



## Transforming payments

The importance of the NPS to the country's financial system and the greater economy places a key responsibility on the SARB to keep abreast of global payment system developments.

As the custodian of the NPS, the SARB must react in a timely and sustainable manner to meet the needs of the public and enable safe, fast, accessible, convenient and affordable payment services. To meet current and future needs, the SARB continues to implement its objectives set out in the National Payment System Framework and Strategy Vision 2025.

### Payments ecosystem modernisation

In 2023, the SARB conducted an extensive review of the current payment system environment, including a scan of the global payment system landscape. As a result, it established the Payments Ecosystem Modernisation (PEM) programme with the aim to modernise and improve South Africa's payments infrastructure.

The PEM is one of the most significant strategic interventions in the payments ecosystem since the introduction of the SAMOS system and the enactment of the NPS Act nearly 30 years ago.

The programme includes the establishment of a centralised public payments utility that will form the cornerstone of this structural reform of the payments ecosystem. It will incorporate among other things a renewed RTGS system as well as better fast payment system (FPS) capabilities. It will also include enablers such as the development of a digital financial identity, an electronic Know-Your-Customer (KYC) registry, centralised business intelligence and fraud management capabilities geared to meet the demands of the financial system.

## Digital Payments Roadmap

The SARB has developed a *Digital Payments Roadmap (Roadmap)* that identifies obstacles, barriers and challenges that slow down the adoption and use of digital payments. The *Roadmap* presents a multi-disciplinary and stakeholder action plan to address these obstacles and promote the inclusivity, effectiveness and sustainability of digital payments. The *Roadmap* supports Vision 2025 and focuses on the domestic payments ecosystem. It does not extend to cross-border payments. The *Roadmap* was published in April 2024.<sup>8</sup>

## Understanding payments behaviour

During 2023, the SARB initiated its inaugural Payments Study (study) to gain insights into consumer preferences and their adoption and use of the different available payment methods and instruments. The study was two-pronged – the first part assessed the use of payment instruments and consumer behaviour in the NPS based on payments data collected and maintained by the SARB. The second consisted of data collected through the implementation of a unique nationwide consumer survey, namely the Survey of Consumer Payment Choice (SCPC) as well as data collected through a Diary of Consumer Payment Choice (DCPC), a process where identified consumers had to keep payment diaries over a fixed period. The study has generated authoritative information and insights that will, over time, inform the development and maintenance of public policies. The overall findings of the study will be made public during 2024.

### Looking *ahead*

#### The future vision of the NPS

Vision 2025 was published in 2018 as a multi-year strategy aimed at ensuring that the NPS meets the key policy objectives of inclusion, efficiency, safety and integrity. The strategy is supported by an action plan consisting of identified initiatives which are likely to continue well past 2025. While some initiatives have been implemented, others are still in progress. Several initiatives are dependent on amendments to the NPS Act, while others are dependent on what can be achieved through the newly constituted PEM programme. We are developing another multi-year vision and related strategies and will continue collaborating with and leveraging the capabilities of the wider payments community.

8. See Digital Payments Roadmap: Towards inclusive, accessible, effective and sustainable digital payments in South Africa: <https://www.resbank.co.za/content/dam/sarb/what-we-do/payments-and-settlements/regulation-oversight-and-supervision/Digital%20Payments%20Roadmap.pdf>

