



South African Reserve Bank

National Payment System Department

**GUIDELINES TO COMPLETE THE
NATIONAL PAYMENT SYSTEM INFORMATION RETURN**

NPS 100 Return Guidelines

Revised: June 2012

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
A. INTRODUCTION.....	3
B. COLLECTION AND PUBLICATION OF THE INFORMATION – THE LEGAL BASIS	3
C. ACCURACY AND COMPLETENESS OF THE INFORMATION	4
D. AVAILABILITY OF THE NPS 100 RETURN TEMPLATE AND ADDITIONAL INFORMATION.....	4
E. DUE DATES FOR THE RETURN.....	4
F. THE REPORTING PERIODS.....	4
G. SUBMISSION OF THE RETURN	4
H. COMPLETION OF THE RETURN	5
I. DEFINITIONS AND INTERPRETATIONS.....	9
J. CONTACT DETAIL.....	14

EXECUTIVE SUMMARY

This document aims to provide the persons responsible for the completion and submission of the NPS 100 Return (the Return) with assistance, information, definitions and interpretations relative to the respective sections and requirements of the Return.

A. INTRODUCTION

The purpose of this document is to guide the clearing and settlement banks participating in the South African National Payment System (NPS) in the gathering, compilation and submission of the Return.

The National Payment System Department (NPSD) of the South African Reserve Bank (the Bank) in its role as regulator of the NPS consistently requires accurate and meaningful information on the various facets of the NPS. In addition to the NPSD and the Payments Association of South Africa on the domestic front, the Bank for International Settlements, the International Monetary Fund, the World Bank, and many other bodies involved in the international and global payment system arena, require industry wide statistics relating to the NPS.

The statistics are utilised to monitor, benchmark, predict trends, evaluate the country in terms of payments sophistication and efficiency, and influence investment decisions.

B. COLLECTION AND PUBLICATION OF THE INFORMATION – THE LEGAL BASIS

The information that is being gathered in the Return is requested in terms of Section 10 (1) of the NPS Act, 1998 (Act 78 of 1998) as amended, and the publication of the industry wide statistics will be in accordance with Section 10 (2) of this Act.

C. ACCURACY AND COMPLETENESS OF THE INFORMATION

It is imperative that the information submitted by the participants is accurate, complete, and reflects the true position of each institution in each of the sections requested.

D. AVAILABILITY OF THE NPS 100 RETURN TEMPLATE AND ADDITIONAL INFORMATION

The Return template, as well as the Guidelines and any other relevant information will be made available on the Bank's website (www.resbank.co.za).

E. DUE DATES FOR THE RETURN

The completed Return must be submitted on or before the last working day of the second month following the end date of the reporting period.

F. THE REPORTING PERIODS

The Return must be submitted every six months, reflecting the aggregated data for the six month periods ending 30 June and 31 December.

G. SUBMISSION OF THE RETURN

The completed Return must, until further notice, be e-mailed to NPSADMIN@resbank.co.za.

H. COMPLETION OF THE RETURN

When completing the Return, please follow these guidelines:

1. The numbers presented in column 1 should be numbers as at the end of the reporting period (six months).
2. The volumes and values of transactions should be the aggregated values for the six months in all relevant columns and include on-us transactions.
3. The volumes and values shall not be negative amounts. Value shall be rounded to the nearest rand. Do not report cents.
4. Should a line item or a column not be applicable to your institution, record a “0” (zero) in the relevant cell/s.
5. Certain line items, representing totals and sub-totals are locked for editing.
6. Do not replicate the return, add or delete rows or columns, change fields, fonts or format in the return.
7. **Section A: Card Accepting Terminals**
 - i. Line items 1 to 8 column 1: The number of devices refers to the number of devices, as per definition, as at the end of the reporting period.
 - ii. Line item 1 columns 1: Number of Auto-Teller-Machines (ATMs) includes Automated Deposit Terminals (ADTs) used for taking deposits.
 - iii. Lines 1 to 8 columns 2 to 9: The volumes and values presented in Section A relate to all successful transactions effected as specified in the said columns.
 - iv. Line item 1 to 3 columns 2 and 3: Withdrawals at ATMs include “card not present” transactions.
 - v. Lines item 4 columns 2, 3, 8 and 9: Transactions reported under “Use of ATMs by other banks’ clients” is a subset of transactions reported under ATMs. Therefore, values reported in this line item must be included in ATM transactions and cannot be greater than ATM transactions.

- vi. Line item 8 columns 2, 3, 6, 7, 8 and 9: Point-of-sale (POS) transactions refer to transactions acquired at bank-owned POS devices and do not include online internet transactions. Transactions at point of sale using devices other than a card must be included in this line item.

8. Section B: Card Payments Facilities (as Issuer)

- i. Line item 9 to 63 column 1: Number of cards in issue relate to active and valid cards issued by the reporting bank as at the end of the period under review.
- ii. Lines 9 to 63 column 2 and 3: The values reported relate to all successful payments made to third persons, the transfer of funds to another account at a different bank and general purchases at merchants using a card as enabler. The total of these transactions include “on-us” transactions.
- iii. Line 9 to 63 columns 6 and 7: Volumes and values of transactions effected domestically but NOT cleared at BankservAfrica. These are usually switched or cleared at other authorised PCH System Operators such as card associations.
- iv. Line 55 columns 2 to 3: Transactions with respect to Gift/Prepaid cards mean the total of successful transactions against the specific cards. Additional information on Gift/Prepaid cards is required in section G and H of this Return.

9. Section C: Transaction as acquirers

Line item 64 columns 2 to 3: Transactions as acquirer refer to all transactions (both “off-us” and “on-us”) acquired by the reporting bank and effected at any POS device irrespective of the POS device ownership.

10. Section D: Additional Payment Facilities/Instruments (as Issuers)

- i. Line item 65 column 1: Number of accounts with cheque books issued refer to the number of active and valid accounts as at the end of the reporting period.
- ii. Refer to paragraph *I: Definitions and Interpretations* (pages 9 to 13) for clarification of terms to complete this Section.

11. Section E: Electronic Customer Interfaces

- i. Lines item 78 to 81 column 1: Number of clients who used the service during the period under review refer to the number active clients and not the number of clients registered for the service.
- ii. Refer to paragraph *I: Definitions and Interpretations* (pages 9 to 13) for clarification of terms to complete this Section.

12. Section F: Money Transfer/Remittances

- i. Transactions relate to all successful transactions initiated by the reporting bank.
- ii. Line item 84 columns 2 and 3: In-house and/or joint venture arrangements made by the reporting bank to transfer money of a low base from person to person. This could be an in-house product or it could be done in conjunction with a strategic partner. The volume and values of these transactions exclude business to person transfers.
- iii. Line item 85 columns 2 and 3: Refers to cross-border money transfer of a low base from person-to-person and these transactions exclude business-to-person and/or business-to-business money transfers.

13. Section G: Additional information – Gift/Prepaid Cards

- i. This section flows from section B Line 55 of the Return.
- ii. Total number of cards in issue (column 1) refers to active and valid cards as at the end of the reporting period.
- iii. Number of Reloadable cards in issue (column 2) refers to active and valid cards that are reloadable as at the end of the reporting period. This is a subset of Total Number of cards in issue (column 1).
- iv. Number of Encashable cards in issue (column 3) refers to active and valid cards as at the end of the reporting period. This is a subset of Total Number of cards in issue (column 1).

- v. Number of Reloadable that are Encashable cards (column 4) refers to active and valid cards that both reloadable and can be encashed as at the end of the reporting period. This is a subset of Number of Reloadable cards in issue (column 2).
- vi. Total Value loaded on cards (column 5) refers to the aggregated monthly value loaded during the six months under review.
- vii. Total of transactions against cards (columns 6 and 7) refers to the aggregated monthly volume and values of transactions effected on the cards during the six months under review.
- viii. Sub-section G.1 Line items 12 to 25 require additional information on Prepaid Cards in the open and closed loop card systems. Closed loop card schemes must include controlled loop card schemes i.e cards used at selected merchants only.

14. Section H: Closed loop systems

- i. This section flows from section G: Line items 22 to 25 of the Return.
 - ii. Details of the closed loop system are required and that include:
 - Name of the card scheme;
 - Brief description of the card scheme ;
 - Strategic partners; and
 - Activities per card scheme as indicated in columns 1 to 7.
15. **Section I** allows the participants to report Additional Information and/or Comments on the Information reported in the various sections of the Return.
16. **Section J** requires details of the officers responsible for completing this Return.
17. **Section K** is to be completed by the different heads of business units and must be signed off by both the Responsible Senior Officer and the Compliance Officer.

I. DEFINITION AND INTERPRETATIONS

The following interpretation of terminology shall be used for the completion of the return:

- a. **Account payments** include payment of bills, transfer of funds to another account at a different bank and any other similar transactions.
- b. **Acquiring bank** refers to the bank that recruits retailers and other service providers (merchants) to accept payment cards, processes the merchant's transactions and passes them into the clearing system for financial settlement.
- c. **Association branded** means debit and/or credit cards bearing the name of the association. Association refers to a group of service providers having a joint purpose of issuing payment instruments such as cards bearing the name of the association.
- d. **Auto-teller-machine (ATM)** means an electromechanical device that permits authorised users, typically using machine-readable plastic cards, to withdraw cash from their accounts and/or access other services, such as balance enquiries, transfer of funds or the acceptance of deposits. ATMs may be operated either online with real-time access to an authorisation database or offline.
- e. **Bank-owned ATMs and mini-ATMs** mean the devices owned by the banks and bear the brand of the bank. ATMs include Automated Deposit Terminals which allow, mainly retailers, to deposit cash and cheques at their convenient places and times.
- f. **Buy-aid cards**, also known as retail cards, are cards issued by non-banking institutions for use at specified retail outlets. The holder of the card has usually been granted a line of credit.
- g. **Cash Withdrawals/Cash advances** means the withdrawal of cash at any cash dispensing devices including cashback at POS devices with or without the use of a card.

- h. **Cell phone banking** refers to Low Value Credit Payments originated through the use of a cellular phone and an electronic facility at the customers' bank to initiate an electronic payment. This category includes WIG (Wireless Internet Gateway), WAP (Wireless Application Protocol) and SMS (Short Message Service) facilities.
- i. **Charge cards** mean cards issued by non-banks indicating that the holder has been granted a line of credit. It enables the holder to make purchases but does not offer extended credit, the full amount of the debt incurred having to be settled at the end of a specified period. The holder is usually charged an annual fee.
- j. **Cheque cards** are "plastic cheque books" used as payment mechanism allowing cardholders to pay for goods and services, with the funds immediately being debited electronically from their cheque account. Cheque cards can only be linked to cheque accounts.
- k. **Cheques** are written orders from one party (the drawer) to another (the drawee, normally a bank) requiring the drawee to pay a specified sum on demand to the drawer or to a third party specified by the drawer.
- l. **Chip card** is also known as an IC (integrated circuit) card. A card containing one or more computer chips or integrated circuits for identification, data storage or special purpose processing used to validate personal identification numbers (PINs), authorise purchases, verify account balances and store personal records. In some cases, the memory in the card is updated every time the card is used (e.g. an account balance is updated)
- m. **Corporate Electronic Banking Solutions** are personal computer based electronic banking facilities, provided by the bank, whereby the corporate or business customer has the ability to access their account/s electronically and initiate electronic payments either via the Low Value Credit payment stream or EFT Credits, the High Value immediate real-time gross settlement system or the EFT Debit payment stream.
- n. **Credit cards** mean cards indicating that the holder has been granted a line of credit. It enables the holder to make purchases and/or withdraw cash up to a

prearranged ceiling; the credit granted can be settled in full by the end of a specified period or can be settled in part, with the balance taken as extended credit. Interest is charged on the amount of any extended credit and the holder is sometimes charged an annual fee.

- o. **Debit cards** mean cards enabling the holder to have purchases directly charged to funds on the account at a deposit-taking institution (may sometimes be combined with another function, e.g. that of a cash card).
- p. **EDO debits** refer to all Early Debit Order electronic debits that are processed through either the AEDO or NAEDO facilities.
- q. **EFT credits**, also referred to as Low Value Credit Payments, originate whenever a customer of a bank issues a payment instruction to their bank via various delivery channels to make an electronic payment to a third party.
- r. **EFT debits** include debit orders which are payment instructions directed by a third party to the account of a paying customer of a bank in terms of authority (a mandate) granted by the paying customer to such third party.
- s. **Gift cards** mean prepaid cards purchased as a gift. Retailers and banks issue gift cards to be used only at predefined merchants.
- t. **Homing bank** refers to the bank that receives EFT payment instructions from a sponsoring bank for processing against its customers' accounts.
- u. **Internet banking** refers to Low Value Credit Payments originated through the use of a personal computer and an electronic link via the Internet to the customers' banking account at their bank to initiate an electronic payment.
- v. **Issuing bank** refers to the banks that issue account holders with a debit or credit card and who receive and authorise the card purchase payment instructions.
- w. **IVR/Agent Assisted (Telephone banking)** refers to Low Value Credit Payments originated through the use of a telephone to either IVR (Interactive Voice Response) facilities or Agent Assisted Call Centre services at the customers' bank to initiate an electronic payment.

- x. **Magnetic Card (Magstripe)** refers to the magnetic stripe that currently appears on the back of all payment cards issued by financial institutions. The magstripe stores essential customer and account information.
- y. **Mini-ATMs** mean a specific type of ATM device that is linked to a bank and SASWITCH that dispenses a paper voucher that may be encashed or used for purchase of goods with or without a cash-back feature at a specific merchant. These devices are also known as self-service devices (SSDs).
- z. **Mzansi** refers to the Mzansi Money Transfer facilities that are used to transfer funds between participating South African banks, as well as the Postbank, without the need for either the person initiating or receiving the transfer to have a bank account. This money transfer facility only operates within the South African borders.
- aa. **Off-us** transactions refer to transactions where the sponsoring bank and the homing bank are two different banks and where payments are processed between these two banks.
- bb. **On-us** transactions refer to transactions where the sponsoring bank and the homing bank are the same bank, e.g. the bank collects a customer's home loan (which it provided) premium from the customer's account held at the same bank.
- cc. **Petrol/Garage/Fleet management cards** mean cards linked to bank accounts from which fuel purchases, tollgate fees or vehicle maintenance costs will be directly debited from a specified bank account.
- dd. **Point-of-sale (POS) devices** mean the bank-owned devices situated at the service provider/retail locations which enable all cards or other devices to be used to effect an electronic payment for goods and services, cash withdrawal or any other related activity.
- ee. **Prepaid cards** are cards on which value is stored, and for which the holder has paid the issuer in advance. The value of these can be encashed and/or reloaded and can be used in a closed, controlled or open loop card schemes.
- ff. **Purchases** include the purchase of prepaid telephone and cellular phone recharge coupons and any other similar transactions.

- gg. **Transactions** relate to payments, purchases and cashbacks (both off-us and on-us transactions as per definitions).
- hh. **Remittances** are domestic or cross-border person-to-person payments of a relatively low value. Domestic remittances relate to transfers usually urban to rural areas within a country, while international remittances relate to cross-border transfers. The transfers are typically recurrent payments by migrant workers who periodically send money to their families in their hometown or countries.
- ii. **RTC credits** refer to all electronic credits that are processed through the Real Time Clearing (RTC) facilities.
- jj. **Self-service-terminals (SSTs)** mean devices with the same electronic features and functions as those of an ATM but they do not dispense cash.
- kk. **Sponsoring bank** refers to the bank that introduces EFT payment instructions into the payment system for submission to the homing bank.
- ll. **Use of other banks' ATM infrastructure** refers to banks that do not own or have any outsourcing arrangement for an ATM infrastructure, but utilise the infrastructure of other banks.
- mm. **White label cards** mean non-association branded ATM, cheque, debit or credit cards issued by a bank on its own, or in a co-branding arrangement with a retailer or fuel company. These cards may be accepted by the retailer only or industry wide.

J. CONTACT DETAIL

Ms Tina Matlhabegoane
Oversight Division
National Payment System Department
South African Reserve Bank
PO Box 427
Pretoria 0001

Tel: (012) 313 4359

E-mail: tina.matlhabegoane@resbank.co.za

Alternative:

Mr Mike Stocks
Oversight Division
National Payment System Department
South African Reserve Bank
PO Box 427
Pretoria 0001

Tel: (012) 313 3497

E-mail: mike.stocks@resbank.co.za

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