



SOUTH AFRICAN RESERVE BANK

Payments Ecosystem Modernisation

23 September 2026

Industry Dialogue

File ref no: 18/1/1/13

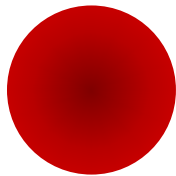
Payments Ecosystem Modernisation Programme

Start	End	Duration	Topic	Speaker
09:00	09:15	15	Opening and welcome	Pradeep Maharaj
09:15	10:30	75	Panel discussion: Long-term vision and short-term plans	Mellanie de Jager, Mzwakhe Mthombeni, Calosha Ramlall, Willem van Rensburg
10:30	11:00	30	Tea Break	
11:00	11:45	45	Industry engagement model	Chantal Maritz
11:45	12:30	45	Fraud diagnostic report and recommendations	Megan Brown
12:30	13:30	60	Lunch	
13:30	14:45	75	PEMKey update	Gerhard Jacobs, Gerhard Cronje, Maeson Maherry
14:45	15:15	30	Exemption Notice and the Authorisation Framework	Annah Masoga
15:15	15:30	15	Industry pulse check	Zelda Reynecke
15:30	16:00	30	Day closure	Pradeep Maharaj

Agenda

Industry Dialogue

23 September 2026



1



SOUTH AFRICAN RESERVE BANK

Opening and Welcome

Pradeep Maharaj

(09:00 – 09:15)

2



SOUTH AFRICAN RESERVE BANK

Panel discussion: Long-term vision and short-term plans

*Mellanie de Jager, Mzwakhe Mthombeni,
Calosha Ramlall, Willem van Rensburg*

(09:15 – 10:30)

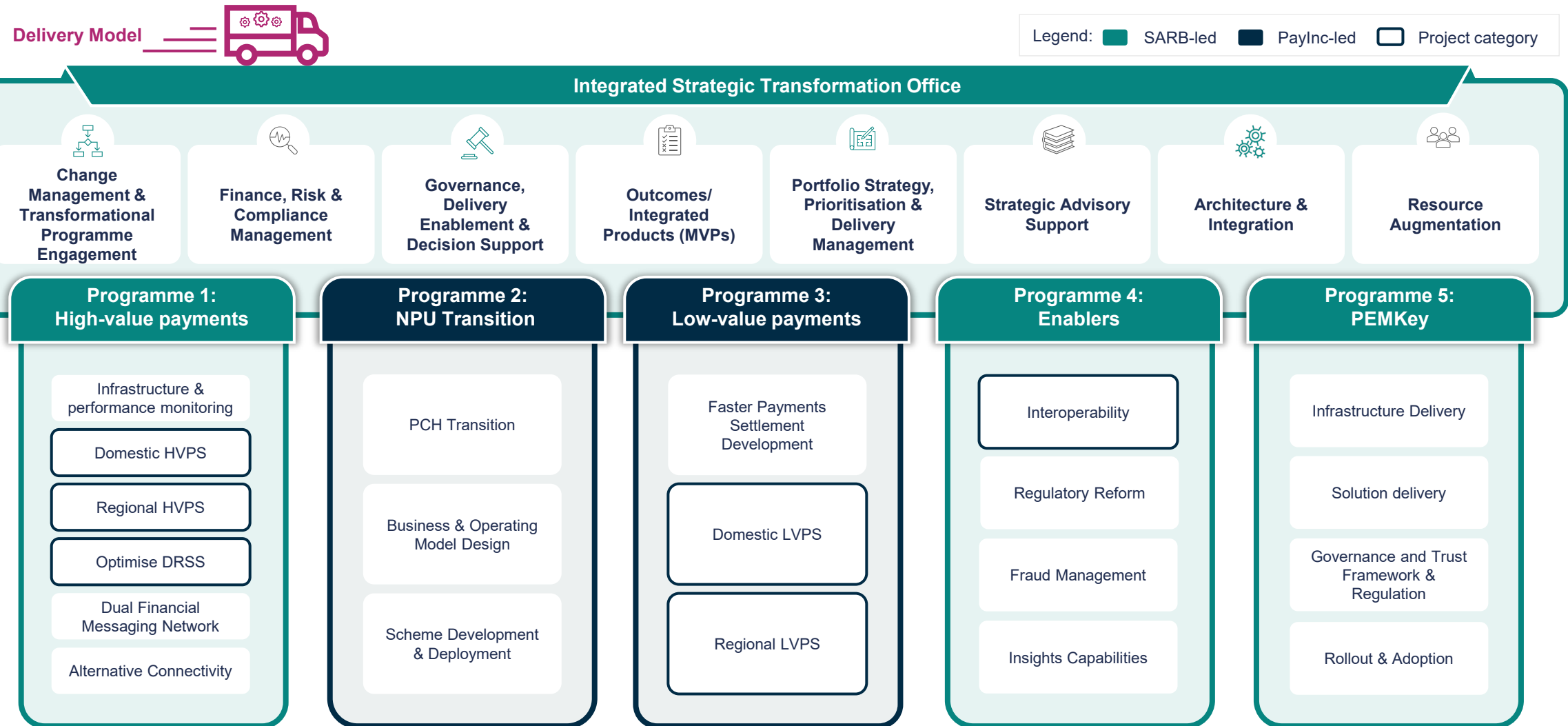
Building South Africa's Future through Modern, Inclusive and Resilient Payments

PEM enables trusted and innovative digital payments through modern infrastructure, shared capabilities and market reforms—supporting financial inclusion and economic growth.



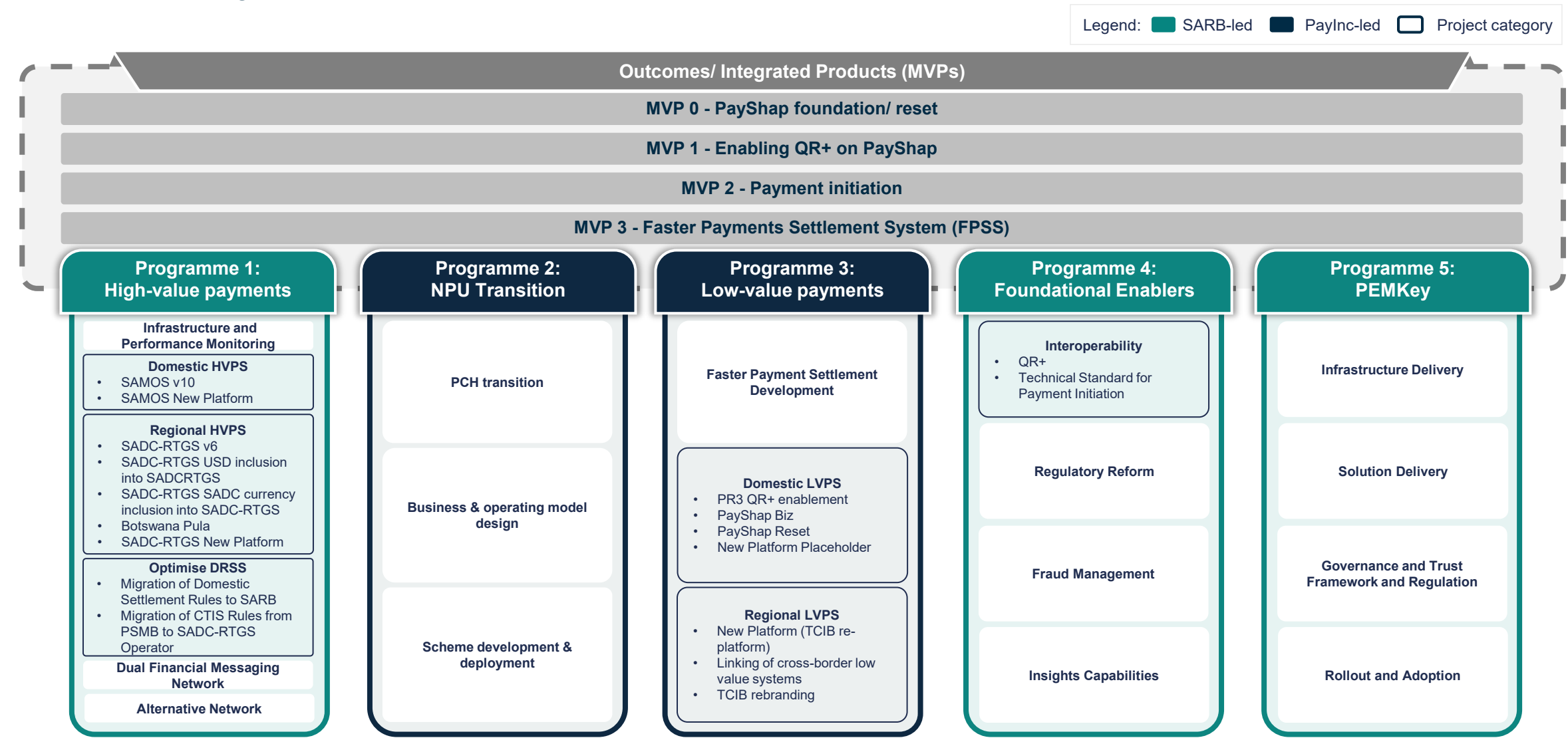
PEM delivery model

The revised delivery model strengthens the Integrated Strategic Transformation Office (ISTO) to support integrated delivery



PEM delivery model and programme structure

PEM initiatives are operationalised through an integrated delivery model, structuring execution across functions, programmes, and capabilities



Purpose of the PEM MVPs to be discussed today

The delivery model translates into three integrated MVPs, each with distinct ecosystem outcomes aligning to the PEM's red dot objective

MVP 0

MVP 0 – PayShap Foundation / Reset

Strengthening the PayShap ecosystem through enhanced functionality, fraud mitigation, user experience improvements and broader market adoption.

Alignment to Red Dot Goals

1. Simplified payment experience
2. Increased security for digital payments
3. Increased affordability of digital payments

MVP 1

MVP 1 – Enabling QR+ on PayShap

Establishing an interoperable QR+ pre-payment ecosystem starting with PayShap Scheme to expand digital payment acceptance, access and adoption across the market.

Alignment to Red Dot Goals

1. Simplified payment experience
2. Broader merchant acceptance
3. Increased digital payment adoption

MVP 2

MVP 2 – Payment Initiation

Enabling non-SoV holding PISPs to directly initiate credit transfers on PayShap.

Alignment to Red Dot Goals

1. Broader participation leading to increased competition and innovation

MVP 0 – PayShap reset

Strengthening the PayShap ecosystem through enhanced functionality, fraud mitigation, user experience improvements and broader market adoption

MVP Outcomes

A more consistent and trusted PayShap experience

Safer and more secure digital payments

Broader ecosystem participation and adoption

A stronger foundation for future PayShap capabilities and services

Key focus	2026			2027
	Q2	Q3	Q4	Q1
Feature Parity	Scheme notice 18 <i>May-26</i>	- NPSD Parity letters <i>Aug-26</i> - Programme governance established <i>Aug-26</i>	Interoperability Framework <i>Oct-26</i>	- Updated Scheme Rules <i>Mar-27</i> - Adoption Monitoring <i>Mar-27</i>
User Experience Parity			Updated UX Standards <i>Nov-26</i>	- Updated Scheme Rules <i>Mar-27</i> - SDK Model <i>Mar-27</i>
Fraud Mitigation	Confirmed Data Sharing <i>Jul-26</i>	Industry Working Groups (Define Fraud Requirements) <i>Aug-26</i>	March Release Window Finalisation <i>Sep-26</i>	- Fraud Model <i>Nov-26</i> - Define Liability Framework <i>Nov-26</i> - March Release Window <i>Mar-27</i>
Proxy Payments			- Volume targets & reporting <i>Nov-26</i> - Proxy Construct Recommendation <i>Sep-26</i>	Full proxy auto-enrolment assessment <i>Jan-27</i>
Awareness & Education		Engagement with PayShap Participant RSOs on Rest outcomes <i>Jul-26</i>	Ongoing Scheme Marketing Related Activity	Post Reset Delivery
Fees and Incentives			Ecosystem Impact Assessment <i>Sep-26</i>	Ecosystem Pricing Model Published <i>Jan-27</i>

MVP 1 – Enabling QR+ on PayShap

Establishing an interoperable QR+ ecosystem on PayShap to expand digital payment acceptance, access and adoption across the market



MVP Outcomes



Broader merchant acceptance of digital payments



Greater consumer choice and convenience



Increased PayShap adoption and transaction volumes



Expanded competition and participation



Key focus

2026

Aug

Sep

Oct

Governance, Regulatory, Legal & Rules

Formal Appointment from NPSD

Appointment in progress

QR+ Entry & participation criteria and QR+ Registry onboarding

First adopters QR+ Registry Onboarding 2 October

PayShap PR3 Rule changes

Branding

Trademark registration application

Trademark registration completed 1 Sept

Confirm timelines 28 Sep

Co-branding guideline

Branding guidelines completed 9 Sept

Socialise QR+ co-branding guidelines

PayInc, PayShap & First Adopters

In progress

Technical

Sandbox conformance testing

QR+ Registry UAT & API Smoke Testing

Market acceptance testing

QR+ Anchor domain setup & Testing

Activation 18 Sep

Onboarding in production

9 Oct

Registry activation 19 Oct

PayShap production activation 19 Oct

MVP 1.1 PayShap cohort 1 - first adopters

PCC GTM approval 20 Aug

GTM preparation and PayInc engagements

GTM approach 11 Sep

Socialise PayShap Priority use cases

First adopters engagements

MVP 1.1 Success Criteria Monitoring

MVP 2 – Payment initiation

Enabling non-SoV PISPs to directly initiate credit transfers on PayShap



MVP Outcomes



Direct participation of previously unlicensed entities



Increased competition and innovation



Multilateral approach broadens participation & level the playing field



New digital payment use cases



Key focus

2026

2027

Q3

Q4

Q1

Q2

Q3

Authorisation framework + Licensing

Publish Auth Framework

Effective date

License Participants

Participants authorised

Technical Standard for Payment Initiation

Technical standard published and APIs developed and tested by industry

Standard published

Fraud Management and QR+

QR+ Standard

Inputs from Fraud framework

PayShap Enhancements

MVP 0 implementation

MVP 1 implementation

Scheme changes and Technical implementation

Solution Ready

PEMKey developments for Payment Initiation

Finalisation of PEMKey solution, and PCE deployment

Solution Ready

MVP2.0 test and implement

SIT, controlled Go Live

Go Live



Tea Break

(10:30 – 11:00)

3



SOUTH AFRICAN RESERVE BANK



Industry engagement model

Chantal Maritz

(11:00 – 11:45)

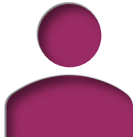
Industry Involvement in PEM

There is increasing interest from industry participants to engage with PEM, creating the need for a structured considerations in how they are approached



PEM Ways to Participate

When an organisation would like to participate in PEM, it first needs to determine how it would like to participate

	1	2	3
			
 Participation Type	Participant	Programme Service Provider	Participant Service Provider
 Description	Offers the payment services delivered through PEM to its clients, e.g., consumers or merchants.	Suppliers enabling the SARB or PayInc to deliver PEM	A supplier supporting participants or PSPs to offer their clients with payment services
 Proposed Engagement	A participant form will need to be completed for inclusion in the PEM participant database	Subject to an RFP process with relevant corporate governance and programme rules	Subject to an RFP process with relevant corporate governance rules
 Eligibility	Programme-level specific and project-specific eligibility/ readiness where applicable	RFP-specific	Participant-specific

Key Considerations

Considerations for the pilot must be structured to ensure participation is fair and compliant

Consideration	Implication
 Fairness	All interested parties should be provided with an equal opportunity to participate in programme.
 Level Playing Field	Participation should be structured so that all participants have equitable access to programme information and outputs, with insights from the pilot shared across the ecosystem to support balanced market outcomes.
 Governance	NPSD involvement should be appropriately structured to avoid any perceived conflicts of interest.
 Competition Compliance	Engagement with the Competition Commission should be undertaken to ensure compliance with applicable competition regulations and mitigate potential risks.
 Strategic Alignment	The benefits of the pilot should be weighed against competing priorities to ensure it does not distract from current strategic objectives.
 Minimising Participation Impact	Impacts of participation should be minimised as far as possible so that no participant gains a lasting advantage due to programme participation (e.g., consider short pilot periods before wider participation opens, an inclusive stakeholder group and limits on commercialising the pilot solution).

Proposed participation options

Depending on the initiative, there are different ways participants may participate, where different options may be followed sequentially or iteratively, as required by the project

	Stage 1: Broad participation, requirements elicitation	Stage 2: Broad participation, technical integration	Stage 3: Targeted participation, requirements elicitation	Stage 4: Targeted participation, technical integration
Description	All interested participants are engaged, in a group or individually, in a workshop setting where information is shared and requirements are elicited from participants.	All interested participants that meet the minimum requirements are able to technically integrate with a PEM solution or sandbox.	A smaller targeted group of participants are engaged individually/ in a group to share information or elicit requirements for a specific project.	A smaller targeted group of participants are engaged to technically integrated with a PEM solution or sandbox.
Pros	- Limited eligibility criteria to be applied/ avoidance of grievances - Can leverage existing forums, e.g. IFWG	- Open participation subject to eligibility, no ranking required - Broad feasibility testing and user feedback	- Focused discussions and insights from participants - Enhanced solution design/ go-to-market	- Enhanced solution design/ go-to-market - Feasibility testing - User feedback and insight
Cons	- Participants might not share much due to competitors being present - Engaging participants individually may be time-consuming	Higher onboarding and support effort if many participants join	Potential grievances due to exclusion of some participants, irrespective of whether information is shared broadly	Potential grievances due to exclusion of some participants, irrespective of whether information is shared broadly
Requirements	1 Programme-level eligibility assessment, sign-up and declaration of good standing			
	2 Open invite to all interested and eligible participants			
		3 Mandatory project-specific elimination eligibility criteria (yes/no)		
			4 Optional project-specific ranking eligibility criteria (if target group is limited)	
		5 Commitment to participate		Commitment to participate

These stages are not mutually exclusive and may be used as sequenced steps

Types of eligibility

Eligibility is applied at two levels, with project-level eligibility split between criteria that qualify a participant and criteria that rank them

Programme level



Registration and good standing

1. **What it is:** A once-off registration of an organisation's basic details and good standing.
2. **What it determines:** Whether an organisation may take part in the programme at all.
3. **When it applies:** Once, upfront, then kept up to date.

Project level



Mandatory / elimination criteria (yes / no)

1. **What it is:** Objective yes/no criteria set per project that either qualify or disqualify a participant based on project requirements.
2. **What it determines:** Whether a participant may take part in that specific project.
3. **When it applies:** Project-specific participation where participants are required to meet certain criteria, for example adhering to the terms and conditions of a sandbox.

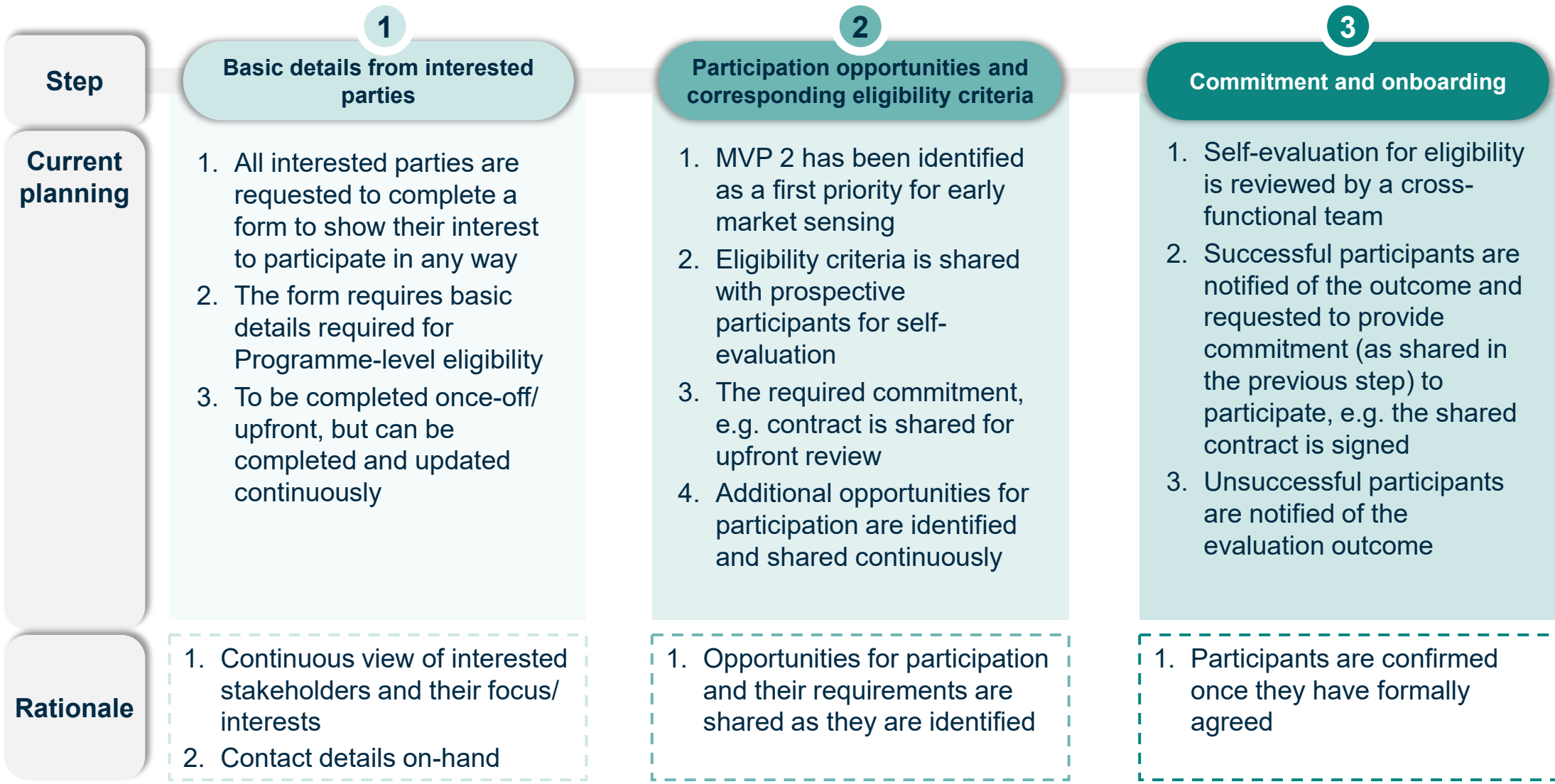


Ranking criteria (weighting)

1. **What it is:** Quantitative criteria, for example access to the target market, used to score participants against one another.
2. **What it determines:** Which participants to prioritise when there is a constraint in the number of participants.
3. **When it applies:** Only where places are limited and the top candidates must be identified.

Proposed engagement approach

Industry participants will be expected to follow a 3-step approach to become participants in PEM



Basic details

Interested parties will complete a short, once-off form capturing the basic details required for Programme-level eligibility, which can be updated at any time



Organisation Profile

1. Registered legal name and trading name
2. Organisation type and size, e.g. bank, PSP, fintech, technology vendor, industry body
3. Category of participation sought, e.g. participant, programme service provider, technology service provider



Market Focus

1. Current services, products and customer segments offered in the market
2. Future or intended market focus, including any intention to apply for a new or extended licence, with indicative timing



Governance and Administration

1. Main contact person: name, role, email address and telephone number
2. Secondary contacts for continuity
3. POPIA consent, declaration of accuracy and confidentiality
4. Declaration of any material conflicts of interest
5. Intellectual Property Acknowledgment clause



Regulatory Standing

1. Current and prospective industry licence or authorisation



Capacity to participate

1. Current participation: PEM programmes/ projects/ working groups where the organisation is already participating
2. Areas of interest: Specific PEM capabilities or MVPs the organisation wishes to engage on, e.g. PEMKey sandbox, MVP 2 definition, etc.

Participation opportunities – MVP 2 (Payment Initiation) Phase 1

The first participation opportunity will be focused on refining the technical standard and MVP 2 as Phase 1, followed by a second phase to select a small group of eligible participants for a controlled go-live of MVP2.0

MVP2 Purpose: Enabling non-SoV PISPs to directly initiate credit transfers on PayShap



Outcome of participation

- 1. Refined payment-initiation requirements, message fields and technical-standard direction



Method of Participation

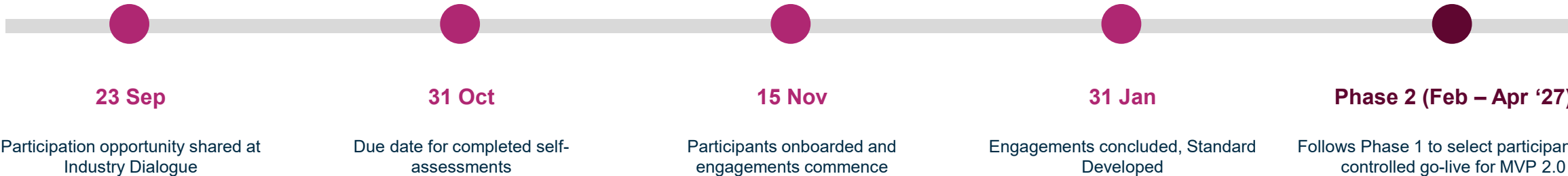
- 1. Targeted working group of participants active in payment initiation
- 2. Group working sessions, supported by individual sessions where required



Mandatory Eligibility Criteria

- 1. Commitment for participation and feedback
- 2. Dedicated, cross-functional resources
- 3. Adherence to PEM governance
- 4. Confirmation of current licensing/ authorisation
- 5. Intent to apply or application successful for a Payment Initiation license

Proposed Roadmap





Payments Ecosystem Modernisation

Next Steps

Whether you are ready to join the PEMKey sandbox, MVP2 activities, or want to participate in future initiatives, reach out to the SARB PEM mailbox



SARB PEM Mailbox

Reach out to this mailbox: **SARBPEM@resbank.co.za**



Link to the participation form

Link: [PEM Participation Form – Fill out form](#)

4



SOUTH AFRICAN RESERVE BANK



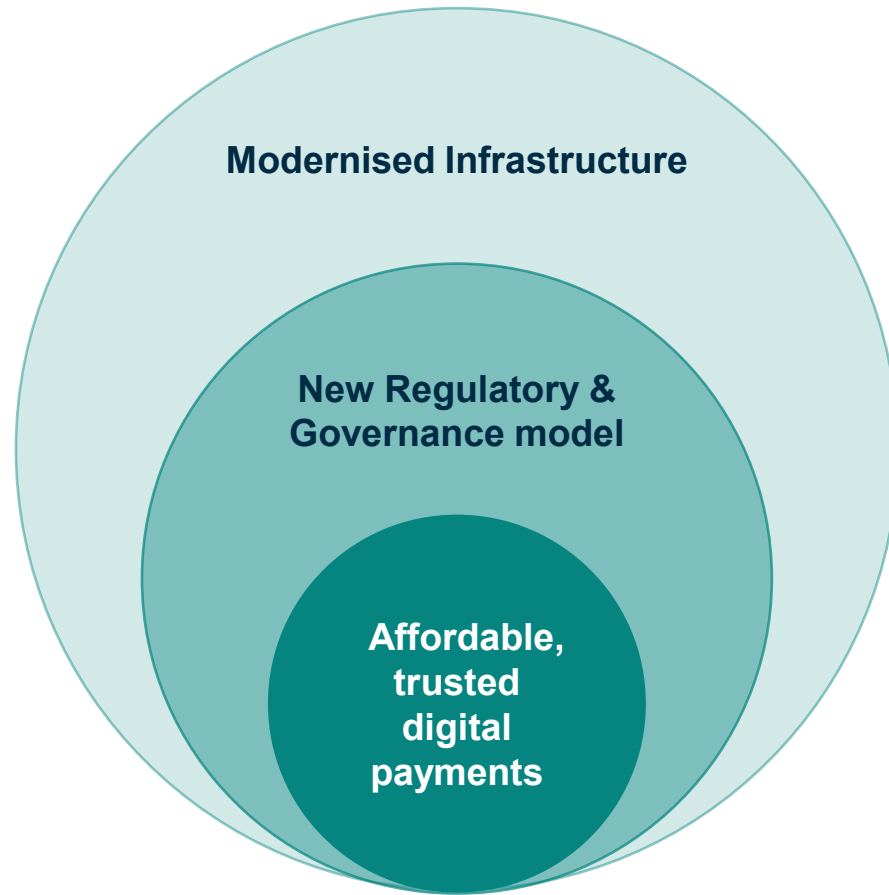
Fraud diagnostic report and recommendations

Megan Brown

(11:45 – 12:30)

Our collective journey: an expanding payments system

The programme delivers both critical near term objectives and transformational change. We have approached the fraud risk management capabilities in this context



Each layer widens the reach of the programme and the resilience of the system

3. Modernised payment infrastructure

Modern rails, standards and shared capabilities that sustain the outcome at scale and carry the ecosystem into the future.

2. A new regulatory & governance model

Modernised “rules of the game” and decision making constructs

1. Affordable, trusted digital payments

Our “red dot” delivers digital payment solutions to the whole of society.

Orientating ourselves to the topic of payment fraud and scams

Our scope is determined by the limits of the mandate of the SARB, the priority afforded to the red dot, and the existing and growing need for collaborative capabilities to tackle push payment fraud



- Payment fraud and scams is a global issue.
- It is trans-national, organised and cyber-enabled.
- It requires collaboration across public and private sectors, across industries and across countries.
- It is a digital problem that requires a digital response especially through data sharing arrangements.



- South Africa must find its own contextual solution to this issue.
- Leverage the assets we have in place (some of which are relatively advanced).
- All rails and payment products are vulnerable and must have fit-for-purpose, contextual fraud risk solutions.
- There is room for multiple solutions which solve for different aspects across prevent, detect, predict, respond.



SOUTH AFRICAN RESERVE BANK

PAY INC



- The focus of the fraud risk recommendations is on Faster Payments in context of the Programme goals and priorities.
- The approach is intended to be complementary to other national capabilities and initiatives and can form the basis for future expansion.
- Proposals are intended to support the PEM payment goals:
 - ✓ Digital
 - ✓ Trusted
 - ✓ Affordable

Two sides of the same system: enable the good, manage the bad

The same design choices that make payments seamless for good actors must make the system hard and unattractive for bad actors. Data-led signals decide which side a transaction sits on

The “good”: enable and grow it

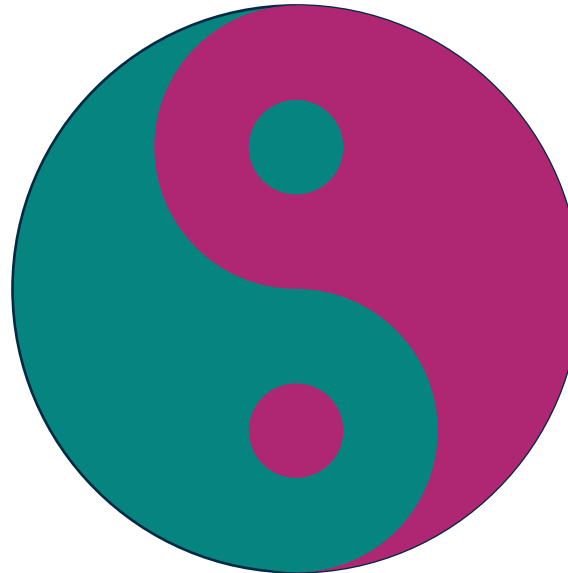
Outcomes we want

Affordable, trusted digital payments for every user, including the underserved.

How the system behaves

Accessible, simple and low cost to use. No unnecessary friction: seamless, near-instant payments where the signals are clean.

Easy to use for good actors



Data-led signals decide where friction is applied

The “bad”: manage and deter it

Outcomes we must contain

Fraud, scams, money laundering and other illicit use of the rails.

How the system behaves

Targeted friction applied on data-led signals: step-up checks, holds and limits that make abuse slow, costly and unattractive.

Hard to use for bad actors

Global context and learnings

There is impetus driving a global coordinated response to fraud and scams that starts with strengthening domestic capability, and linking into cross-border collaboration



Interpol at UNODC Fraud summit, March 2026: **“Fraud has become one of the defining criminal threats of our time.”**

Fraud is not just a financial crime. It is a **global security crisis**. And confronting it will require countries to work together with urgency, determination and resolve.

Fraud is organised, transnational and cyber-enabled. Growing concerns that fraud is funding terrorism.

40% of crimes in the UK (by number) are fraud and scams. This equated to £1.28b (R30b) in 2025 (UK Finance).

The UK is coordinating global collaboration on the fight against fraud and scams through the UNODC, FATF and the G20 Enhancing cross border payments initiative.

What makes the UK especially vulnerable?

- English speaking
- Wealthy
- Older
- Mature digital and faster payments adoption

What might this mean for South Africa?

What’s working?

Cross-sectoral data sharing:

- One data point in one sector can lead to the exposure of hundreds of profiles in another.
- But there needs to be both willingness and accountability

Literature (Public Sector)

Global initiatives are contributing to guidance on the topic and how to tackle it

ACAMS Cross Sector Fraud Information Sharing Pathways (2026)

BIS Basel Committee on Banking Supervision. Digital Fraud and banking: Supervisory and Financial Stability Implications. (2023)

European Payments Council. Payment Threats and Fraud Trends Report. (2024)

FATF. Paper on Cyber Enabled Fraud. (2026)

International Monetary Fund. The Rise of Cyber Events and Digital Fraud in the Financial Sector. (2026)

Interpol. Global Financial Fraud Threat Assessment. 2026)

Monetary Authority of Singapore. Guidelines on Shared Responsibility Framework. (2024)

Future of Financial Intelligence Sharing (FFIS). A New Era of Private Sector Collaboration to Detect Economic Crime - Policy Discussion Paper. (2025)

UNODC Organized Fraud - Issue Paper (2024)

UNODC Handbook on Effective Communication Strategies for the Prevention of Organized Fraud (2026)

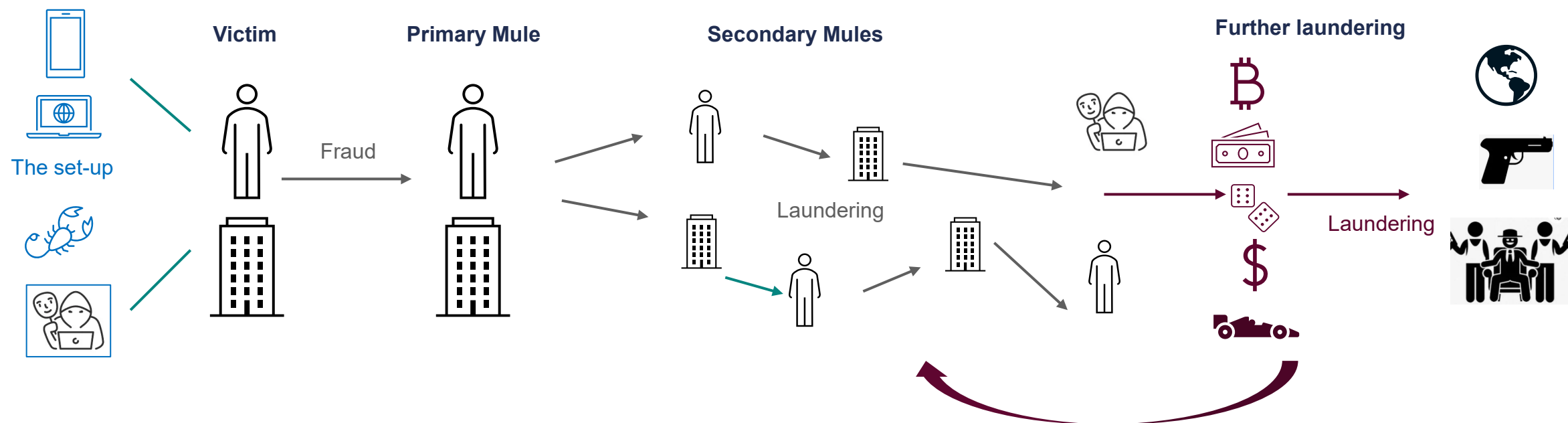
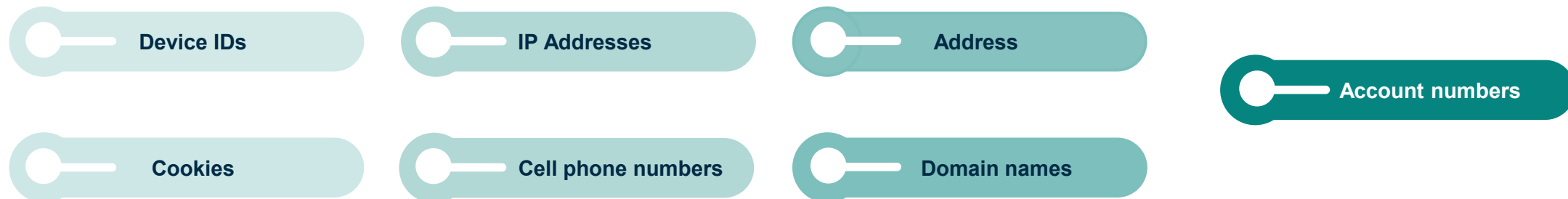
UNODC Public-Private Partnership Toolkit Against Organised Fraud (2026)

World Bank Group. Focus Note Fraud Risk in Fast Payments. World Bank Group. (2023)

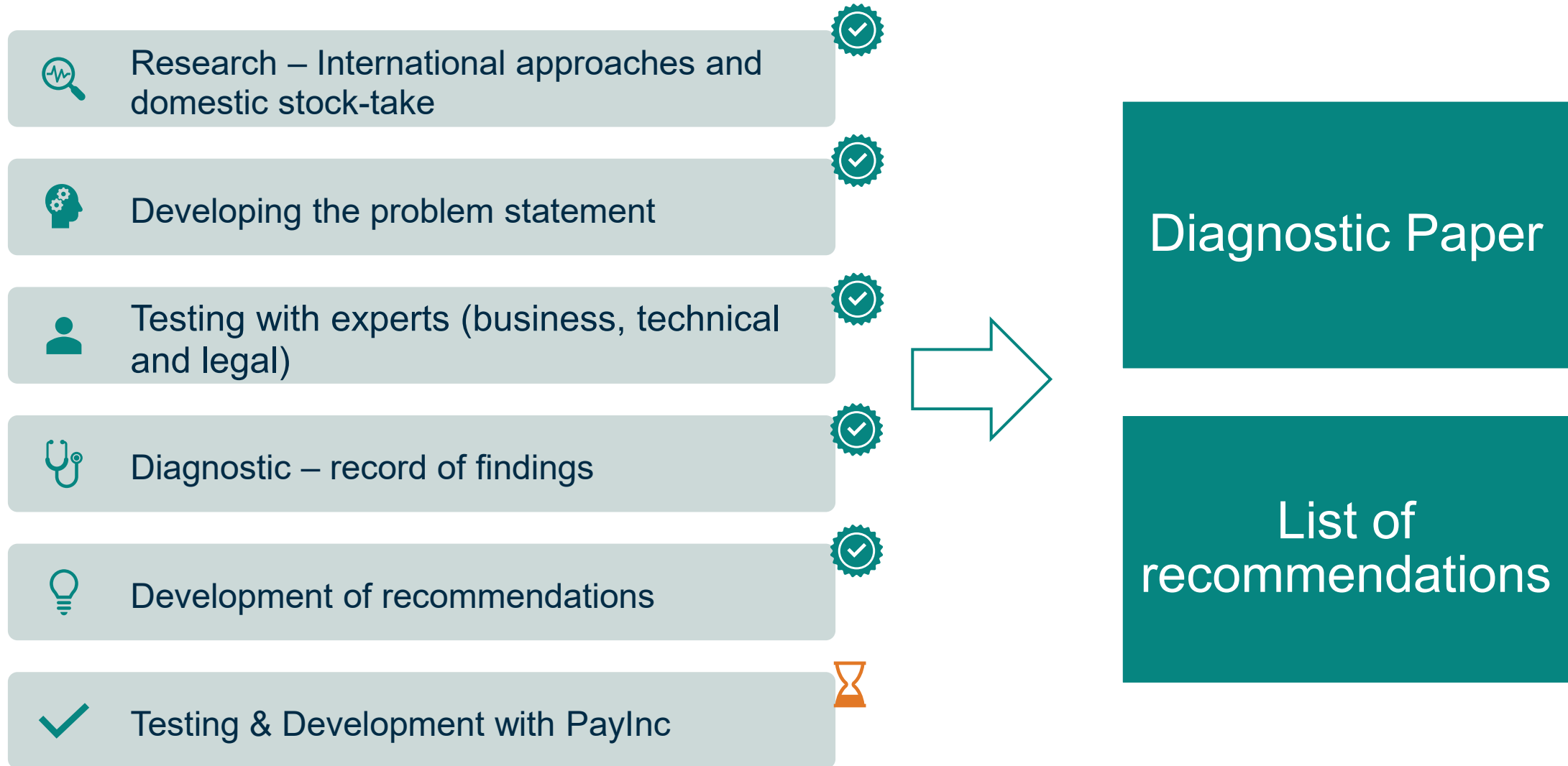


Breadcrumbs: Common data points

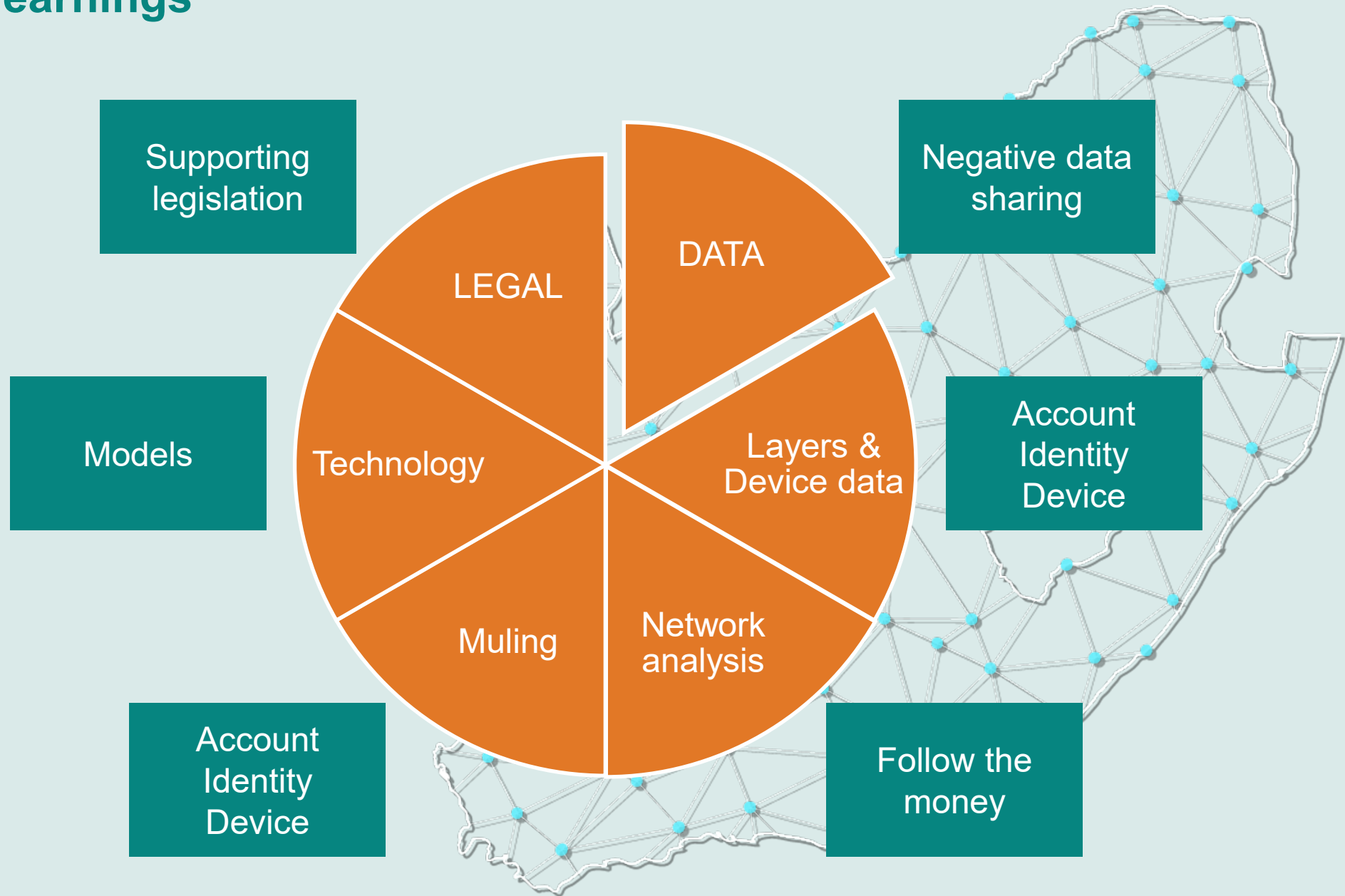
Our initial hypothesis about the fraud 'supply chain' having common data points is confirmed by global practices (success stories) of multi-sectoral data sharing



Approach, work completed and in progress



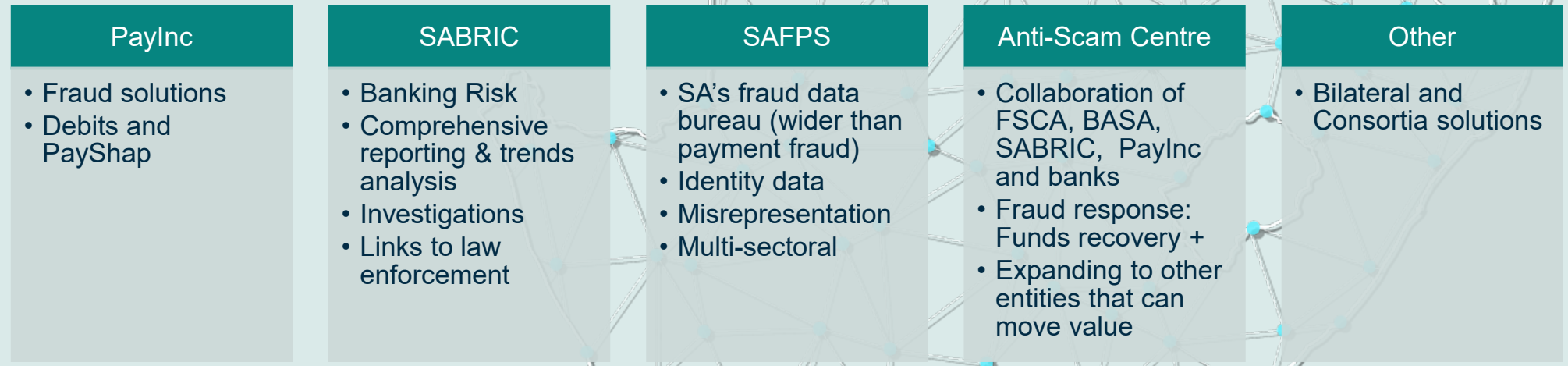
Important learnings



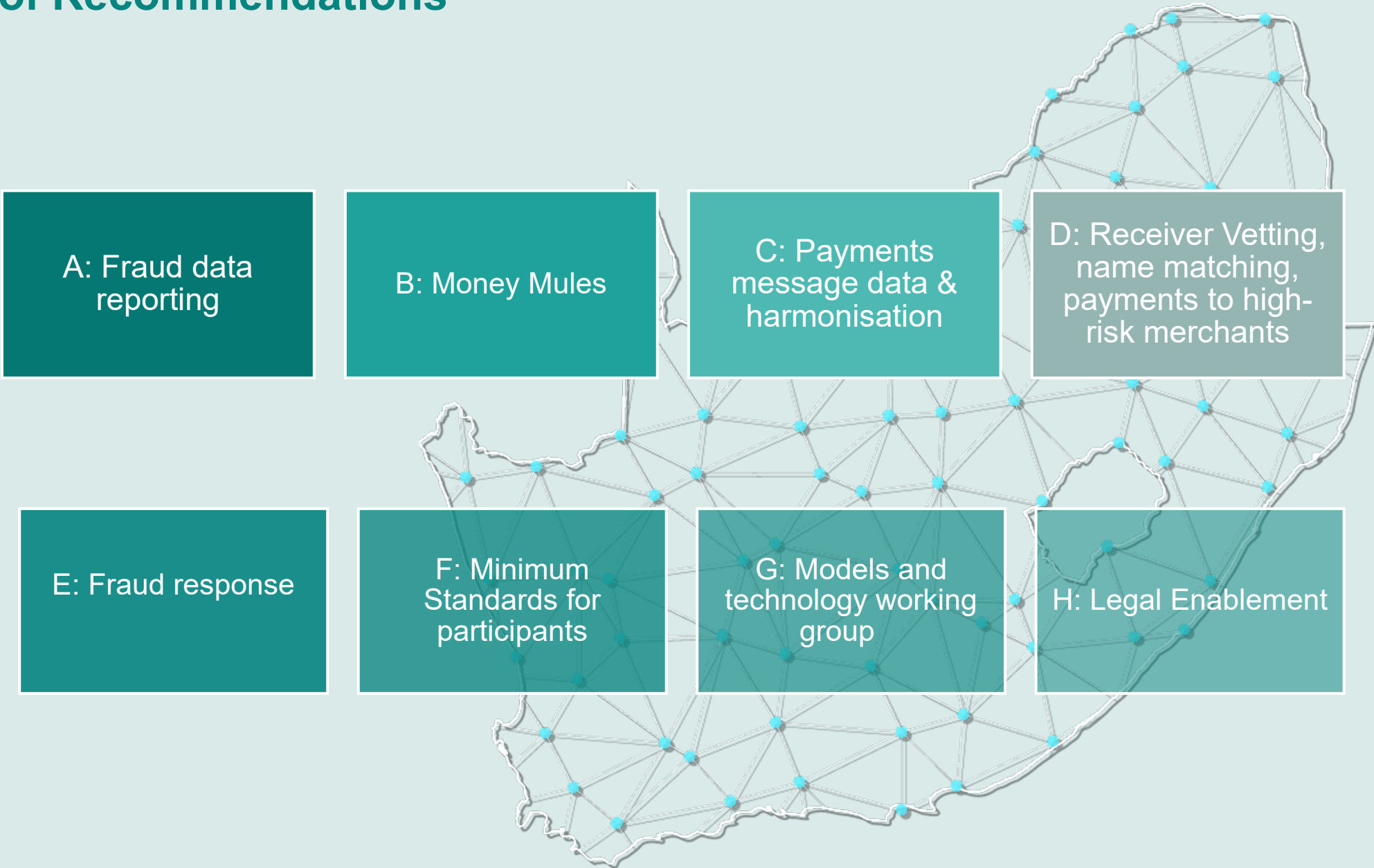
Leveraging existing assets, recognising complementary roles

The recommendations strengthen the role of PayInc from a fraud capability perspective. They include recommendations to SABRIC and SAFPS to create greater alignment such as in fraud definitions and data

High level organisational roles & functions:



Nature of Recommendations





Lunch

(12:30 – 13:30)

5



SOUTH AFRICAN RESERVE BANK

PEMKey update

*Gerhard Jacobs, Gerhard Cronje,
Maeson Maherry
(13:30 – 14:45)*

5.1



SOUTH AFRICAN RESERVE BANK

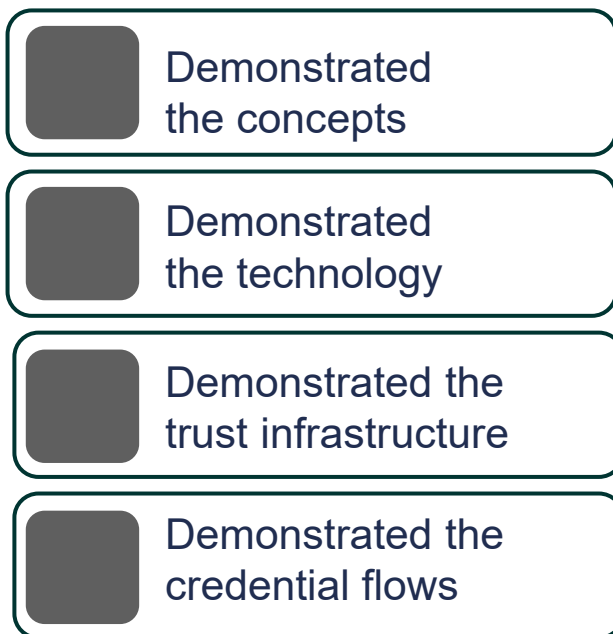
PEMKey Update – PCE (Payment Credential Ecosystem) Sandbox & Portal

Gerhard Jacobs

From Friends & Family to Ecosystem Participation

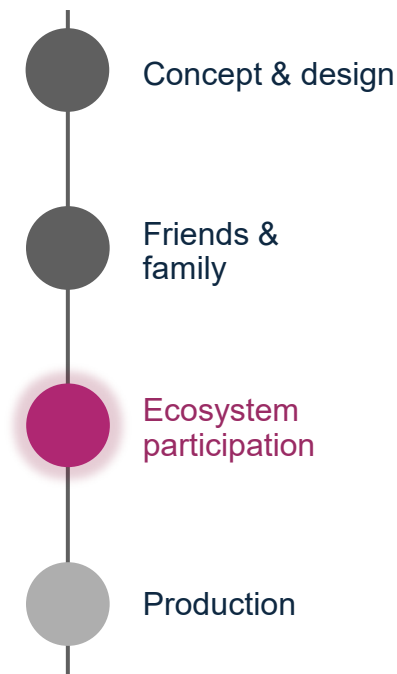
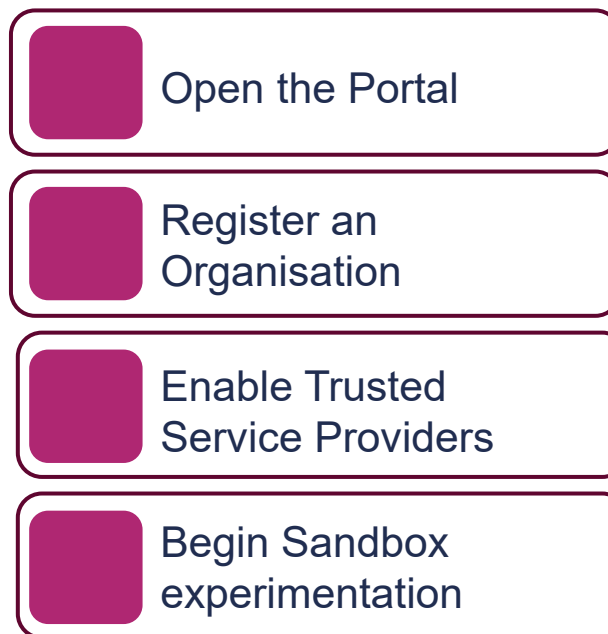
Setting the stage

Friends & Family



Next
phase

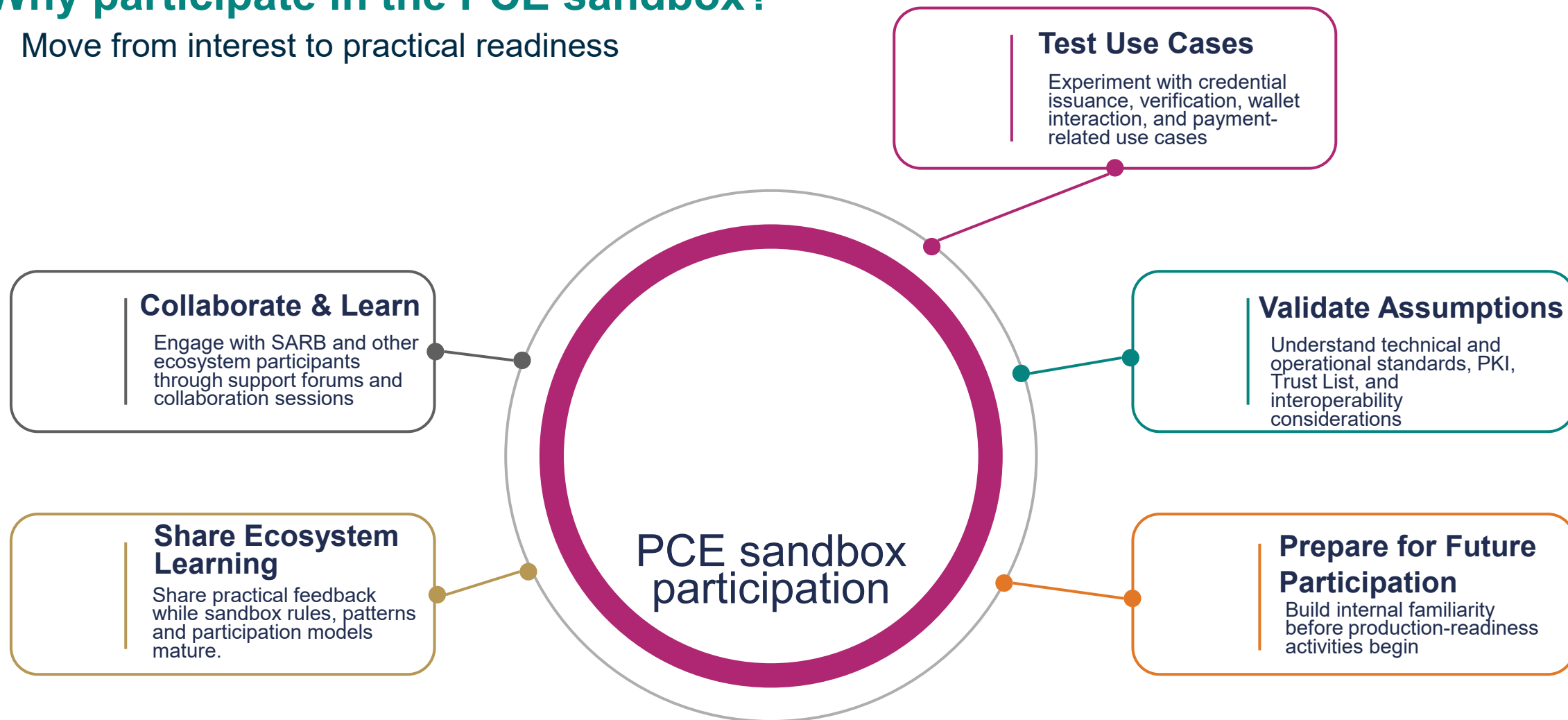
Ecosystem Participation



Friends & Family proved the concepts, trust infrastructure, onboarding patterns, credential issuance and verification capabilities. The next phase is opening controlled participation to the broader ecosystem.

Why participate in the PCE sandbox?

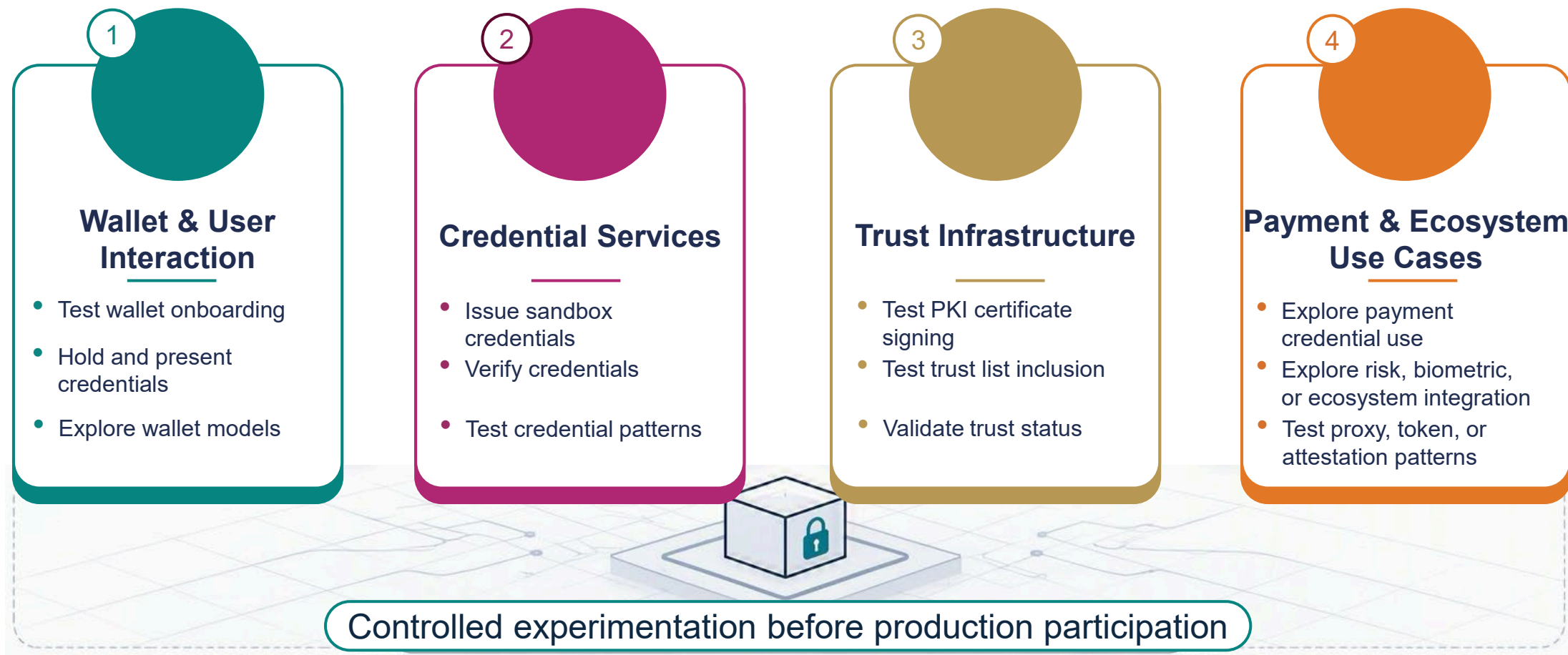
Move from interest to practical readiness



The sandbox is the path to production readiness and upcoming go live.

What can organisations experiment with?

Use the sandbox to test real participation scenarios

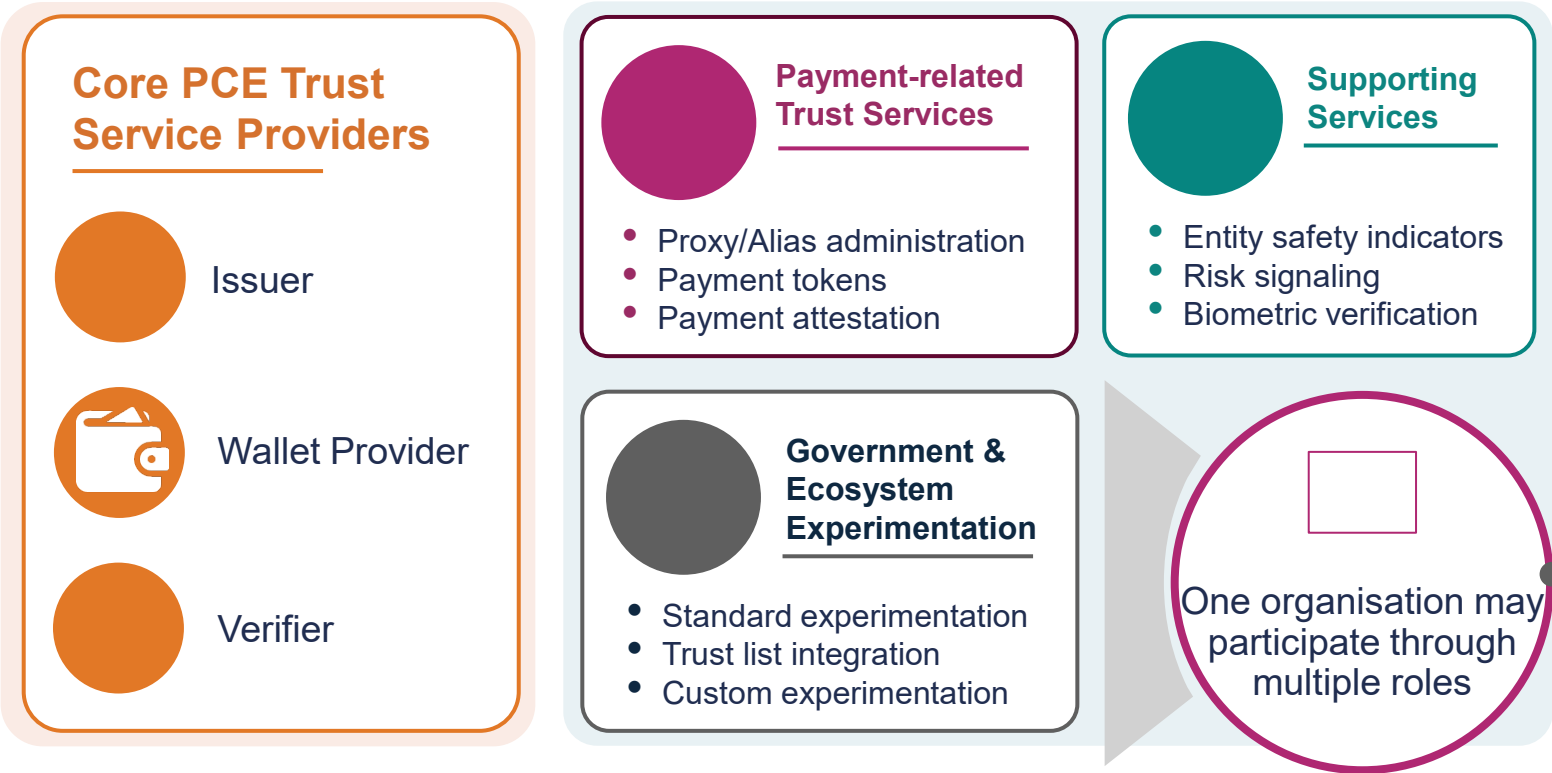


The sandbox allows organisations to test how credentials, wallets, trust infrastructure and payment-related patterns work in practice.

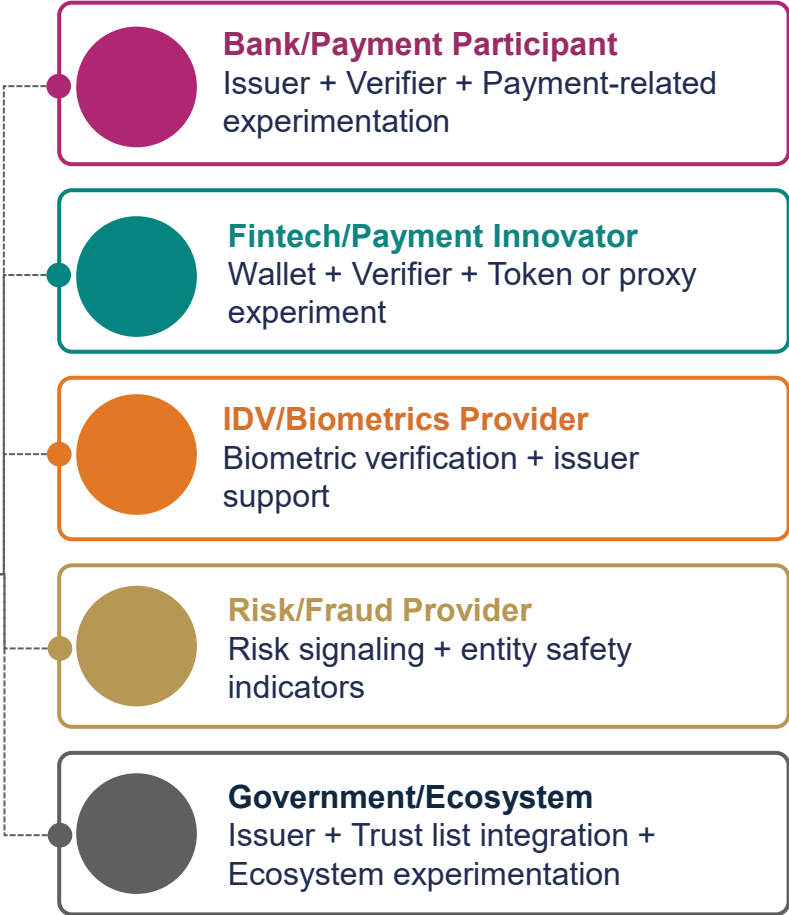
Who can participate and how roles may be combined

The sandbox supports a growing ecosystem of participants, with services for experimentation and collaboration

Participation Landscape



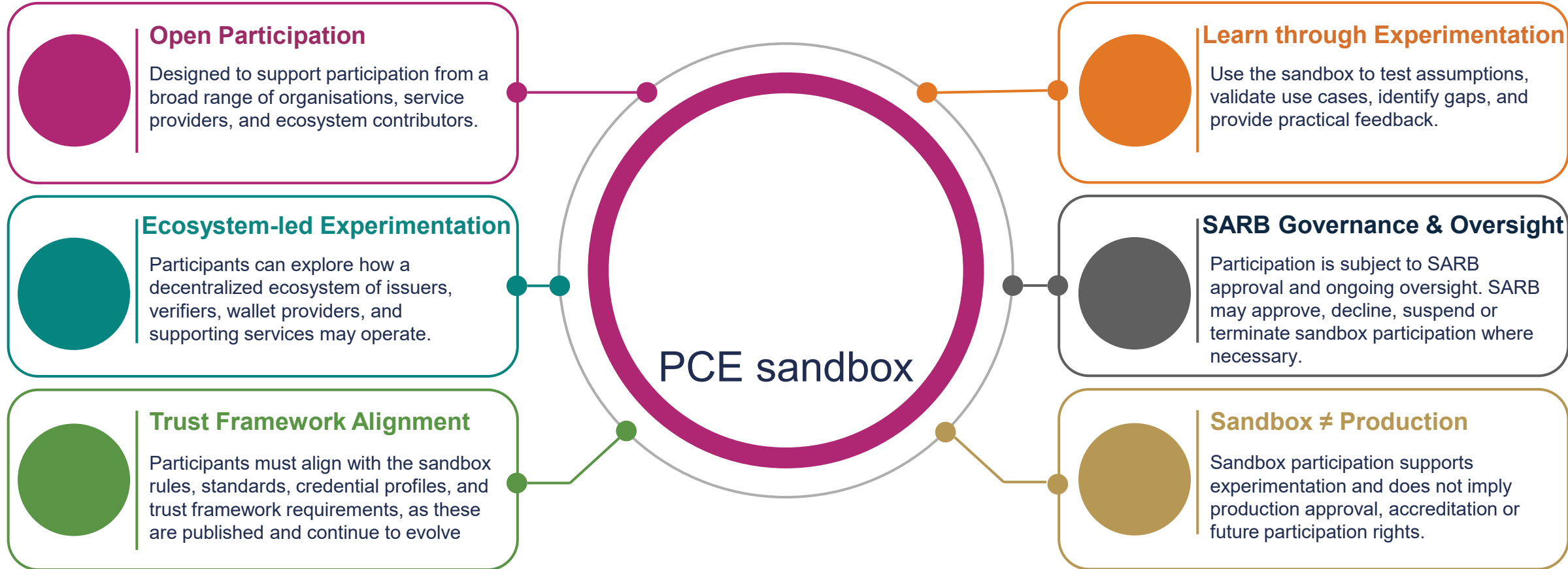
Examples of Role Combinations



The sandbox is open to all potential participants. Experimentation will expand and evolve over time as new use cases, capabilities and participation models are introduced.

Sandbox participation principles

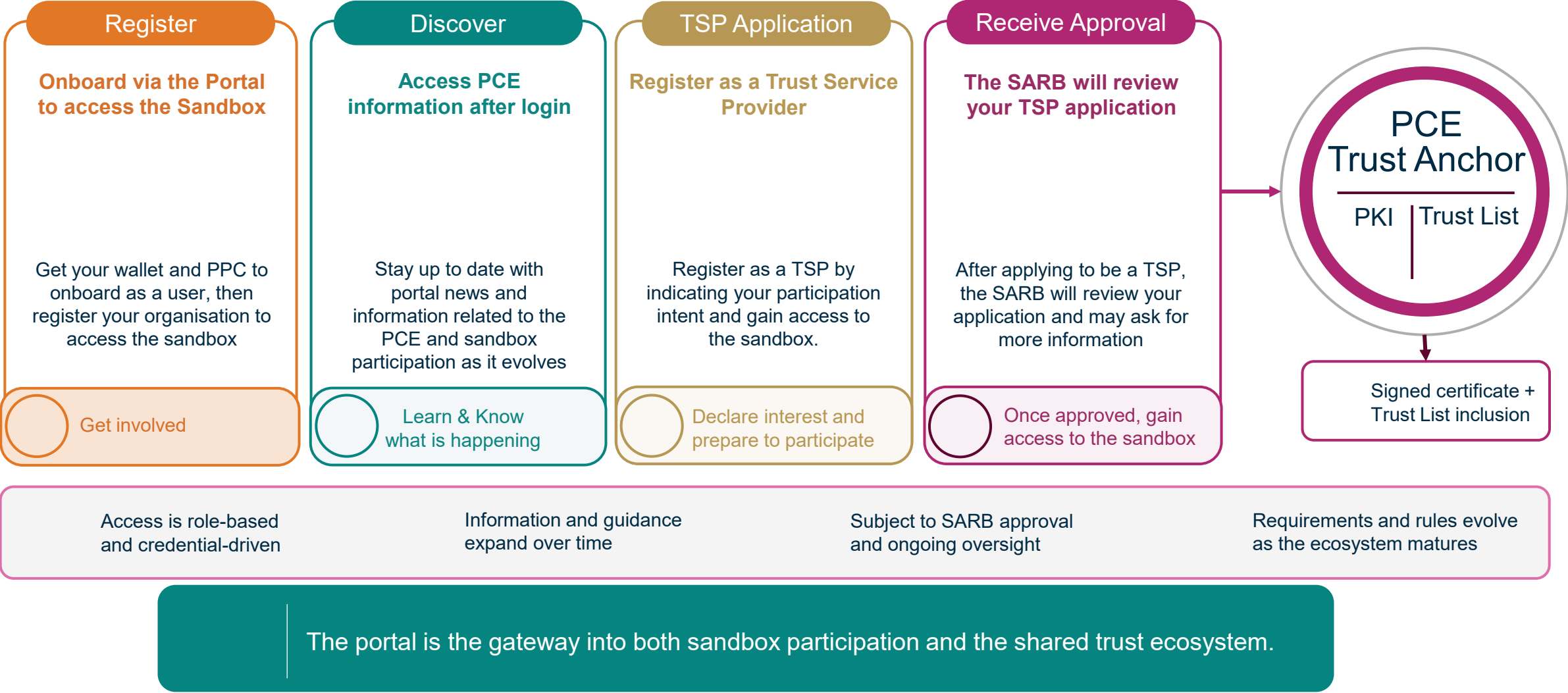
Open for experimentation. Governed for trust



The sandbox is intended to encourage broad ecosystem experimentation while protecting trust, integrity, and future production readiness.

PCE Portal: Your Entry Point

From discovery and registration to trusted participation in the ecosystem



How to Participate

Step-by-step onboarding to the PCE Portal



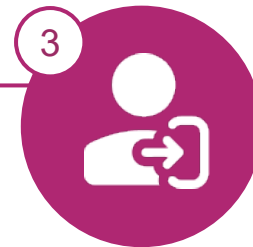
Setup Wallet

- Create a new wallet
- Or link an existing one



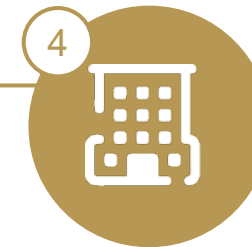
Create your Core Payment Credential

- Agree to the T&Cs
- Capture your biometrics
- Input your details



Portal Sign in

- Share your PPC
- Confirm your details



Organisation Registration

- Register a new Organisation
- Or link to an existing one
- Receive your PCE Credential

Onboard via the portal to gain access to the wider sandbox.

Video: Navigating the PCE Dashboard and Portal

Logging into the PCE Portal once you are registered

Watch Video
Navigating the PCE Portal



Access your Secure Inbox: Monitor your Secure Inbox for important communications about the PCE Portal and Sandbox.



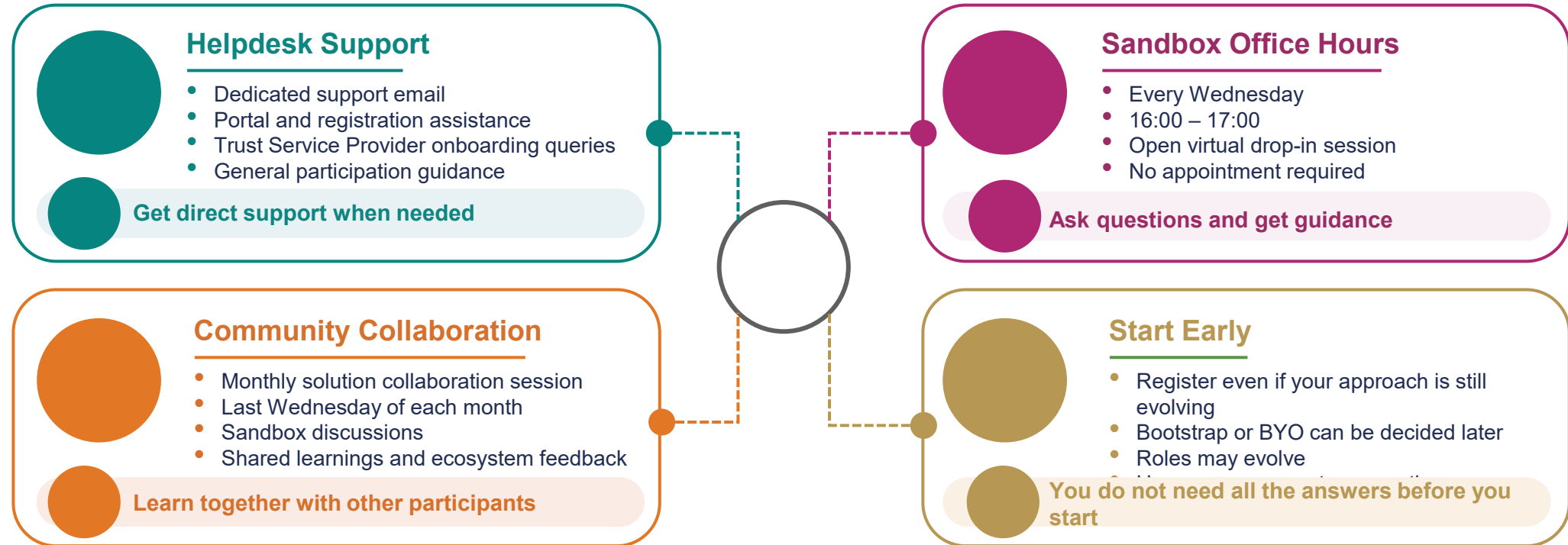
Explore your PCE Dashboard: Manage your Users and your Organisation via your PCE Dashboard.



View PCE Portal documentation: Review the documentation on the PCE Portal to learn more about the PCE, the Trust Framework, and the Sandbox.

How to get help

Support is available throughout your sandbox participation journey

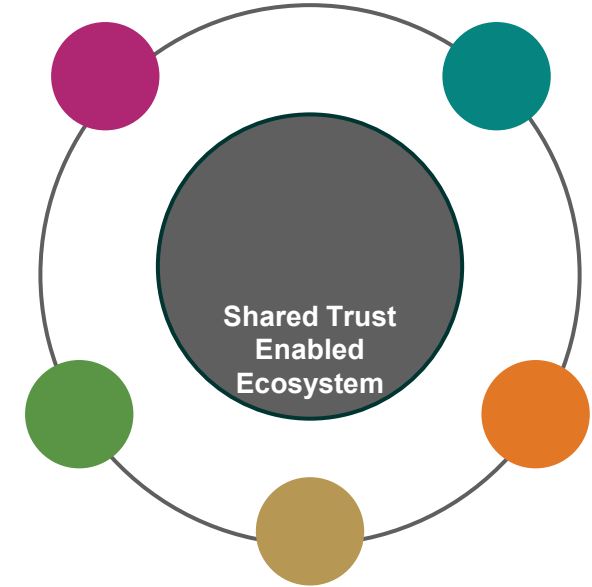
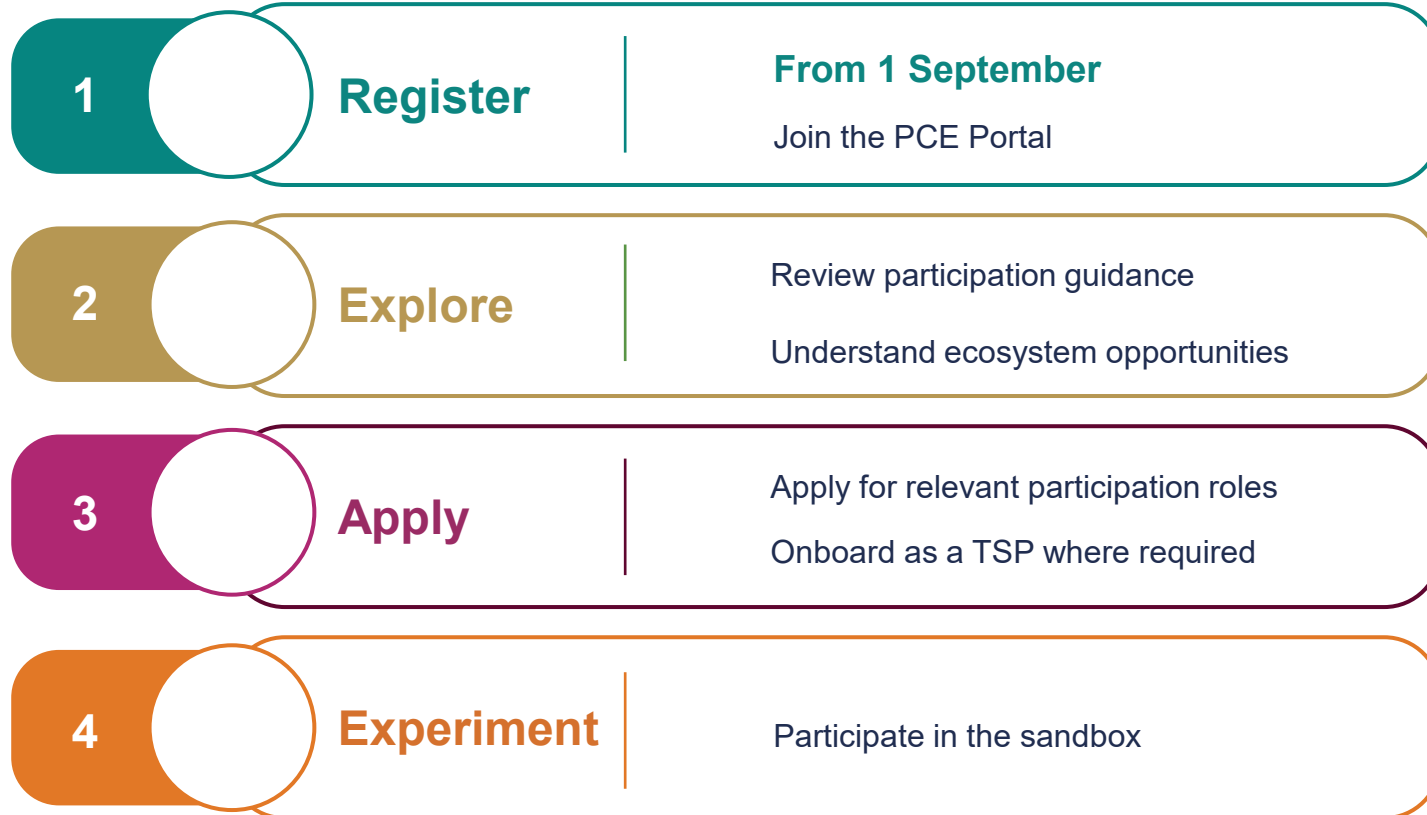


Register early. Learn as you go. Help is available.

We are building the ecosystem together through collaboration, experimentation and ongoing support.

Ready to participate?

The next phase of the PCE journey starts now



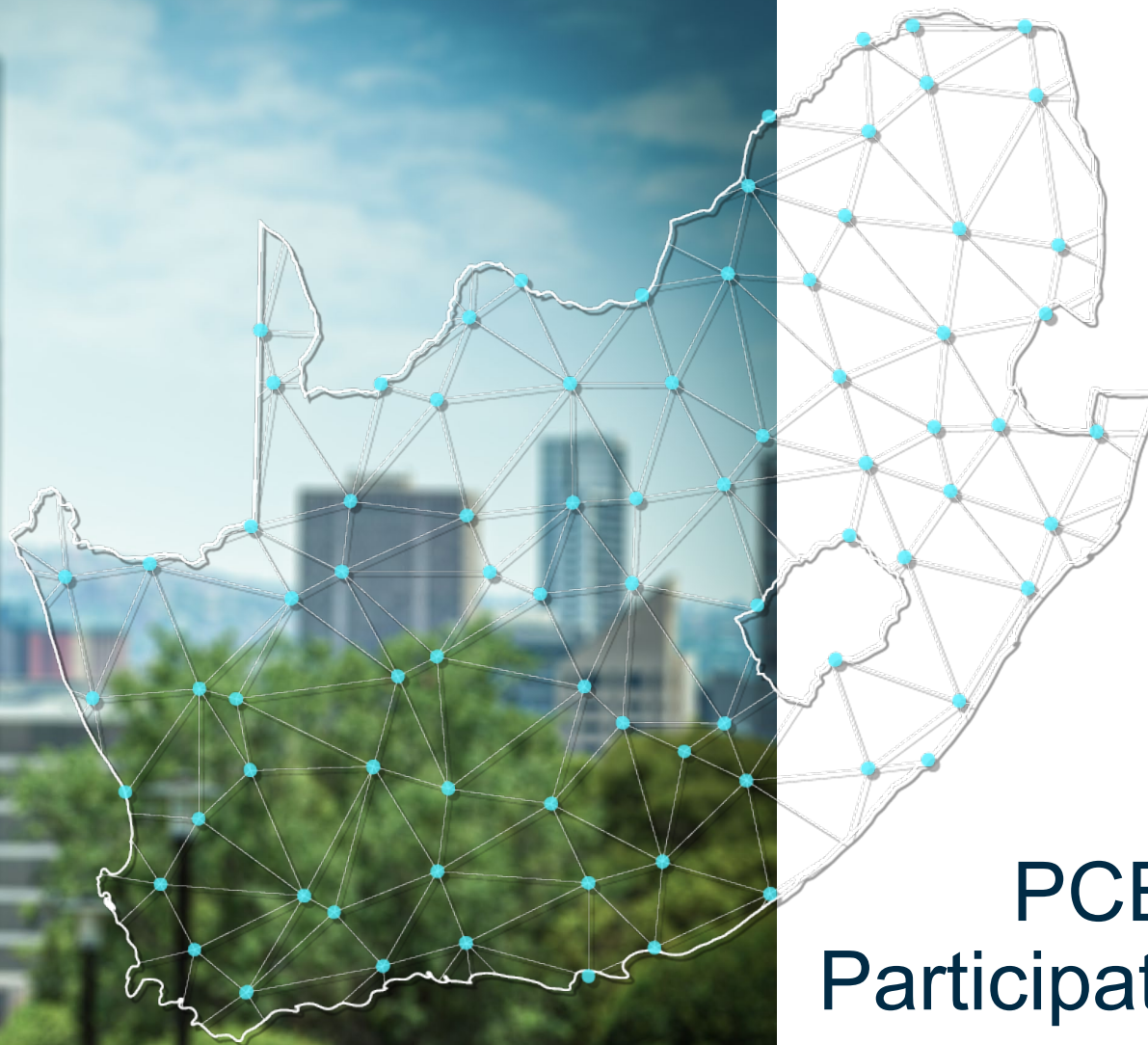
Different participants.
Shared trust.
Stronger ecosystem.

Join the ecosystem. Experiment together. Help shape what comes next.
Email gerhard.jacobs@resbank.co.za - to request the portal link

5.2



SOUTH AFRICAN RESERVE BANK

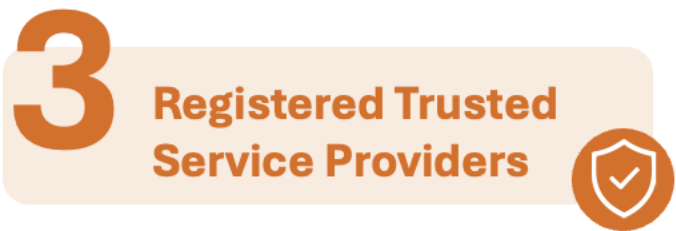
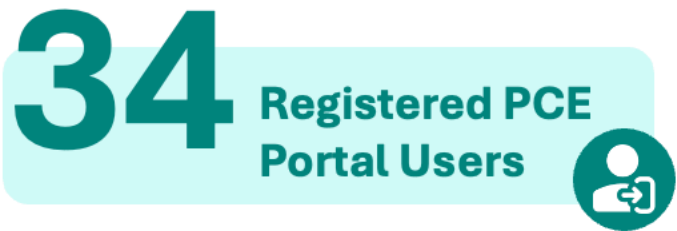


PCE Sandbox Participation & Bootstrap

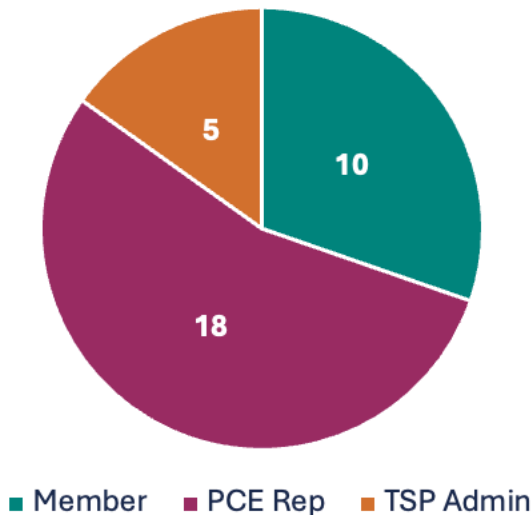
Gerhard Cronje

Current Sandbox Participation

Join the PCE Sandbox to become part of a growing group of PCE Participants



PCE Portal Roles by Users

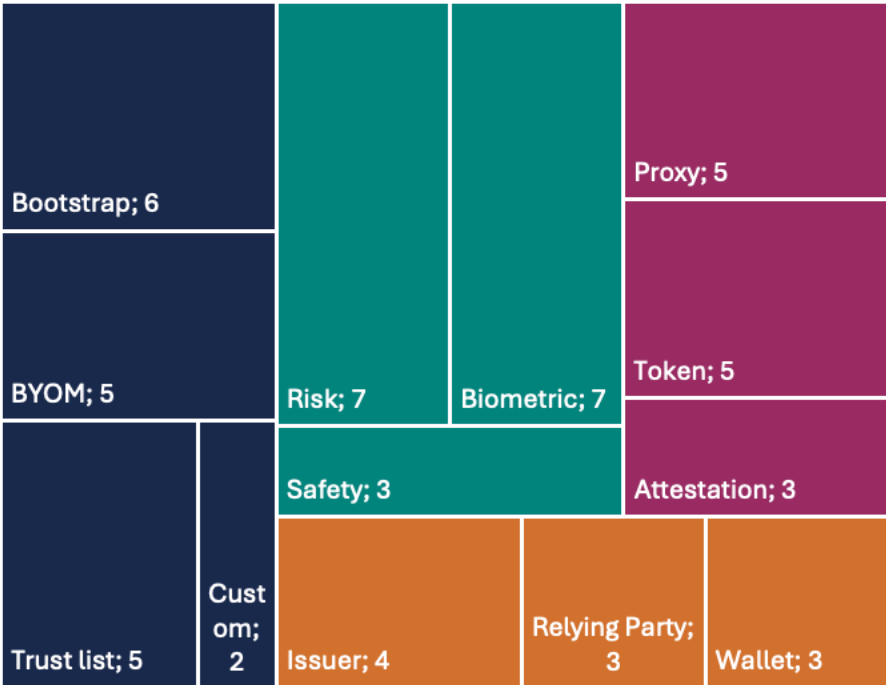


Participant Categories* by Organisations



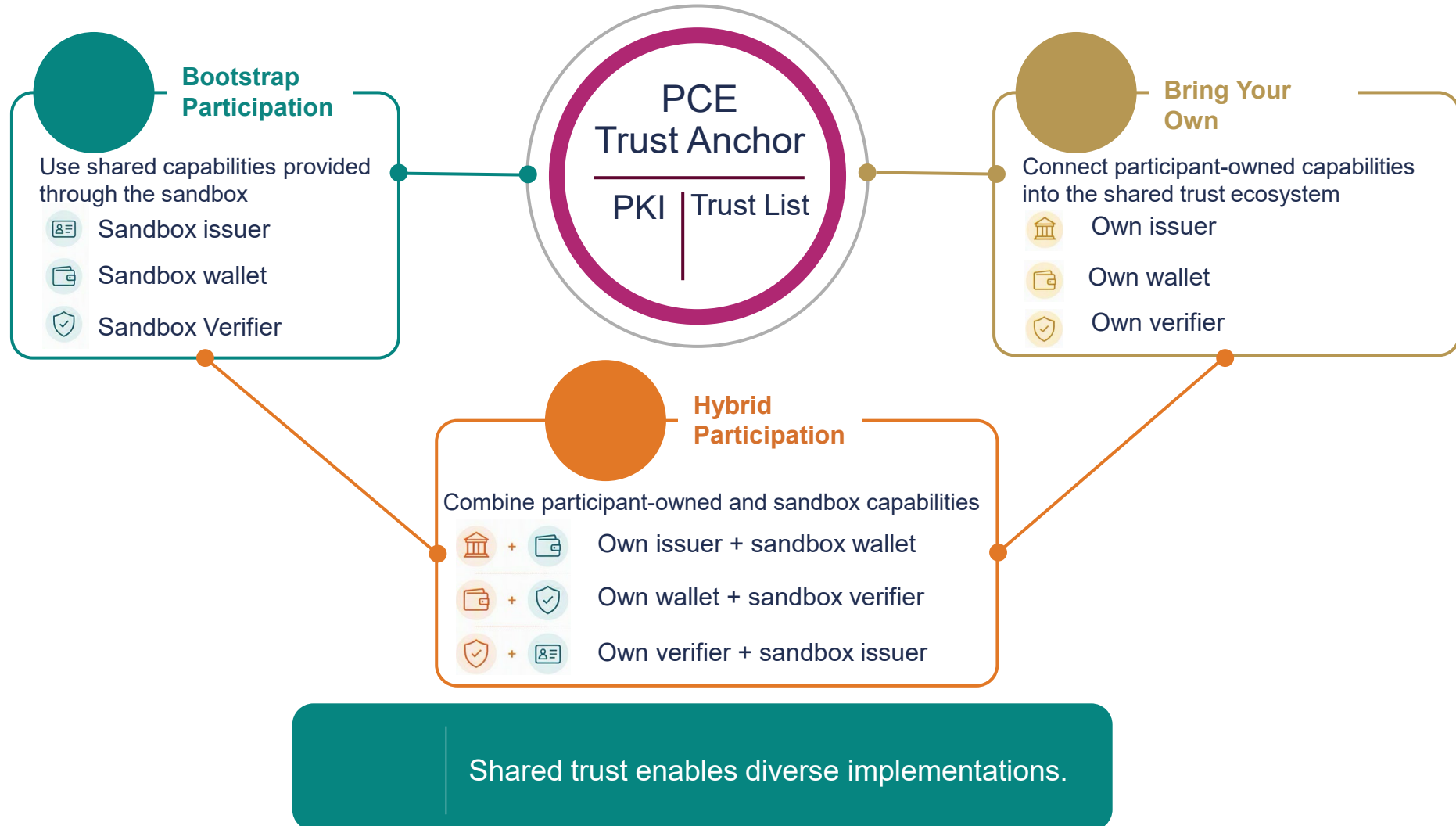
**Note: Organisations may select more than one Participant Category and Sub-Category*

Participant Sub-Categories* by Org.



Sandbox participation models

The PCE Trust Anchor provides a common foundation while participants choose how they engage with the ecosystem



What is the PCE Bootstrap?



What is the Bootstrap

The Bootstrap is the PCE tech stack. It includes a PCE Wallet, Credential Issuing and Verification using exposed APIs, to issue and verify credentials.

It is a means to stimulate ecosystem participation and fast track Participants into the PCE. Participants do not need to build credential functionality from scratch to experience the PCE trust in action. Learnings will be used to iterate and evolve the bootstrap offering, and aid development of Participant offerings, with directional code re-use for production.

Note:

Participants will still be required to do development to integrate with the tech stack and build their own front-ends.

Bootstrap Build Acceleration

Encourages ecosystem experimentation and provides a development fast-track

With Bootstrap

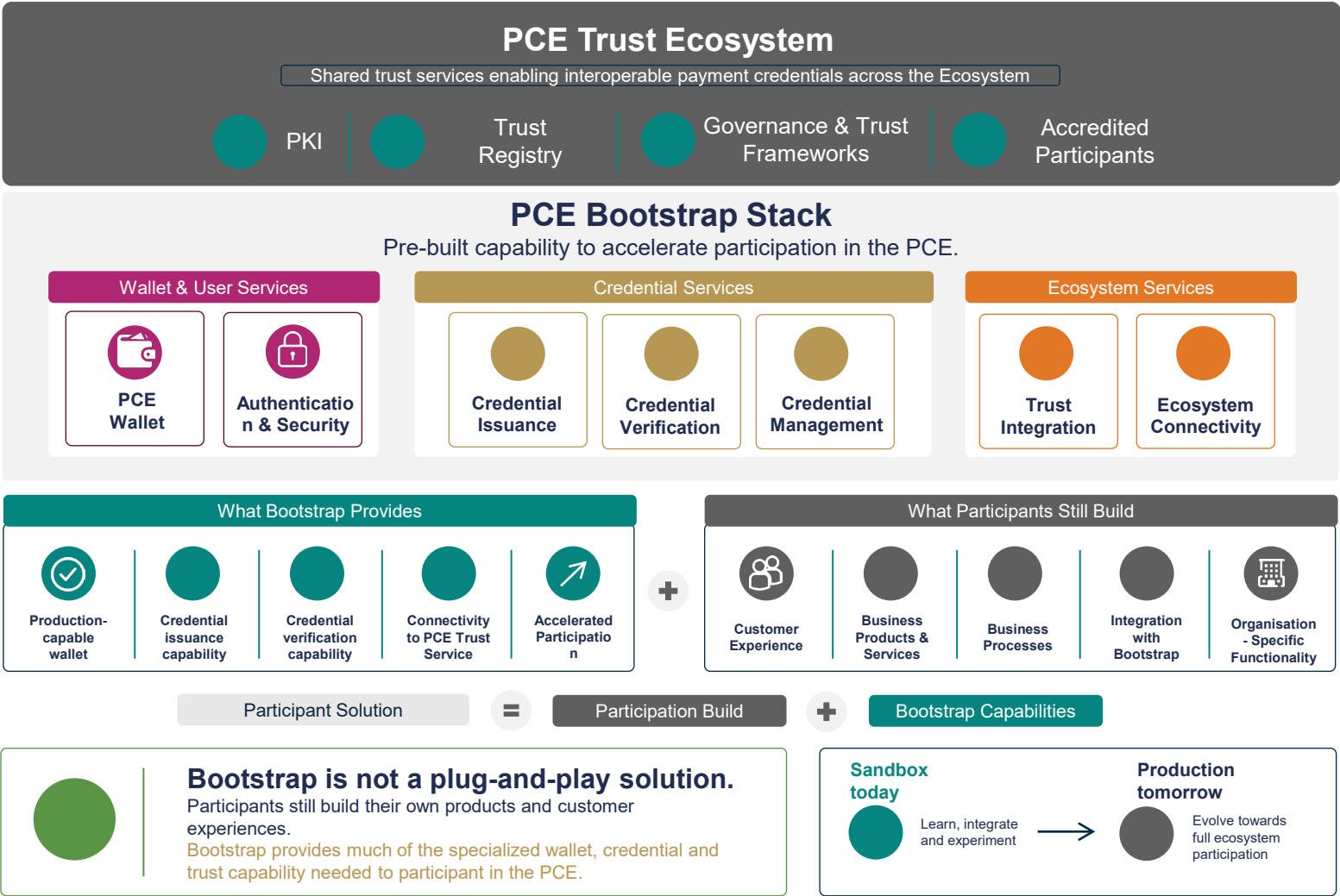


Without Bootstrap



What is the PCE Bootstrap?

Bootstrap provides the specialised Credential, Wallet, & Trust Infrastructure to Participate in the PCE



5.3

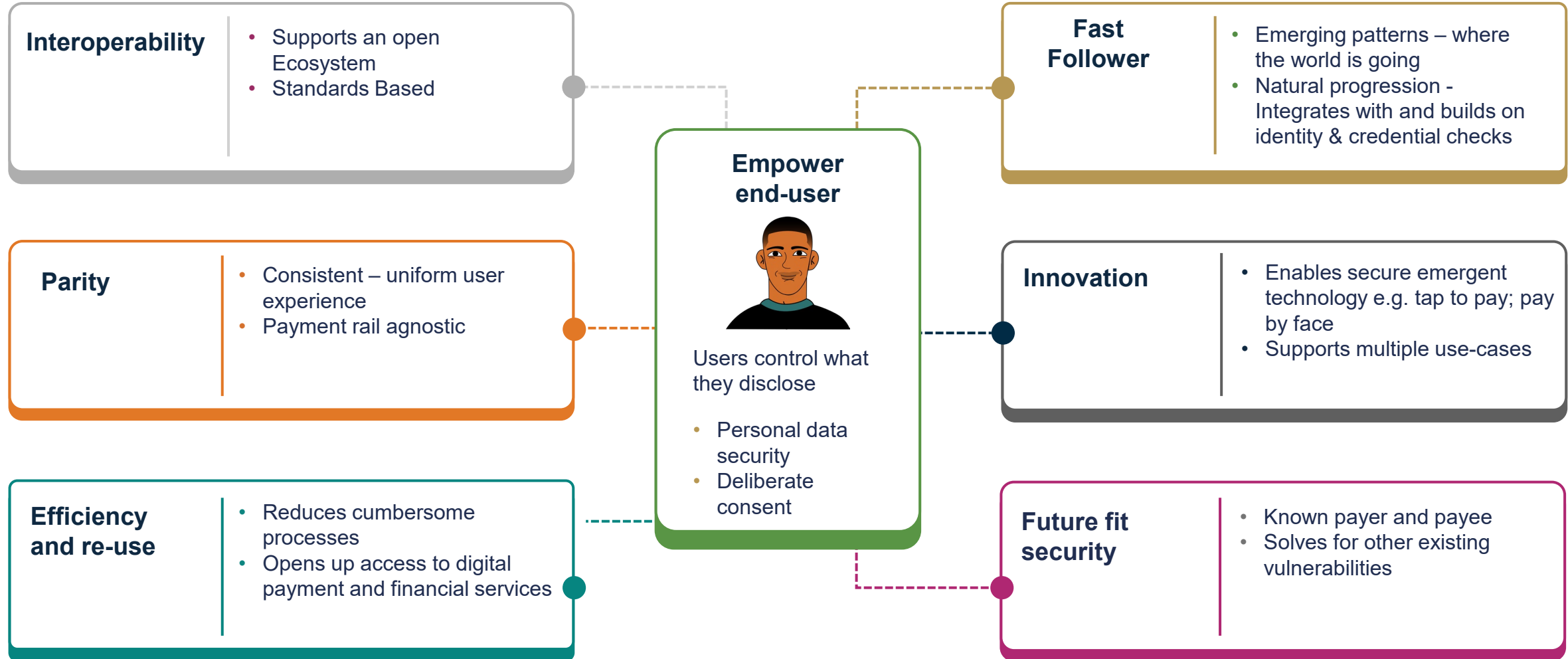


The PCE & Payments

Maeson Maherry

Why are we doing this

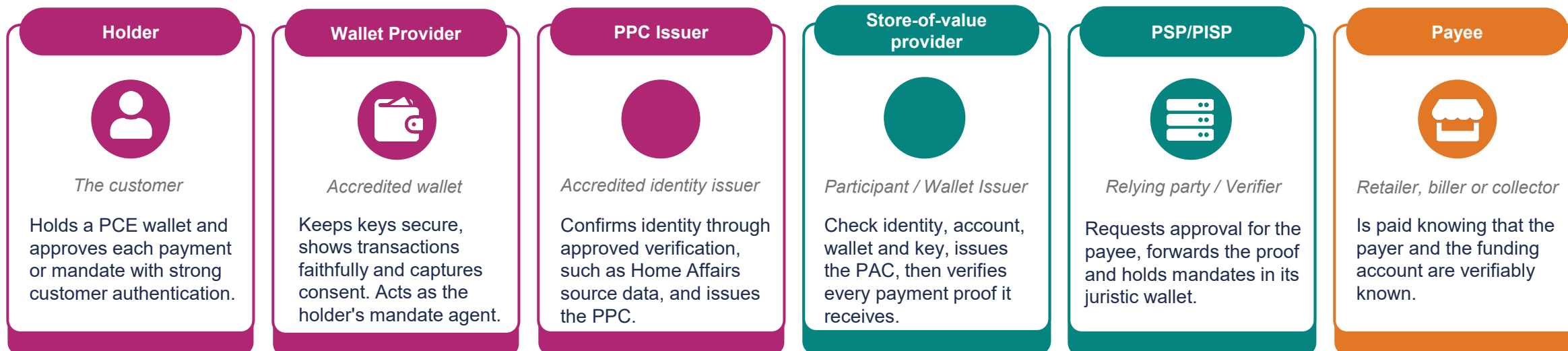
Transaction authentication, authorisation and signing to enable PEM



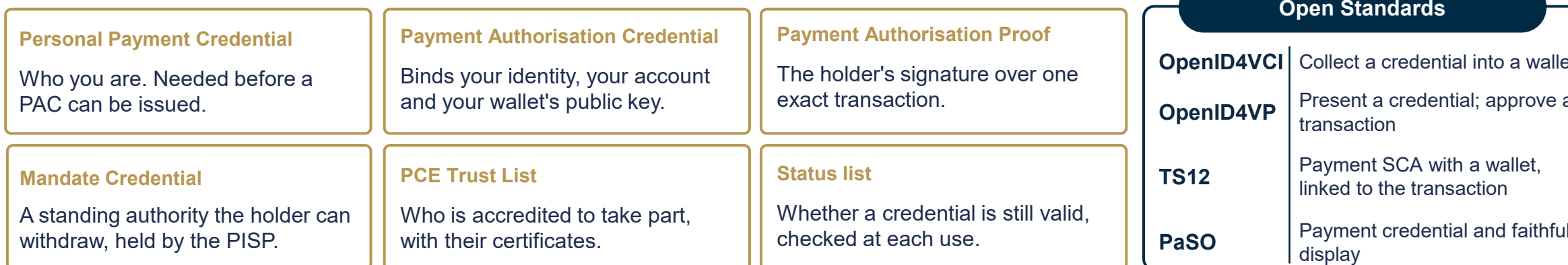
The roles and building blocks in the PCE

6 roles and 6 building blocks. Each party can verify the others against common rules, without 1:1 agreements

Roles

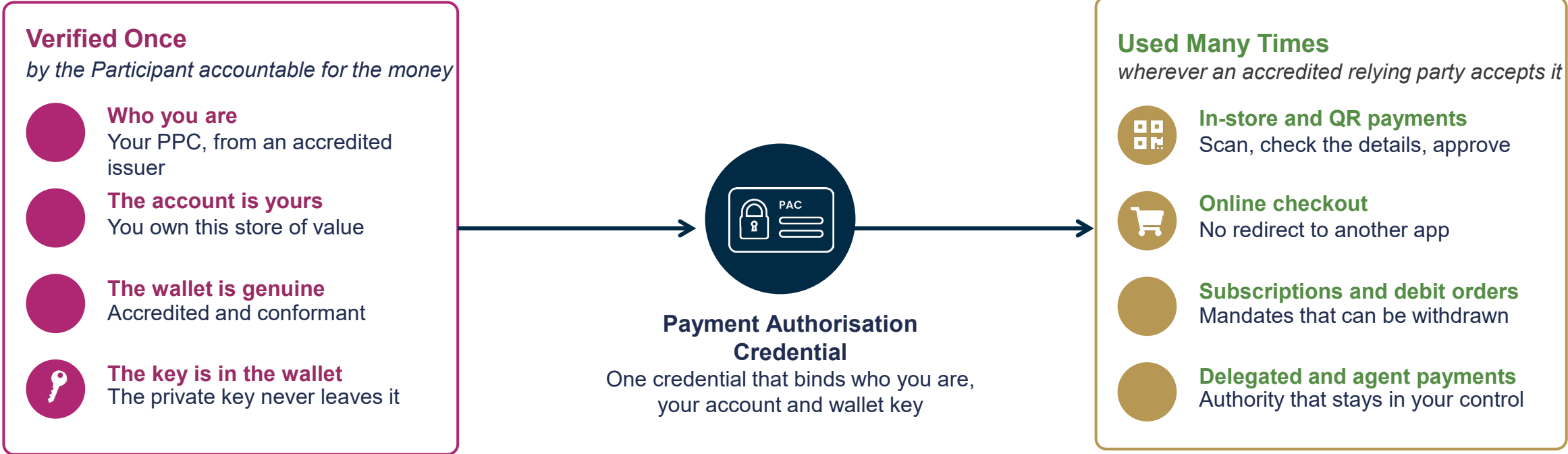


Building Blocks



What is PAC in Payments

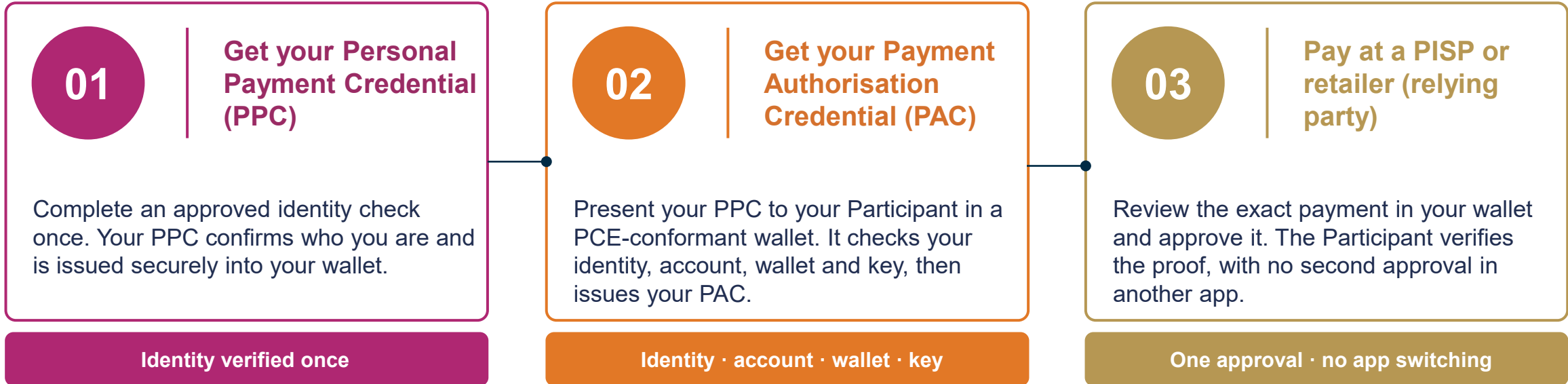
Authorise a payment from your own wallet, with payer and account both verifiably known



Simpler One approval, in one wallet, whichever Participant holds the account	More Secure Cryptographic proof of exactly what the holder approved	More Accessible New players join on common rules, not one-to-one agreements	Consistent One trusted baseline for the whole payments industry
--	---	---	---

Verify once, use many times: three steps for the holder

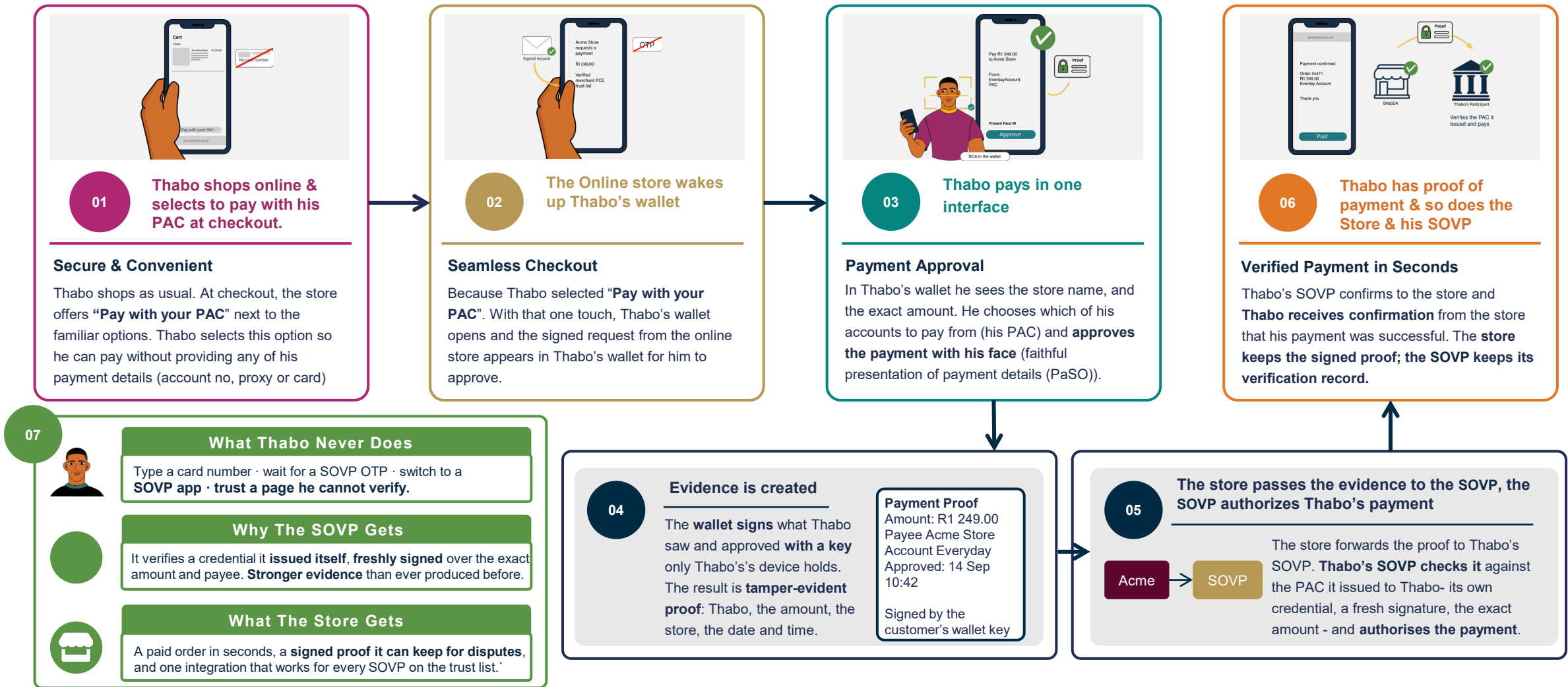
A PPC comes first. Once the PAC is in the wallet, paying is a single approval



NO PPC, NO PAC. The PPC is required before a PAC can be issued, but it is not normally needed again when you pay. Verify once, use many times.

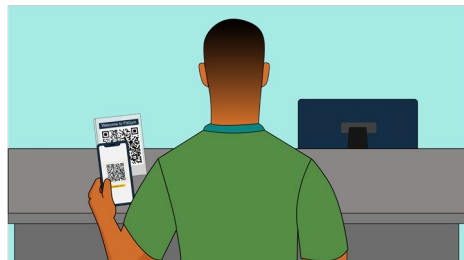
Thabo buys online: one wallet, one approval

Everything happens on Thabo's phone: no card number, no account number, no proxy, no OTP and no switching to another app



Thabo joins a gym and commits with a credential mandate

What becomes possible when a subscription mandate is a credential in Thabo's wallet

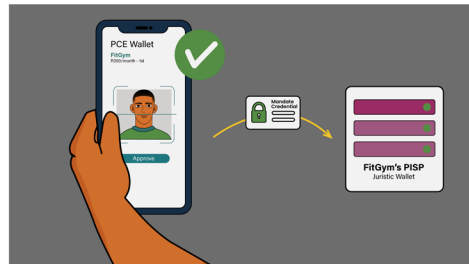


1 | Scan and see the terms

At the FitGym counter, Thabo scans a QR code. **His wallet shows the mandate** in plain language: ***R350 a month, collected on the 1st.***

Could solve for

Waiting at the counter for a USSD pop-up or app push.



2 | Approve once

Thabo **approves with his facial biometric**. FitGym's PISP receives a Mandate Credential into its juristic wallet.

Could solve for

A prompt that times out, or looks like phishing, so he walks away or has to start again.

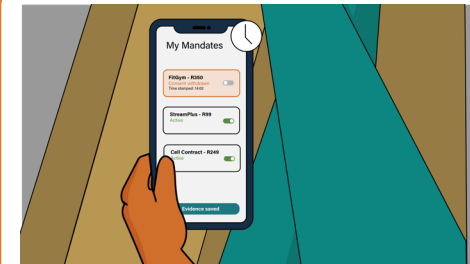


3 | Collections run quietly

On the 1st, the **PISP presents the mandate**. Thabo's SOVP checks it is valid and within its limits.

Could solve for

An unfamiliar debit description on his statement at month-end.



4 | Stay in control

Months later, **Thabo opens his wallet and selects My Mandates** and indicates he **no longer consents** to his gym debit order. The change is **time-stamped and provable**.

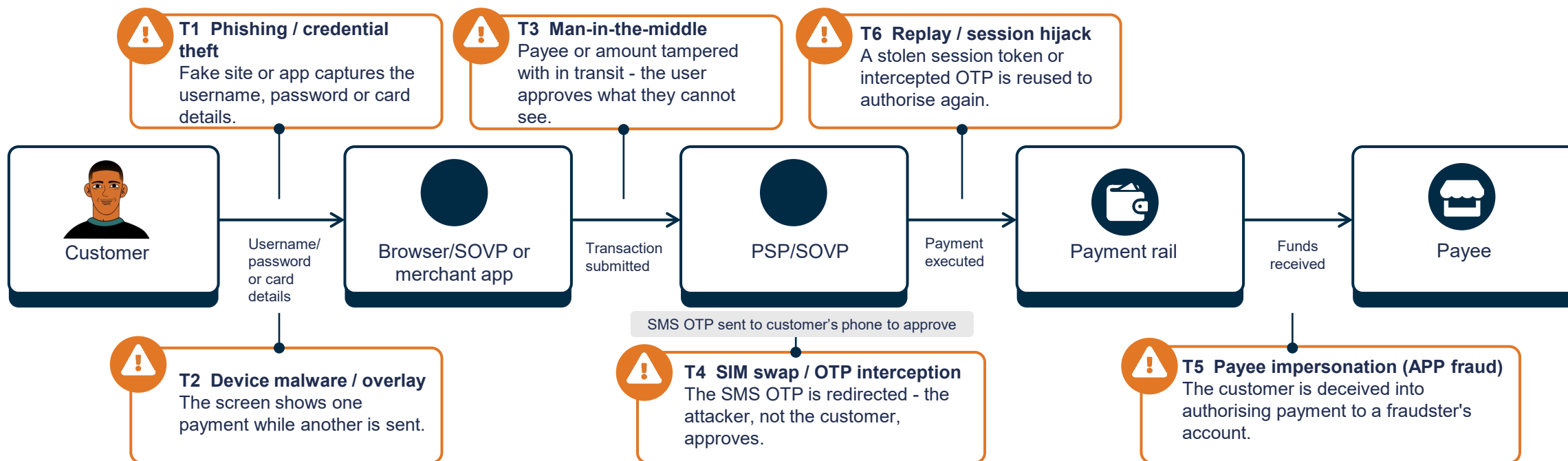
Could solve for

Working out how to change a mandate through different channels.

What becomes possible: In-wallet approval and mandate management for Thabo, verifiable consent for Thabo's gym.

Vulnerabilities in current payment flows

Shared secrets, SMS OTPs and unverified payees create multiple points of attack. The PCE / PAC (PaSO) model removes each of them



Underlying weakness: Authorisation rests on shared secrets and a detached OTP - the SOVP holds no independent proof of what the customer actually saw and approved.



How PCE/PEMKey (PaSO + PAC) closes each gap

T1

A request signed by a trust-listed verifier and a device-bound Payment Authorisation Key - no shared secrets, nothing to phish

T2-T3

Dynamic linking: the wallet signs the exact transaction data displayed and approved - any tampering invalidates the proof

T4

No SMS OTP: SCA is performed in the wallet with the Payment Authorisation Key

T5

The wallet shows the true payee and amount (PaSO / TS12). Substitution before the request is closed by request binding - see the transcription-gap appendix

T6

A fresh nonce and audience in every proof; the forward channel runs over mTLS with trust-list certificates

Disputes

Payment Authorisation Evidence Package - independently verifiable record of what was approved

What becomes possible

A consistent industry baseline for trust: simpler for holders, stronger evidence for Participants and open to new players

For Each Stakeholder



Holders

One wallet and one approval for every payment, and a clear view of every active mandate.



Participants

Stronger evidence of exactly what the customer approved, without a callback on every payment.



PSPs and PISPs

One standard way to reach every accredited wallet and Participant, designed to reduce abandoned payments.



Retailers, billers and collectors

Verified payers, provable consent and no app-switching at checkout.



Industry and regulators

A consistent baseline, with accreditation and conformance built into common rules and standards.

Key Principles

Verify once, use many times

The private key never leaves the wallet

Every payment carries its own proof

Consent can be withdrawn, with evidence

The system provides evidence; rules decide consequences

Online and offline choices supported

Built on open standards: OpenID4VCI, OpenID4VP and TS12

5.4



SOUTH AFRICAN RESERVE BANK



PCE Q&A

Gerhard Jacobs

6



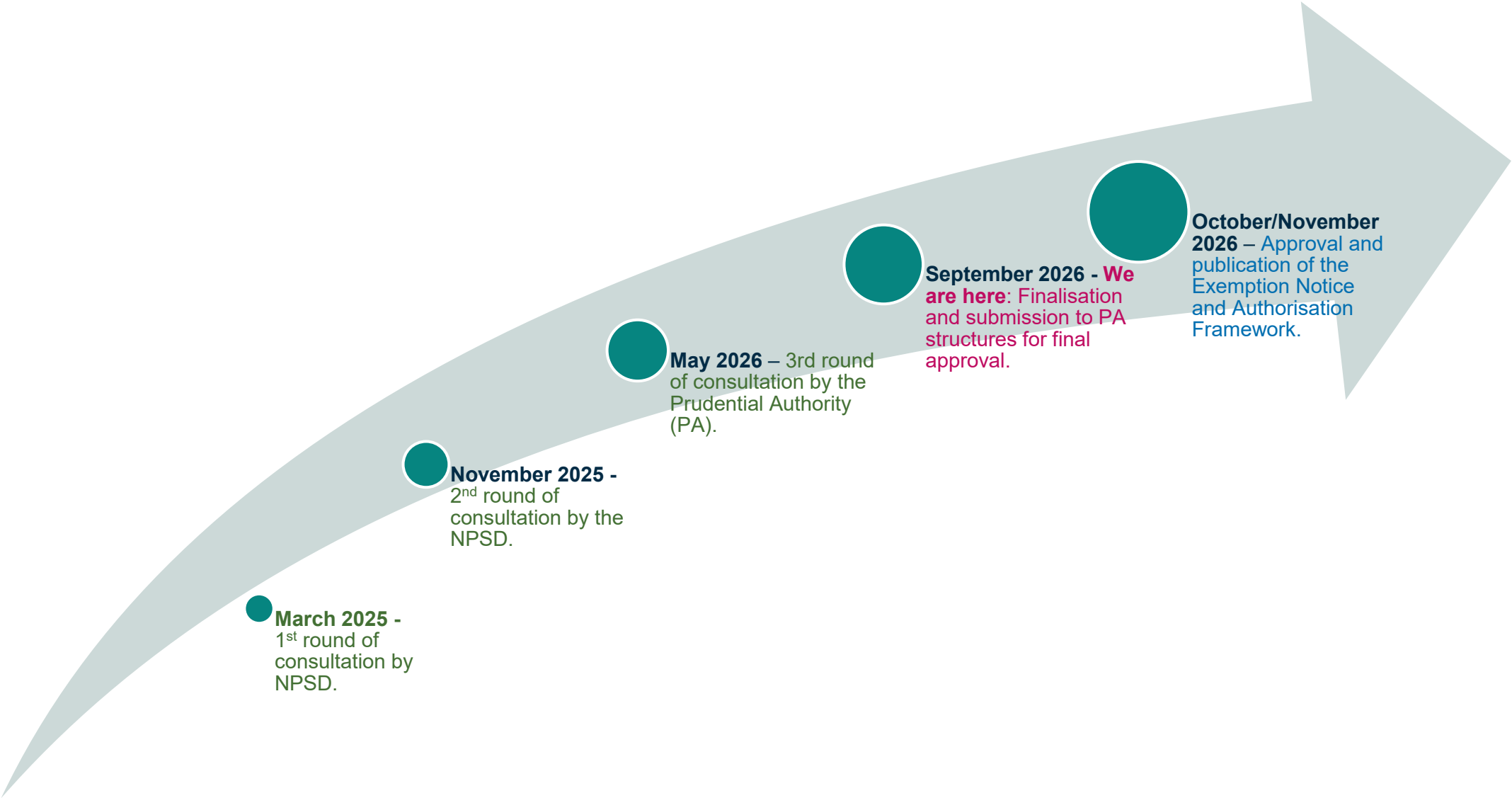
SOUTH AFRICAN RESERVE BANK

Exemption Notice and the Authorisation Framework

Annah Masoga

(14:45 – 15:15)

Exemption Notice and Authorisation Framework Roadmap



Process

- ❑ Two clear requests by the NPSD:

“The South African Reserve Bank National Payment System Department (NPSD) wishes to highlight that only new substantive comments on the revised draft Authorisation Framework may be submitted. The South African Reserve Bank NPSD will therefore consider only new substantive comments”.

“Kindly note that, given the two previous intensive rounds of comments on the Authorisation Framework, no extensions will be granted”.

- ❑ Over 1000 comments received – more than the comments received on the 1st and 2nd drafts.
- ❑ Old substantive issues raised – majority.
- ❑ New substantive issues raised – minimal.
- ❑ Extensions were requested.
- ❑ NPSD rejected extension requests, considered every single comment received.

Final versions – the products of extensive consultation, co-creation and collaboration, reflecting the voice, inputs and perspectives of the broader stakeholder community.

Thematic view of comments received: Exemption Notice



Some entities submitted similar comments in the Authorisation Framework



1. Regulatory Clarity and Legal Certainty

Clarification requested on the interaction between the Exemption Notice, Authorisation Framework, NPS Act and Banks Act.

Concerns regarding the scope of exempted activities and circumstances under which an activity ceases to constitute the business of a bank.



2. Definitions and Scope of Activities

Request for clearer definitions of :E-money; Payment institution; Open-loop and closed-loop payment systems; Interoperability; and "Regular feature of business". Concerns regarding inconsistent interpretation and application across industry participants.



3. Transitional Arrangements and Implementation

Concerns regarding the Prudential Authority's power to amend or withdraw the Exemption Notice. Request for sufficient implementation periods, stakeholder consultation and orderly migration arrangements.



4. Protection of Client Funds and alternative safeguards

Request for greater clarity on safeguarding requirements, segregation of client funds and prohibition on the use of customer funds. Concerns regarding the exclusion of e-money from CODI protection. Recommendations for alternative protection mechanisms, including insurance and guarantees.



5. Dependencies, Supervision, Oversight and Market Impact

Concerns that the effectiveness of the Exemption Notice is dependent on the completeness of the Authorisation Framework. Request for further guidance on supervisory and oversight roles of the SARB. Requests for clarity on failure management and exit arrangements.

Thematic view of comments received: Authorisation Framework

Regulatory perimeter, definitions and classification of payment activities

- Acquiring, domestic fast payment system, juristic person, payment initiation, TPPP activity, money remittance, e-money, payment-instrument issuance, payment account A, schemes, sponsorship and segregated account.
- Authorisation, designation and registration are not always cleanly separated, clarity required.
- Removal of references to PCHs and PSMB.
- Clarify the scope of exemption in respect of AML/CFT/CPF requirements.
- Multiple activities trigger several categories.

Proportionality, tiering and entry requirements

- Stakeholders support activity-based regulation but question whether obligations sufficiently vary by scale, complexity and risk.
- Tier thresholds, calculation methods and treatment of new entrants require consistent articulation.
- Tier 2 TPPPs and money remitters remain subject to extensive requirements.
- Closed-loop registration is lighter than authorisation, but threshold breaches and migration to interoperability remain case-specific and confusing.

Sponsorship, indirect access and allocation of liability

- Indirect access is preserved for clearing, settlement and selected closed-loop arrangements.
- Who applies, who is registered and which party performs each obligation are still not consistently stated.
- “Accountable and liable” may be too broad where sponsors lack direct operational control.
- Layered arrangements can obscure settlement flows, safeguarding, AML/CFT/CPF controls and supervisory accountability.

Thematic view of comments received: Authorisation Framework

Safeguarding, prudential, protection and financial integrity

- Segregated-account terminology has improved, but insolvency treatment, especially after a bank failure, still needs formal legal confirmation.
- Client-fund definition remain difficult in multi-party, commingled, fast-flow money remittance structures.
- Capital and safeguarding timing must distinguish application evidence from compliance at authorisation and thereafter.
- Clarify AML/CFT/CPF requirements. FIC registration, accountable-institution scope and role-specific obligations require consistent alignment.

Infrastructure, interoperability and market structure

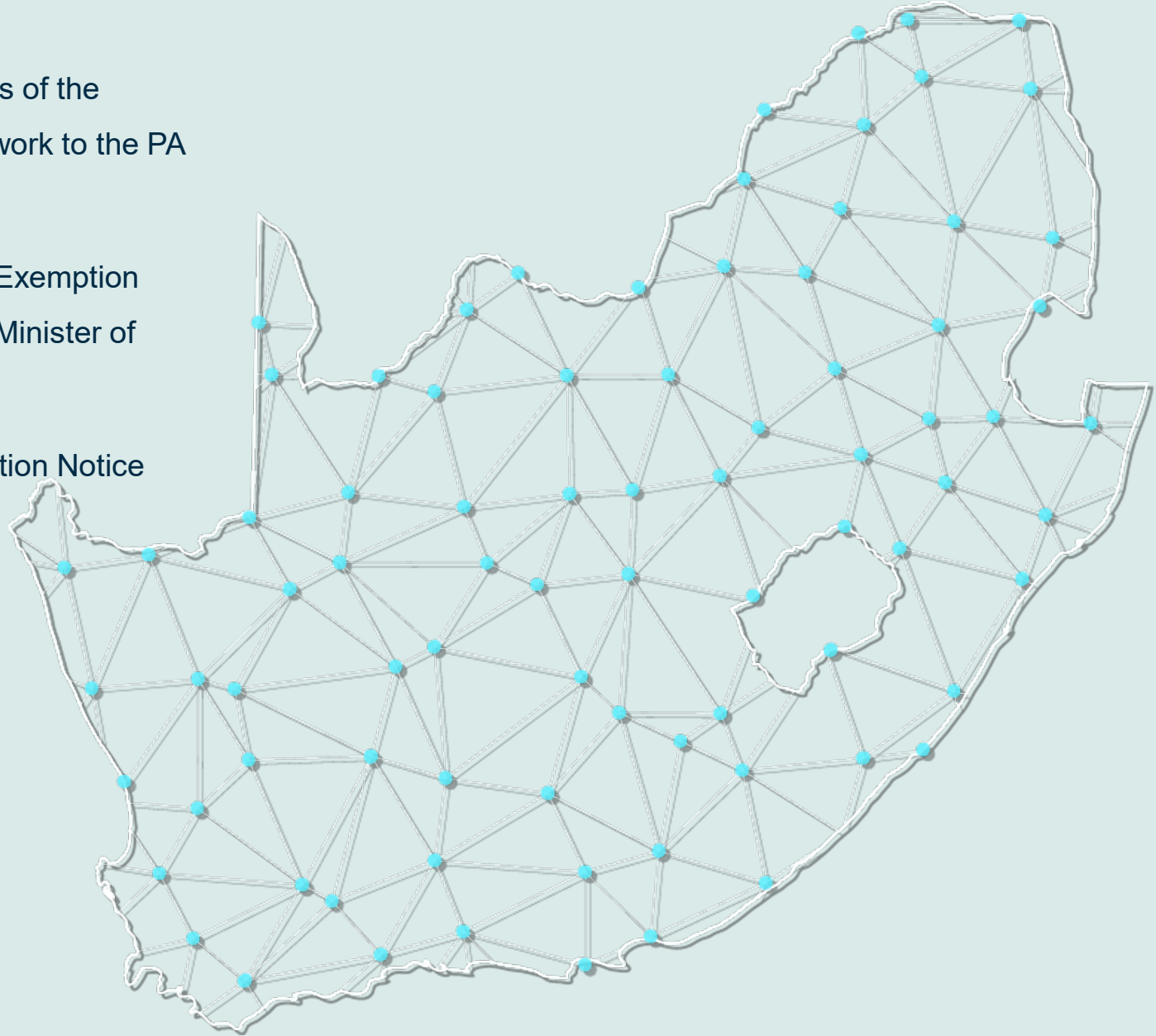
- Interoperability objectives are clear, but technical, legal, governance and migration criteria are not fully embedded.
- Payment-initiation access requires common standards for onboarding, authentication, pricing, incidents and disputes.
- The respective roles of PASPs and PISPs in authentication, consent, evidence and liability need precise allocation.
- Direct and sponsored clearing or settlement routes exist, but graduation criteria and operational readiness remain underdeveloped.

Implementation, supervision and regulatory coordination

- Several material issues are deferred to guidance notes, sponsorship criteria, scheme rules, settlement rules or technical standards.
- Transitional arrangements must address existing participants, unavailable infrastructure and third-party dependencies.
- Material-change notifications, reporting frequencies and commencement obligations require practical guidance.
- Regulatory overlaps among NPSD, PA, FIC, FinSurv, FSCA and NCR should be mapped to avoid duplication and gaps.

Way forward

1. **October 2026** – Submission of final versions of the Exemption Notice and Authorisation Framework to the PA & SARB approval structures.
2. **October/November 2026** – Submission of Exemption Notice and Authorisation Framework to the Minister of Finance/National Treasury.
3. **November 2026** - Publication of the Exemption Notice and Authorisation Framework.



7



SOUTH AFRICAN RESERVE BANK

Industry Pulse Check

Zelda Reynecke

(15:15 – 15:30)

Industry Pulse Check

6. "On a scale from 1 (Strongly Disagree) to 10 (Strongly Agree), please rate the following statements.

I feel comfortable with PEM's vision.

I feel comfortable with PEM's progress.

I am likely to promote the PEM to my colleagues, family, and friends (...because I believe it delivers value and is worthwhile).

1.0

Strongly disagree

Strongly agree

8



SOUTH AFRICAN RESERVE BANK



Day closure

Pradeep Maharaj



SOUTH AFRICAN RESERVE BANK

Thank you