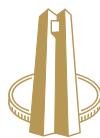


NATIONAL PAYMENT SYSTEM REGULATORY AND OVERSIGHT REPORT

1 APRIL 2025 – 31 MARCH 2026



SOUTH AFRICAN RESERVE BANK





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This report is the 12th edition of the *National Payment System Regulatory and Oversight Report*. The report provides an update on the execution of the SARB's mandate relating to the national payment system as well as an overview of the regulatory, oversight and operational activities and initiatives during the period 1 April 2025 – 31 March 2026.

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Head: National Payment System Department

Foreword

South Africa's national payment system is at a pivotal juncture – where tradition meets transformation and stability converges with innovation. More than simply evolving, the payments landscape is undergoing a profound metamorphosis, shaped by vision, collaboration and the relentless pursuit of excellence. This report invites readers to explore not just the heart of ongoing reforms, but also the dynamic pulse of a sector redefining its foundations to foster a digital, inclusive and resilient economy.

The work presented here is far more than a record of progress; it is a testament to the depth of commitment across our payments ecosystem. Among the most notable initiatives is the adoption of an activity-based regulatory framework – a bold shift that enables non-bank participation and broadens the scope for innovation. Additionally, the Payments Ecosystem Modernisation (PEM) Programme serves as a catalyst for change, accelerating the integration of digital solutions and strengthening the capacity of our market infrastructure, including the South African Multiple Option Settlement system.

Every initiative, policy shift, technological leap and regulatory enhancement reflects the South African Reserve Bank's unwavering dedication to advancing financial inclusion, safeguarding stability and enabling

new opportunities. The interplay between innovation and oversight has never been more pronounced as stakeholders navigate the complexities of a globalised environment that demands speed, transparency and trust.

As you delve into the details that follow, I encourage you to look beyond statistics and milestones to see the dynamic evolution underway – a system being shaped to empower people, connect markets and anticipate the needs of tomorrow. Whether it is the PEM Programme's drive towards faster and more digital payment solutions or new frameworks ensuring broader access, the future is not a distant horizon; it is being forged today through bold vision and collective action. This is a call to participate, to engage and to imagine what is possible when a nation's payment system becomes the enabler of growth, inclusion and prosperity.

The journey outlined in these pages is not only a chronicle of change but a springboard for the next phase of progress. Let us embrace the challenges and opportunities ahead, confident in our capacity to build a payment system ready for the future – one that will continue to serve as the backbone of South Africa's vibrant economy.



OVERVIEW

1

1. Introduction

The national payment system (NPS) plays a critical role in enabling the safe, efficient and reliable flow of funds across South Africa's economy. As the backbone of the financial system, it supports economic activity, financial inclusion and financial stability. The South African Reserve Bank (SARB), through the National Payment System Department (NPSD), continues to fulfil its mandate of regulating, supervising, overseeing and operating key components of the NPS, while driving policy development to support its ongoing evolution.

Guided by the payment reforms for a digital, inclusive and competitive South Africa, the 2025/26 financial year reflects a period of significant transformation within the payments ecosystem. Rapid technological advancements, shifting consumer expectations and the growing need for broader access to financial services have reinforced the importance of a resilient and inclusive payment system. In response, the SARB has advanced a range of reforms aimed at enhancing competition, enabling innovation and ensuring that payment systems remain accessible and efficient for all participants.

Key initiatives during the reporting period include the continued implementation of the Payments Ecosystem Modernisation (PEM) Programme, progress in regulatory reforms to support non-bank participation, and strengthened oversight of both established and emerging payment streams. These efforts have been complemented by ongoing enhancements to domestic and regional payment infrastructures, including the South African Multiple Option Settlement (SAMOS) system and Southern African Development Community Real-Time Gross Settlement System (SADC-RTGS), as well as the growing adoption of faster and more digital payment solutions.

This report provides an overview of the key developments within the NPS over the reporting period, highlighting progress made in modernising the payments landscape, strengthening regulatory and oversight frameworks, and supporting regional and global integration. It also presents insights into system performance and outlines the SARB's continued efforts to build a payment system that is secure, efficient and responsive to the evolving needs of the economy.

Looking ahead, the SARB remains committed to advancing reforms that will further support a digital, inclusive and competitive payments ecosystem. This includes strengthening institutional capacity, deepening collaboration with stakeholders and continuing to drive innovation, all while maintaining the safety, integrity and stability of the NPS.



2

THE NPS AT A GLANCE

NPS in numbers

The statistics provide a snapshot of the scale, usage patterns and participation levels within South Africa's NPS during the reporting period.

Scale

(A snapshot of annual values and volumes of payments processed)

Settlement value **

R167 trn

How South Africans pay

(Headline usage by payment instrument - volume and value)

PayShap **

R486 bn
(507 m transactions)

Card payments at POS *

R1.9 trn
(6 bn transactions)

Total cards issued *

74 m

Ecosystem reach

(Headline count showing the breadth of participation across the payments ecosystem)

Banks in the ecosystem **

39

Value/volume abbreviations

trn - trillion | bn - billion | m - million | k - thousand

*Figures represent totals as at 31 December 2024

**Figures represent totals as at 31 December 2025

Wholesale value**

R148 trn

Retail value **

R19 trn

EFT credits **

R37 trn

(1 bn transactions)

EFT debit *

R2 trn

(947 m transactions)

ATM cash withdrawals *

R1.2 trn

(1.3 bn transactions)

Cashback at POS *

R187 bn

(381 m transactions)

Number of POS terminals *

768 k

Number of ATMs *

30 k

(R2 trn cash in circulation)

Non-bank payment
service providers **

486

Card schemes
in South Africa **

5



- **Mandate**

The SARB, through the NPSD, has the legal responsibility for the NPS, a critical component of South Africa’s financial infrastructure that enables the safe and efficient transfer of funds across the economy.

In fulfilling this mandate, the SARB regulates, supervises and oversees the NPS, while also developing policies to support its ongoing evolution. The SARB acts as a settlement agent for financial institutions and operates the SAMOS system as well as the RTGS system for the SADC region, supporting both domestic and regional payments.

South Africa’s payments landscape comprises a wide range of payment streams, from low-value retail transactions to high-value settlements. These are managed by the Payments Association of South Africa (PASA) and remain subject to the SARB’s oversight. Through this role, the SARB ensures that payment systems are safe, efficient and resilient, while mitigating systemic risk and supporting financial stability and innovation within the payments ecosystem.

- **Vision**

Lead with trust and innovation in building a secure, inclusive payment system that powers South Africa’s economy and uplifts its people.

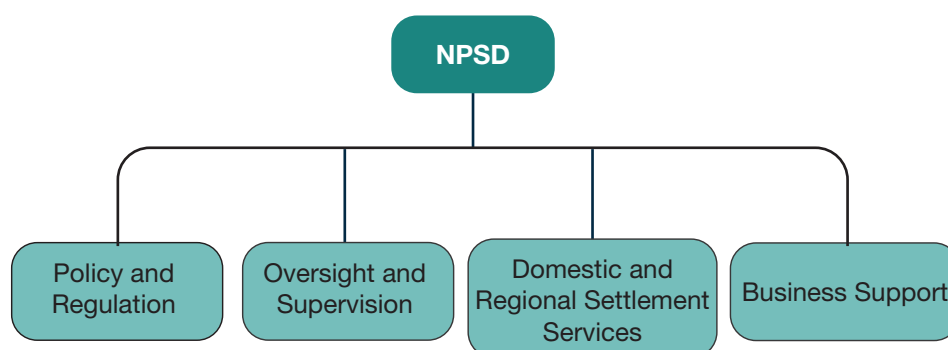
- **Mission**

Ensure a secure, efficient and inclusive national payment system that promotes economic growth and financial stability.

- **Business operations**

The NPSD has four business areas, as depicted in Figure 1:

Figure 1: The NPSD’s business operations





3

REFLECTING ON THE 2025/26 FINANCIAL YEAR

3.1 Modernising payments

The PEM Programme is the SARB's strategic initiative to modernise the national payments landscape by enabling fast, simple, inclusive, affordable and secure digital payments across the economy. PEM is the execution arm of the NPSD, given the step-change nature of the programme. The programme therefore extends beyond the modernisation of technology to strengthen the broader payments ecosystem, and encompasses infrastructure, standards, governance, policy and industry collaboration to ensure that payment systems remain resilient, accessible and responsive to South Africa's evolving economic and societal needs.

This financial year under review marked significant progress for the PEM Programme, with a series of strategic milestones and operational achievements advancing the modernisation of South Africa's payments ecosystem. These achievements position the programme well for substantial value delivery in the upcoming financial year.

Some of the notable achievements include:

- **Appointment of a strategic advisory partner for the PEM Programme**

The appointment of a strategic advisory partner for both the Digital Financial Identity Programme and the broader PEM Programme has brought global expertise to the initiative. This has significantly strengthened the SARB's ability to critically assess appropriate design choices and enhance overall execution capability.

- **Enhancements to payment systems supporting efficiency and regional connectivity**

Upgrades to the SAMOS and SADC-RTGS systems were successfully implemented in November 2025, marking a significant milestone in strengthening the country's payment infrastructure. The latest versions of these systems, namely SAMOS v9 and SADC-RTGS v5, introduced enhancements to ensure continued alignment with global standards. These upgrades have improved settlement efficiency, strengthened

system resilience and enhanced regional connectivity, ensuring that both domestic and cross-border payment processes remain secure, reliable and responsive to evolving market needs. As critical financial market infrastructures (FMIs), these systems continue to play a central role in supporting financial stability and facilitating seamless payment flows across South Africa and the broader SADC region.

- **The SARB's acquisition of a 50% shareholding in PayInc**

The conclusion of the SARB's acquisition of a 50% shareholding in PayInc on 5 November 2025 marked a major step in the establishment of the national payments utility as a strategic intervention to rapidly modernise the South African payments ecosystem. Alignment of delivery roadmaps and cross-organisational governance remains a focal point following the conclusion of the acquisition transaction. A revised governance structure to guide the decision-making process between the SARB's PEM team and PayInc's delivery teams was approved by both the newly constituted PayInc Board and the SARB PEM Steering Committee. The new governance process is well poised to facilitate informed, streamlined decision-making between PEM and PayInc, supporting collaboration and agile management.

- **Advancing a unified payments infrastructure through the Hybrid Unified Payments Platform**

The Hybrid Unified Payments Platform (H-UPP) represents a strategic approach to modernising South Africa's payments infrastructure by enabling the integration of multiple payment systems, including RTGS and faster payments, through shared core services on a unified platform. This approach is designed to enhance efficiency, improve interoperability and support the seamless delivery of payment services across the ecosystem.

During the reporting period, the SARB approved the development of a business case to assess the feasibility of the H-UPP, recognising its potential as a more effective and sustainable model for payments modernisation. The proposed platform seeks to optimise existing investments, particularly those made in the national payments utility (PayInc), while enabling greater scalability, flexibility and alignment across payment system components.

The development of the H-UPP business case will further explore its potential to streamline infrastructure, reduce fragmentation and support the long-term evolution of a more integrated, resilient and future-ready payments ecosystem in South Africa.

- **Approval of Fast Payments System Hit Squad Recommendations**


The Fast Payments System (FPS) Hit Squad Recommendations, approved by the PEM Steering Committee, set out a focused programme to reposition PayShap and the broader FPS as a scalable, inclusive and credible alternative to cash. These recommendations will be used as input to defining the FPS roadmap, with the objective of delivering practical value to the market.

- **Foundational enablers for innovation and inclusion**

The SARB, through the NPSD, published for industry consultation the final draft of a regulatory framework¹ to enable the participation of non-bank entities in the payment system. This framework is aimed at fostering greater innovation and competition, while ensuring that appropriate regulatory oversight is maintained. An internal governance review and approval process is currently underway within the SARB, with stakeholder feedback being incorporated ahead of formal adoption.

In parallel, the first publication of the QR+ standard was released, introducing an enhanced approach to QR-based payments. This was supported by a successful industry proof of concept, which demonstrated the feasibility and effectiveness of the standard. QR+ is expected to improve interoperability, strengthen security and enhance user convenience, thereby supporting the broader adoption of digital payments across the ecosystem.

¹ SARB, 'Directive in respect of specific payment activities within the national payment system', Draft directive for consultation, November 2025.



After a review process, the scope was refined to align with the PEM Programme's minimal viable product (MVP) objectives and timelines. A diagnostic paper combined with a detailed set of fraud recommendations is being finalised. These recommendations seek to strengthen South Africa's fraud prevention, detection and response capability across the payment system by improving data quality, expanding shared intelligence, modernising payment message data, and establishing clearer accountability for fraud outcomes.

- **PEMKey (previously known as digital financial indemnity)**

Multiple initiatives have been contracted to support PEMKey,² including governance and trust design, architectural support, and a friends and family pilot that began at the end of March 2026. In addition, an interim public key infrastructure and trust framework has been implemented, with core components already operational and further enhancements underway.

- **Delivery challenges and programme constraints**

While the programme recorded several notable achievements during the reporting period, several challenges impacted the pace and sequencing of delivery. A key constraint was the prolonged negotiation process for the acquisition of a strategic stake in a national payments entity. Although the transaction was ultimately concluded, the extended timelines resulted in delays across programme activities where external delivery partners play a critical role.

In addition, challenges were experienced in finalising contractual arrangements with an initially selected technical partner for PEMKey. This necessitated a strategic decision to discontinue the engagement and reset elements of the programme. While suitable alternative partners were subsequently identified and progress resumed, this disruption had a negative impact on timelines and overall delivery momentum for the PEMKey workstream.

Notwithstanding these challenges, the PEM Programme's progress over the past year has established a solid foundation for continued advancement. Looking ahead, the focus will shift to implementing and rolling out tangible, market-ready solutions, with at least two major minimum viable products (MVPs) planned for delivery in the 2026/27 financial year. The programme will continue to prioritise the development of a resilient, inclusive and future-ready payments ecosystem, while strengthening execution discipline and proactively managing risks to ensure sustained impact.

3.2 Regulatory reforms for access, innovation and competition

- **Review of the NPS Act**

The policy paper to review the National Payment System Act 78 of 1998 (NPS Act) identified recommendations to amend the NPS Act. These recommendations will be effected through the NPS Bill.

The revision of the NPS Act will assist the SARB in effectively achieving the goals of interoperability, cost effectiveness, financial inclusion, promotion of competition and innovation, and provide an enabling and robust regulatory framework. It will also empower the NPSD in strengthening its mandate through clearly established powers as it evolves away from a self-regulatory model.

The draft NPS Bill was circulated internally within the SARB, including the Prudential Authority, as well as within National Treasury and the Financial Sector Conduct Authority (FSCA). Following subsequent amendments, the draft

² This is a secure, reusable digital credential that verifies an individual's identity and other relevant information within the payments ecosystem, and which may be shared with the individual's consent.

NPS Bill was shared with selected industry stakeholders in March 2025 for initial comment. Workshops were also conducted with banks, non-banks, schemes and operators, after which extensive industry comments were reviewed by the NPS Bill Working Group (WG). The WG aligned relevant definitions and provisions with the draft directive in respect of specific payment activities within the NPS (Regulatory Framework) and further amended the draft NPS Bill based on initial industry comments and guidance from internal SARB discussions. The NPS Bill WG is currently finalising the draft NPS Bill for relevant governance approval structures, after which National Treasury will issue it for public consultation. Therefore, the NPS stakeholder community will also have an opportunity to provide comments before and during the parliamentary process. It should be noted that this process will be led by National Treasury and supported by the SARB. National Treasury intends to table the NPS Bill in Parliament during 2026.

- **Exemption of payment activities from the Banks Act 94 of 1990**

To accelerate the process of granting direct access to non-banks in the NPS before the promulgation of the amended NPS Act, the SARB developed a draft exemption notice to exempt specific payment activities from the definition of ‘the business of a bank’ as specified in the Banks Act 94 of 1990 (Exemption Notice).

The Exemption Notice is supported by a comprehensive Regulatory Framework designed to ensure that entities undertaking the exempted payment activities are subject to appropriate regulation, supervision and oversight within the NPS framework. This approach seeks to mitigate risks to the NPS and the broader financial system while supporting innovation and competition in the payments ecosystem.

Both the draft Exemption Notice and the Regulatory Framework were published for public consultation in March 2025 and industry workshops we also held.^{3,4} After reviewing the comments received, the SARB refined the documents and issued them for a second round of public consultation in November 2025. It is envisaged that the Exemption Notice and the accompanying Regulatory Framework will be finalised and published during the third quarter of 2026.

- **Payment System Management Body Transitional Committee**

The SARB has taken a strategic decision that the future payments industry body (PIB) will no longer be required to develop interoperable rules for participants in the NPS. This decision follows the SARB’s broader policy direction to discontinue the payment system management body (PSMB) regulatory model, with regulatory functions and rule-setting responsibilities transitioning to the SARB as well as to relevant schemes and payment clearing house system operators (PCH SOs).

This shift represents a significant evolution in the governance and regulatory framework of the NPS, aimed at strengthening oversight, enhancing regulatory clarity and ensuring a more streamlined and effective operating environment. By centralising key regulatory functions within the SARB and relevant industry structures, the approach seeks to improve consistency in rule application while supporting the continued development of a modern and inclusive payments ecosystem.

The design of the transitional arrangements is currently underway to support the effective implementation of this change. Key considerations include ensuring legal certainty, maintaining the continuity and stability of payment system operations, and minimising disruption to both NPS participants and employees operating within the PSMB environment. In parallel, the PSMB is engaging with industry stakeholders to explore and define the future role and structure of the PIB, with a focus on ensuring that the new model supports industry collaboration while remaining aligned with the evolving regulatory framework. These efforts are aimed at facilitating a smooth transition and positioning the NPS for sustained resilience, efficiency and innovation.

³ SARB, ‘Draft Payment Activities Exemption Notice’, 14 November 2025.

⁴ SARB, ‘Directive in respect of specific payment activities within the national payment system’, Draft directive for consultation, November 2025.

- **Conduct within the NPS in respect of domestic card transactions (domestic card issuing and acquiring)**

The SARB continued its engagements with relevant stakeholders, such as card schemes and relevant regulatory authorities, to address innovative developments that impact domestic card issuing and acquiring. This included close engagements and collaboration with the Financial Surveillance Department (FinSurv) relating to payment intermediary foreign exchange operators (PIFOs), also referred to as payment facilitators or aggregators.

PIFO models are emerging in South Africa where payment transactions are aggregated and acquired on behalf of offshore merchants who provide goods or services, including digital products, in South Africa. These models bring about efficiencies for customers and merchants, and promote competition. In these models, PIFOs are not acquirers. Instead, they operate under sponsorship arrangements with authorised domestic acquirers. As a result, FinSurv issued a draft aggregator circular titled 'Cross-border retail e-commerce framework', and the SARB's NPSD will issue for public consultation a revised issuing and acquiring directive to address the PIFO models. The SARB's NPSD and FinSurv will publish their respective regulatory instruments simultaneously in the third quarter of 2026, given that PIFO activities give rise to both domestic payment and cross-border reporting considerations.

- **Cloud computing and offshoring of data**

The SARB finalised a consultation paper on cloud computing and data offshoring, which was published for public consultation in March 2025.⁵ The paper set out a proposed policy and regulatory framework governing the adoption of cloud computing and the offshoring of data by payment institutions and operators within the NPS.

The SARB is currently finalising its consideration of the comments received during the public consultation process. The feedback will inform the development of a directive that will prescribe clear requirements for the adoption of cloud computing and data offshoring by payment system FMIs, as well as for the offshoring of non-critical payment data and processes by payment institutions and operators.

Once issued for consultation, the directive is intended to provide a clear, risk-based regulatory framework for the use of cloud computing and data offshoring in the NPS. The framework further seeks to support innovation and operational efficiency while maintaining the safety, efficiency, stability and integrity of the NPS.

- **Climate change policy and regulatory framework in the NPS**

The SARB finalised a consultation paper on the climate change policy and regulatory framework for the NPS, which was published for public consultation in March 2025.⁶ The paper proposed a policy framework aimed at identifying, managing and mitigating climate-related risks within the NPS.

The SARB has concluded its review of the comments received during the public consultation process and drafted a directive to address the potential financial and operational impacts of climate change. This directive prescribes regulatory requirements that will enable payment system FMIs and payment institutions to effectively manage climate-related risks. In addition, it aims to support the development of greener and more environmentally sustainable payment solutions, products and activities, while ensuring the ongoing resilience, safety and efficiency of the NPS. Once finalised, the SARB will publish the draft directive for public comment.

⁵ SARB, 'Cloud computing and data offshoring in the national payment system', Consultation paper, March 2025.

⁶ SARB, 'Climate change policy and regulatory framework in the national payment system', Consultation paper, March 2025.

- **Directive to address risks associated with screen scraping in the NPS**

On 15 November 2024, the SARB published Directive No. 2 of 2024 in the *Government Gazette*, which sets guidelines for issuing electronic funds transfer (EFT) credit payment instructions on behalf of a payer in the NPS.⁷ This directive introduces specific regulatory requirements aimed at addressing the risks associated with screen scraping practices within the NPS. It requires entities that conduct screen scraping, as defined in the directive, to implement appropriate risk mitigation controls to safeguard customer data, enhance security and promote the integrity of payment processes. A key requirement of the directive is that all entities engaging in such activities must be registered with the SARB, thereby strengthening regulatory oversight and improving transparency within this segment of the payments ecosystem.

After the directive was issued, the SARB received 11 applications for registration. The assessment process is currently underway, with the SARB finalising the registration of those entities that meet the prescribed requirements. This process is part of broader efforts to ensure that emerging payment practices are appropriately regulated and aligned with the safety and efficiency objectives of the NPS. The SARB will, in due course, publish the list of entities that have been successfully registered in terms of Directive No. 2 of 2024, further supporting market transparency and stakeholder awareness.

- **Directive in respect of the execution of low-value cross-border electronic funds transfers within the Common Monetary Area**

In April 2025, the SARB issued a joint directive with the other Common Monetary Area (CMA) countries, directing settlement system participants that route low-value cross-border EFTs within the CMA through the SADC-RTGS system to start migrating these transactions to a regional retail payment system designed for such low-value cross-border EFTs, namely the Transactions Cleared on an Immediate Basis (TCIB) payment scheme, and to stop processing low-value cross-border EFTs within the CMA through the SADC-RTGS system by 31 March 2027. The TCIB scheme manager, PayInc, is in the process of onboarding settlement system participants on the TCIB scheme to ensure that they meet the 31 March 2027 deadline.

- **Amendments to Financial Action Task Force Recommendation 16**

In June 2025, the Financial Action Task Force (FATF) published a revised version of Recommendation 16 (R.16) on payments transparency.⁸ The revisions streamline the requirements, with the aim of increasing the safety and security of cross-border payments to better detect financial crime. The revisions include clarifying responsibilities within the payment chain, standardised information requirements, requirements to introduce tools that protect against fraud and error, and clarification on card transactions. The effective date for these revisions is the end of 2030, and the FATF is in the process of developing a guidance note to assist the industry to prepare for the changes. To implement these revisions for South Africa, the SARB will revise the directive for conduct within the NPS in respect of the FATF Recommendations for electronic funds transfers (Directive No. 1 of 2022).

⁷ South Africa, 'Directive in respect of issuing of electronic funds transfer credit payment instructions on behalf of the payer in the national payment system', *Government Gazette* No. 51556, 15 November 2024.

⁸ FATF, FATF updates: Standards on Recommendation 16 on payment transparency, 'Changes to FATF Standards', 18 June 2025

Key changes

The revised FATF R.16 introduces significant updates to strengthen payment transparency while supporting proportionality, financial inclusion and innovation. Key changes include:

- **Restructured and activity-based framework**
R.16 and its Interpretive Note have been restructured to clearly distinguish obligations by type of payment or value transfer activity, rather than by entity type, simplifying the interaction between rules, exceptions and alternative measures.
- **Expanded objectives and risk scope**
The objectives now explicitly address terrorism financing, proliferation financing, fraud, and relevant United Nations Security Council Resolutions, and confirm that R.16 is not intended to negatively affect financial inclusion.
- **Clarification on sanctions screening**
R.16 does not require real-time sanctions screening. The modality of targeted financial sanctions screening remains subject to national regulation and industry practices, providing greater certainty for instant payment systems.
- **Enhanced transparency for cross-border transfers**
Stronger and more symmetrical originator and beneficiary information requirements apply to cross-border payments above the de minimis threshold, with clarified verification responsibilities across ordering and beneficiary financial institutions.
- **Proportionate data requirements**
To limit friction and privacy risks, beneficiary address requirements have been reduced to country and town, while originator date of birth requirements allow the year of birth only where full details are unavailable.
- **New alignment checks to combat fraud**
A flexible requirement has been introduced for alignment checks between beneficiary name and account number, allowing implementation through pre-validation, post-validation or holistic ongoing monitoring, and explicitly supporting fraud detection.
- **Instruction route definition of the payment chain**
The payment chain now begins with the financial institution receiving the customer's instruction and ends with the institution servicing the beneficiary account or providing cash, ensuring end-to-end information flow in modern payment chains.
- **Targeted framework for cross-border cash withdrawals**
New, proportionate requirements address transparency gaps in cross-border automated teller machine (ATM) cash withdrawals, requiring transmission of the card holder's name upon request, while avoiding excessive disruption to cash access.
- **Refined card payment exemption**
The exemption for card-based purchases of goods or services has been retained but clarified to exclude person-to-person transfers, with reliance on card network directories to provide issuer and acquirer information when required.
- **No extension of exemptions to instant payments**
Instant payments remain fully subject to R.16 requirements, reflecting their immediacy, irreversibility and broader risk profile, while benefiting from existing de minimis and domestic payment flexibilities.
- **Implementation and transition period**
Recognising the scale of change, FATF supports a transition period to the end of 2030, complemented by further guidance and public-private engagement to support consistent and orderly implementation.

Implications for South Africa

The revised R.16 has several important implications for South Africa's NPS and regulatory framework:

- The activity-based approach aligns well with South Africa's evolving payment landscape, including the growth of fintechs, instant payments and non-bank payment institutions, but will require supervisory frameworks to focus more explicitly on payment activities rather than institutional form.
- Enhanced cross-border transparency and alignment checks will support South Africa's efforts to combat fraud and illicit financial flows, particularly in the context of increasing digital and instant payment usage.
- The explicit recognition of financial inclusion provides policy space for South Africa to continue promoting inclusive payment solutions while implementing R.16 proportionately, particularly for low-value, domestic and rural transactions.
- The targeted framework for cross-border cash withdrawals is relevant given South Africa's role as a regional financial hub and will require coordination with card issuers, acquirers and ATM servicing institutions.
- The clarification that real-time sanctions screening is not mandated by R.16 provides important comfort for the continued expansion of instant payment systems, while preserving existing targeted financial sanctions obligations under domestic law.
- Implementation will necessitate coordination across regulators, payment, clearing and settlement system operators and industry bodies, including alignment with the ISO 20022 migration and domestic infrastructure modernisation initiatives.
- The transition period to the end of 2030 provides South Africa with an opportunity to phase legislative, regulatory and infrastructure changes in a structured manner, supported by FATF guidance and international cooperation

Domestic processing

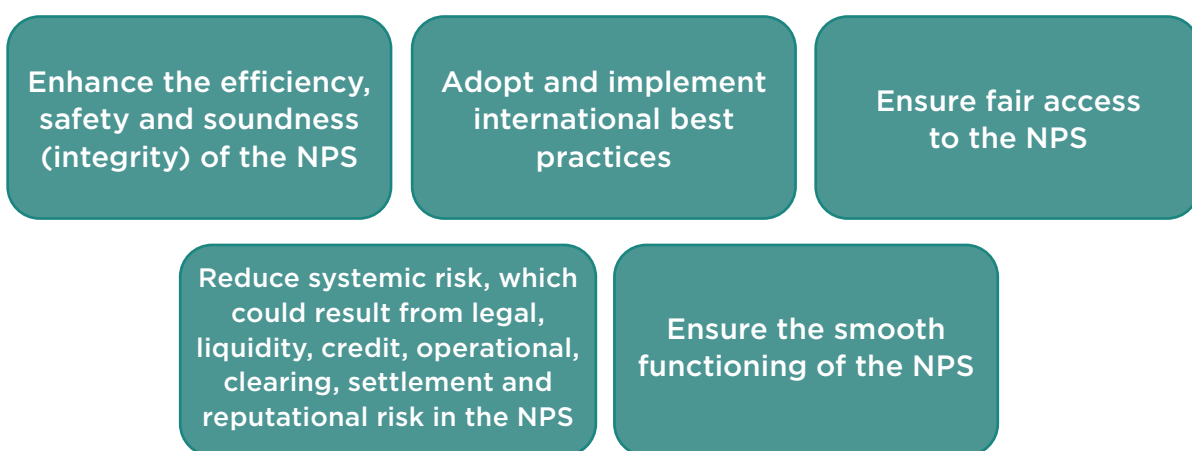
Following extensive internal and external stakeholder engagements aimed at protecting and maintaining domestic payment processing capabilities in South Africa, in 2023, the SARB confirmed its policy position on domestic processing. The decision was implemented through PASA's PCH SO entry and participation criteria that states, "In respect of domestic transactions, the PCH SO must render a clearing service, as well as services pertaining to transaction authorisation through infrastructure that is established and maintained in South Africa. Store data and/or retain records relating to the services in South Africa – clause 3.5.1." The PCH SO criteria include business continuity planning (BCP) requirements. Accordingly, the SARB is undertaking a review of the effectiveness of the PCH SO BCP arrangements and will communicate its position in due course.

3.3 Safeguarding the NPS

The SARB, through the NPSD, is responsible for the regulation, supervision and oversight of recognised systemically important payment system FMIs. These include PayInc (previously the South African Bankers Services Company (Pty) Limited, or BankservAfrica), Strate (Pty) Limited, the SAMOS system and the SADC-RTGS. In fulfilling this mandate, the SARB assesses these FMIs against the Principles for Financial Market Infrastructures (PFMI) to ensure that they operate in a safe, efficient and resilient manner, thereby supporting overall financial stability.

Figure 2 provides a high-level overview of the NPSD's oversight objectives in conducting oversight within the NPS. A detailed description of the legal basis for oversight as well as its objectives and scope can be found in the NPSD's Regulatory, Supervisory and Oversight Framework.⁹

Figure 2: Oversight objectives



During the reporting period, the SARB, through its oversight function within the NPSD, continued to actively monitor and track the progress made by these FMIs in implementing recommendations arising from previous PFMI assessments. This ongoing supervisory engagement plays a critical role in strengthening governance, risk management practices and operational resilience across the payment system, while also ensuring alignment with evolving international standards and best practices.

In the last quarter of 2025, the FMIs submitted updated PFMI self assessments to the SARB, providing a comprehensive view of their current level of compliance and areas requiring further enhancement. These submissions form an important input into the next phase of formal evaluations. Comprehensive assessments against the applicable PFMI principles are scheduled for the 2026/27 financial year and will be conducted in line with established international methodologies.

The Bank for International Settlements' (BIS) Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions will conduct a Level 2 Assessment on South Africa during 2026. Participation in this programme from an NPS perspective underscores South Africa's commitment to ensuring that our legal, regulatory and oversight frameworks are fully complete and consistently aligned with global risk management standards, while continuing to support a stable, efficient and inclusive financial system.

⁹ SARB, 'National Payment System Department Regulatory, Supervisory and Oversight Framework', November 2024.

3.4 South Africa's G20 Presidency: Advancing cross-border payments (and beyond)

Under the Group of Twenty (G20) Presidency in 2025, South Africa placed cross-border payments at the centre of the global payments reform agenda, with a focus on challenges faced by emerging markets and developing economies, particularly across sub-Saharan Africa. This focus was in response to persistent frictions around the cost, speed, transparency and accessibility of cross-border payments, aligning with the G20 Roadmap and the work of the BIS CPMI.

Two key deliverables were identified. The first focused on advancing the harmonisation of payment pre-validation measures, such as confirmation of payee, to enhance trust, safety and efficiency in cross-border payments. Building on this, the CPMI, in collaboration with the SARB, published a paper titled 'Safety and efficiency through payment pre-validation: Spotting issues before money moves.'¹⁰ The paper highlights payment pre-validation (PPV) as a practical tool to improve payment outcomes by reducing errors, strengthening fraud prevention and increasing user confidence. While its application in cross-border payments is still developing, ongoing collaboration among international stakeholders is expected to support broader adoption and help unlock its full benefits across jurisdictions.

The second deliverable emphasised the importance of advancing the need for evidence-based reforms by addressing data gaps and analytical blind spots in cross-border payments, with a focus on Africa-specific corridors. To support this, a targeted call for papers was issued to gain deeper insights into the challenges and opportunities facing sub-Saharan Africa.

For the first deliverable, the SARB, together with the BIS CPMI, convened existing prepayment validation initiatives, engaged solution providers and messaging networks, and contributed to the analysis on how interoperable pre-validation application programming interfaces (APIs) can reduce errors, misdirected payments, fraud and friction. The work culminated in documented practical implementation challenges, highlighted the fragmented global landscape, and set out a policy level case for greater international alignment and adoption of confirmation of payee and related pre-payment validation services, laying a foundation for continued global and regional reform beyond the Presidency.

For the second deliverable, the SARB hosted (in collaboration with the BIS CPMI) the G20 Presidency Conference on Advancing Cross-Border Payments on 22 and 23 October 2025. The conference convened policymakers, regulators, financial institutions, researchers and development partners to examine opportunities and constraints in improving cross-border payments.

The conference produced tangible outputs, including :

- the dissemination of Africa-focused research, with selected papers published on the official conference platform, ensuring open access to new empirical insights; and
- structured policy dialogue linking global reform objectives to regional and corridor-specific realities, particularly within SADC and the broader African continent.

South Africa's Presidency provided the country and the continent at large with the opportunity to advance a practical, inclusive and regionally anchored approach to cross-border payments reform, while also strengthening institutional partnerships between South Africa, the BIS CPMI and other stakeholders to create the momentum for future initiatives on interoperability, data-sharing and payment system modernisation.

¹⁰ D Chamberlain, et al., 'Safety and efficiency through payment pre-validation: Spotting issues before money moves', *CPMI Brief* No. 9, November 2025.



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The legacy of South Africa's G20 cross-border payments priority is expected to extend beyond the individual events and publications mentioned above. It is the SARB and NPSD's considered view that the outcomes of this focus will continue to inform both global discussions and concrete reforms beyond the G20 meetings themselves.

3.5 The vision for payments

The SARB continues to implement initiatives in support of the National Payment System Framework and Strategy: Vision 2025 (Vision 2025). Vision 2025, published by the NPSD in 2018,¹¹ articulates nine goals for the NPS, namely (i) establishing a clear and transparent regulatory and governance framework; (ii) ensuring transparency and public accountability; (iii) supporting financial stability and security; (iv) promoting competition and innovation; (v) improving cost-effectiveness; (vi) enabling interoperability across payment systems and participants; (vii) maintaining flexibility and adaptability to respond to change; (viii) supporting regional integration; and (ix) advancing financial inclusion, ensuring that the NPS supports overall economic growth.

While meaningful progress has been achieved across several of these goals, the SARB acknowledges that delivery in certain areas has proved more challenging, largely reflecting the complexity and pace of regulatory reform processes and the scale of payments infrastructure modernisation efforts. These dynamics have reinforced the need for sharper prioritisation, clearer sequencing and greater transparency around strategic trade-offs.

To support this reflection, the SARB published the NPS Vision 2030+ consultation paper in late February 2026,¹² seeking industry views on whether the time was right to define a new multi-year strategy and the priority areas that should shape it. The approach deliberately moved away from a prescriptive list of projects to instead test the continued relevance of the Vision 2025 goals, examine alignment with the PEM Programme, and invite perspectives on longer-term developments such as digital platforms, wallets, digital money, the economics of adoption and rising fraud risks.

Feedback received through written submissions and structured industry engagements will inform the SARB's decision on the timing, scope and structure of the next payments vision. The SARB is expected to provide an update on the future direction in the second quarter of the 2026 calendar year.

3.6 Strengthening oversight and market conduct in the NPS

As part of the SARB's ongoing commitment to ensuring the safety, efficiency and integrity of the NPS, the NPSD continued to actively exercise its oversight responsibilities across a range of payment system developments and enhancement initiatives. During the reporting period, particular focus was placed on key payment streams such as Authenticated Collections (AC), also known as DebiCheck, and PayShap, both of which represent important components of the evolving payments landscape.

¹¹ SARB, 'National Payment System Framework and Strategy: Vision 2025', 2018.

¹² SARB, 'National Payment System Vision 2030+', Consultation paper, February 2026.

Through continual engagement with industry stakeholders, the SARB maintained close oversight of these initiatives, proactively identifying potential risks, operational challenges and areas requiring improvement. Where necessary, the SARB facilitated and guided enhancements to ensure alignment with regulatory objectives and broader system goals, including consumer protection, operational resilience and the promotion of efficient payment mechanisms. This collaborative and forward-looking approach to oversight has been instrumental in supporting the safe introduction and scaling of new payment solutions within the NPS.

In addition, ongoing work related to interchange reviews continues to play a critical role in promoting transparency, fairness and competitiveness in interchange pricing across payment streams. These efforts contribute to a more balanced and inclusive payments ecosystem, while ensuring that interchange pricing structures remain aligned with regulatory expectations and market developments.

In line with the SARB's continued commitment to strengthening its oversight function, the scope of oversight will be progressively expanded to include non-systemically important payment system participants within the NPS. This broader oversight approach is aimed at enhancing regulatory visibility across the payments ecosystem, supporting consistent application of standards, and ensuring that all participants contribute to a safe, efficient and well-functioning payment system.

- **Interchange determination and pricing oversight in the NPS**

As part of its oversight responsibilities within the NPS, the SARB continues to play a central role in the determination of interchange rates across key payment streams. To date, interchange rates have been established for transactions originating from ATMs, debit and credit cards as well as cash-back transactions at point-of-sale (POS) devices. These determinations support transparency, consistency and fairness in pricing across the payments ecosystem.

In 2025, the SARB undertook a comprehensive data collection exercise through the Payment Information Return (PAYIR) system. Data was received from 24 banks, one designated clearing system participant and two third-party ATM service providers. This data, together with relevant external economic considerations and market developments, was used to assess appropriate interchange levels.

Following this review, it was concluded that the existing interchange rates remain appropriate and aligned with current market conditions. As such, no revisions were made to the prevailing rates. Stakeholders were formally notified of this outcome on 5 February 2026. The SARB will continue to monitor developments in the payments landscape and periodically reassess interchange arrangements to ensure they remain fit for purpose, support competition and innovation, and contribute to a safe, efficient and inclusive NPS.

- **Progress on Interchange Determination Project Phase V and system enhancements**

Building on this ongoing oversight and review process, the Interchange Determination Project (IDP) Phase V was initiated in September 2024 as a key programme to further strengthen the interchange framework. The project is led by the SARB and supported by Deloitte Consulting (Pty) Limited, and combines regulatory oversight with technical expertise to enhance the overall approach to interchange determination.

IDP Phase V focuses on a comprehensive review of interchange across both regulated and unregulated payment streams. The objective is to ensure that interchange pricing structures remain appropriate, transparent and aligned with evolving market dynamics, including changes in payment technologies, user behaviour and the increasing need to support competition and financial inclusion.

In addition to the interchange review, a dedicated workstream was established to assess and enhance the PAYIR system. This initiative includes the development of a detailed requirements document to inform system enhancements or potential redesigns, with the aim of improving data quality, reporting capabilities and overall efficiency. These enhancements will support a more data-driven and responsive approach to regulatory decision-making.

Figure 3: IDP Phase V approach



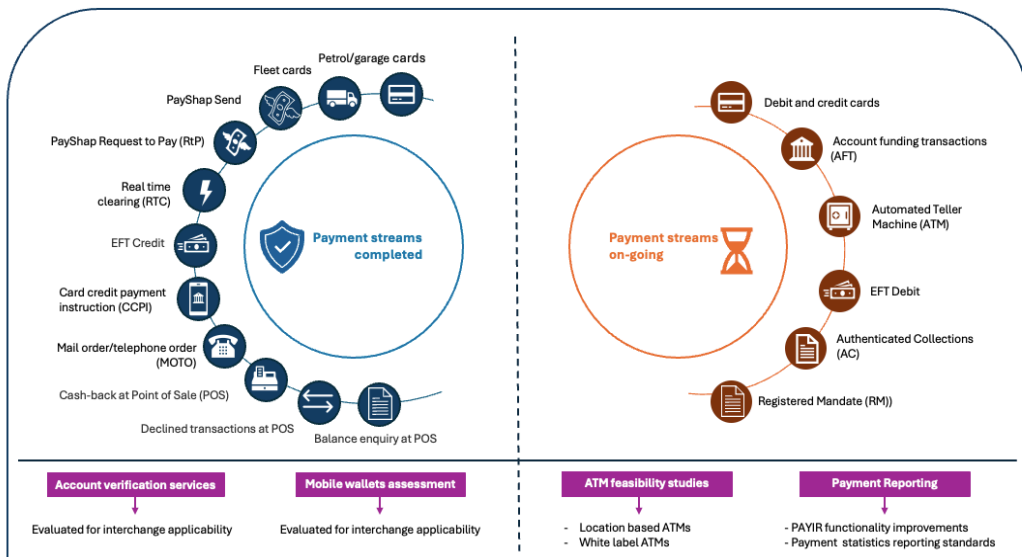
The IDP Phase V approach is focused on developing a structured interchange framework to guide future decisions. The framework categorises payment streams based on their underlying use cases, including cash-in, cash-out funds transfers, collections and purchases. This enables a more standardised and consistent treatment of payment streams that serve similar functions within the NPS.

The framework also outlines the end-to-end interchange determination process, including the frequency of reviews, the strategic objectives underpinning interchange, and the intended outcomes for each payment stream. This structured approach supports greater consistency, transparency and predictability in the determination of interchange over time.

• **Progress across payment streams**

As illustrated in Figure 4, progress has been made in determining interchange across multiple payment streams and payment instructions, with a clear distinction between completed workstreams and those that are in progress (ongoing).

Figure 4: IDP Phase V: Completed versus ongoing payments streams



The completed streams reflect areas where interchange has already been assessed and implemented, helping to make pricing more transparent and efficient within the payments ecosystem. The ongoing streams highlight areas where further work is being undertaken to finalise determinations, taking into account evolving market dynamics, product innovation and the need to ensure that pricing structures remain fair, appropriate and supportive of competition and financial inclusion. In addition, an assessment of mobile wallets was conducted to evaluate how interchange might apply as these services become more interconnected in the future. This work supports the development of an inclusive and interoperable payment environment, while ensuring that appropriate pricing mechanisms are in place as new payment channels continue to emerge and expand. Complementary initiatives, including account verification services, ATM feasibility studies and enhancements to payment reporting frameworks, are also in progress. These initiatives are aimed at strengthening the supporting infrastructure and data capabilities of the NPS, enabling more informed decision-making and improving overall system efficiency.

Looking ahead, IDP Phase V is expected to culminate in the publication of a comprehensive interchange framework, the implementation of updated interchange rates where applicable, and the finalisation of technical enhancements to the PAYIR system during 2026. These outcomes will further support the development of a transparent, competitive and future-ready payments ecosystem in South Africa.

3.7 Migration and governance of domestic settlement rules

The SARB, through the NPSD, successfully took over management of the Domestic Settlement Rules from PASA on 17 November 2025. This marked a significant milestone in strengthening the regulatory and governance framework of the NPS. Following this transition, the first Settlement System Participant Group meeting led and chaired by the SARB was held on 10 February 2026, marking the SARB's full assumption of this responsibility.

As part of this transition, the SARB has assumed responsibility for the administration and oversight of the Domestic Settlement Rules as well as broader rule management functions relating to participation, schemes and sanctions within both domestic and regional settlement environments. This expanded role supports the SARB's objective of enhancing regulatory oversight, promoting consistency in rule application, and ensuring the safe and efficient functioning of the payment system.

Domestic Settlement Rules are managed using a structured governance framework that promotes clear accountability, transparency and appropriate segregation of responsibilities. The framework encompasses various governance committees, each mandated to oversee specific areas, such as risk management, strategic advisory matters, dispute resolution and compliance enforcement, as well as appeals processes. These structures are designed to support effective decision-making while maintaining robust oversight and regulatory integrity.

Membership of these governance structures includes representation from both the SARB and the payments industry, where appropriate, to ensure balanced input and industry engagement. However, all committees are chaired by the SARB, with defined decision-making authority to ensure that regulatory oversight is maintained and that reliance on industry self-regulation is appropriately limited. The SARB has also developed and is implementing the necessary policy and governance documentation to support the effective operation of this function. The finalisation of the migration process is expected to be completed by the end of the 2025/26 financial year, further strengthening the institutional framework underpinning the NPS and supporting its continued stability, resilience and evolution.

3.8 Fintech developments and emerging innovations

Financial technology (fintech) is increasingly shaping the structure and functioning of South Africa's payment system through new digital payment instruments, data-enabled services and frontier technologies. During the year under review, the SARB's Fintech Division worked in collaboration with the NPSD and other domestic regulatory authorities to drive policy analysis, regulatory coordination and forward-looking research on fintech-related issues with implications for the NPS.

- **Crypto assets**

The growing use of stablecoins for domestic and cross-border transactions has highlighted important considerations for payment system oversight, monetary sovereignty and financial stability. Through the Intergovernmental Fintech Working Group's (IFWG) Crypto Assets Regulatory Working Group (CAR WG), the Fintech Division collaborated with relevant authorities to advance research on the implications of stablecoins in South Africa's financial system. This work informed the publication of a Stablecoin Landscape Diagnostic¹³ in 2025 and a discussion paper on rand-pegged stablecoin arrangements¹⁴ in 2026. Looking ahead, the CAR WG will shift to unpacking the implications of foreign currency-pegged stablecoins, with the aim of developing a comprehensive set of recommendations for the treatment of stablecoins in South Africa.

- **Open finance**

The IFWG's Open Finance Integration Working Group has continued to advance research and facilitate engagements on the direction of open finance for South Africa, including a recent comprehensive cost-benefit analysis study. Building on this work, South Africa's open finance journey is progressing from research and policy development into a phased implementation process on specific use cases such as payment initiation, to be led by the NPSD.

- **Central bank digital currencies (CBDCs)**

In a position paper published in 2025,¹⁵ the SARB found that while a retail CBDC is technically feasible, there was no compelling immediate need for its implementation. The current priority remains the modernisation of South Africa's payments ecosystem and expanding participation in the NPS. Looking ahead, the SARB will continue to monitor developments and pivot its focus towards exploring wholesale CBDC applications, ensuring readiness should future needs arise.

- **G20 TechSprint 2025**

As part of South Africa's G20 Presidency, the SARB hosted the sixth edition of the G20 TechSprint¹⁶ in collaboration with the BIS Innovation Hub, under the theme of 'Trust and integrity in scalable and open finance'. The 2025 TechSprint focused on fraud and cyber risk mitigation in fast payment systems, digital identity solutions and secure data portability, and aimed to surface innovative solutions to support global efforts to promote more secure and inclusive digital payment systems.

¹³ SARB, 'SARB position paper on the necessity of a retail CBDC in South Africa', November 2025.

¹⁴ IFWG, 'Functional analysis of existing regulatory frameworks and rand-pegged stablecoin arrangements in South Africa', March 2026.

¹⁵ SARB, 'SARB position paper on the necessity of a retail CBDC in South Africa', November 2025.

¹⁶ BIS Innovation Hub, 'G20 TechSprint: Retrospective Report', 2025.

- **Artificial intelligence (AI) in financial services**

The increasing use of AI across financial institutions has important implications for payments, including fraud detection, credit decision-making, customer interfaces and operational resilience. In November 2025, the FSCA and the Prudential Authority (PA) jointly published a report¹⁷ which provided an overview of AI adoption across the sector, key use cases, and the associated opportunities and risks. Building on these findings, the Fintech Division is collaborating with the PA and the FSCA to develop a discussion paper examining policy options for AI in financial services, which is expected to be published in June 2026.

- **Regulatory sandbox and payment aggregation use cases**

The IFWG Regulatory Sandbox, co-led by the SARB, complements policy development by generating practical evidence through controlled testing of innovative financial services. During the period under review, two cross-border payment aggregation use cases were successfully tested, with the SARB's FinSurv acting as the primary regulator. The test cases examined how low-value payments collected from multiple South African clients for international merchants could be aggregated and remitted offshore in compliance with applicable anti-money laundering and combating the financing of terrorism (AML/CFT) requirements and balance of payments reporting obligations. The testing provided valuable insights on payment initiation, collection, aggregation and cross-border reporting processes, highlighting the importance of close coordination between the NPSD and FinSurv to ensure that domestic payment system integrity and cross-border regulatory objectives are met, while reducing uncertainty for the market and informing fit-for-purpose payment rules.

¹⁷ FSCA and PA, *Artificial Intelligence in the South African Financial Sector*, 24 November 2025.

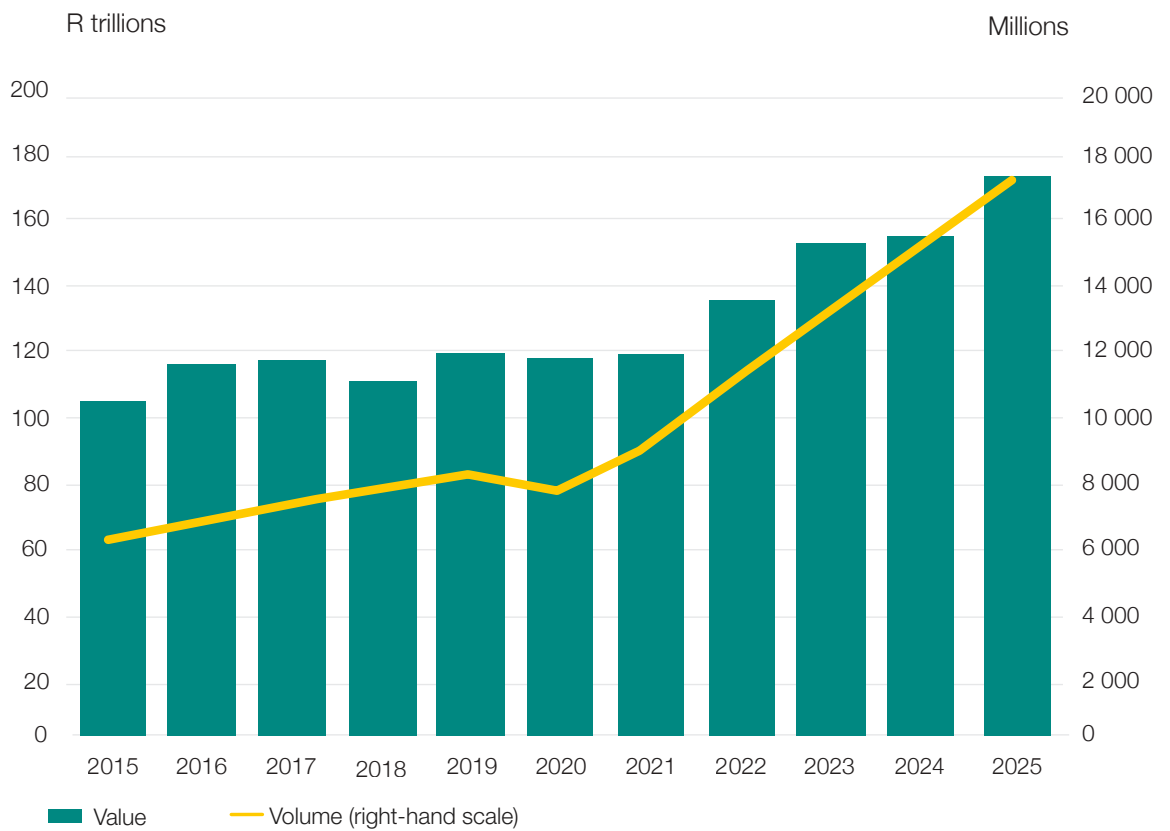
4

INSIGHTS ON THE NPS

4.1 SAMOS system statistics

The total value of payment transactions settled in the domestic RTGS system (i.e. the SAMOS system) increased by 9%, from R153.7 trillion in 2024 to R167.3 trillion in 2025. In the same period, settlement volumes increased from 16.0 million to 17.4 million. It should be noted that in terms of value, wholesale payments settled in real time in the RTGS system accounted for 88% of the settlement values in the SAMOS system, while retail payment settlement obligations submitted for settlement by PCHs accounted for the remaining 12%. The total value of retail payment transactions settled in the SAMOS system increased from R18 trillion in 2024 to R19 trillion in 2025.

Figure 5: SAMOS system – settled payment values and volumes

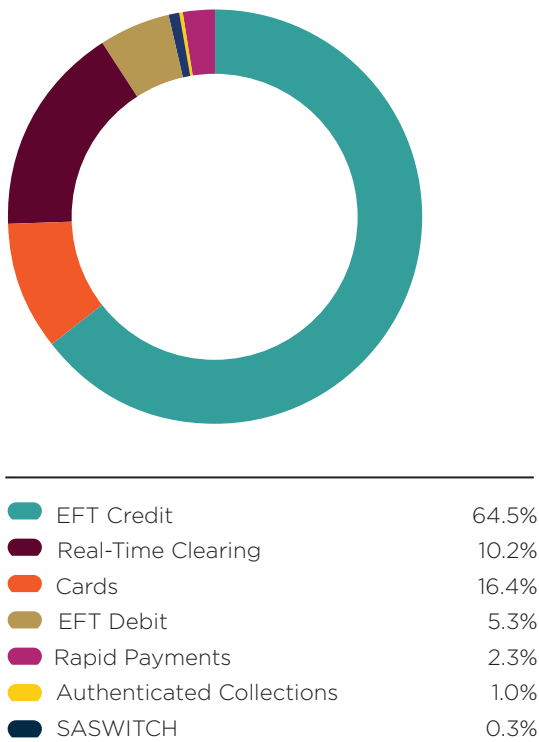


As illustrated in Figure 6, the composition of retail payment settlement values in the SAMOS system for 2025 reflects the continued dominance of EFT credit transactions, which accounted for 64.5% of total retail settlement values. This highlights the sustained reliance on EFT credit as the primary retail payment instrument.

Card payments represented the second-largest share at 16.4%, indicating their significant and growing role in retail transactions, supported by increased digital adoption and card usage across the economy. Real-time clearing (RTC) transactions contributed 10.2%, demonstrating the ongoing shift towards faster payment solutions. EFT debit transactions accounted for 5.3% of total values, while rapid payments (RAPI) contributed 2.3%, reflecting the early but increasing uptake of newer payment streams. AC and SASWITCH transactions made up relatively small portions at 1.0% and 0.3% respectively.

Overall, the distribution of retail payment settlement values indicates a payments ecosystem that remains anchored in traditional EFT instruments, while gradually evolving towards faster, more digital and innovative payment methods.




Figure 6: Retail payment settlement values on the SAMOS system (2025)



4.2 SADC-RTGS statistics

The SADC-RTGS participation as of the end of March 2026 reflects a total of 88 participants, comprising 80 financial institutions and 8 central banks across the SADC region. This reflects a growing commitment to regional financial integration and the enhancement of cross-border payment systems.

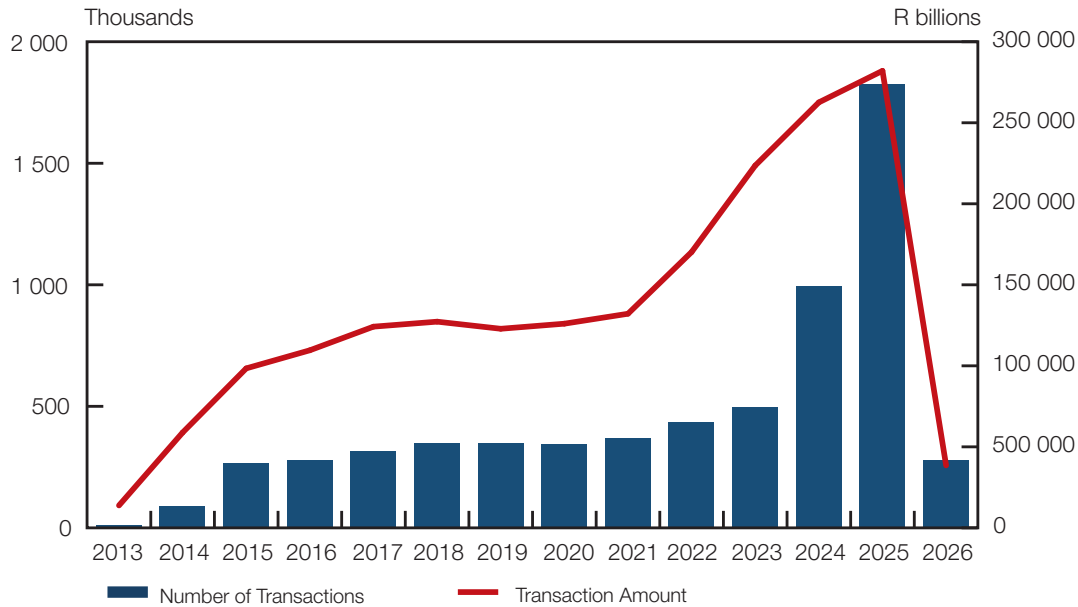
Table 1: SADC-RTGS participation as of the end of March 2026

Country	Number of participating banks	Number of participating central banks	Total
 Angola	6	0	6
 Botswana	5	0	5
 Democratic Republic of Congo	4	1	5
 Eswatini	4	1	5
 Lesotho	0	1	1
 Madagascar	8	1	9
 Malawi	3	0	3
 Mauritius	3	0	3
 Mozambique	6	0	6
 Namibia	4	1	5
 Seychelles	0	1	1
 South Africa	8	1	9
 Tanzania	7	0	7
 Zambia	9	1	10
 Zimbabwe	14	0	14
Total for SADC-RTGS	80	8	88



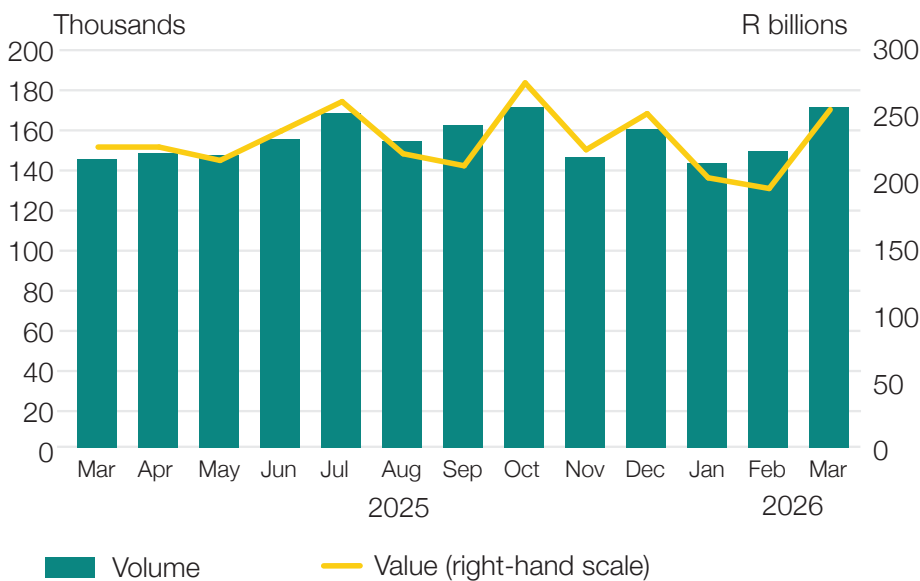
The SADC-RTGS transaction data from 2013 to 2026 shows steady growth in both volumes and values, with a sharp rise between 2021 and 2024. Transaction volumes peaked at just under one million, while values reached record highs in 2024 and 2025 before dropping significantly in 2026. Overall, the long-term trend reflects increased use of the system and deeper regional financial integration.

Figure 7: Transaction volumes and values on the SADC-RTGS system



The monthly SADC-RTGS data from March 2025 to February 2026 shows stable transaction volumes, generally ranging between 140 000 and 170 000, with peaks recorded in July, September and October 2025. Transaction values followed a similar pattern, rising sharply in October 2025, before gradually declining in early 2026. Overall, Figure 8 reflects consistent system usage with mild seasonal fluctuations in both volumes and values.

Figure 8: Monthly volumes and values on the SADC-RTGS system



4.3 DebiCheck statistics

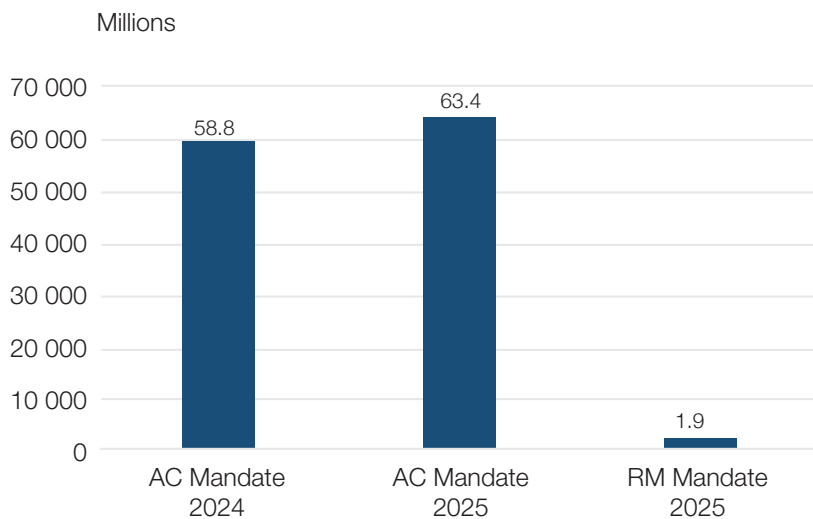
The separation of the Registered Mandate Service, now known as Registered Mandate (RM), from the AC/DebiCheck payment system was implemented in May 2025. Following the separation, AC/DebiCheck and RM now operate as independent, standalone payment systems under their own PCH. By keeping these functions separate, the debit order payment systems have become more stable and reliable, and provide a sound platform to support ongoing modernisation efforts and the SARB's broader oversight objectives for a safe, efficient and inclusive NPS.

Post-implementation indicators show that both payment systems have continued to demonstrate stable performance, with high mandate initiation success and collection rates. The overall system usage across both payment systems reflects sustained industry adoption and continued confidence in mandate initiation and collections success rates. Mandate initiations remained robust, supported by consistently high authentication success rates on AC/DebiCheck, while the collections performance remained broadly stable.

- **Mandate initiation success rates**

Figure 9 provides an overview of the year-on-year mandate initiation success rates.

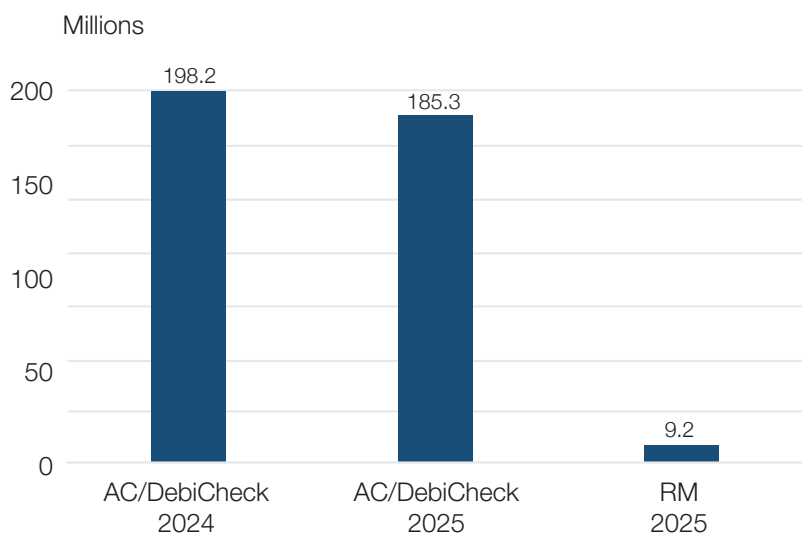
Figure 9: AC/DebiCheck and RM initiation success rates



- **Collection success rates**

Figure 10 provides an overview of the AC/DebiCheck and RM total collection volumes processed.

Figure 10: AC/DebiCheck and RM collections



4.4 PayShap statistics

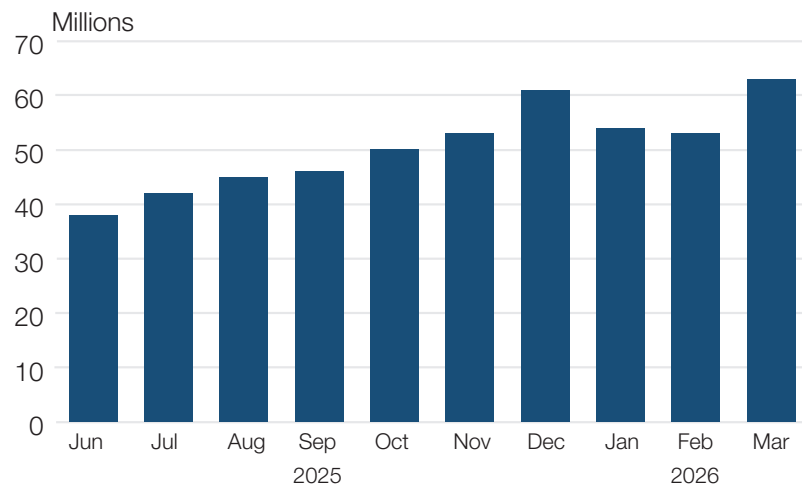
In 2025, PayShap strengthened its position as a leading digital faster payments system in South Africa, supporting financial inclusion in line with the SARB's Vision 2025 and the PEM Programme's faster payments objectives. In addition, PayShap demonstrated robust growth and resilience, with increased scalability and interoperability, expanding to 14 participating banks with more expected to join during 2026.

Since its launch in 2023, PayShap has processed 725 million successful transactions, totalling R659 billion in value. The PayShap Request to Pay feature, introduced in late 2024, accounted for 218 991 transactions valued at R74.2 million. In December 2025, PayShap processed a record high of 60 million transactions with a rand value of over R62 billion. This achievement highlights the technical stability and increased adoption of the product. To date, 5.5 million unique ShapIDs (unique identifiers that enable payments to be sent or received without disclosing an account number) have been registered.

The focus for 2026/2027 will be on PayShap enhancements such as fraud monitoring, QR code implementation (aligned with the SARB's QR+ standard), cost efficiency, consistent user experience and expanded use cases to further drive adoption and ecosystem growth.

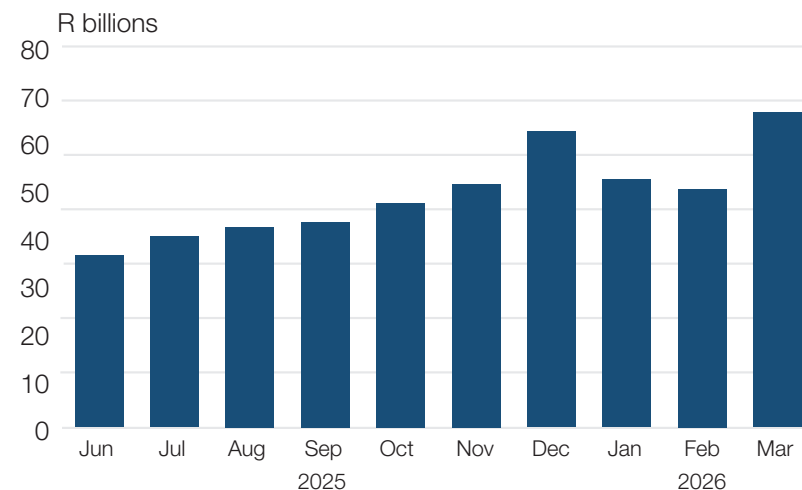
Visit the PayShap website for more information at <https://www.payshap.co.za/#/home>

Figure 11: Total transaction volumes on the PayShap system*



*The PayShap volumes data includes the migration of real-time clearing transactions.

Figure 12: Total settlements values on the PayShap system*



*The PayShap value data includes the migration of real-time clearing transactions.





5

REGIONAL, CONTINENTAL AND GLOBAL INTEGRATION EFFORTS

5.1 Developments relating to CMA, CCBG, AACB and other global affiliations

South Africa recognises that efficient, safe and affordable cross-border payments are central to global trade, financial inclusion and economic integration.

Through its active participation in regional, continental and global forums, the SARB seeks to foster collaboration that allows South Africa to contribute to shaping regulatory, policy and infrastructure reforms that benefit consumers and businesses. At a regional level, this includes engagement within the CMA and the SADC Committee of Central Bank Governors (CCBG) Payment System Subcommittee. At a continental and global level, the SARB contributes through the Association of African Central Banks (AACB) Payments Integration Task Force, the BRICS Payments Task Force as well as its ongoing participation in the BIS CPMI, ensuring alignment between regional priorities and global standard-setting processes.

From a CMA and SADC perspective, this collaboration has translated into concrete initiatives aimed at reducing frictions in cross-border payments. These include reforms to the regional instant payment system (the TCIB) to improve efficiency and usage, efforts to advance regulatory alignment across jurisdictions and enhance compliance with AML/CFT standards, work to enable interoperable digital identity and electronic Know Your Customer (eKYC) capabilities to support safer and more inclusive cross-border participation, initiatives to accelerate the onboarding of multiple currencies on the regional real-time gross settlement system (the SADC-RTGS), and the promotion of consumer education to strengthen awareness of risks and protections in cross-border payments.

As this work advances, the SARB underscores the importance of active participation in the relevant governance structures. In its capacity as the coordinating central bank for payments within the CMA and SADC, the SARB convenes stakeholders, sustains implementation momentum, and promotes coherence between domestic priorities and regional and global reform efforts.

Continued engagement remains essential to delivering aligned and durable cross-border payments reform, with measurable benefits for consumers and businesses.

5.2 Updates on SADC-RTGS

During the reporting period, the SARB, as the SADC-RTGS Operator, undertook the following initiatives to maintain the regional RTGS, in line with its strategic objectives and mandate.

- **Extending SADC-RTGS operating hours, including Saturday processing**

To enhance cross-border payments and support the G20 objectives, extending the SADC-RTGS operating hours was identified as one of eight strategic initiatives under the Domestic Retail Settlement System's (DRSS) target operating model (TOM), contributing to the delivery of Vision 2025. Although the SADC-RTGS is technically available all year round (24/7/365), this initiative seeks to extend operating hours through a phased implementation. Previously, settlement took place only on weekdays (Monday to Friday) from 07:00 to 16:00, in line with existing regional market arrangements. In October 2024, settlement window 3 was extended by 25 minutes: from 12:00-16:00 to 12:00-16:25. Saturday operations were introduced on 14 April 2025, with the SADC-RTGS Operator going live on Saturday, 19 April 2025, which extended operating hours from being closed to running from 07:00 to 12:00.

- **SADC-RTGS multicurrency**

The SADC-RTGS Operator is in the process of onboarding SADC currencies as well as one non-SADC-RTGS currency as settlement currencies in the SADC-RTGS. These currencies are currently at different stages of the project life cycle. Industry awareness sessions will be conducted for those that have progressed to the industry engagement phase.

- **SADC-RTGS v6 HVPS+ and CBPR+**

This project will align the SADC-RTGS with the SR2026 ISO 20022 HVPS+ and CBPR+ message settlement usage guidelines, enabling interoperability with other payment systems. In preparation for the UG2026 release in November 2026, the SADC-RTGS Operator, in collaboration with industry stakeholders, will take a holistic approach to updating the existing HVPS+ and CBPR+ usage guidelines for all settlement messages that affect the SADC-RTGS. The project has the following planned and achieved milestones:



The SADC-RTGS message collection on the SWIFT MyStandards Portal has been finalised and published.



The SADC-RTGS Technical Articulation Document ISO20022 SR2026 for the SADC-RTGS v6 (SR2026) MyStandards Usage Guideline has been finalised and published.



The Scope Matrix, which provides a comprehensive list of all changes to be implemented in the November 2026 release, has been finalised and published.



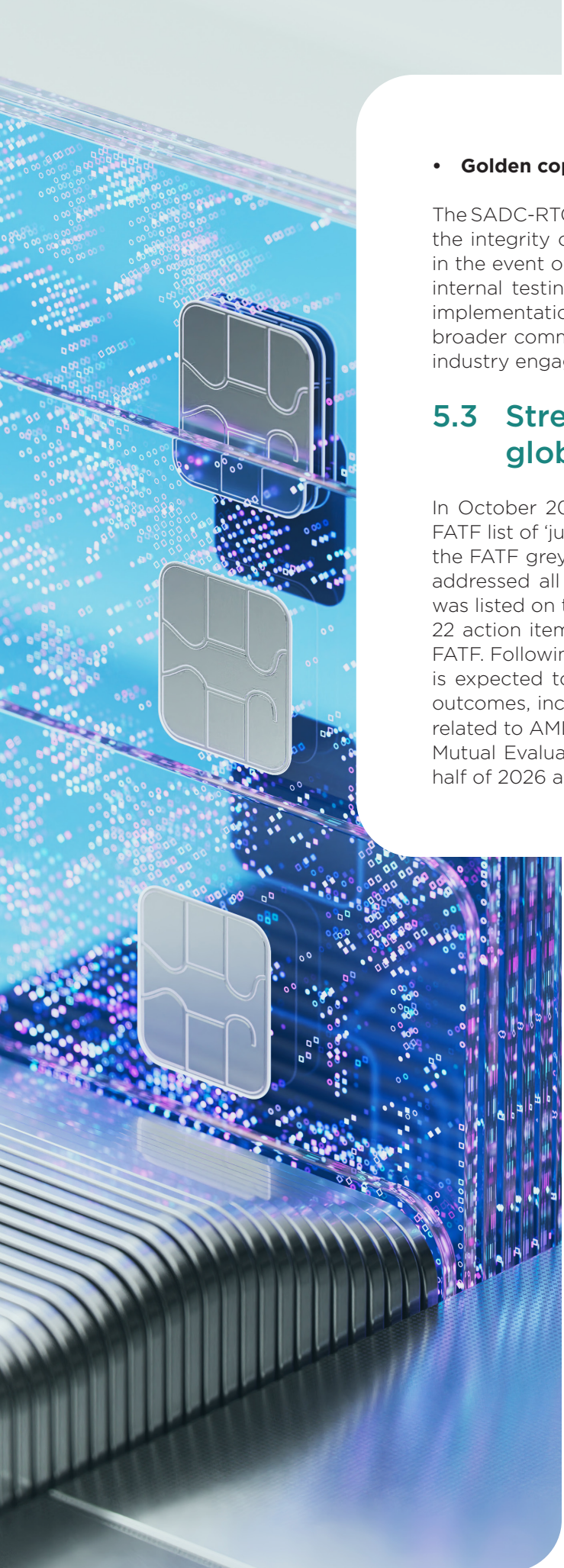
The Impact Analysis Specification, which outlines the full set of functional, operational and system impacts associated with v6 changes, has been finalised and published.



The SADC-RTGS Operator is in the process of finalising the Functional Requirements Specification (FRS) document. As per the governance process, the FRS will be reviewed by the Team of Experts (TOE), and the finalised document will be shared with participants.



All documents have been shared on the SADC-RTGS CSM Portal for participants to access. The updated My Standards changes have been published on the SWIFT portal and communicated to the industry.



- **Golden copy**

The SADC-RTGS Operator is implementing a golden copy solution to protect the integrity of the SADC-RTGS database and support data preservation in the event of corruption or contamination. The project is currently in the internal testing phase, with several key milestones already achieved and implementation planned for May 2026. Industry awareness sessions and broader communication will be initiated once the project advances to the industry engagement phase.

5.3 Strengthening South Africa’s global standing

In October 2025, the FATF announced that South Africa had exited the FATF list of ‘jurisdictions under increased monitoring’, commonly known as the FATF greylist. This decision came after the South African Government addressed all the deficiencies identified by the FATF since South Africa was listed on the FATF greylist in February 2023, including completing the 22 action items in the Action Plan agreed between South Africa and the FATF. Following South Africa’s removal from the FATF greylist, the country is expected to demonstrate continued commitment through measurable outcomes, including successful investigations, prosecutions and sanctions related to AML/CFT. This commitment will form the basis of the next FATF Mutual Evaluation for South Africa, which is expected to start in the first half of 2026 and conclude in October 2027.

6

FUTURE READY: STRENGTHENING CAPACITY AND CAPABILITY

The second phase of the NPSD's organisational structure review was informed by ongoing developments in the payment environment and the broader regulatory context. These developments have contributed to an expanded scope of responsibilities as well as a more diverse range of participants within the payment system, with corresponding implications for licensing, regulation and supervision. The emergence of new technologies and market participants, such as payment stablecoin providers and, over time, tokenised deposits, further underscores the need for sufficient regulatory and supervisory capacity to support a resilient and well-functioning payment system.

At the same time, rapid innovation in payment systems continues to present new risks and opportunities, requiring enhanced support for PEM initiatives such as centralised fraud management and deposit-flow integrity mechanisms, and effective management of the interchange regime. As a result, it was necessary to review organisational structures to ensure responsiveness, continued regulatory effectiveness and alignment with the strategic priorities of the NPSD.

The outcomes and proposed changes to the divisional structures of the Policy and Regulation Division, Oversight and Supervision Division, and Business Support Division were approved in February 2026 and are in the process of being communicated and implemented. While the organisational structure review has been concluded, continual assessment and role alignment will remain necessary as the NPSD evolves to ensure sustained alignment with strategic priorities and emerging challenges.




CONCLUSION

The 2025/26 financial year reflects meaningful progress in advancing payment reforms towards a more digital, inclusive and competitive South Africa. Through continued modernisation, strengthened regulatory frameworks and enhanced oversight, the SARB has reinforced the resilience, efficiency and integrity of the NPS. Looking ahead, in 2026/27 the SARB will focus on delivering a set of critical milestones that will shape the next phase of payment reforms. Central to this will be the finalisation of the activity-based regulatory frameworks enabling non-bank participation in payment activities. This represents a pivotal shift in the regulatory approach to payments, providing a proportionate framework that broadens participation, promotes competition and innovation, and expands access to payment services, while preserving the safety, integrity and stability of the NPS. Enabling non-bank participation in this manner is a key enabler of a more inclusive and dynamic payments ecosystem.

At the same time, the SARB will oversee the transition of the PSMB, strengthening governance arrangements in line with the evolving role and complexity of the payments ecosystem. In parallel, the SARB will progress with efforts to capacitate the NPSD, ensuring it is appropriately resourced, skilled and structured to execute its mandate effectively in an environment characterised by simultaneous regulatory reforms, infrastructure renewal and ecosystem orchestration.

Significant progress will continue under the PEM Programme, with particular emphasis on advancing the strategic design of the new RTGS systems for the domestic and regional environments. This work will ensure that South Africa and SADC's core settlement infrastructure remains secure, resilient, interoperable and fit for purpose as participation broadens and transaction volumes and complexity increase.



The SARB will undertake the second iteration of the national payments study, providing deeper insights into payment instruments usage, costs and frictions, and strengthening the evidence base for policy, regulatory and investment decisions.

Finally, the SARB will confirm the way forward on the future payments vision, informed by the outcomes of the Vision 2030+ consultation process and structured industry engagement. This will provide clarity on the timing, scope and strategic intent of the next multi-year payments strategy. Together, these actions signal a decisive shift from design and consultation towards sustained execution and delivery, reinforcing the SARB's commitment to a payment system that is safe, efficient, cost-effective, inclusive and positioned to support South Africa's economic growth in the years ahead.

Abbreviations

AACB	Association of African Central Banks
AC	Authenticated Collections
AI	artificial intelligence
AML	anti-money laundering
ATM	automated teller machine
API	application programming interface
BCP	business continuity planning
BIS	Bank for International Settlements
CAR WG	Crypto Assets Regulatory Working Group
CBDC	central bank digital currency
CBPR+	Cross-Border Payments and Reporting Plus
CCBG	Committee of Central Bank Governors
CFT	combating the financing of terrorism
CMA	Common Monetary Area
CPMI	Committee on Payments and Market Infrastructures
EFT	electronic funds transfer
eKYC	electronic Know Your Customer
FATF	Financial Action Task Force
FinSurv	Financial Surveillance Department
FMI	financial market infrastructure
FPS	fast payments system
FRS	Functional Requirements Specification
FSCA	Financial Sector Conduct Authority
G20	Group of Twenty
HVPS+	High-Value Payments Plus
H-UPP	Hybrid Unified Payments Platform
IDP	Interchange Determination Project
IFWG	Intergovernmental Fintech Working Group
ISO	International Organization for Standardization
MVP	minimum viable product
NPS Act	National Payment System Act 78 of 1998, as amended
NPS	national payment system
NPSD	National Payment System Department
PA	Prudential Authority

PASA	Payments Association of South Africa
PAYIR	Payment Information Return
PCH	payment clearing house
PEM	Payments Ecosystem Modernisation (Programme)
PFMI	Principles for Financial Market Infrastructures
PIB	payments industry body
PIFO	payment intermediary foreign exchange operator
POS	point of sale
PPV	payment pre-validation
PSMB	payment system management body
QR	quick response
RAPI	rapid payment
RM	Registered Mandate
RTGS	real-time gross settlement (system)
SADC	Southern African Development Community
SAMOS	South African Multiple Option Settlement (system)
SARB	South African Reserve Bank
SCPC	Survey of Consumer Payment Choice
SO	system operator
TCIB	Transactions Cleared on an Immediate Basis
TOE	Team of Experts
Vision 2025	National Payment System Framework and Strategy: Vision 2025
WG	working group

