NEW SAMOS PARTICIPANT PROCEDURE

Creation Date: 2003-01-28	Internet: Yes	Compiled By:	Operations/PASA
Date edited: 2019-10-19		Edited By:	Hangwani Tshivhase
		Authorised By:	Rhona Badenhorst

The purpose of this procedure is to provide a summarised version of the South African Multiple-option Settlement (SAMOS) system "SAMOS" on boarding (take-on) process for prospective SAMOS participants. SAMOS is the real-time gross settlement system (RTGS) operated by the South African Reserve Bank (SARB) through the National Payment System Department (NPSD).

To obtain more information in accessing the South African (SA) National Payment System (NPS) consult the NPS Starter pack document.

SECTION A: Application phase

1.   **Participant to SARB Prudential Authority Department**

a)   The applicant should, if not yet done, approach the SARB, Prudential Authority (PA) department to apply for a banking licence. The applicant can only participate in the SAMOS system if they have a valid Banking licence.

The PA can be contacted at: PA-Info@resbank.co.za or +27 12 313 3911

2. Participant – SWIFT

a) The applicant should, if not yet done, approach SWIFT to apply for a valid SWIFT BIC code (test and live). The participant can only participate in the SAMOS system if they have a valid SWIFT Business Identifier Code (BIC)[1].

b) SWIFT may take several weeks to process and implement SWIFT BICs.

→ The applicant must apply for the following production/ live SWIFTNet Service Subscriptions:

- SARB (SARBZAJP) Market Infrastructure : MOS
- SARB (SARBZAJ2) Market Infrastructure : SWIFTNet Service for SAMOS
- SARB (SARBZAJ5) FINCopy-Inform Services : South Africa ZDS FIN Copy

It must be noted that all production requests will be authorised by NPSD once the clean run testing period has commenced. Testing services will be authorised as received.

→ The applicant must apply for the following Test SWIFTNet Service Subscriptions:

- SARB Market Infrastructure : MOS (Test)
- SARB Market Infrastructure : SWIFTNet Service for SAMOS (Test) env 6 (sarb.samos.rt!pqa)
- SARB Market Infrastructure : SWIFTNet Service for SAMOS (Test) env 3 (sarb.samos.rt!pqa3)
- SARB FINCopy-Inform Services: South Africa ZDS FIN Copy (test

→ The applicant should, if applicable, advise the SARB if an external party is appointed as their SWIFT Bureau to manage all SWIFT related issues/ requirements on their behalf

c) The applicant must ensure and confirm with the SARB NPSD that RBAC roles for all of the above subscriptions have been assigned

---

[1] BIC - an international standard for routing business transactions and identifying business parties

→ This must be done once confirmation is received from SWIFT that the SWIFTNet Service subscriptions are activated

d) Refer to the SWIFT website for more details on ordering and support.

→ The recommended start dates do not include the time necessary for the National Member Group (NMG) to verify the eligibility criteria of the applicants and to communicate it to the SWIFT Membership Management. Once received, the SWIFT Membership Management then presents this result to the SWIFT Board of Directors for final approval. This process can take several weeks.

e) There are three options.

→ If it is a new bank, then they will apply to join SWIFT using the "Undertaking, Join SWIFT" form see: "U" in the A-Z. Based on this application, the BIC code is granted.

→ If it is an existing bank and they want an additional BIC code – choose "Business Identifier Code" under "B" in the A-Z.

→ If the bank is existing and wants to change the BIC code Change "Business Identifier Code" form under "B" would have to be completed. Here is the link to the change A-Z.

f) Applicants can also contact the SWIFT SA (Pty Ltd) office if further details or guidance is required at 011 250-5350.

3. **Participant to SARB National Payment System Department (NPSD)**

a) The applicant should inform the SARB in writing, of their intention to join the SAMOS system.

→ Mr Tim Masela

Head: National Payment System Department,

PO Box, 427,

PRETORIA,

0001

b) The following information should be clearly recorded in the above notification by the applicant:

→ Full Name of Institution.

→ Short Name of Institution.

→ Official physical address.

→ Official postal address.

→ Company Registration Number

→ VAT Registration Number

→ Participant SWIFT BIC code (Test and Live) or indicate intention to apply for SWIFT BIC code

→ PCH Agreements that the participant will be participating i.e. Cards, EFT etc.

→ Full name, surname, telephone and cellular phone numbers of business contact person.

→ Full name, surname, telephone and cellular phone numbers of technical contact person

→ SAMOS proposed take-on date.

▪ The SAMOS participant should advise the SARB, NPS Department should the SAMOS take-on date change.

▪ SARB contact details:

SARB, NPS Department, SAMOS Customer Support Centre, Fax number 012 313-4152, Tel number 0861 72667 or email us at NPS-CSC@resbank.co.za

→ The applicant should, if applicable, advice the SARB if an third party is appointed to manage the submission of messages to the SAMOS system on behalf of the applicant.

c) SARB NPSD

→ SARB, NPSD will furnish a letter to the applicant acknowledging the application. A copy of this letter will be provided to PASA.

→ If available, the letter will include the SAMOS take-on process time-lines, else a separate communication will be provided to the applicant as soon as the timelines are available.

4. Meeting the SAMOS Operator

Applicant to request a face-to-face meeting with NPSD as the operator of the SAMOS. The purpose of this meeting is to officialise the intention to participate in SAMOS. The following will be achieved:

a) Interaction with the operator

b) Next steps

c) SAMOS infrastructure requirements

d) SAMOS participation rules

5. Participant to Payments Association of South Africa (PASA)[2]

PASA is a payment system management body (PSMB) recognised by the SARB under the provisions of the NPS Act. SAMOS participants must be members of PASA before participation is granted. Therefore the applicant should approach PASA to obtain the required application forms and processes and procedures in order to obtain membership. Write to:

→ The Chief Executive Officer,

Payment Association of South Africa (PASA),

PO Box 61380,

Marshalltown,

2107.

PASA switchboard number (011) 645-6800

a) The applicant will complete and return the following documents to PASA:

→ PASA Application Form (which will include the following documents)

▪ Certified copy of banking licence.

▪ Confirmation letter from SARB, NPSD that the participant has applied to join SAMOS.

▪ Relevant PCH agreement application forms.

→ Immediate Settlement (IMMS) PCH Application Form.

→ All other PCH Application Forms can be obtained from PASA

6. PASA

a) PASA will process the application. If the application is successful, *provisional PASA membership* is granted to the participant.

---

[2] PASA details can be found: www.pasa.org.za

→ It must be noted that Provisional membership will not be granted:

- without a banking license, unless, the PCH PG has approved the recommendation to grant Provisional Membership without a banking license and agreement has been entered into that full banking license must be obtained prior to go live.
- Applicant has not obtained SWIFT membership to participate in the close user groups mentioned above.

→ After PASA provisional membership has been obtained, PASA will arrange a kick off session with the new participant, operators, mentor bank and PASA.

b) IMMS (SAMOS) Provisional membership allows:

→ The applicant to approach other participants regarding trading with them in the various PCH's.

→ PASA to finalise the take-on timelines, allocate testing partners and communicate to the industry.

→ the applicant to start system testing with SAMOS if the infrastructure is ready.

c) PASA will inform the relevant PCH members and applicable PCH System Operators of the application and will refer the PCH application form to the appropriate PCH PG for consideration.

7. Participant to SARB Financial Markets Department (FMD)

One of the liquidity management tools in SAMOS is the use of Financial Instruments (FIs) as liquid assets in the system where SAMOS automatically grants its participant loan in order for them to meet their obligations if they have insufficient funds in the current account, provided sufficient instruments has been reserved for this purpose. These FIs are managed by FMD, and are reserved in the SAMOS system by FMD on behalf of the participants.

a) Therefore if not already opened, approach/ contact the SARB Financial Markets Department to apply for a collateral account in the name of the

applicant and provide authorisation for the FMD to open a Securities Ownership Register (SOR) account at Strate.

b)   The participant will arrange for collateral to be reserved to the SAMOS system. It must be noted that the same process is followed during the testing period, thus application to FMD must be done as soon as possible to avoid testing delays.

c)   Furthermore, the applicant can contact the FMD for any Financial Instrument Register (FIR) queries.

It must be noted that Collateral cannot be reserved for SAMOS if the applicant does not have a collateral and SOR account in their name with an active status.

FMD domestic operational notice is accessible on the SARB website[3]. Queries in this regard can be emailed to FMD-DomesticSettle@resbank.co.za

SECTION B: Take-on phase

1.   SARB - NPSD

a)   NPSD will provide the applicant with a take-on process checklist that will assist the applicant in tracking milestones for a smooth transition.

b)   The NPSD will facilitate the opening of the following SAMOS accounts in the books of the SARB on behalf of the applicant:

→   Settlement;

→   Loan; and

→   Reserve Accounts

Once allocated, NPSD will advise the applicant and PASA, in writing.

It must be noted that NPSD does not apply accounts for banks that do not have intention to directly participate in SAMOS. The SARB FMD or Financial Services department (FSD) may be approached directly for this purpose.

c)   The applicant's profile cannot be created in SAMOS until such time as the aforementioned account numbers have been furnished.

d)   NPSD will circulate operational Notice with the following information to PASA, SSPG and IMMS PG as soon as the information is confirmed

---

[3] www.resbank.co.za follow publications and notices /notices /Operational Notice

- → Market test dates
- → Test and live BIC codes of the applicant
- → Test and live account numbers of the applicant
- → Proposed Live date of the applicant

2.   Participant

The SARB provides a web-based SAMOS frontend application to participants referred to as SAMEXWeb. Security Position Statement (SPS) which is a legal agreement must be entered into between SAMOS and participants in this regard. Users can access this SWIFT browse based application through Swift tokens or HSM certificates. The URL for both test and production are provided by NPSD. It is the responsibility of the applicants to setup SWIFT infrastructure in order to access the application.   SWIFT services may take longer than anticipated, therefore if applicants opt to use tokens, orders to SWIFT must be submitted when there is still time to avoid negative impact on timelines.

a)   The CEO as authorised participant representative and all appointed security officers (SOs) for both SWIFT and SAMEXWeb must sign the confirmation letter in acknowledgement and acceptance of the provisions of the SPS.

- → Testing can be conducted without submitting original SPS documents. Applicants will not be authorised to go live if the NPSD has not received original SPS documents.

b)   SPS must be furnished as follows:

- → Original signed SAMEXWeb production SO and user application forms must be send to NPSD
    - ▪ SO application form must be signed by the participant representative
    - ▪ User application form must be signed by either the participant representative or security officer
- → NPSD chief security officer (CSO) is responsible for the creation of the Security officers and activation of users.

3.   Testing arrangements

Testing is a combined industry effort to enable or support the applicant to qualify for participation.

a) PASA manages the industry testing schedule, therefore will allocate testing partners in addition to the mentor bank.

b) The applicant is expected to manage communication between themselves, mentoring and partner banks, the SARB FMD and SARB NPSD.

c) NPSD will provide the test plan, test cases, monitor testing and certify the applicant.

d) NPSD will confirm internally with the SAMOS technical support (BSTD) that the required message queues, routing rules and SWIFT RMA's for the applicant are in place prior to the commencement of market testing. (Same process will be followed in preparation for production environment).

e) The applicant is required to exchange RMAs with SARB as a participant and SAMOS. RMAs with other banks can be exchanged according to the applicant's wishes. However NPSD expect the applicant to exchange RMAs with all banks for the testing environment.

f) SAMOS end-to-end testing for new participants comprises of:
   → One week connectivity testing
   → Three weeks market testing of which one week should be a clean run. The clean run must be achieved through 5 consecutive days of testing.

g) Once testing is completed there will be a change freeze of 2 weeks to enable the submission of change notices and preparation for implementation.

h) Once market testing is complete and error free testing is achieved, testing sign-off is required from the participant, mentoring and partner banks. Certification documents must be forwarded to PASA.
   → NPSD will confirm to PASA that the applicant has tested the relevant infrastructure successfully. This confirmation is required to enable the granting of full PASA membership. This will be done via an Email notification
   → A copy of the testing sign-off document must be attached to the e-mail

      i)   SARB NPSD should send a memo to BSD requesting BSD to load the new participant's LAR figures based on the BA310 form. BSD should confirm the loaded figure by sending an email to NPS-CSC.

4. **Training arrangements**

    a)   PASA timelines include training dates. Training is scheduled for three days and must be conducted a week before connectivity testing commences.

    b)   NPSD, is responsible for coordinating and providing SAMOS and SAMEXWeb training to the applicant.

    c)   Training for new participants is free of charge and is hosted at the SARB premises in Pretoria CBD.

SECTION C: Preparation for production

    a)   PASA will finalise all administrative and legal requirements for participation. When all these have been met and NPSD provided testing certification documents,

    b)   PASA will provide authorisation in writing to NPSD that the applicant can be added into the system. The authorisation will inform the final approved implementation date as agreed to between the applicant, the PCH System Operator/s, SSPG, IMMS, and the SARB, NPSD.

    c)   NPSD requires a week to prepare the technical environment for the new participant after receiving the authorisation.

    d)   The SARB, NPSD and the PCH System Operator/s will officially notify PASA on the successful take-on of the applicant. NPSD will advise Bankserv, The SARB FSD and FMD of the successful creation of the Institution as a SAMOS Participant

    e)   NPSD will confirm in writing to the new participant of the successful take-on including account numbers.

    f)   PASA will issue a membership certificate to the participant. PASA will inform the other PASA members, the SSPG, IMMS the PCH System Operator, the SARB and the applicable PCH PG's that the applicant is now a PASA member and is live in SAMOS.

Contact us:

SAMOS Customer Support Centre

Tel: 0861 72 66 72, international +27(12) 313 -3124

Email us at NPS-CSC@resbank.co.za

Office hours: 07H00 – 17H00 CAT (April to October) and 07H30 – 17H00 CAT (November to March) week days. There is no service during weekends and SA public holidays.

Visit us at www.resbank.co.za /Regulation and Supervision /National Payment System (NPS)

Payments Association of South Africa (PASA)

www.pasa.org.za

Contact number: +27 10 140 7100

SWIFT SA (Pty Ltd) office

Contact number: 011 250-5350.

www.swift.com Swift ordering and support