

## **NPS VISION 2020 LAUNCH**

Speech by Ms Lily Brandt – Chairperson of the Payment Association of  
Namibia at the launch of the National Payment System Vision 2020,

November 6, 2015

Director of Ceremonies,

Mr Ipumbu Shiimi, Governor of the Bank of Namibia

Mr Tawanda Mumvuma, Vice Chairperson of the Bankers Association of  
Namibia

Ms Barbara Gowaseb, Director of Payment and Settlement Systems

Captains of industry

Members of the Media

Distinguished Invited Guests, Ladies and Gentlemen

First of all, I thank you for having accepted our invitation to today's  
launch of the National Payment System Vision 2020.

I will elaborate on the key milestones reached over the last 10 years, the  
strategic imperatives achieved during the last five years and the  
strategic objectives we would need to work towards during the next five  
years.

The mandate of the national payment system, as per the Payment System Management Act, is to ensure that its operation is safe, secure and efficient. This requires collaboration, participation and investment from all stakeholders and let me take this opportunity to extend my sincere appreciation to all stakeholders who have contributed to the successful execution of the Vision 2015.

In celebrating the key milestones we have achieved over the last 10 years, let us take a short walk through memory lane:

1. In 2002 the Namibia inter-Bank Settlement System (NISS – the domestic RTGS) was implemented;
2. In 2003, the Payment System Management Act (Act No 18 of 2003) was promulgated and the domestic clearing house, Namclear Pty Limited was established,
3. In 2004 the Electronic Funds Transfer System (EFT) was introduced;
4. In 2005 the Payments Association of Namibia (PAN) was formed and;
5. In 2008 the domestic card switch (NAMSWITCH) was put in place.

Director of Ceremonies, during 2010 the first vision of the NPS, vision 2015, was adopted and launched and I will briefly elaborate on a few significant objectives achieved during the period of this vision:

1. The Bank of Namibia issued the Determination on the conduct of card transactions within the National Payment System (PSD-4) during 2012. In meeting the requirements of this Determination, the industry commenced with the Namibia Clearing House System Replacement (NCSP) project which aimed to replace the existing systems with domestic cheque, electronic fund transfer (EFT) and card payment streams in Namibia. The major benefit of this project was to have the domestic clearing house system in-country and under Namclear's control. The cheque stream was the first stream to migrate to the new system platform in November 2012, followed by EFT stream in 2013 and Card streams 2014.

2. Furthermore, the PAN Stakeholder Forum (PSF) was also established in 2012. The establishment of this forum aimed to enhance the inclusiveness and accessibility of the NPS. The commitment of non-banks to contribute to the efficiency and safety of the NPS is evidenced by the PSF's active participation in the Namibian payments industry. Through the collaboration and participation of both banking and non-

banking financial institutions, new innovations jointly designed will emanate which can only be for the benefit of Namibian businesses and consumers as a whole when these solutions are implemented during 2016 and 2017.

3. In light of the evolution and growth of card payment mechanisms domestically, Namibia is proud to announce the domestic Namibian EMV card which would be operating on both automated teller machines (ATMs) and point of sale (POS) devices. This card is meeting the same standard as cards from other card networks which are operating within our payment environment. The two critical factors that have played a role in this decision are the efficiency of a domestic card and the need to route domestic transactions through a domestic switch in accordance with our very own domestic regulation. This certainly is a game changer event and I wish to thank all the stakeholders for their contributions in making this strategic goal a reality and which would benefit both existing and new entrants.

4. The next milestone I wish to mention has not been fully achieved although significant progress has been made in this regard and that is the compliance of the Namibian banking industry to the international Payment Card Industry Data Security Standard (PCI DSS) and Europay

MasterCard Visa (EMV) standard. The aim of these standards is to reduce the risk of fraud in the Namibia payments ecosystem. The industry deadline for compliance to PCI DSS is 31<sup>st</sup> December 2015. In terms of EMV compliance the deadline was 30<sup>th</sup> September 2015. This deadline was not met due to a number of institutions still working towards achieving this strategic milestone.

5. Lastly, Ladies and Gentlemen, we are proud to say Namibia has implemented the SADC integrated Regional Electronic Settlement System (SIRESS) and is chairing the SADC Payment Scheme Management Body (PSMB) since its inception in 2013. In addition, Namibia is also the deputy chair of the Committee of Central Bank Governors (CCBG) subcommittee for SADC Payment Systems. This clearly demonstrates Namibia's active participation in SADC payment systems environment.

Ladies and gentlemen, let us now turn our attention to the focal points of Vision 2020 that we are here to launch.

As mentioned by the Governor, Vision 2020 focuses on three strategic themes: stakeholder synergy, integrity of the NPS and capacity of the NPS. These three themes form a whole and we will all agree that the mandate of the NPS speaks directly to the integrity of the NPS. It is not

possible to achieve integrity of the system without collaboration and cooperation of stakeholders and without having the capacity to maintain system integrity as well as active collaboration and cooperation.

Stakeholder synergy:

Over the next five years, we will continue to promote and manage stakeholder collaboration and cooperation and built on the sound relationships established over the last 10 years. We must intensify our collaboration and participation efforts but without compromising the governance in our domestic ecosystem and henceis we will also review and strengthen our governance framework.

In supporting the regional initiatives, we are paving the way for the achievement of the integration agenda of SADC sooner and Namibia's contribution would certainly make a difference when, through the integration of regional infrastructure, we have access to an efficient, safe and cost effective regional payments system.

Access to financial services is considered one of the main objectives of the Financial Sector Strategy and the NPS Vision 2020 support this objective by seeking to expand the utilization of existing financial

services and products. As a measure, the number of point of sale devices and Automated Teller Machines (ATMs) per 10 000 adults would be used as the measure for financial inclusion and accessibility.

### NPS Integrity

The industry envisages to improve access, interoperability and standards in the NPS through an increased number of payment instruments used across institutions and this will be measured by the percentage of authorized payment instruments across two or more institutions. Compliance to agreed standards would be another measure to ensure that we abide to the NPS core values of collaboration, integrity, respect, transparency, fairness, innovation and excellence.

Confidence in the NPS and mitigation of fraud will be strengthened by enhancing the infrastructure, safety, security and cost-effectiveness of the payment system through compliance with agreed standards, development and implementation of security standards and continuous monitoring and reporting on both compliance to standards and availability of core payment systems.

Another objective of the vision is to review, enhance and implement a governance model that will clearly define the representation, roles, responsibilities and decision making authority of key stakeholders.

Furthermore, the ownership, governance and funding of Namclear will be reviewed with the aim to implement a model that will best serve the interest of the NPS as a whole.

Lastly, the Bank of Namibia will develop a pricing and costing policy for payment services as mandated by the Payment System Management Act, 2003, (Act no 18 of 2003), as amended.

### NPS Capacity

The last theme that I would like to highlight is the NPS Capacity. I am sure that strengthening the NPS's human capital and skills lie close to all our hearts and it is one area that we cannot afford to neglect as it will form the foundation of our continued growth and success in achieving Vision 2020, and like Jim Collins once said "Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is one thing above all others: the ability to get and keep enough of the right people"



Director of Ceremonies, Vision 2020, is as we stand here, is just a piece of paper, and in many respects just a dream as a vision is often referred to. However, our very existence and presence here today is evidence of dreams that have become reality through collaborative action. My call today therefore is that all participants operationalise Vision 2020 by incorporating it into their own internal strategies, that, I believe, will give impetus to the realization of the objectives elaborated on earlier.

Director of Ceremonies, Ladies and gentlemen, it is now my distinct honour and pleasure to declare the NPS Vision 2020 as officially launched!

I thank you.