



Prudential Communication 10 of 2026

Banks Act, 1990 (Act No. 94 of 1990)

Draft exemption by the Prudential Authority of specified payment activities conducted in the national payment system, which shall be deemed not to constitute ‘the business of a bank’, and Draft Directive in respect of specific payment activities within the national payment system.

Objective of this Prudential Communication

This Prudential Communication serves to communicate the Prudential Authority’s intention to issue an Exemption Notice to exempt specified payment activities from the definition of the business of bank. It further endorses the South African Reserve Bank in issuing the supporting regulatory framework – the Authorisation Framework – and invites comments on the proposed Exemption Notice and Authorisation Framework.

1. Application

- 1.1 This Prudential Communication is for the attention of all interested parties, including banks and non-banks, in relation to the proposed draft Exemption Notice for specific payment activities (Exemption Notice) conducted in the national payment system (NPS), which shall be deemed not to constitute ‘the business of a bank’ in accordance with paragraph (cc) in section 1(1) of the Banks Act, 1990 (Act No. 94 of 1990) (Banks Act), as amended.

2. Purpose

The purpose of this Prudential Communication is to:

- 2.1 communicate the Prudential Authority’s (PA) intention to issue an Exemption Notice;
- 2.2 endorse the South African Reserve Bank (SARB) in issuing the draft Directive in respect of specified payment activities within the national payment system (Authorisation Framework); and
- 2.3 invite interested parties to submit comments on the proposed Exemption Notice and Authorisation Framework.

3. Background

- 3.1 In terms of section 11(1) of the Banks Act, no person shall conduct the business of a bank unless such person is a public company and registered as a bank in terms of the Banks Act. In accordance with the provisions of the Banks Act, the PA, with the approval of the Minister of Finance (Minister), may exempt certain activities from being deemed to constitute the business of a bank for the purposes of the Banks Act. These activities include the specific payment activities that involve the pooling of funds from the public, to which this consultation relates.
- 3.2 Currently, non-banks have limited access to the national payment system (NPS), particularly in respect of payment activities that involve the pooling of funds from the public. Where a non-bank seeks to provide such activities, such as money remittance services or the issuance of e-money, bank sponsorship or partnership is required, as these activities are regarded as 'the business of a bank'.
- 3.3 To broaden access for non-banks, the SARB has embarked on a process to review and modernise the regulatory framework governing payment activities. In this regard, among other initiatives, the SARB has developed and published the Authorisation Framework, which introduces an activity-based framework applicable to both banks and non-banks (i.e. payment institutions and registered persons).
- 3.4 The Authorisation Framework will, among other things, enable non-banks to independently conduct specific payment activities. The Exemption Notice supports the Authorisation Framework by exempting specific payment activities from 'the business of a bank'.
- 3.5 The Authorisation Framework, supported by the Exemption Notice, is expected to enhance competition and financial inclusion within the payments ecosystem. This will enable both banks and non-bank service providers to offer more convenient, cost-effective and innovative payment products and services, thereby expanding consumer choice.
- 3.6 The development of the draft Authorisation Framework and Exemption Notice benefited significantly from consultations with key stakeholders and relevant regulatory authorities. The initial versions of both documents were published for industry consultation by the SARB in March 2025. Thereafter, the SARB conducted a series of workshops and engagement sessions with the NPS stakeholders. The feedback received through these engagements and comments informed further refinements to both the draft Authorisation Framework and the Exemption Notice. The revised drafts were subsequently circulated to internal SARB stakeholders, including the PA, for further consideration and input.
- 3.7 The amended draft Authorisation Framework and Exemption Notice were subsequently published for a second round of public consultation by the SARB on its website and distributed via email to NPS stakeholders on 14 November 2025.
- 3.8 In addition, the PA, as the administrator of the Banks Act under which the Exemption Notice will be issued, is also required to undertake a public consultation process prior to finalising the draft Exemption Notice.
- 3.9 Upon completion of this consultation process, the PA will seek the approval of the Minister for the finalisation of the Exemption Notice, whereafter the

Exemption Notice and the Authorisation Framework will be published in the *Government Gazette*.

4. Notice of invitation to comment

4.1 The PA is publishing the following documentation for formal consultation:

4.1.1 Draft Exemption Notice (Annexure A);

4.1.2 Comments template: Draft amendments to the Exemption Notice (Annexure B); and

4.1.3 Draft Statement of the need for, expected impact, and intended operation of the Exemption Notice (the Statement) (Annexure C).

4.2 Publication of the revised draft Authorisation Framework (Annexure D):

4.3 The SARB wishes to convey its appreciation to stakeholders that commented on the supporting regulatory framework titled 'Draft Directive in respect of specific payment activities within the national payment system' (draft Authorisation Framework).

4.4 The draft Authorisation Framework was published for public consultation on two occasions, as detailed in sections 3.6 and 3.7. All feedback received was thoroughly reviewed, and the draft Authorisation Framework was amended accordingly, where appropriate.

4.5 Any new substantive comments on the revised draft Authorisation Framework may be submitted. Please note that the SARB will consider only new substantive comments.

5. Submission requirements

5.1 Comments on the draft Exemption Notice must be submitted using the comments template (Annexure B), including completion of the questionnaire under section C of Annexure B. Submissions must be sent to PA-SARB-ExemptionNotice@resbank.co.za, for the attention of the PA Policy Division and National Payment System Department, on or before **15 June 2026**.

5.2 Comments on the draft Authorisation Framework must be submitted using the comments template (Annexure E). Submissions must be sent to NPSDIRECTIVES@resbank.co.za, for the attention of the National Payment System Department, on or before **15 June 2026**.

5.3 Any enquiries regarding this communication must also be directed to the aforementioned email addresses.

Fundi Tshazibana
Chief Executive Officer

Date: