



RTGS Integrated Regional
Electronic Settlement System

Southern African Development Community Real Time Gross Settlement System (SADC-RTGS System)

SADC-RTGS Operator

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Document Glossary

Abbreviation	Term
BCP	Business Continuity Plan
CCBG	Committee of Central Bank Governors
NPS	National Payment System
NPSD	National Payment System Department
PSMB	Payment System Management Body
PSOC	Payment System Oversight Committee
RCS	Regional Clearing and Settlement
RCSO	Regional Clearing and Settlement System Operator
RPS	Regional Payment Scheme
RTGS	Real Time Gross Settlement
RTL	Real Time Line
SADC	Southern African Development Community
SADC BA	Southern African Development Community Bank Association
SADC PSOC	Southern African Development Community Payment System Oversight Committee
SADC-RTGS	The Southern African Development Community Real Time Gross Settlement System
SARB	The South African Reserve Bank
SLA	Service Level Agreement
SWIFT	Society for Worldwide Interbank Financial Telecommunication

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1. Document Purpose

The purpose of this document is to outline the criteria for admission of prospective participants to the SADC Real Time Gross Settlement (SADC-RTGS) System.

2. Background

The SADC-RTGS System is an automated real time gross settlement system developed and implemented to settle cross-border transactions within the SADC region. To ensure fairness, transparency, and equitability in granting access to the SADC-RTGS System, and to contain risk in the payment system, an Entry and Participation Criteria (Criteria document) is hereby established. This Criteria thus aims to set out the standards required to be met by prospective participants that wish to apply for admission to the SADC-RTGS System for the discharge of their settlement obligations.

Entry and participation in a settlement currency within the SADC-RTGS System shall be granted in line with unique requirements of the issuer for such currency, if any. The SADC-RTGS System Operator shall, from time to time, in consultation with the issuing central bank, add by way of an annexure to this Criteria document, and/or amend requirements for entry to a settlement currency.

Entry and participation in RPSs shall be subject to the RPS entry and participation criteria and standards.

Admission to the SADC-RTGS System, is subject to, among other things, a participant signing the SADC-RTGS System Service Agreement and a Settlement Agreement and complying with Settlement Rules.

3. Who may apply for access to participation?

Access to participation in the SADC-RTGS System is open to:

3.1 Central Banks

- 3.1.1 A central bank of a Country that is a member state of SADC, provided:
- 3.1.2 such Country is of good standing with SADC (i.e. the member state is neither under suspension nor has suspension proceedings pending against it).

3.1.3 Such central bank has signed a Stakeholders' Agreement appointing the South African Reserve Bank (SARB) as the Operator of the SADC-RTGS System.

3.2 Commercial Banks

3.2.1 A bank in SADC, provided such bank is licenced to do the business of a bank and is authorised by the central bank in the country of its origin to be a participant in both its domestic real-time gross settlement system and in the SADC-RTGS System.

3.3 Non-banks

3.3.1 A non-bank that is authorised by the central bank in the country of its origin to provide cross-border payment services and to be a participant in the SADC-RTGS System.

Authorisation by a central bank or any regulator for the institution to proceed with the application process does not guarantee admission to the SADC-RTGS System.

4. Financial institutions participation

4.1 Authorisation

Financial institutions applying for admission to the SADC-RTGS System need to first obtain authorisation to apply for participation from their respective central banks.

In considering a Financial Institution for authorisation the central bank concerned must satisfy itself and:

4.1.1 Confirm that the prospective participant is a regulated and supervised financial institution.

4.1.2 Confirm that the prospective participant is currently a member of the country's RTGS system or domestic settlement system.

4.1.3 If a foreign institution, confirm that the prospective participant has branches operating, regulated, and supervised in the SADC region.

4.1.4 Confirm that the prospective participant is legally constituted.

4.1.5 Confirm that the prospective participant is compliant with all laws regulating payment system in its country of jurisdiction, including

adherence to licensing conditions and/or authorisation conditions where relevant and have no pending cases involving revocation of licence or authorisation.

- 4.1.6 Certify that the prospective participant is of good standing with regards to compliance with domestic and cross-border participation regulation.
- 4.1.7 Certify that the prospective participant is AML/CFT compliant and has no pending AML/CFT related investigations.
- 4.1.8 Provide such other information as may assist the SADC-RTGS System Operator in the consideration of the prospective participant's application for admission to the SADC-RTGS System.

4.2 Additional requirements to be met by prospective participants:

- 4.2.1 Prove that it has established and implemented policies and procedures to ensure compliance with international laws, regulations, and rules such as those pertaining to anti-money laundering and exchange control requirements.
- 4.2.2 Give assurance that it will comply with all the rules of the SADC-RTGS System and agrees to sign SLAs with the SADC-RTGS System Operator.
- 4.2.3 The authorisation referred to above must be in writing and must be submitted with the application for admission to the SADC-RTGS System.
- 4.2.4 Operationally, prospective participants are required to comply with the technical and business functional requirements. These include adherence to business rules and models developed by the SADC Banking Association and/or the SADC Payment Scheme Management Body. Participants are also required to complete market testing and error-free testing on the SADC-RTGS System.

Some of the documentation required for compliance purposes are accessible on the link provided. Further documentation on requirements will be made available to the prospective participants during the onboarding process.

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