PSO + PIB

For members/participants, PSOs are responsible for setting KRA/ KPI and monitor performance of members/participants

- Initial remediation of participants attempted by PSOs, non-remediated / continued poor performance reported to PIB; PIB mandated to intervene / take compliance actions on PIB members. Primary reporting line of participants is to PSO.
- For PSO's, PIB is responsible for setting KRA/ KPI and monitor performance of PSOs

### Option 2: PIB only

PIB is responsible for setting KRA/ KPI and monitoring performance of PSOs and members, PIB mandated for remediation of poor performance across all

## Initial recommendation rationale

PSO should monitor and remediate performance of their members / customers / participants.


Only in instances where the PSO cannot resolve the matter should it be escalated to the PIB.

The PIB, however, can hold the PSO responsible for their overall performance.

PIB takes a view of the overall health of the various payment systems.

✓ Recommendation





## F 2. Payment System Operator

F 2.2 Operational Support

# F 2.2.1 Operational Support – Crisis and incident Management



## Definition

**Crisis management** is the process by which Payment Participants deals with a disruptive and unexpected event that threatens to harm the payment systems or impacts users of the system. Example – system failures

**An incident** is an event that could lead to loss of, or disruption to payment system operations, services or functions  
Example Cyber-attacks, duplication of a payments file

## Who Does it today?



## Issues today

None

## Decision point

Should this sit with the PIB or with the PSO?

## Possible Options

### Option 1 PIB + PSO driven:

Crisis and incident management framework (or design) by PIB and implementation by PSOs. PSOs to provide relevant data with PIB for second line of assurance



### Option 2 PSO's Only:

Framework and implementation by PSO

### Option 3 PIB only:

Framework and implementation by PIB

## Initial recommendation rationale

Incidents in the payment system can be generated by a range of parties from users through to the PSO. When they impact the interoperable payments space, they need a coordinated response across all involved parties. Without a framework, a PSO could argue that where an incident is not of their making and does not affect their operations, they do not get involved in the resolution. The interoperable payments crisis and incident management framework must distinguish between incidents and crises.

Incident Management to be performed by PSO and other entities in the ecosystem in line with PIB frameworks and to report back on root cause on material incidents. There should also be efforts to capacitate incident communication (not root cause reporting) to be more real-time.

✓ Recommendation



# F 2.2.2 Operational Support – Business Continuity Management



## Definition

The capability of an organisation to continue the delivery of products or services at pre-defined acceptable levels following a disruptive incident.

Example – Backup plan in case the data centers become non-operational due to natural or otherwise occurrence

## Who Does it today?



## Issues today

None. SARB oversees testing of BCP

## Decision point

Should PIB be involved in overseeing the testing of BCP for payment operators?



## Possible Options

### Option 1:

SARB oversees testing of BCP for settlement (as is), PSO to perform relevant BCP tests for their respective rails; if delegated by SARB, PIB can oversee testing



### Option 2:

PIB oversees testing of BCP

## Initial recommendation rationale

If the function is currently performed by another party, unless there is a very strong motivation for change, it should not be considered as part of the PIB. SARB is currently overseeing the testing of BCP and there is no strong reason for further PIB involvement in this.



# Function 3 Payment Industry Support





## F 3. Industry Support

### F 3.1 Capacity Building

# F 3.1.1 Capacity Building- Payments professional certifications



## Definition

This includes conducting various training programs for growing relevant payment expertise for individuals. E.g., PASA certificate in foundational payment, PASA advanced certificate in electronic payments, PASA advance certificate in high value payments.

## Who Does it today?



## Issues today

Current certification not NQF recognised. NQF accreditation can only be obtained through a professional body that is registered at SAQA. Currently no such body exist for payments related training.

## Decision point

Should this function sit with the PIB?



## Possible Options

### Option 1 (as is):

PIB to continue with provision of training courses/programmes and to pursue NQF accreditation through a to-be-established professional body that sits separate (outside) the PIB



### Option 2:

PIB becomes a Professional Body with professional membership and only accredits training through other parties - no provision of industry programme and seminars

### Option 3:

PIB plays no role in capacity creation - no training and no seminars

## Initial recommendation rationale

Payments training content is very specialised and constantly evolving. It makes sense therefore to retain it with the payments center of expertise. There are not many providers of payments training - PASA has already established a recognised profile for payments training.

NQF accreditation is something that must be pursued through a Professional Body. The PIB can play a role to establish such a body but cannot be the Professional Body and continue to provide training and seminars. If the PIB becomes a professional body itself, it cannot provide training anymore. It also holds potential for membership confusion (member of the professional body vs. membership of the PIB).

# F 3.1.2 Capacity Building- Consumer and user education and awareness



## Definition

This includes conducting capacity building activities to ensure end-user and customer awareness and education programs

## Who Does it today?



FSCA, Banks for their clients, PASA for new payment systems

## Issues today

PASA consumer education is ineffective and lacks funding and reach

## Decision point

Should PIB actively educate public about payments systems to increase accessibility?



## Possible Options

### Option 1:

Attempt to educate consumers directly re specific payment issues

### Option 2:

Training materials developed by Product Owner as per F 2.1.2. PIB to request for scheme / Product Owner to develop material where required. PIB can assist with the dissemination of the material. ✓

### Option 3:

No involvement in consumer education - leave it for users, banks and regulatory bodies

## Initial recommendation rationale

The PIB is unlikely to be a well-recognised entity for the general public. Consumer education should be driven by service providers (e.g., banks) and or regulators (FSCA) who are better known and more credible to the public. Moreover, it is expensive to launch education campaigns on a grand scale and directly with consumers.

✓ Recommendation

# F 3.1.3 Capacity Building- Conference & events management



## Definition

PIB to give common platform for payment professionals in form of gatherings, conference and/or events on regular intervals

## Who Does it today?



## Issues today

Various service providers provide conferences of varying quality. Fragmentation in promotion of the "payments dialogue"

## Decision point

N/A

## Possible Options

**Option 1:**  
Continue as-is



## Initial recommendation rationale

PIPC and the like have created a credible platform for payments professionals, irrespective of whether they work for current PASA members or others, and add meaningful value to the industry. This platform should be expanded to invite dialogue, drive innovation, education, and networking of payments professionals. The Design Principles reference functions for the good of the payment industry.

✓ Recommendation



# F 3.1.4 Capacity Building- Trainings, Internships or leadership development



## Definition

Training to payments professionals or internships, payments leadership development, mentorships to address the shortage of payment skills in the industry.

## Who Does it today?

None

## Issues today

Real shortage of payment skills in the industry. Certification courses alone are insufficient to train and develop skills

## Decision point

Should PIB invest further in training payments resources for industry?

## Possible Options

### Option 1:

PIB to build capability to improve skilled payment capacity for the industry (Training programs, Education institution collaboration, create a shared knowledge repository, and may facilitate and support graduation intakes, according to member needs).



### Option 2:

Internships and training provided as part of a Professional Body's qualification requirements (NQF accreditation)

### Option 3:

No involvement of PIB

## Initial recommendation rationale

The Design Principles state that the PIB should be good for the payments industry: a shortage of skills and many skills approaching retirement pose a risk to the broader sector, as well as to innovation.

The PIB support for internships (option 2) can be considered if a Professional Body supports/requires formal internship programs.

✓ Recommendation



## F 3. Industry Support

F 3.2 Strategy development

# F 3.2.1 Strategy Development- Payments Strategy



## Definition

The Payments body defining the payments strategy or roadmap in alignment with NPS policy objectives and ensuring coordinated implementation.

## Who does it today?



## Issues today

No non-bank strategy voice; Top-down strategy from BASA, bottom up from PASA - effort to align

## Decision point

Should the PIB have a strategy function? Should the PIB define roadmaps for payment system development?

## Possible Options

### Option 1:

Leveraging multiple regulatory vision documents, PIB mandated to define (in consultation with industry) a multiyear payments strategy for the country that draws up a development roadmap with initiatives



### Option 2:

PIB to not have a strategy function (for the broader NPS and industry)

## Initial recommendation rationale

As per the Design Principles, the PIB must align to policy objectives (e.g. Vision 2025) and should play a role in the implementation thereof. At the same time, other parties will have their strategies and views that need to align into a coordinated implementation plan to protect interoperability. To that end, the PIB needs to at least be able to align and coordinate different strategic perspectives into an implementable outcome for the NPS, without necessarily serving only the needs of individual members.

✓ Recommendation







## F 3. Industry Support

F 3.3 Thought Leadership



# F 3.3.1 Thought Leadership - Payments strategic research / market analysis / best practices

## Definition

The payments body provides payments related research expertise including market data analysis, benchmarking, strategy recommendations and best practices for the industry.

## Who does it today?



## Issues today

Some research in institutions to support strategy. PASA lacks economist expertise in researching payments.

## Decision point

Should the PIB invest in research capabilities?



## Possible Options

**Option 1:**  
PIB builds capability in strategic research and thought leadership and publishes the same at regular intervals



**Option 2:**  
Not a PIB function, Industry to do its own research, PIB involved on voluntary basis

## Initial recommendation rationale

The Design Principles mention the functions for the good of the industry, implying that the PIB needs to develop strategic research capabilities to ensure the latest thinking and best practices. The PIB should make this knowledge available and accessible to all members.

The PIB should also monitor and research global innovations in payments and leverage the same to benefit the South African landscape.

✓ Recommendation

# F 3.3.2 Thought Leadership – Whitepaper Contributions



## Definition

The payments body timely publishes payments related research expertise to promote or highlight the features of a payments related trends, product, or service.

## Who does it today?

Various

## Issues today

Limited scope of activities are being performed by the entities

## Decision point

Should the PIB invest in white paper contributions?

## Possible Options

### Option 1:

PIB capability to drive white paper consultations capability and publish relevant white papers on pertinent payment topics ✓

### Option 2:

Not a PIB function, Industry to do its own research, PIB involved on voluntary basis

## Initial recommendation rationale

The Design Principles mentions the functions for the good of the industry, which implies the PIB needs to be up-to-date on the latest research and thought leadership. PIB members should also get value from their membership fees. The PIB should make this knowledge available and accessible to all members.

✓ Recommendation



## F 3. Industry Support

F 3.4 Payments Statistics

# F 3.4.1 Payments Statistics - Collate payments system statistics



## Definition

The payments body undertakes necessary actions to timely collect payments system related statistics from the payment system operators and member organisations

## Who does it today?



## Issues today

Only done on an annual basis, 3 months after year end, not broadly published; lack of access to statistics hamper PASA strategy, tactics and reporting

## Decision point

Should the PIB be mandated to collate payments statistics?

## Possible Options

### Option 1:

SARB continues (as is)

### Option 2:

Option 1 + PIB mandated to collate timely reports and federated statistics from operators / members



## Initial recommendation rationale

To both understand the health of the payment systems, but more importantly to assess the effectiveness of project interventions and to understand market trends, the PIB should be mandated to collate payment statistics and share them with members (part of the value add) on an aggregated basis that does not contravene competition act or POPIA.

✓ Recommendation



# F 3.4.2 Payments Statistics – Analyse and publish payments system statistics



## Definition

The payments body undertakes necessary actions to timely analyse and publish payments system related statistics, demonstrating health of the industry.

## Who does it today?

None

## Issues today

Lack of credible industry statistics hamper performance management and strategy management

## Decision point

Should the PIB be mandated to analyse and publish payments statistics?

## Possible Options

**Option 1:**  
As is

**Option 2:**  
PIB mandated to publish timely reports and statistics for the broader payments community



## Initial recommendation rationale

Operator statistics only provide part of the picture when there are multiple operators in a particular payment stream (e.g., Card). The Design Principles talk to value for members of the PIB and credible statistics on the behavior of individual payment streams can add tremendous value to members, provided it is performed in a compliant manner.

✓ Recommendation





## F 3. Industry Support

F 3.5 Industry facilitation

# F 3.5.1 & F 3.5.2 Industry Facilitation – Support and facilitation for policy clarification & implementation



## Definition

Providing a common inclusive platform for all market participants to seek guidance for policy clarification and provide necessary support for policy adoption and implementation.

## Who does it today?



## Issues today

None

## Decision point

None

## Possible Options

**Option 1:**  
Continue as is



## Initial recommendation rationale

PIB needs to ensure it supports policy clarification as it will regularly interact with the regulator and provide input on policy making through consultations.

For effective working of the payment systems, the members and/or participants must adhere to regulatory policies and get the necessary support from the PIB during policy implementation.

PIB can help its member participants in policy adoption and present grievances faced by them to policymaking bodies.

✓ Recommendation



# F 3.5.3 Industry Facilitation – Query management



## Definition

The payments body performs the function where it can assist new and existing entities with queries, requests for information and introduction to sponsor banks.

## Who does it today?



## Issues today

Participants face challenges to find sponsor banks

## Decision point

Does the PIB facilitate introduction between parties (example TPPP and sponsor bank)?

## Possible Options

### Option 1:

Continue as is: respond to requests for information, guide new and potential new entrants into the system, guide existing participants into new areas of the system. Where permission is given and introductions are requested, assist with necessary introductions. Inform closed loop system operators of how to open their systems.

### Option 2:

Option 1 plus sharing of standards for interoperability. ✓

## Initial recommendation rationale

As the Payments Industry Body for South Africa, the PIB can expect to regularly be approached by parties looking to join the system and looking for the necessary sponsors. To keep the functioning of the system efficient and competitive, the PIB should respond to queries.



# Function 4 Project Management





# F 4. Project Management

## F 4.1 Project Delivery

# F 4.1.1 Project Delivery - Project design, management and implementation



## Definition

This includes end to end responsibility of project delivery including project design, management and implementation through coordinating participant build, test and go-live activities. For e.g., Debi Check project, QR project

## Who does it today?



## Issues today

None

## Decision point

What should the extent of involvement of the PIB be in project management?

## Possible Options

### Option 1: PASA driven

As is (end to end project management and coordination by PASA)

### Option 2: Hybrid approach

PIB may get involved in certain projects depending on project type. (e.g. involvement in interoperability related projects, projects involving multiple PSOs, projects involving changes to PIB rules)

### Option 3: PSO driven

No involvement of PIB in project delivery



## Initial recommendation rationale

To maintain the interoperability of payment systems, changes to payment systems need to be performed, in a coordinated manner, across all participants. The existence of multiple operators in some payment streams also necessitates coordination across PSOs. As this is core to interoperability, it should sit with the PIB.

✓ Recommendation

# F 4.1.2 Project Delivery – Payments innovations platform



## Definition

This includes initiatives to bolster payments innovations such as introducing and operating its own innovations platforms such as sandbox, API developer portal, hackathons etc.

## Who does it today?



## Issues today

Limited means of innovation – currently presence of regulatory sandbox only

## Decision point

Should PIB take initiatives for promoting innovations (payments sandbox e.g. NZ, hackathon e.g. Canada)?

## Possible Options

### Option 1:

As is (No involvement of PIB)

### Option 2:

Active investments by PIB in innovations initiatives specific to payments only

### Option 3:

PIB provides the platform for getting market participants together to discuss innovations



## Initial recommendation rationale

Given the policy objective mandate, as well as offering the platform where competitors collaborate, the PIB logically cannot be a commercial entity. Furthermore, the PIB is not recommended to operate payment systems. Accordingly, PIB should not deal with businesses/models developed in an innovation sandbox.

The PIB can provide a platform for enabling collaborations between the payment participants and to support emerging and innovative solutions; however, there must be a framework to discuss innovations at the platform, while being mindful of the intellectual property (IP) framework.

✓ Recommendation



# Function 5 Industry Representation





# F 5. Industry Representation

F 5.1 Industry Representation

# F 5.1.1 Industry Representation – Consultative services - Input to regulators / policy bodies



## Definition

The payments body provides payments expertise including consultative services by providing inputs to regulators and policy making institutes including policy paper contribution & advocacy for the industry.

## Who does it today?



## Issues today

PASA provides expert input to regulators, but does not lobby/advocate for all members

## Decision point

- Should PIB only provide expert input for consideration or lobby for member interests?
- Should the view be only PIBs, or should it consolidate industry views?



## Possible Options

### Option 1: PIB as expert input body

PIB provides its expert inputs when consulted. Members can voice their views directly or via their associations (e.g. BASA)

### Option 2: PIB as consensus building body

PIB provides its expert inputs when consulted. PIB is mandated to perform the "Voice of Industry" function and to build majority consensus between industry stakeholders that are in interest of NPS over member interest. (PIB not be involved in member lobbying activities)

### Option 3: PIB as lobbying body

PIB is mandated to perform the "Voice of industry" function and to building majority consensus between industry stakeholders and lobby this majority view (member or NPS interest) to the regulator.

### Option 4: PIB as a body for consolidated view

PIB to act more as a body providing a consolidated view versus a consensus view. It is important for the PIB to provide a balanced Industry view (payment system participants and affected parties e.g. users)

✓ Recommendation

## Initial recommendation rationale

The PIB should provide technical and expert inputs whenever asked. It should also consolidate the views of different parties or constituencies and not advocate for the interests of any constituency.

The PIB should support regulators by consolidating a majority response.

Both by principle and practice, lobbying should remain with the trade associations. This proposition is in line with the Design Principle that the PIB should be responsible for the objectives of NPS ahead of the members.



# F 5.1.2 Industry Representation – Stakeholder & member collaboration management



## Definition

The payments body provides a common inclusive platform for all market participants to represent their interest and undertakes necessary process of maintaining good relationships with the stakeholders impacted by the decisions made by the body.

## Who does it today?



## Issues today

None (each entity manages its own members and stakeholders)

## Decision point

What should be the extent of engagement and collaboration with industry stakeholders?

## Possible Options

### Option 1:

PIB actively promote collaborations among industry stakeholders



## Initial recommendation rationale

Given the payments ecosystem and the extent to which the PIB will underpin many platforms, the broader the collaboration the better.

Member collaboration is a must for the efficient functioning of the payment systems. The PIB must take a holistic approach while taking inputs to design any framework which affects its members.

✓ Recommendation



# Scope overview of The PIB





- The PIB should have a broad view of the current and emerging Payments landscapes and the ability to advise and support members wherever relevant. The scope items presented therefore are a representation of current and emerging topics which could be considered but do not represent a comprehensive or definitive view.
- The move of settlement rules to the SARB was agreed before the start of the PIB project and will run as a separate stream to the PIB project. Engagements with the SARB will take place as part of their broader SAMOS modernisation initiative, in line with the SARB timeframes. Relevant industry experts (most likely PCH PG and Settlement Group Chairs and Vice Chairs) will be called on when relevant to inform the process. The exact scope of what is included in settlement is yet to be determined and could impact on other payment streams as indicated on the next slide.
- The PIB Scope slides indicate topics that could be in scope and the role the PIB could play in each. It should be remembered that all function items can be applied to any scope item. It is anticipated that the Scope items will evolve as the market changes. The strategy-setting process of the PIB should determine the scope focus areas in any given period.

# Payment streams

## Existing in-scope payment streams of PASA



These existing in-scope payment streams remain in PIB, unless they move to SARB as part of the settlement rule move:

### Move to SARB

1. Settlement \*

### Recommended to stay with PIB

1. Low Value electronic funds transfer(EFT) credit and debit
2. ATMs
3. Card, incl Debit, Credit, Amex, Diners and Fleet
4. Authenticated Collections (AC) – DebiCheck
5. Real-time Clearing (RTC)
6. RPP
7. Cash Settlement \*
8. Derivatives\*
9. Equities\*
10. Money Market \*
11. Bonds \*
12. Immediate Settlement \*

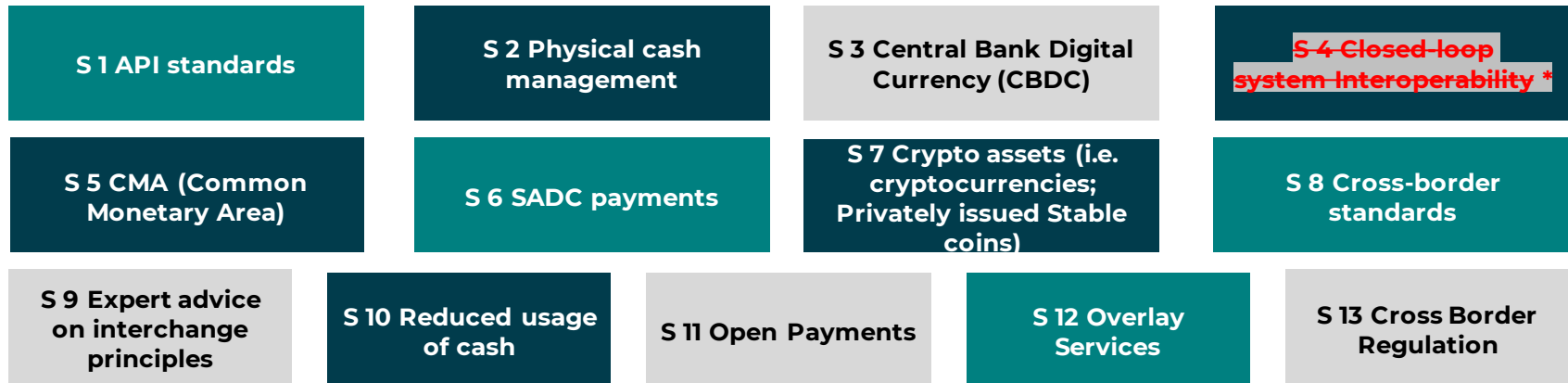
# PIB Scope



## Topics which could fall within the scope

- The following areas were identified based on the relevance to the SA market industry inputs and research conducted
- Additional areas or new upcoming payments topics could also be considered and incorporated in the scope of PIB. New topics do not necessarily translate to additional headcount

## The PIB scope as considered :



# S1 API Standards



## Definition

Common standards for Banks for payment related APIs

## Who does it today?

None

## Issues today

No standardised API standards, each bank has its own standards for APIs. Duplication and inefficiencies to connect to various Banks

## Decision point

- Mandatory or voluntary adoption?  
(Currently voluntary)
- Market driven or regulatory driven?



## Possible Options

### Option 1:

- Regulatory driven - Defined by Regulator
- Mandatory adoption by participants

### Option 2:

- Market driven - Defined by PIB
- Voluntary adoption by participants



### Option 3:

- Market driven - Defined by PIB
- Mandatory adoption by participants  
(regulatory mandate to be provided by SARB )

### Option 4:

- No involvement
- ✓ Recommendation

## Initial recommendation rationale

It seems likely that the industry will voluntarily adopt standards before the introduction of regulation. These standards should then form the basis of the regulation when it is introduced. PIB would require regulatory mandate to ensure mandatory adoption by participants

# S 2 Physical Cash Management



## Definition

Optimising interbank cash processing- Tier 1, 2, 3

## Who does it today?

  BASA - Focused on Tier 1  
BankServ - Tier 2  
Tier 3 - No-one

## Issues today

Cash aggregation  
Cost allocation

## Decision point

Extent of PIB involvement in physical cash management.

## Possible Options

### Option 1:

Continue as is (no involvement of PIB)

### Option 2:

No involvement in the physical logistics of Cash, but responsibility for transactional interoperability (e.g. remittance in retail stores, cash settlement, cash in and cash out transactions) in line with regulator guidelines. Include Cash as a key component in payments strategy development, analysis & research, risk & project management.



✓ Recommendation

## Initial recommendation rationale

Continued involvement in cash settlement (the interoperable electronic component) is needed but the design principles specify no commercial or pricing involvement from the PIB. PIB needs to be involved in transactional interoperability for usage of Cash.

The SARB interchange project and BASA have recommended the development of white label ATMs. Presumably the PIB will need to play an interoperability role in this space.



# S 3 Central Bank Digital Currency (CBDC)



## Definition

Expertise on CBDC - Ongoing advisory and engagements

## Who does it today?



Driven by SARB currently

## Issues today

None  
Distribution of CBDC activities to be finalised.  
Currently in early stages.

## Decision point

Building expertise in PIB on CBDC

## Possible Options

### Option 1:

Investing in resources to build relevant CBDC expertise in order to provide consultative inputs in regulatory/legislative policy making



### Option 2:

No involvement of PIB in CBDC

## Initial recommendation rationale

CBDC could become a new, broadly accepted form of money. Payment systems will be required to facilitate retail payments and payment acceptance. The PIB, therefore, needs to understand this space in order to fulfil its potential future role. The PIB work will be in support of the SARB as the owner of the CBDC.

✓ Recommendation





# S4 Closed loop systems / interoperability\*



## Definition

Closed loop payments systems are systems set up and operated by a single payment service provider

## Who does it today?



PASA drives the interoperability but does not decide which systems should open.

## Issues today

It is unclear as to how or when the decision is made to open a closed loop system. Different decision points may be applied to PASA members than to non-members

## Decision point

Should the PIB play a role in recommending the opening of closed loop systems to the SARB or should it only implement the process of opening the system?

## Possible Options

### Option 1:

If closed loop chooses to open or If SARB mandates the closed loop to open it will have to adopt clearing and form factor standards in accordance with standard framework designed by PIB

### Option 2:

The PIB actively monitors and recommends to the SARB when systems should open and then implement as per Option 1

### Option 3:

Option 1 + PIB publishes voluntary best practice guidelines/standards for closed loop in systems and roadmap for moving to open loop systems

### Option 4:

No involvement



✓ Recommendation

## Initial recommendation rationale

Given the commercial implications, it is recommended that the decision to open a closed loop system to be made at a regulatory level (rather than industry level). This is in line with the principle that the PIB does not get involved in commercial matters. Commercial Banks should be more involved with the close loop providers for commercial matters and to assist with understanding frameworks and the roadmap defined for moving to open loop payments.

\* The intention of S4 is sufficiently covered under "F 3.5.3. Industry Facilitation – Query management" and it was therefore removed. Reference to this item was however kept to allow for consistent numbering with previous versions of this deck.



# S 5 Common Monetary Area (CMA)

## Definition

Payments between South Africa and Lesotho, eSwatini or Namibia.

## Who does it today?



BASA - principle level  
PASA - implementation level

## Issues today

Alignment with international standards  
Improved sanction screening data in messages  
Principle of building payment system for small volume payments - commercial viability

## Decision point

Should the PIB play a role in solution design for CMA payments?

## Possible Options

### Option 1:

Implementation by PIB (i.e. project management) on request



### Option 2:

Solution and implementation involvement

### Option 3:

No Involvement

## Initial recommendation rationale

Given that only three current PASA members are involved in CMA payments, solution design can easily be managed amongst the affected parties. Should they need assistance, however, the PIB should be open to providing inputs.

✓ Recommendation



# S 6 SADC Payments



## Definition

Interoperability of payments across SADC

## Who does it today?



## Issues today

No visibility

## Decision point

All the necessary roles are covered by other parties. Should the PIB make the effort to understand and monitor this space?



## Possible Options

### Option 1:

Stay as is (no involvement)

### Option 2:

Create PIB capacity for understanding and monitoring SADC activities

✓ Recommendation

## Initial recommendation rationale

Given the emerging models where domestic payment systems are linked to create real time cross-border payments, the PIB should at least understand any potential impact of SADC payment system development on domestic payment systems.

# S 7 Crypto assets (i.e. cryptocurrencies; Privately issued Stable coins)



## Definition

Non-central bank cryptocurrencies and stable coins

## Who does it today?

Currently unregulated, although regulation will bring it into the remit of SARB and FSCA

## Issues today

None

## Decision point

What should be the PIB involvement in crypto assets landscape?

## Possible Options

### Option 1:

Continue as is (no involvement of PIB)

### Option 2:

Defining role for PIB

### Option 3:

PIB monitors the international and local developments on this topic



## Initial recommendation rationale

Until such time as crypto assets are regulated, there is no NPS role for them. At best the PIB can provide regulatory guidance to the parties who play in the crypto asset space, but as most of the regulation will not be payments related, even that seems unlikely. PIB can keep an eye on the international and local developments/ advancements on crypto assets

✓ Recommendation





# S 8 Cross Border Standards

## Definition

Payments between South Africa and countries outside of CMA and SADC

## Who does it today?

Banks via correspondent networks; SWIFT for standard setting

## Issues today

Need for alignment between domestic and cross border payment standards; G20 initiative on dropping the costs of cross-border payments

## Decision point

What should be the PIB involvement in cross-border landscape?

## Possible Options

### Option 1:

PIB advocates for international standards, but doesn't build capacity to understand cross border payments;

### Option 2:

PIB advocates for international standards in the initiatives which will impact on South African payments providers

### Option 3:

No PIB involvement. Other bodies advocate for domestic and international alignment

## Initial recommendation rationale

The convergence of international and domestic payment systems, and the pursuance of regional interoperability mean that the PIB needs to understand cross border payment initiatives in order to perform its domestic role. This is also in line with the Design Principle relating to policy objectives.

The aim is to support the industry goal of only building payment systems once or that at least are aligned as far as possible.

✓ Recommendation





# S 9 Expert advice on interchange principle

## Definition

Principle based stance on interchange for feedback into regulators

## Who does it today?

SARB has just completed an interchange study validating current methodologies

## Issues today

None

## Decision point

Should the PIB give expert input into interchange models and setting?

## Possible Options

### Option 1:

PIB provide expert input for setting up the interchange principles if consulted by SARB



Option 2: No involvement of PIB

## Initial recommendation rationale

The design principles specify no commercial involvement; however, interchange is a critical component of driving digital payments and ultimately the development and reach of payment systems. The PIB, therefore, needs to understand the basic principles.

✓ Recommendation





# S 10 Reduced usage of cash

## Definition

Business cases for the likes of RPP depend on reduction of cash usage, however, RPP is necessary, but not sufficient to remove cash from the system

## Who does it today?

Various parties have an interest, but no coordinated regulatory or societal approach.

## Issues today

Lack of coordination across various entities and regulators who have a broader interest in the uptake of digital payments at the expense of cash.

## Decision point

Should PIB be involved in coordinating with other players to uptake digital payments at the expense of cash?



## Possible Options

### Option 1:

PIB playing a role of coordinating body across various entities and regulators

### Option 2:

PIB strongly advocates for the formation of a coordinating body, but does not take the lead

### Option 3:

No involvement of PIB

✓ Recommendation

## Initial recommendation rationale

The adoption of non-cash payments is a much broader discussion than just the provision of suitable payment systems. The PIB should advocate for the formation of a coordinating body and should be a strong proponent for alternatives to cash.

The PIB should also understand the linkages between the use of cash and digital payments.

# S 11 Open Payments



## Definition

The South African open banking regulation is yet to be defined. Is there a role for the private sector beyond standard setting?

## Who does it today?

No-one. Regulatory engagements ongoing

## Issues today

Regulatory process is progressing, however various fragmented models are being built in the meantime

## Decision point

Should PIB be involved in harmonising the fragmented models of different players?

## Possible Options

### Option 1:

PIB undertakes initiative to consult members and provide inputs to regulatory bodies



### Option 2:

Continue relying on private institutions to drive open payments initiatives with SARB creating a common regulatory framework (as-is). PIB consulted

## Initial recommendation rationale

PIB can undertake a consultative role for providing inputs to the ongoing regulatory process on open payments.

✓ Recommendation





# S 12 Overlay Services



## Definition

This includes auxiliary and value added services to payments, including but not limited to: Account Verification; Request to Pay; Proxy (Directory) services; Mandate initiation services; Authentication

## Who does it today?

Ad-hoc

## Issues today

PASA has limited jurisdiction over non-financial transactions, leaving each operator to define their own version

## Decision point

Should PIB be involved in standards and rules for non-financial, payments related, transactions

## Possible Options

### Option 1:

No involvement: operator takes full responsibility

### Option 2:

PIB harmonises adjacent services when provided by more than one PSO

### Option 3:

PIB manages adjacent services only when they are a critical part of the clearing function: e.g. mandates in DebiCheck



✓ Recommendation

## Initial recommendation rationale

Many of these services are critically related to payment transactions, and the proliferation of different approaches is efficient for users and participants

Therefore, the recommendation that when the same overlay service is provided by multiple operators, there should be a level of alignment to prevent this inefficiency

Also, as we move towards platform architectures, overlap services should adhere to the standards of common platforms



# S 13 Cross Border Regulation



## Definition

This refers to the payments exchange control standards and reporting for cross-border payments. It also includes PIB's engagement with regulators and ability to influence the regulatory frameworks for enabling and facilitating more affordable, widely accessible cross-border payments

## Who does it today?

Ad-hoc

## Issues today

No common standards for cross-border payments.

## Decision point

Role of PIB and its involvement in advocacy for payments exchange controls

## Possible Options

### Option 1:

No involvement

### Option 2:

PIB advocates for fit-for-purpose cross border payments regulation including Balance of Payments reporting, International Funds Transfer Reporting (IFTR) and FATF16 requirements.



✓ Recommendation

## Initial recommendation rationale

South African regulatory requirements for cross-border payments influence the payment message data requirements.

The PIB therefore should play an advocacy role in motivating for changes to the payments exchange controls reporting requirements.

