



SOUTH AFRICAN RESERVE BANK

## **Media Statement**

**13 March 2023**

### **South Africa clears the way for broader financial inclusion with the launch of a low-value, real-time digital payment service**

South Africa is a step closer to a more accessible national payment system that will offer safer, faster payment options for all South Africans.

PayShap, the low-value, real-time rapid payment platform, is aimed at deepening digital financial inclusion of both consumers and small businesses by making digital payments more convenient and reducing the reliance on cash in the economy.

Stemming from the Rapid Payments Programme (RPP), the now commercially branded PayShap is an industry-led initiative that supports the South African Reserve Bank's (SARB) ongoing efforts to continually reform the country's national payment system.

In its *National Payment System Framework and Strategy: Vision 2025*, the SARB sets out nine goals to modernise the South African payment system, among which are greater financial inclusion, better regional integration, interoperability, cost-effectiveness, flexibility and adaptability as well as improved financial stability and security.

The introduction of PayShap, driven by BankservAfrica and the Payments Association of South Africa (PASA), is an important step on this modernisation journey, and will support innovation and enhance interoperability.

The initial rollout of PayShap, beginning on 13 March 2023, will offer consumers access to instant, real-time payments across participating banks as well as the use

of an alias that will enable payments to be made through the use of a unique identifier other than a bank account number; in this case, a cellphone number.

At launch, PayShap will facilitate the real-time clearance of low-value transactions to a maximum value of R3 000, helping to reduce the reliance on cash and improving the safety and convenience for both consumers and small businesses.

The initial phase of PayShap will see the participation of the first cohort of banks, namely Absa, First National Bank, Standard Bank and Nedbank, with more banks expected to join in the second phase. The SARB further expects the offering to be extended for service provision by non-banks as soon as it is practically possible.

The arrival of PayShap marks another milestone in the SARB's ongoing efforts, in collaboration with the industry, to advance South Africa's payment ecosystem.

In alignment with this and the broader payment system modernisation initiative, the SARB, alongside participating banks and other financial markets infrastructures, successfully adopted the International Organization for Standardization (ISO) financial messaging standard – ISO 20022 – for high-value payments in the domestic market in 2022.

The PayShap platform is also fully ISO 20022-compliant and adheres to global best practices for instant payments.

As the custodian of the national payment system, the SARB welcomes this milestone which will help bring South Africa's retail payment services in line with offerings in other parts of the globe.

**Issued by SARB Media Relations**

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