



## **PAYMENT AND SETTLEMENT SYSTEMS DEPARTMENT**

**UNDP / NUST Presentation 15 September 2020**





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# STRATEGIC PLAN 2017 - 2021



PSSD primarily contributes to the following strategic objectives:

- (1) Safeguard and Enhance **Financial Stability**;
- (2) Optimize **Organizational Efficiency** and **Cost-Effectiveness**;
- (3) Promote **Financial Sector Development**; and
- (4) Promote **Regional Integration** (sub strategy under the *Enhance Contribution Towards Sustainable Economic Growth*).

# OVERVIEW OF THE NPS

# THE ECOSYSTEM



The National Payment System (“NPS”) encompasses the entire payment process from payer to beneficiary and includes settlement between banks. The process includes all the tools, systems, mechanisms, institutions, agreements, procedures, rules or laws applied or utilised to effect payment. The NPS enables the circulation of money, that is, **it enables transacting parties to exchange value.**

The operations of the NPS is legislated by the Payment System Management Act (PMSA) (Act No. 18 of 2003), as amended. **This Act is currently under review.**

The Bank’s Key Mandate:

- To ensure the **safe, secure, efficient** and **cost-effective** operation of NPS.
- To determine standards to ensure that **bank fees** and **charges** payable by customers are:
  - in public interest;
  - promote competition;
  - efficiency; and
  - cost-effectiveness

# NPS LANDSCAPE



Over the years, the Namibian NPS landscape has undergone tremendous change and achieved key milestones with the introduction of a number of payment systems, institutions and payment systems law and regulations.

The NPS continues to grow, evolve and is becoming **increasingly complex** and **sophisticated**, with **new participants, innovative products**, solutions and **trends**.

Currently overseeing a total of **8 commercial banks**, and **5 non-banks** (payments instrument issuers i.e. e-money issuers).

System operators include a clearing house, **Namclear**, collectively owned by the participants, and the interbank settlement system, **NISS**, owned and operated by the Bank of Namibia. Both designated as **FMI**s by the Bank.

**Payment Systems Management Body, Payments Association of Namibia (PAN)**, management of the NPS, organisation and setting of technical standards, rules etc. There **14 registered service providers**.

**PAN Governance: PAN Management Council, Payment Clearing Houses (PCHs):** EFT PCH, Card PCH, E-Money PCH, Immediate Settlement (IS), Payments Stakeholder Forum (PSF) PCH and Fraud PCH.

# PAYMENT STREAMS & INSTRUMENTS



## Electronic Funds Transfer (EFT)

- 1. Internet Banking
- 2. Mobile Banking

100% Full interoperability



## Cards (Debit, Credit cards etc.)

- 1. Point of Sale (POS)
- 2. Automated Teller Machines (ATMs)
- 3. Online Platforms

100% Full interoperability



## E-money

E.g. Mobile Devices / Apps

0% interoperable (Closed-loop)  
No single mobile switch operator / clearing house



## Cheque (Phased-Out)

Previously 100% Full interoperability



- 1. NAD Currency
- 2. Foreign Exchange (authorised dealers)

**CHEQUES: No longer available in the NPS as a payment instruments - Decommissioned and Phased out in June 2019**

# PAYMENT PARTICIPANTS (INDUSTRY)



## NPS Payment Stream (Namclear)

Institution (Instrument Issuer)	NISS	EFT	Card (NamSwitch)	E-money	SADC RTGS
<b>System Participants</b>					
1. Bank BIC	✓				
2. Bank of Namibia (Participant)	✓				
3. Bank Windhoek	✓				
4. First National Bank	✓				
5. Nedbank	✓				
6. Standard Bank	✓				
7. Letshego Bank Namibia	✓				
8. Bank ATL	✓				
9. Trustco Bank	✓				
10. Namibia Post Limited					
<b>Non-Bank E-money Issuers</b>					
1. Magnet Payment Solutions				✓	
2. Virtual Technology Services				✓	
3. Nam-mic Payment Solutions				✓	
4. VIVO Energy Namibia				✓	



# CONTRIBUTING TO THE BIGGER PICTURE

## DOMESTIC ARRANGEMENTS



**National Development Plan (NPD) 5:** Enhance the NPS infrastructure, safety, security and cost-effectiveness by adopting high security standards and strengthening the legal framework and encourage payments innovations to ensure a modernized payment system.

**The Namibian Financial Sector Strategy (2011 - 2021):** Contribution to reforms in the areas of financial inclusion (access to financial services and product) and skills development in the financial sector.

**Bank of Namibia Strategic Plan (2017 - 2021):** PSSD primarily contributes to the following strategic objectives: (1) Safeguard and Enhance Financial Stability; (2) Optimize Organizational Efficiency and Cost-Effectiveness; (3) Promote Financial Sector Development and (4) Promote Regional Integration (*sub strategy under the Enhance Contribution Towards Sustainable Economic Growth*).

**Memorandum of Understanding:** PAN, NAMFISA, CRAN, NaCC etc.



# Where and How to Apply

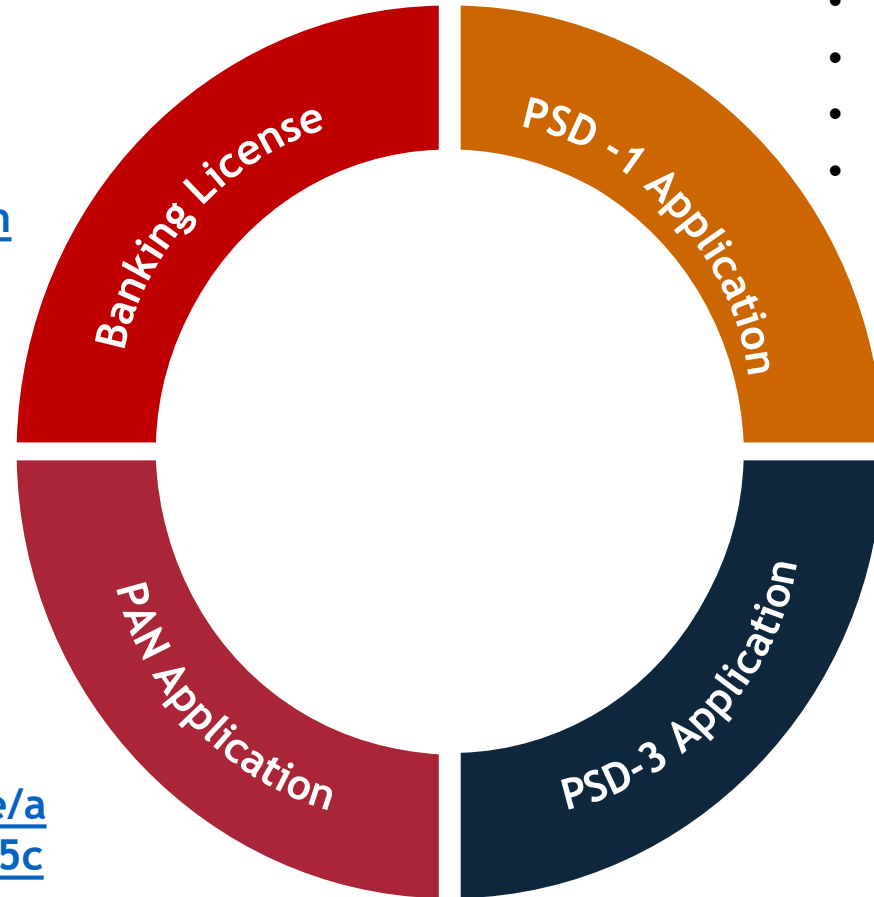


- ❖ **Payment Instrument Issuer = Apply with the Bank of Namibia**  
e.g. Cards, EFT, QR Codes.
- ❖ **E-money Issuer = Apply with Bank of Namibia**  
commercial bank wallets, Nampost wallet, Nam-mic wallet.
- ❖ **Payment Service Provider = Apply with the Payments Association of Namibia**  
e.g. payment gateways, clearing houses, payment switches, payment facilitators.
- ❖ **E-commerce service provider = Engage the Payments Association of Namibia (depends)**  
e.g. PayPal, Stripe, PayToday.
- ❖ **Banking License = Apply with Bank of Namibia (BSD)**  
commercial banks e.g. FNB, BWHK, NBN, SBN.

# Where and How to Apply Cont...



- Banking Institution Act
- Banking Supervision Department
- <https://www.bon.com.na/Bank/Banking-Supervision/Legal-Frameworks.aspx>



- Determination
- Payment Instrument type
- Check list
- <https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/31/313b4ab5-b138-45d3-b526-28959686db96.pdf>

- PAN Contact Details: [www.pan.org.na](http://www.pan.org.na)
- PAN Criteria: <https://www.pan.org.na/storage/app/uploads/public/5ce/7f4/6ee/5ce7f46eec70f737715027.pdf>

- Determination
- Guidelines
- Circular
- <https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/3f/3fb28958-580d-4aa1-9b66-ef7abf50bdbf.pdf>

