



SOUTH AFRICAN RESERVE BANK

The South African Reserve Bank's criteria for authorisation to act as a system operator

1. Introduction

- 1.1 In terms of section 10(1)(c) of the South African Reserve Bank Act 90 of 1989, as amended (SARB Act), the South African Reserve Bank (SARB) is required to perform such functions, implement such rules and procedures and, in general, take such steps as may be necessary to establish, conduct, monitor, regulate and supervise payment, clearing or settlement systems. Furthermore, the National Payment System Act 78 of 1998, as amended (NPS Act) provides for the management, administration, operation, regulation and supervision of payment, clearing and settlement systems in the Republic of South Africa and related matters.
- 1.2 The national payment system (NPS) encompasses the entire payment process from payer to beneficiary, including settlement between banks. The process includes all tools, systems, mechanisms, institutions, agreements, procedures, rules and laws applied or used to effect payment. The NPS enables the circulation of money by enabling transacting parties to exchange value.
- 1.3 As set out in the *Directive: Withdrawal of the South African Reserve Bank's recognition of the Payments Association of South Africa as payment system management body*, the SARB, in terms of section 3(2A)(a) of the NPS Act, withdrew the recognition of the payment system management body (PSMB) with effect from 2 September 2026 (effective date). In addition, on 11 August 2026, the SARB issued a notice titled "*Notice to all stakeholders in the national payment system on the payment system management body transitional arrangements relating to the authorisations and registrations of payment clearing house system operators, system operators and third-party payment providers*". As a result, a system operator (SO) will not require authorisation by the PSMB in terms of section 4(2)(c) of the NPS Act after 10 August 2026.

2. Authorisation of system operators

- 2.1 In terms of the NPS Act, the SARB may, from time to time, issue directives to any person regarding a payment system or the application of the provisions of the NPS Act, as contemplated in section 12. With effect from 11 August 2026, the SARB assumed responsibility for the authorisation of SOs and has, since that date, assessed and processed applications in accordance with the Payments Association of South Africa's (PASA) SO criteria. However, on publication of *The South African Reserve Bank's Criteria for Authorisation to Act as a System Operator* (SARB SO Criteria), the SARB will authorise SOs in accordance with the SARB SO Criteria. The SARB SO Criteria will thereafter supersede the PASA SO criteria.
- 2.2 The NPS Act defines an SO as a person, other than a designated settlement system operator, authorised in terms of section 4(2)(c) to provide services to any two or more persons in respect of payment instructions.
- 2.3 The services provided by an SO include the delivery to and/or receipt of payment instructions from, a bank and/or a payment clearing house (PCH) SO. The persons to whom such services may be provided include, among others:
- 2.3.1 banks;
 - 2.3.2 beneficiary service providers, means a juristic person who accept money or the proceeds of payment instructions from multiple payers on behalf of a beneficiary as a regular feature of that person's business;
 - 2.3.3 payer service providers, means a juristic person that accept money or the proceeds of payment instructions from a payer to make payment on behalf of that payer to multiple beneficiaries as a regular feature of that person's business;
 - 2.3.4 institutions exempted or excluded from the provisions of the Banks Act 94 of 1990, as amended (Banks Act); and
 - 2.3.5 clients of banks, payers and beneficiaries.

3. Application for authorisation

The process for authorisation as an SO is as follows.

- 3.1 Any person qualifying as an SO in terms of the criteria set out in paragraph 4.1 must apply to the SARB for authorisation as an SO. Such application must be supported by the necessary documentation referred to in paragraphs 4 and 5. The application form is available on the SARB website.

- 3.2 After receiving an application from a person qualifying as an SO in terms of the criteria set out in paragraph 4, the SARB may, on good grounds, exempt that person from authorisation as an SO. For purposes of this section, 'good ground' means any circumstance that the SARB may deem applicable, after due consideration, and that is of such a nature that the provision of the services by the SO would not introduce any unacceptable level of risk to the payment system or any person to whom services may be provided.
- 3.3 The SARB may also require any person who appears to be conducting the business of an SO, but who has not been authorised to provide such services, to submit an application for authorisation.
- 3.4 An SO will be authorised in respect of each service provided, such as electronic funds transfers (EFTs), debit card services and credit card services. Refer to the application form in this regard.

4. Criteria for authorisation as a system operator

- 4.1 Any person that:
- (a) operates a system, including processes and procedures;
 - (b) uses that system to provide a service;
 - (c) provides that service to any two or more persons listed in paragraph 2.3 above;
 - (d) provides that service in respect of payment instructions; and
 - (e) exceeds 10 000 (ten thousand) transactions or payment instructions per month, or exceeds a value of R10 000 000.00 (ten million rand) per month, in respect of all the services it provides, must apply to the SARB for authorisation as an SO.
- 4.2 For the purposes of this paragraph, 'service' excludes the collection or receipt of any payment due and payable to the person providing the service.

4.3 Financial criteria

An SO must prove that it is a going concern and for this purpose, must:

- 4.3.1 be a registered company in terms of the **Companies Act 71 of 2008**, as amended, or as a close corporation in terms of the **Close Corporations Act 69 of 1984**, as amended, or in terms of any relevant international legislation;
- 4.3.2 maintain accounting records on a continual basis and prepare annual financial statements that conform with generally accepted accounting practice;

- 4.3.3 cause such records and annual financial statements to be audited where appropriate;
- 4.3.4 be adequately insured against claims by clients and/or beneficiaries;
- 4.3.5 provide a certified copy of the external auditors' report in respect of the latest financial year-end. The financial year-end must have been within the 12 months preceding this application; and
- 4.3.6 on request, provide to the SARB certified copies of its audited annual financial statements.

4.4 Operational and technical criteria

An SO must:

- 4.4.1 test its systems to ensure that it is operationally and technically capable of providing the service and that:
 - (a) its systems are interoperable with the relevant banks and/or PCH SO; and
 - (b) this has been confirmed by the appropriate PCH SO or, where relevant, each bank concerned, which confirmation shall not be unreasonably withheld.
- 4.4.2 when providing a service in respect of payment instructions issued by means of cards issued by any card association, ensure that it has been certified by and/or registered with such a card association. This must be confirmed by the relevant card association;
- 4.4.3 provide confirmation in the application form from its chief executive officer, managing director or equivalent on the board of directors (board), if it is a company, or from its member(s), if it is a close corporation, that it has an appropriate documented business continuity plan in place in respect of the service;
- 4.4.4 provide confirmation in the application form from its chief executive officer, managing director or equivalent member of the board, if it is a company, or from its member(s), if it is a close corporation, that it has an appropriate disaster recovery plan in place that is tested and audited regularly, at least once a year; and
- 4.4.5 once authorised as an SO, inform the SARB of significant changes to systems or processes, modifications and/or enhancements that may impact the risk profile of the payment system, for consideration and approval, prior to the implementation thereof.

4.5 Legal and contractual requirements

- 4.5.1 The SO must enter into a written service level agreement (SLA) with each person to whom services are provided that:
 - 4.5.1.1 obliges the parties to comply with all applicable requirements and rules for providing a

service as contemplated in paragraph 4.1, *inter alia*, the NPS Act and any other applicable law, and contains provisions in respect of:

- 4.5.1.2 proper crisis and problem management, including escalation procedures;
- 4.5.1.3 performance in terms of service levels;
- 4.5.1.4 a disaster recovery plan that ensures continuity of all functions performed by the SO on behalf of the persons to whom the services are provided;
- 4.5.1.5 the liability of the SO;
- 4.5.1.6 the agreement is governed by and construed in accordance with South African law and that the parties shall submit to the jurisdiction of South African courts;
- 4.5.1.7 the provision of information, in particular that the SO will, subject to the terms and conditions of the SLA:
 - (a) retain all records obtained by itself during the course of providing the service for a period required by the NPS Act and any other applicable legislation;
 - (b) provide required information owned by each person to whom such service is provided;
 - (c) treat the information of each person to whom such service is provided as confidential and keep such information confidential from other persons, subject to a lawful request for the disclosure of the same; and
 - (d) supply information requested by the SARB regarding the person being serviced in terms of that person's written mandate and/or the provisions of the NPS Act. Client information of any nature, such as client names and account numbers, is excluded from any such mandate or provision.
- 4.5.2 If there is conflict between the provisions of the SLA and this document, the provisions of this document shall prevail.

4.6 Risk requirements

The SO must, subject to the provisions of its SLA:

- 4.6.1 promptly and diligently adhere to all reasonable risk management and risk containment measures as required by the SARB from time to time;
- 4.6.2 promptly and diligently adhere to and implement risk reduction measures, including becoming compliant with these criteria as soon as reasonably possible after discovering that it is non-compliant or being notified of such non-compliance;
- 4.6.3 participate, at reasonable intervals, in appropriate testing of its systems at the written request of the persons being serviced or as may be required in terms of the risk

containment measures introduced by the SARB, to identify and limit potential, unacceptable operational risks;

- 4.6.4 cooperate with the persons being serviced in engaging with the SARB and the relevant PCH participant groups (PCH PGs) to devise and implement enhanced risk management procedures in respect of risks identified by the SARB and/or the PCH PGs;
- 4.6.5 neither engage with nor provide assistance to customers or other third parties in respect of practices that the SARB considers or deems to be unsound and that may, from time to time, come to that SO's attention; and
- 4.6.6 ensure that its chief executive officer, managing director or board, if it is a company, or its member(s), if it is a close corporation, are fully informed of these criteria and that, if required, a report by the above-mentioned persons confirms compliance with these criteria.

5. Reporting requirements

An authorised SO must report any of the following to the SARB:

- 5.1 material changes to its management, ownership or nature of business; and
- 5.2 any other information that the SARB may require from time to time in terms of section 10 of the NPS Act.

6. Process for authorisation

6.1 New application

- 6.1.1 An SO qualifying in terms of section 3 above must submit a completed application form, together with the necessary supporting documentation, to the SARB.
- 6.1.2 The application form must be submitted electronically to the following email address:
SO@resbank.co.za
- 6.1.3 The SARB will consider the application form in terms of section 3.1 herein, which will, on condition that all the criteria are met, authorise the SO.

7. Complaints and disputes

- 7.1 Any complaint or dispute arising from this document may be lodged with the National Payment System Department at SO@resbank.co.za.

8. Termination or withdrawal of authorisation

- 8.1 An SO intending to discontinue or terminate the provision of services as an SO must notify the SARB of its intention to do so at least 3 (three) months before the termination date, in which event the authorisation granted to it will be withdrawn.
- 8.2 Should the SARB decide to withdraw authorisation from an SO, the SARB will notify the SO of its intention to do so at least 3 (three) months before the date on which the authorisation granted to it will be withdrawn, unless the SARB issues a directive in terms of section 12(3) of the NPS Act for the SO to cease business immediately.
- 8.3 Termination of any service and/or withdrawal of authorisation for any reason does not release the SO from any liability or obligation that had accrued to it at the time of termination, or that may thereafter accrue in respect of any act or omission prior to such termination.

9. Non-compliance

- 9.1 In the event that a person fails to meet the requirements set out in these criteria, the SARB may decline the application to authorise that person as an SO.
- 9.2 In the event of non-compliance with these criteria, the SARB retains the power to suspend or withdraw the authorisation.

10. Conclusion

- 10.1 These criteria are not exhaustive and may be reviewed, supplemented and/or amended from time to time.
- 10.2 SOs are obliged to act in accordance with the NPS Act, directives issued under the NPS Act and, in particular, these criteria.
- 10.3 Persons who are uncertain whether their current or future practices are aligned with these criteria should engage with the SARB to clarify the matter.
- 10.4 Any enquiry or request for clarification concerning these criteria may be sent to SO@resbank.co.za.