



PAYMENTS ASSOCIATION OF NAMIBIA



**CARD AND ATM FORUM
TERMS OF REFERENCE**

Document history

| Old Version | Date | Amendments | New Version | Authority |
|-------------|------|----------------------------|-------------|-----------|
| 2014 | 2014 | New Document | 2020 | PCH Card |
| 2014 | 2020 | Addressing of BoN comments | 2020-0.1 | PCH Card |
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1. Purpose and objective

The card and ATM Forum (CAAF) purpose is to facilitate co-operation between the system participants, industry (participants) and the Card Associations in the setting up, maintaining, monitoring and if required, amending uniform standards for the issuing, and acquiring of all card payments, and documents conveying financial transactions between the system participants in the Payment Clearing House (PCH) operating within Namibia.

The CAAF shall be responsible for pursuing the objectives of PAN as they relate to its payment stream. The CAAF is constituted by PAN in conjunction with its members in terms of and in accordance with the terms and conditions of the PCH agreement for the clearing of Card and ATM Payment Instructions and the PCH Rules for the clearing of Card and ATM Credit Payment Instructions.

The CAAF will be referred to as “PCH Participant Group” within the PCH agreements and PCH Rules consists of the system participants in the relevant Payment Clearing Houses. But membership of the CAAF is extended to the PAN Stakeholder Forum for collaboration and adoption of Payment System Determination on the criteria for authorisation of participants in the Clearing and Settlement System (PSD6) and NPS Vision 2020.

The CAAF shall act as a consultative forum for the purpose of discussing and approving clearing rules and procedures for card or ATM issues dedicated to it. The CAAF shall also act as a consultative forum in liaising and consulting with PAN, the Automated Clearing House (ACH), and such other party or parties within the clearing environment as may be appropriate or desirable regarding matters, including operational business matters, relating to their members’ participation in the relevant stream.

2. Interpretation

For terms used in this Terms of Reference shall be given their meaning as defined in the Namibian National Definition and Interpretation Document as adopted by PAN from time-to-time unless the context otherwise indicates.

3. Establishment and authority of the CAAF

3.1 The Card and ATM forum (CAAF) shall be established as a committee of the PAN Management Council (the Council), managed by the PAN Executive office, and reporting to the Council and established in accordance with the directives and/or recommendations as may be determined by the Council in the PAN Constitution.

- 3.2 The CAAF shall be required to make written representation to the Council on its proposed operation of the forum and strategic initiatives on a yearly basis.
- 3.3 The CAAF shall operate in accordance with the PAN constitution or otherwise conform to the mandate prearranged by the AGMPANAGM.
- 3.4 The representatives on the CAAF 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 fulfilment of its purpose.
- 3.5 The representatives on the CAAF will ensure and be responsible and accountable for the management of the practical implementation of the principles, rules and procedures contemplated in the relevant PCH agreements.

4. Roles and responsibilities of CAAF

- 4.1 The Forum shall also act as a consultative forum in liaising and consulting with PAN, the ACH and other parties in the clearing and operational environment.
- 4.2 The representatives on the CAAF will ensure and be responsible and accountable for clearing management and the management of the practical implementation of the principles, policies, strategies, rules and procedures contemplated in the relevant PCH Agreements as well as the specific management functions contained in Schedule 10 of the relevant PCH Agreements.
- 4.3 Furthermore, the representatives on the CAAF must ensure:
 - 4.3.1. facilitation and management of the clearing of payment instructions between its members.
 - 4.3.2. that payment instrument and payment processing standards are introduced and maintained to protect the integrity of the payment system and its operation.
 - 4.3.3. The standards must be documented and enacted via the clearing rules of the relevant Forums.
 - 4.3.4. the implementation of appropriate risk reduction measures in the process of clearing payment instructions.

- 4.3.5. the facilitation of an effective and speedy problem resolution process during daily operations and in crisis situations, e.g., the failure of a participant bank.
- 4.3.6. that the ACH conform(s) to requirements as listed in the PAN Entry and Participation Criteria and applicable Agreements.
- 4.3.7. that the clearing rules make adequate provision for handling of errors and returns (if applicable) in a formal and structured way.
- 4.3.8. that the service levels with the ACH are established and maintained; and
- 4.3.9. that Forums entry and participation criteria are in place, maintained and implemented accordingly with no exemption.

- 4.3.10. Develop, maintain, amend, and ensure adherence to the CARD Payment Standards Manual (herein after "the Standards Manual") drawn up and agreed by the CAAF, used in conjunction with the Card Associations rules, regulations and specifications as amended and agreed by the CAAF, which may change from time to time.
- 4.3.11. Ensure that card payments are provided in accordance with the requirements agreed to in terms of the Standards Manual and Accreditation Rules in respect of issuing and acquiring of Cards and to adhere to compliance.
- 4.3.12. Keep abreast of all new relevant technology in respect of issuing and acquiring of cards, to investigate and, if agreed by the CAAF and system participants in the Forum incorporate such technology into the specifications.
- 4.3.13. Ensure that all authorised card service providing companies and other card payment items are accredited and monitored for performance by the CAAF or its designated Accreditation to be reviewed on an annual basis or more regularly at the discretion of the Forum.
- 4.3.14. On a regular and on-going basis complete, publish and update the Standards Manual, and ensure it is available to all accredited users and participants.

5 Membership to the CAAF

- 5.1 Each PAN member shall appoint both a principal and a designate alternate to the CAAF, who shall be a person in the permanent employment of such member. The nomination and appointment of a representative to the CAAF shall be in writing from the members Executive Management or Council representative.

- 5.2 Should the principal representative not be able to attend a meeting, the alternative representative shall be required to attend. The principal representative must ensure that

his/her designated alternate is suitably briefed so as not to compromise the effectiveness of the meeting.

- 5.3 The PAN Payment Analyst shall be expected to attend at all meetings as a principal officer at the CAAF.
- 5.4 As per Council resolution a member principal and alternative member from the PAN SF Stakeholder Forum shall be nominated to attend the meeting on a non-voting basis.
- 5.5 Only members of the CAAF have the right to attend committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the PAN Management Council (PMC).
- 5.6 CAAF members will adhere to the applicable provisions of the PAN Constitution and other governing regulation.
- 5.7 In case the principal nor the alternative representative cannot make it to the meeting, a provisional representative may be appointed by way of a formal letter to PAN under signature and authority of the PAN Management Council member 14 (fourteen) business days before the meeting.
- 5.8 The provisional representative shall be vested with all rights as the principal representative and only be present for one meeting, or unless otherwise stated by the principal representative.
- 5.9 The Chairperson must be acquainted with the attendance of the provisional representative and such representative shall form part of the quorum. Members shall brief the provisional representatives so that they do not compromise the effectiveness of the meeting.
- 5.10 All CAAF representatives will remain bound by this Terms of Reference and undertake to abide by the rules and procedures set forth herein.

6 Secretary

PAN Executive office will act as a secretariat of the CAAF and will also fulfil secretariat functions as may be expected from its Chairperson.

7 Roles and responsibilities of chairperson

- 7.1. The term of any Chairperson shall not be longer than 12 (twelve) months. Members may nominate themselves or be nominated by other members to act as Chairperson on a rotational basis. The current Chairperson may nominate himself/herself for re-election for not more than two terms. The election process shall be conducted either by a show of hands or by ballot and the nominee with the most votes shall be elected to serve as Chairperson of the CAAF.
- 7.2. The Chairperson or Deputy Chairperson Deputy Chairperson may not be a member of PMC.
- 7.3. Both Chairperson and Deputy Chairperson Deputy Chairperson shall not be employed by the same participant
- 7.4. The member whose representative is appointed as Chairperson and/or Deputy Chairperson Deputy Chairperson shall appoint a substitute representative (s) to the Forum.
- 7.5. The responsibilities of the Chairperson shall include, but not necessarily be limited to the following:
 - 7.5.1. Direct and oversee meetings, which shall include but in no way be limited to:
 - a) Ensuring that meetings are properly constituted.
 - b) Oversee decision-making and voting proceedings.
 - c) Ensure that every meeting has an appropriate agenda and action list.
 - d) Ensure that the Minutes of previous meetings are reviewed and approved.
 - e) Guide the meeting according to the agenda and time availed for each meeting.
 - f) Ensure that all discussion items end with either a decision, action, or definite outcome.
 - g) Unless it is a very urgent mater, PAN is to ensure that members receive not less than a seven-day notice of all meetings, and that the relevant

escalation procedures are followed for non-attendance by members or their designate.

- h) Ensure that members participate in the proceedings on an equitable basis.
- i) Evaluate and challenge (if necessary) the quality of submissions made by members and/or any other relevant body (i.e., Forum's); and
- j) Review and approve the draft Minutes before distribution to the other members.
- k) Compiling and drafting the CAAF extract for the annual report during his/her term.

7.5.2. Ensure that the mandate of the CAAF is properly executed.

7.5.3. Quarterly report on the execution of the CAAF duties and responsibilities to the PAN Management Committee.

7.5.4. Ensure that appropriate reporting is escalated to the PMC.

7.5.5. Authorise round-robin approvals when appropriate.

7.5.6. Invite specialists to attend meetings as and when required.

7.5.7. Ensure that the CAAF's performance is evaluated annually.

7.5.8. Ensure the distribution of the meeting are packs are distributed 7 working days before meetings to allow members to prepare for the meeting.

7.6. The Chairperson and Chairperson shall never be from the same participating member. The Chairperson and Deputy Chairperson shall always represent either a legacy participant or a new participant.

8 Roles and responsibility of the deputy chairperson

Upon the election of the Chairperson. Deputy Chairperson shall also be nominated and elected at the same time. The Deputy Chairperson shall act as the authorised designate of the Chairperson in situations where the Chairperson is unable to attend meetings. In

such situations, the Deputy Chairperson shall have authority and responsibilities as if they were the Chairperson.

9 Meetings of the CAAF committee

- 9.1. Schedule PMCPMC the CAAF shall meet monthly, at appropriate times and otherwise as required. The schedule of meetings of the CAAF shall be aligned with the schedule of meetings of the PMC in such a way that the meetings of the CAAF shall be scheduled before the meetings of the PMC, for effective reporting.
- 9.2. Additional meetings may be convened at the request of any one of the members of the RMC. Any Member requesting an additional meeting must provide detailed explanation based on a request and why they should be heard on an extraordinary basis.
- 9.3. Additional meetings may be convened at the request of any one of the members of the CAAF. Any Member requesting an additional meeting must provide detailed explanation based on a request and why they should be heard on an extraordinary basis.
- 9.4. Should the meeting have no quorum, a follow up meeting shall be set up within at least 7 (seven) business days with formal notice to all members. Any such notice may be given by electronic mail.
- 9.5. A quorum at a meeting shall be at least 51% of the members, failing which the meeting shall be adjourned and a further meeting (follow on meeting) shall be called within 14 (fourteen) calendar days after the date of the first meeting with notice of no less than 7 (seven) calendar days.
- 9.6. At the follow up meeting, the CAAF may conduct urgent meetings to discuss pressing matters. In such events, the number of members present will constitute a quorum for purpose of deciding and/or voting on matters. Only item(s) that had been placed on the agenda of the meeting that gave rise to the initiation of such a follow up meeting may be discussed or voted upon.
- 9.7. An attendance register signed by all the standing members of the CAAF, shall be deemed to be a record of a meeting of the CAAF.

- 9.8. The CAAF may terminate Chairperson 's or Deputy Chairperson term of office at any time before the expiry of his/her term of office, provided that 75% of the voting members of the Forum vote in favour of such termination.
- 9.9. Any communication relating to the Forum by the Chairperson outside the formal Forum structure may only be performed in his/her capacity as the Chairperson of the Forum and only with prior consultation and approval of the Forum.
- 9.10. Agenda items shall be submitted 14 days prior to the meeting with an annotation unless it's critical that can be added the morning before the meeting.
- 9.11. A meeting may be convened on shorter notice if all or at least 3 members of the Forum condone such shorter notice period. Any decisions taken at such meeting shall be subject to ratification at the subsequent regular meeting of the CAAF.
- 9.12. The Chairperson, the Deputy Chairperson, or any 3 or more members may convene special meetings at any time.
- 9.13. The secretary must maintain a formal attendance register for every meeting and present the register to the members during the meeting. Every member must make sure that they sign the register before departing.
- 9.14. The secretary must prepare an agenda in consultation with the Chairperson. The agenda and accompanying documentation must be circulated to each standing member at least 7 (seven) business days before the meeting.
- 9.15. All records, including Minutes, agendas and all other records generated and obtained by the PAN Executive Office, shall be lodged with PAN for safe keeping. Minutes shall be retained by PAN for a period of at least 5 years.

10 Voting at meetings

- 10.1 Each voting member shall have the right to one vote at meetings.
- 10.2 Decisions must preferably be reached on a consensus basis but shall be carried by a vote of not less than 75% of the members represented at the meeting. However, should a

proposal not attract support of 75% of the votes, such proposal may call for a special meeting in terms of paragraph 9.12 above. Should such issue still not be resolved, it may be escalated to PAN Operations 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.

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

10.4 Representatives of members may only vote on issues presented as agenda items as may be accompanied by supporting documentation.

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

11 Dispute, escalation, and appeal

11.1 As indicated in clause 10.3, decisions by the CAAF 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 any of the CAAF member reasonably considers any decision made by the Forum to be unfair or prejudicial to its interests, such member's objection must be minuted 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 arrange to make representations to the Forum either at the next scheduled meeting or at a special meeting arranged by the Chairperson.

11.1.2. The CAAF shall not implement such a decision until the aggrieved member has been given the opportunity to make representations to the Forum. 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.

11.1.3. 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 CAAF 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.

11.1.4. 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 CAAF shall be entitled to implement the relevant initial decision.

11.2 Any specific dispute between the members of the CAAF if not resolved shall be handled as per the PAN Dispute Resolution Policy.

12 Performance evaluation of the committee

As provided for under the provisions of clause 3.10, the CAAF must conduct a self-evaluation to assess its effectiveness and report its findings and recommendations to the Council in its last quarterly meeting.

13 Amendments of terms of reference

13.1 The Terms of Reference must be reviewed as and when required but at least once every 2 (two) years.

13.2 The Terms of Reference can also be amended by way of resolution passed by majority of the representatives of the CAAF entitled to vote but subject to ratification by the Council before implementation.

13.3 Notice of any proposed amendment to these Terms of Reference shall be sent to each member of the CAAF at least 21 (twenty-one) business days before the date of the meeting at which the proposed amendment shall be considered.

Certified as approved by the pan management council.

on the 7th day of May 2021

A handwritten signature in black ink, appearing to read 'J.P.B. Keyser', written in a cursive style.

Dr J.P.B. (Koos) Keyser

SIGNATURE

Pan chairperson

Annexure A

Payments association of Namibia

Acknowledgement of receipt

Card and ATM forum terms of reference

Kindly acknowledge receipt hereof by signing and returning this receipt as soon as possible but no later than by completing the below receipt template.

I acknowledge receipt of the **card and ATM forum terms of reference**.

Signed at **Windhoek** on _____

Name of Institution

Chief Executive Officer/Managing Director/ PMC Member

Please return the acknowledgement receipt to:

Chief Operating Officer
Payments Association of Namibia
P O Box 134
WINDHOEK
info@pan.org.na