



PAYMENTS ASSOCIATION OF NAMIBIA



**CONSTITUTION
OF THE
PAN STAKEHOLDER FORUM (PSF)**

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1. Preamble

The Payments Association of Namibia (PAN) as established in terms of Section 3(1) of the Payment System Management Act No. 18 of 2003 (“PSM Act”), as amended, has the responsibility to maintain a world-class payment system that meets domestic, regional and international requirements.

On April 2 2013, Bank of Namibia issued Determination on the Criteria for Authorisation of Participants in the Clearing and Settlement Systems (PSD 6) effective 31 August 2013. The Determination provides for the criteria for authorisation of participants in the clearing and settlement systems and governs persons engaged in provision of payment services.

The PSM Act empowers PAN to determine criteria and authorise persons to act as payment system service providers. The PAN Constitution empowers PAN to admit payments system service providers in accordance with the established criteria.

In its effort to collaborate with all relevant stakeholders, PAN established the PAN Stakeholders Forum in 2012. The forum aims to promote inclusiveness and access to the NPS. Through the Forum non-banks are provided with the opportunity to contribute towards the NPS Strategy (Vision) and the efficiency and safety of the NPS by participating in operational and strategic initiatives undertaken in the NPS.

The Forum is an industry roundtable that brings together the major consumer payments stakeholders including non-bank financial institutions, payment schemes, merchants, consumer and industry groups as well as indirect regulatory bodies and business associations that are representative of the User and Merchant community. The Forum considers the future direction of public policy in payments, focusing on ways to promote innovation and system evolution over the long term while ensuring healthy competition. Participants discuss complex issues such as:

➤ **Product Innovation**

- Tracking developments in product and network innovation both in Namibia and internationally, and seeking to identify ways to promote innovation, particularly at the network or system level; and

➤ **Competition versus Collaboration**

- Identifying areas where industry co-operation would help to develop a better platform for efficient competition.

2. Interpretation of terms

In this Deed of Establishment, unless the context otherwise indicates –

- 2.1 “**Act**” means the Payment System Management Act No. 18 of 2003, as amended, or any re-enactment or substitution thereof;
- 2.2 “**Bank of Namibia (BoN)**” means the Bank of Namibia established in terms of the Bank of Namibia Act, No. 15 of 1997;
- 2.3 “**Determination**” means a determination issued in terms of section 14 of the Act;
- 2.4 “**Directives**” means a directive issued in terms of section 13 of the Act;
- 2.5 “**National Payments System**” means the payment system, and includes any payment system, settlement system, clearing system and payment system arrangement used in the process of effecting payment between payers and beneficiaries;
- 2.6 “**PAN**” means the Payments Association of Namibia. PAN is recognised as a Payment System Management Body (PSMB) in terms of the Act.
- 2.7 “**Payment System**”; means a system that enables payments to be effected between a payer and a beneficiary.
- 2.8 “**payment system issue**” includes issues pertaining to the access to the national payment system, standards, management, supervision, processes and practices, payment instruments, payment requirements of the end user, legal issues, electronic commerce, payment security, international developments with regard to payment systems, cross border payments, fraud and money laundering or any other issue which the Chairperson has determined to be a payment system issue, but excludes complaints against an individual stakeholder or any other issue which the Chairperson has determined not to be a payment system issue;



2.9 “PSF stakeholder” means;

- 2.9.1 all service providers participating in the NPS and regulated by BoN and PAN in terms of the NPS Act or directive and determinations issued; or
- 2.9.2 any person invited to this body by PAN in terms of section 7;
- 2.9.3 any person which the chairperson has determined to be a stakeholder in accordance with the Constitution.

3 Name and Capacity

- 3. 1 A forum, to be known as the PAN Stakeholder Forum or, by its abbreviated name, as PSF, is hereby established by the Payments Association of Namibia.
- 3. 2 PSF will function in a consulting capacity to the Payments Association of Namibia and will have no executive powers.
- 3. 3 PSF will perform its functions under the direct control of the Payments Association of Namibia and will not be a separate legal entity.
- 3. 4 This Constitution binds every person authorised to serve on the PSF.

4 This Constitution

- 4.1 The members of the PSF may change this constitution as provided for in clause 17 of this constitution but it must always, as a minimum, be based upon and subject to the terms and conditions of the relevant strategy/agreement. The PSF agreement/strategy will prevail in the event of conflict between this constitution and the relevant strategy/agreement.

5 Our Mission Statement

- 5.1 The purpose of PSF is to provide a discussion forum to foster and facilitate collaboration between the PSF stakeholders in the national payment system.

5.2 The PSF will focus on payment system related matters, particularly, matters that may involve the introduction of risk that may potentially affect all participants in the NPS. The Forum is an industry roundtable that brings together the major consumer payments stakeholders including non-bank financial institutions, payment schemes, merchants, and consumer and industry groups as well as indirect regulatory bodies and business associations that are representative of the User and Merchant community. The Forum considers the future direction of public policy in payments, focusing on ways to promote innovation and system evolution over the long term while ensuring healthy competition.

Participants discuss complex issues such as:

5.2.1.1 Product Innovation

5.2.1.2 tracking developments in product and network innovation both in Namibia and internationally, and seeking to identify ways to promote innovation, particularly at the network or system level;

5.2.1.3 Identifying areas where industry co-operation would help to develop a better platform for efficient competition Forum.

5.2.1.4 Contribute towards the NPS strategy and participate in operational and strategic NPS initiatives.

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6 Aims and functions

6.1 The aims of PSF are the following:

- 6.1.1 To contribute to an efficient and effective national payment system in Namibia;
- 6.1.2 To ensure that the interests of all participants within the national payment system are considered;
- 6.1.3 To provide a collective forum for PSF stakeholders within the national payment system to discuss and debate issues of mutual interest;
- 6.1.4 To provide input relating to policy matters to the BoN as overseer of the NPS.

6.2 In connection with the above-mentioned aims, PSF will, *inter alia*, perform the following functions:

- 6.2.1 identify and consider payment system issues for further discussion and debate within PSF;
- 6.2.2 research payment system issues;
- 6.2.3 debate and propose solutions to payment system issues, practices, processes and development;
- 6.2.4 determine the most suitable channels to take action in order to address payment system issues and problem areas;
- 6.2.5 facilitate the exchange of information between stakeholders;
- 6.2.6 monitor progress in addressing the identified payment system issues or problem areas and provide feedback thereon to affected stakeholders; and
- 6.2.7 assist with the information dissemination and education process on payment system issues.
- 6.2.8 to bring about an exchange of experience and good practices that facilitate the emergence of inter-operable payment solutions
- 6.2.9 to point out problems encountered in particular payments solutions and propose appropriate solutions.
- 6.2.10 improve compliance to payment system regulation by identifying any shortcomings.

7 Powers

7.1 The Forum shall have the power to do all such things as may be necessary to fulfill its purpose within the confines of this constitution and the mandate

given to it by PAN or the mandate given to it, via individual representatives, by PSF members.

7.2 The representatives on the Forum shall have the right to establish sub-groups or working groups, at its own cost, to assist it with the performance of its functions or the fulfillment of its purpose.

7.3 The representatives on the Forum will ensure and be responsible and accountable for the management of the practical implementation of the principles, rules and procedures contemplated in the relevant strategy/agreement.

7.4 The Forum shall have the power to allow individuals or organisations (invitees) nominated by representatives to participate in meetings for a designated period or for purposes of a specific task. Such invitees shall not be entitled to vote.

8 Membership of the PSF

8.1 The PSF shall have representatives from authorised service providers, Bank of Namibia and PAN as the overseer.

8.2 PAN may invite any other NPS stakeholders and/ or associations which can add value to the PSF which may include the Bank of Namibia as participant and overseer, national treasury, micro lenders association, association of insurance brokers, etc.

8.3 PAN may at any time, after consultation with, or at the request of the PSF and/or association, terminate the membership of that PSF stakeholder and/ or association, in writing.

8.4 Service providers with provisional authorisation may participate pending the outcome of the authorisation with PAN.

9 Meetings

9.1 The PSF shall, at its first meeting, elect a Chairperson and Deputy Chairperson from representatives of members, whose term of office shall be two years. A Chairperson may be re-elected after the initial term of two years but may not serve continuously for a period of more than three consecutive terms. The member whose representative is

appointed as chairperson has the right to appoint a substitute representative.

- 9.2 The PSF may terminate a chairperson's term of office at any time before the expiry of his/her term of office, in terms of a decision taken by 50% of the voting members of the PSF.
- 9.3 Each member of the PSF is to appoint one principal and one alternate member, both of whom are either permanently employed or appointed as a board member or a representative of an association of such institution. Should neither the principal nor the alternate representative be able to attend a meeting, a temporary representative may be appointed under signature and authority of the Managing Director/Chief Executive Officer or the Board Chairperson/Association or his/her delegate, in writing and in the format of schedule two. The nomination shall reach PAN office at least two calendar days before a meeting. The appointment shall include all rights vested in the principal representative and more specifically the right to vote and the right to be counted as part of the quorum, and which authority shall be handed to the Chairperson at the commencement of the meeting. The temporary representative's appointment shall be for one meeting only unless the principal representative is unable to appear at the next meeting. Members shall ensure that temporary representatives are suitably briefed so as not to compromise the effectiveness of the meeting.
- 9.4 The constituency or association of the member may at any time propose the removal of the principal member or the alternate member, and such removal will be effective upon receipt by the Chairperson or PAN executive office of a written notice on the letterhead of the association which appointed the member to the PSF.
- 9.5 Alternate representative, who shall give notice at the commencement of the meeting, shall represent the institution in the absence of the main representative.
- 9.6 Members not represented at a duly called meeting, are bound by decisions taken at such meeting and each member is therefore obliged to ensure that it is permanently represented on the PSF, and that any vacancy is filled by such member immediately upon the termination of the mandate of its representative for any reason whatsoever.
- 9.7 Should both the principal and/or the alternate members not attend a meeting, then subject to 9.1, another person may be appointed to represent such member by delegation of authority. Such delegation of

authority to take effect in the meeting, must be delivered to the Chairperson at the start of the meeting and must be in the format specified in such group a representative appointed in terms of 9.1 shall be mandated by the member appointing him to represent such member in all matters falling within the jurisdiction of the PSF and such member shall be bound by the vote of the representative in such group.

- 9.8 Any member absent for two consecutive meetings will receive a warning letter from PAN Executive Office stating that if they don't attend the following scheduled meeting they will be excluded from future meetings and shall be non-compliant with the Entry and Participation Criteria and will be required to resubmit the representation form.
- 9.9 The PSF is to meet at least four (4) times a year or as many as deemed necessary.
- 9.10 The Chairperson, the Deputy Chairperson, or any 4 or more members, including participants from Bank of Namibia and PAN as overseers as set out in paragraph 7.1, may convene special meetings at any time. Any decisions taken on such special meeting shall be subject to ratification at the next regular meeting of the PSF.
- 9.11 The Chairperson or, in his absence, the Deputy Chairperson shall preside over PSF meetings. In the absence of both of them, one of the representatives present at the meeting shall be elected by the meeting to preside.
- 9.12 A quorum for all meetings of the PSF it be at least 50% of all the members.
- 9.13 Any communication relating to the PSF by the Chairperson outside the formal PSF Forum structure may only be performed in his/her capacity as the chairperson of the PSF and only with prior consultation and approval of the PSF.
- 9.14 Meetings shall be convened by the Chairperson, Deputy Chairperson or any 4 members by no less than 7 calendar days' prior formal notice to all members, which notice may be given by electronic mail, post or telefax as a formal means of communication. A copy of the agenda for any meeting, as well as documentation relevant to any agenda point, shall accompany the notice. Discussions and decisions on any points discussed, that are not included on the agenda, are inappropriate and will be subject to ratification at the subsequent regular meeting of the PSF.

9.15 The PAN executive office is to serve notice of the meeting and the agenda upon the members at least twenty-one (21) calendar days before meeting of the PSF is scheduled to take place and such agenda is to be accompanied by:

- Attendance to this Forum is a prerequisite in attaining compliance with the Entry and participation Criteria;
- Copies of any other documentation that may be relevant to the issues set out in the agenda.

10 Voting at Meetings

10.1 Each member shall through its representative at the meeting, have the right to one vote at meetings.

10.2 The Chairperson shall have no vote unless acting as chairperson due to the elected chairperson not being present.

10.3 Decisions must preferably be reached on a consensus basis but shall be carried by a vote of not less than 66% of the members represented at the meeting. However, should a proposal not attract support of 66% of the votes, such proposal may call for a special meeting in terms of paragraph 9.7 above. Should such issue still not be resolved it may be escalated to PAN for a final decision fully supported by the relevant record of voting and all documentation relevant to the cause for such failure to achieve consensus.

10.4 Representatives of members shall vote by poll in such a manner as the Chairperson directs.

10.5 Representatives of members may only vote on issues, which have been reflected as an agenda item, and on which agenda item, proper prior notice has been given in terms of both agenda and supporting documentation relative to such agenda item.

10.6 The Chairperson shall immediately declare the result of the vote.



11 Escalation and Appeal

11.1 Decisions by the Forum shall preferably be reached by consensus of all the representatives of all members represented. Where consensus could not be reached and the decision is reached by means of a poll as provided in paragraph 10 above, the following will apply:

11.1.1 If Forum member reasonably considers any decision made by the Forum to be unfair or prejudicial to the forums interests, such a member's objection must be minted in the meeting where the decision is taken. Such member may, within 7 calendar days following the distribution of the minutes of such meeting, contact the Chairperson to appeal the decision. The appeal can be made during the next scheduled meeting or during a special meeting called by the chairperson. The Forum shall not implement or further implement such a decision until the aggrieved member has been given the opportunity to make representations to the PSF. Should such a member omit, fail, neglect, refuse or otherwise for any reason not make or submit such representations to the next scheduled meeting or the specially convened meeting, the Forum shall be entitled to implement the initial decision taken.

11.2 If, after representations to the Forum no resolution is found, such member may make representations to PAN for a final decision, subject to having notified the Forum Chairperson of its intent within 7 calendar days of the meeting as foreseen in 11.1. The Forum shall not implement or further implement such a decision until the aggrieved member has been given the opportunity to make its representations to PAN and the outcome of such representations are known. Should such a member omit, fail, neglect, refuse or otherwise for any reason not submit or make representations to the next PAN meeting or at a specially convened PAN meeting, the Forum shall be entitled to implement the relevant initial decision.

12. ACCOUNTABILITIES

12.1 The Forum reports to PAN on the work undertaken.

12.2 PAN is responsible for ensuring that the actions emanating from the Forum are addressed, by allocating the appropriate resources.



13 Approval of this Constitution

13.1 This Constitution may only be approved by the PAN Management Council and endorsed by the Bank of Namibia.

14 Confidentiality

14.1 Any information gathered at or after the Forum is for the sole use of the Member institutions and their representatives only and the source or content should not be disclosed or otherwise made available to any third parties without the prior written consent of the Committee. Member institutions are required to respond to reasonable requests for information from other Member institutions and should do so honestly and to the best of their knowledge provided the disclosure of information is not contrary with the common law or legislation applicable in the Republic of Namibia.

15 Forum Effectiveness

15.1 An evaluation of the effectiveness of the Forum to be performed annually by PAN.

16 Limitation of Liability

16.1 The Bank of Namibia, the Payments Association of Namibia and the Chairperson, in his or her personal capacity and any other member of the PSF, in his/her capacity, shall not be liable for any loss or damage suffered by any person, stakeholder, institution or body or association as a result of their participation in the PSF activities.





SCHEDULE ONE
DELEGATION OF AUTHORITY
PAN STAKEHOLDER FORUM

_____ (Bank/Institution and Division/department) hereby informs the PSFPSF Forum, in terms of Clause 8.1 of the Constitution, we hereby confirm that we appoint the following representatives and confirm that they are authorised with a full mandate to vote on matters in terms of the Constitution for the meetings that is scheduled to take place at PAN.

PRINCIPAL MEMBER

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------|---|--|--------------------|---|
| FULL NAME OF BANK/INSTITUTION/DIVISION/ DEPARTMENT (in the case of substitute representation by another bank) | : | | | |
| REPRESENTATIVE'S NAME | : | | | |
| POSTAL ADDRESS | : | | | |
| PHYSICAL ADDRESS | : | | | |
| OFFICE NUMBER | : | | FAX NUMBER | : |
| CELLPHONE NUMBER | : | | HOME NUMBER | : |
| TELEX NUMBER | : | | | |
| E-MAIL ADDRESS | : | | | |

ALTERNATE MEMBER

| | | | | |
|------------------------------|---|--|--------------------|---|
| REPRESENTATIVE'S NAME | : | | | |
| POSTAL ADDRESS | : | | | |
| PHYSICAL ADDRESS | : | | | |
| OFFICE NUMBER | : | | FAX NUMBER | : |
| CELLPHONE NUMBER | : | | HOME NUMBER | : |
| TELEX NUMBER | : | | | |
| E-MAIL ADDRESS | : | | | |

Dated this _____ day of _____ 20.....

Signature : _____
 Name (in block letters) : _____
 Designation : _____

FOR OFFICE USE ONLY

Received : _____

PAN Chief Operating Officer : _____



SCHEDULE TWO
DELEGATION TO ATTEND MEETINGS AS AN OBSERVER
PAN STAKEHOLDER FORUM

_____ (Bank/Institution and Division/department) hereby informs the PSF Forum, in terms of Clause 8.1 of the Constitution, we hereby confirm that we appoint the following representatives as an observer and confirm that they are authorised to attend meetings and we are well aware that they cannot vote on any matters discussed during the PSF Forum. (Date).

| | | | | |
|------------------------------------------------------------------------------------------------------------------|---|--|-------------|---|
| FULL NAME OF BANK/INSTITUTION/DIVISION/ DEPARTMENT (in the case of substitute representation by another bank) | : | | | |
| REPRESENTATIVE'S NAME | : | | | |
| DESIGNATION | : | | | |
| PERIOD TO ATTEND MEETING (S) | : | | | |
| POSTAL ADDRESS | : | | | |
| PHYSICAL ADDRESS | : | | | |
| OFFICE NUMBER | : | | : | |
| CELLPHONE NUMBER | : | | HOME NUMBER | : |
| E-MAIL ADDRESS | : | | | |

APPROVAL

The Constitution of The PAN Stakeholder Forum Document is hereby approved.

CERTIFIED AS APPROVED BY THE PAN MANAGEMENT COUNCIL

ON THE 8 DAY OF February 2023

SIGNATURE
PAN CHAIRPERSON