

INTERCHANGE DETERMINATION PROJECT

The South African Reserve Bank (the Bank) has launched a project to address interchange fees as applicable to each of the payment streams officially recognised and registered within the South African National Payment System. Interchange, as applicable to payment systems, refers to the process whereby banks, through their devices, systems and procedures, facilitate the acceptance, collection, exchange, clearance and settlement of payment instruments utilised by their customers within the National Payment System.

The project aims to resolve the impasse in the determination of interchange fees since the issue was raised in the Banking Enquiry Report.

The project will review the interchange fees applied in all payment streams in terms of whether they are feasible and/or justifiable in the particular payment stream and are set at realistic and appropriate levels based on acceptable parameters.

The project will furthermore aim to establish a sustainable process whereby interchange rates can be reviewed as required by changing market conditions and requirements.

The Bank has appointed Dr Philip Tromp as lead facilitator to drive this important National Payment System project. Dr Tromp, who played a leading role in the modernisation of the South African National Payment from 1994 to 1999 and has been active in the international payment system for the past 12 years, will be assisted by experts in various aspects of the payment system landscape.

The outcome of the project could potentially have far reaching implications for the stakeholders including the banks, retailers, financial service providers, payment system operators and the consumers. The project will therefore be handled with the utmost care to ensure that the interests of all parties are taken into consideration.

All queries must be directed to NPSDIRECTIVES@resbank.co.za.