



## Payments: The foundation of the financial system

**The NPS, operated and regulated by the SARB, is crucial for the stability of the financial system and the economy. The SARB must stay abreast of global payment trends and respond to public demands for payment services that are safe, fast, accessible, convenient and affordable.**

To meet both current and future needs, the SARB must ensure that the NPS remains fit for purpose, as outlined in the National Payment System Framework and Strategy Vision 2025 (Vision 2025). The SARB is also exploring initiatives to promote the vital goal of financial inclusion.

## Broadening access to payments

Regulatory reforms aimed at broadening access to the NPS are essential for promoting financial inclusion and enhancing system efficiency. The NPS Act, while foundational, has its limitations, particularly in allowing non-banks to offer services such as e-money and remittances, or to access clearing and settlement services independently. In response, the SARB and NT published a policy paper in 2018, which led to the drafting of the NPS Bill. Once passed, this Bill will modernise the NPS, improve stability and promote financial inclusion, in line with Vision 2025.

Additionally, an Exemption Notice has been developed to permit non-bank payment service providers to offer services such as e-money and remittances without classifying them as bank activities under the Banks Act. This will lower entry barriers for new participants and enable broader participation. A comprehensive regulatory framework will accompany the Exemption Notice to ensure that non-bank providers are effectively regulated and supervised. These measures, currently open for consultation, will enhance access to the NPS, contributing to a more inclusive, secure and efficient financial system.

## Modernising the ecosystem

The PEM initiative is a strategic effort by the SARB to address the evolving needs of South Africa's payment system. Recognising the gap between global payment innovations and local infrastructure, the SARB seeks to modernise South Africa's payment landscape to make it more efficient, competitive and resilient. The multi-year initiative will tackle issues such as the continued reliance on cash and inefficient payment methods among digitally excluded and underserved communities, while also resolving structural inefficiencies within the current NPS framework.

An important feature of the PEM strategy is the repositioning of payment schemes to bring the management of payments back under the SARB's leadership. Establishing a national payments utility (NPU) is another key priority to accelerate digital transformation for the public good, with the SARB actively negotiating with BankservAfrica and its shareholders to acquire a 50% stake in the company. This ownership will enable the development of digital infrastructure that supports new participants and enhances payment security.

As digital payments continue to grow, the SARB plans to develop a robust Digital Financial Identity (DFID) system to streamline user verification, enhance security and combat fraud. This system is crucial for ensuring secure and efficient payments and will support government projects, such as the National Digital Identity initiative. The PEM programme for the 2025/26 financial year includes several key projects, such as designing new RTGS systems, expanding the fast payment system (FPS) and creating a comprehensive

## Strategic milestones

fraud management framework. Through these efforts, the SARB aims to future-proof the payment ecosystem, meeting the evolving needs of individuals and businesses and contributing to a safer, more efficient and accessible financial system.

### Insights into consumer payment patterns

In September 2024, the SARB published its inaugural Payments Study to better understand consumer behaviour and the factors influencing the use of different payment methods in South Africa. The study provides valuable insights into how access, pricing and convenience impact consumer choices. It was based on two surveys, the Diary of Consumer Payment Choice and the Survey of Consumer Payment Choice, which gathered both qualitative and quantitative data from over 7 500 respondents nationwide.

Key findings revealed that while cash remains widely used, it is primarily for low-value transactions, whereas digital payment methods and cards are preferred for higher-value payments. The study also highlighted the need for greater financial literacy, as data collected indicated that some consumers hold misconceptions about the requirements for accessing financial products such as debit cards.

The SARB will conduct the next study in 2026 to assess the impact of some of the regulatory and PEM reforms outlined in this report. These insights will help stakeholders in the payments ecosystem better design offerings that improve consumer experience, drive greater adoption of digital payments and support a more inclusive, efficient financial system.

Strategic initiatives	Key milestones
<b>2025</b>	
<b>Establishment of the NPU</b>	The acquisition of BankservAfrica, which is subject to the requisite approvals, along with the implementation of interim NPU governance arrangements, is scheduled for the 2025/26 financial year.
<b>Optimisation and sustainability of the domestic and regional RTGS systems</b>	Version 9 of SAMOS will be implemented by November 2025 and will ensure that the domestic RTGS complies with current high-value payment system usage guidelines for all payment settlement messages.
<b>Enabling regulatory frameworks</b>	The SARB will enable greater access to the NPS through an Exemption Notice from the Banks Act and the establishment of a regulatory framework for non-banks by December 2025.
<b>Amendment of the NPS Act</b>	The NPS Bill is expected to be tabled in Parliament by December 2025, with promulgation expected in 2026.
<b>2026</b>	
<b>Implementation of future-fit payments platforms</b>	The architecture requirements and roadmaps to drive replacement efforts are expected to be defined and finalised, with the incremental implementation of systems, products and services between 2026 and 2028.

### Looking ahead

With Vision 2025 nearing its end, the SARB is now working on formulating a new vision and strategy for payments. Vision 2025 was designed to support financial inclusion for all South Africans by achieving nine specific goals. These goals include establishing a clear and transparent regulatory and governance framework for banks and non-banks, promoting competition and innovation, ensuring cost-effectiveness and improving interoperability in the NPS.

Various stakeholders are being consulted to help create a vision that will deliver a world-class, globally competitive, sustainable, safe and efficient payment system. The SARB intends to finalise the new vision in the second half of 2025 and begin implementation in 2026.

The new financial year will be pivotal as regulatory reforms to integrate non-bank players into the system will move into the implementation phase. At the same time, advancements in PEM projects, such as the establishment of the NPU, the DFID and expansion of the FPS, will help reshape South Africa's payment landscape.

Further, to ensure the successful rollout of faster digital payments, the SARB will focus on aligning and harmonising policy, licensing and supervision practices. This will help prevent delays in and fragmentation of the market and facilitate the smooth adoption of the new payment infrastructure.