



# **TERMS OF REFERENCE FOR THE PCH PARTICIPANT GROUP IMMEDIATE SETTLEMENT**

## Table of Contents

DOCUMENT HISTORY.....	3
1 PURPOSE AND OBJECTIVE .....	4
2 FORMATION AND RESPONSIBILITY.....	4
3 MEMBERSHIP .....	4
4 POWER OF THE MEMBERS .....	5
5 APPOINTMENT OF THE CHAIRPERSON AND ITS DEPUTY .....	5
6. CHAIRPERSON POWERS AND THEIR RESPONSIBILITES.....	5
7. MEETINGS .....	6
8. REPRESENTATION AT MEETINGS .....	7
9. VOTING AT MEETINGS.....	7
10. SECRETARY.....	8
11. ESCALATION AND APPEAL .....	8
12. AMENDMENTS TO THIS TERMS OF REFERENCE .....	8
13. APPROVAL .....	8
ANNEXURE A .....	9

## Document History

OLD VERSION	DATE	AMENDMENTS	NEW VERSION	AUTHORITY
V.01	2014/12/01	FORMALISATION OF DOCUMENT	V.01.1	PCH EFT MEMBER
V.01.1	2016/06/22	REVIEW BY PAN	V.02	SAIMA HERMAN
V.02.1	2016/08/20	INDUSTRY REVIEW	V.02.2	SAIMA HERMAN
V.02.2	2020/03/18	REVIEW BY PAN	V.03.1	ELINA NGHISHISHI

## **1 PURPOSE AND OBJECTIVE**

The Payment Clearing House ('PCH') Participant Group ('PG') Immediate Settlement ('IS') is constituted by Payment Association of Namibia ('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 IS Payment Instructions dedicated to the PCH PG by PAN.

The representatives on the PCH PG shall act as a consultative forum for the purpose of discussing and approving clearing rules and procedures for PCH. The PCH PG shall also act as a consultative forum in liaising and consulting with PAN, the PCH system operator/s, and such other party or parties within the clearing environment as may be appropriate or desirable in regard to matters, including operational business matters, relating to their members' participation in the relevant PCHs.

The objective of this terms of Reference is to ensure the effective implementation of all rules, principles and procedures and/or directives as adopted by the Council. For the purposes of this Terms of Reference, implementation shall include but not limited to ensuring the periodic review of the said rules, principles and procedures and/or directives, which reviewed policy shall be subject to Council approval as contemplated in the relevant PCH agreements

## **2 FORMATION AND RESPONSIBILITY**

The PG shall be formed by the participants representatives on the PCH PG.

They shall be responsible and ensure:

- a) Facilitation and management of the processing, clearing and settlement of payment instructions between its members.
- b) That payment instrument and processing standards are introduced and maintained in order to protect the integrity of the payment system and its operation. The standards must be documented and enacted via the clearing rules of the relevant PCHs;
- c) The implementation of appropriate risk reduction measures in the process of clearing payment instructions.
- d) the facilitation of an effective and speedy problem resolution process during daily operations and in crisis situations, e.g. the failure of a participant;
- e) that the clearing rules make adequate provision for handling of errors and returns (if applicable) in a formal and structured way;
- f) that the service levels with the PCH System Operator are established and maintained; and
- g) The representatives on the PCH PG 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.

## **3 MEMBERSHIP**

3.1 Each PAN member who is a participant of such PCH shall be a member of that PCH PG.

3.2 Each member shall appoint a designated representative and an alternate to the relevant PCH, that representative shall be a person in permanent employment with the member.

3.3 The nomination and appointment of a representative to the PCH PG shall be in writing from the members' Executive Management or Council representative.

3.4 Representatives' names (principal and an alternate) will be registered with the PAN Executive office by the member's official PAN Executive Office contact. Should the representative and/or contact particulars of any representative change, notification in writing must be given to the Chairperson and lodged with PAN within 5 business days.

3.5 The alternation of representative shall be in writing within PAN representation on PAN structure by the member for PAN to effect the changes. changes by word of mouth or via other forms of communication be deemed null and void.

## **4 POWER OF THE MEMBERS**

The members of the PCH PG, may change this ToR as provided for in clause 11 of this ToR but it must always, at a minimum, be based upon and subject to the terms and conditions of the relevant PCH agreement. The PCH agreement will prevail in the event of conflict between this ToR and the relevant PCH agreement.

The PCH PG 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 75% of the voting members of the PCH PG

## **5 APPOINTMENT OF THE CHAIRPERSON AND ITS DEPUTY**

- 5.1 Each PCH PG shall appoint the chairperson and deputy chairperson who shall be a person in permanent employment with the participant of the PCH.
- 5.2 A Chairperson and Deputy Chairperson from representatives of members, shall be appointed in the first meeting of each year;
- 5.3 The serving term of office shall be one year;
- 5.4 Election of Chairperson and Deputy Chairperson will be on a rotational basis with all members of PAN;
- 5.5 The deputy chairperson will automatically take up the role of the Chairperson the following year and a new deputy chairperson will need to be elected at the first meeting; or
- 5.6 The current Chairperson may nominate himself/herself for re-election for a second term. 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 PCH PG.
- 5.7 The member whose representative is appointed as chairperson and/or deputy chairperson shall appoint a substitute representative (s).
- 5.8 The Chairperson and or the deputy elected in terms of section 5.1 above, shall not be a member of the PAN management council.

## **6. CHAIRPERSON POWERS AND THEIR RESPONSIBILITES**

- 6.1 The Chairperson or, in his absence, the Deputy Chairperson shall preside over PCH PG meetings which shall include but not only 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 available;
  - f) Ensure that all discussion items end with either a decision, action or definite outcome;

- g) Ensure that members receive timeous 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) Review and approve the draft Minutes before distribution to the other members.
- j) Ensure that a comprehensive activity report is submitted to PMC on quarterly basis.
- k) Ensure that the risk log is timely reviewed and updated with the PCH current status.

- 6.2 The chairperson or deputy chairperson shall lead/ facilitate the meeting inclusive of any related sub-committee and/or workshops for such a PCH.
- 6.3 The Chairperson of each sub-group or working group, established in terms of 6.2, is, in the event of that person not being a voting member by virtue of representation of his/her institution, a non-voting member of the PCH PG.
- 6.4 Ensure the distribution of the meeting papers sufficiently in advance of meetings to allow members to prepare for the meeting
- 6.5 The chairperson shall be responsible in conjunction with PAN representative for all related PCH activities.
- 6.6 The chairperson and deputy chairperson shall represent the interests of all members and not necessarily those of sponsoring members (s);

## **7. MEETINGS**

- 7.1 A quorum at a meeting shall be at least 75% of the members, in failing the meeting shall be adjourned and a further meeting (follow on meeting) shall be called on a date which will be no less than 7 (seven) business days after the date of the first meeting with notice of no less than 4 (four) business days
- 7.2 Meetings shall be convened by the Chairperson or by Deputy Chairperson or 75% of members by no less than 7 business days' prior formal notice to all members;
- 7.3 Communication may be done by way of electronic mail, post or telefax as a formal means of communication.
- 7.4 A copy of the agenda and the minutes for the previous meeting and all relevant documentation shall always accompany the meeting invite.
- 7.5 PAN executive office will be the secretariat of PCH PG meetings. Minutes shall be kept in the format approved by PAN
- 7.6 Ratification to the agenda may be subject to change/amendment
- 7.7 The Chairperson, the Deputy Chairperson, or any 6 or more members may convene special meetings at any time.
- 7.8 An attendance register signed by all the standing members of the PCH PG shall be deemed to be a recording of a meeting.
- 7.9 The Chairperson and or Deputy Chairperson shall preside over PCH PG meetings. In the absence of both of them, one of the representatives present at the meeting shall be elected by the meeting to preside.

- 7.10 The minutes must be distributed to PCH PG representatives including PAN council members as well as to the PAN officials and PAN Representative of each relevant PCH member within 14 business days of the meeting.
- 7.11 PAN shall keep all records, including attendance register, minutes, agendas and all other records generated and obtained by the PCH PG for safe keeping.

## **8. REPRESENTATION AT MEETINGS**

- 8.1 Each member shall appoint both a principal and an alternate representative to the PCH PG, who shall be a person in the permanent employment of such member in Namibia. The appointment of a representative shall be in writing in the form called representation in PAN structure.
- 8.2 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 principal representative, in writing, which 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.
- a. The temporary representative's appointment shall be for one meeting only unless the principal representative is unable to appear at the next meeting.
  - b. Members shall ensure that temporary representatives are suitably briefed so as not to compromise the effectiveness of the meeting.
  - c. The alternate representative, who shall give notice at the commencement of the meeting, shall represent a member in the absence of the main representative.
- 8.3 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 PCH PG, and that any vacancy is filled by such member immediately upon the termination of the mandate of its representative for any reason whatsoever.

## **9. VOTING AT MEETINGS**

- 9.1 Each member shall through its representative at the meeting, have the right to one vote at meetings.
- 9.2 The Chairperson shall have no vote unless acting as chairperson due to the elected chairperson not being present.
- 9.3 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. 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.
- 9.4 Representatives of members shall vote by poll and or in such a manner as the Chairperson directs.

- 9.5 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.
- 9.6 The Chairperson shall immediately declare the result of the vote.
- 9.7 PAN may participate in meetings but shall have no voting rights.

**10. SECRETARY**

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

**11. ESCALATION AND APPEAL**

PCH PG decisions shall preferably be reached by consensus of all the members' representatives represent. Where consensus could not be reached, any dispute between the members of the PCH shall be referred or escalated by the Chairperson in terms of the PAN Dispute Policy.

**12. AMENDMENTS TO THIS TERMS OF REFERENCE**

- 12.1 The Terms of Reference must be reviewed as and when required but at least once every 2 (two) years.
- 12.2 The Terms of Reference can also be amended by way of resolution passed by majority of the representatives of the PCH PG entitled to vote but subject to ratification by the Council before implementation.
- 12.3 Notice of any proposed amendment to these Terms of Reference shall be sent to each member of the PCH PG at least 21 (twenty-one) business days before the date of the meeting at which the proposed amendment shall be considered.

**13. APPROVAL**

The Immediate Settlement PCH Constitution is hereby approved.

<p><b>CERTIFIED AS APPROVED BY THE PAN MANAGEMENT COUNCIL</b></p> <p><b>ON THE _____ DAY OF _____ 2020</b></p>
<p><b>SIGNATURE</b>  <b>KOOS KEYSER</b>  <b>CHAIRPERSON: PAN MANAGEMENT COUNCIL</b></p>

# PAYMENTS ASSOCIATION OF NAMIBIA

## ACKNOWLEDGEMENT OF RECEIPT

### IMMEDIATE SETTLEMENT PCH CONSTITUTION

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 **IMMEDIATE SETTLEMENT PCH CONSTITUTION**

Signed at **Windhoek** on \_\_\_\_\_

\_\_\_\_\_  
**Name of Institution**

\_\_\_\_\_  
**Chief Executive Officer/Managing Director/ Risk Head**

**Please return the acknowledgement receipt to:**

Chief Operating Officer  
Payments Association of Namibia  
P O Box 134  
WINDHOEK  
[info@pan.org.na](mailto:info@pan.org.na)