



PAYMENTS ASSOCIATION OF NAMIBIA



ANNUAL REPORT 2024

BRIDGING THE GAP:
Shaping The Future Of Payments Interoperability



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LIST OF ABBREVIATIONS

API	Application Program Interface
ATM	Automated Teller Machine
BON	Bank of Namibia
BRD	Business Requirement Document
CNP	Card Not Present
CBPR+	Community-based Participatory Research Plus
EEFT	Enhanced Electronic Funds Transfer
EFT	Electronic Fund Transfer
E-Money	Electronic Money
ENDO	Enhanced Debit Order
FIFSC	Financial Institution Fraud & Security Committee
FinTech	Financial Technology
IMF	Incident Management Forum
IS	Immediate Settlement
ISO	International Organization for Standards
NaSia	Namibia Savings and Investment Association
NPS	National Payment System
PAN	Payment Association of Namibia
PCI DSS	Payment Card Industry Data Security Standards
PMC	PAN Management Council
POS	Point-of-Sale
PSD-4	Payment System Determination on the Card Conduct in the National Payment System
PSD-7	Payment System Determination on Efficiency within the National Payment System
PSF	PAN Stakeholder Forum
PSP	Payment Service Provider
QR	Quick Response
RCSO	Regional Clearing System Operator
SADC	Southern African Development Community
SADC-RTGS	SADC Real Time Gross Settlement System
STP	Straight Through Processing
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TCIB	Transactions Cleared on an Immediate Basis Payments
TOR	Terms of Reference



WHO WE ARE

CORPORATE PHILOSOPHY

PAN PURPOSE

To fairly, equitably and transparently manage and regulate the participation, innovation and development of the National Payment System and its stakeholders, to the benefit of the Namibian nation.

PAN MISSION

To be a guardian of a safe and reliable National Payment System that conforms to international standards.

PAN VISION

To maintain a world-class payment system that meets domestic, regional, and international requirements.

PAN VALUES

INNOVATION

At PAN and in our stakeholder organizations, we value innovation and promote a culture where we initiate and enhance creative ideas for positive change.

RESPECT

We respect and protect the dignity of everyone. We also value each other's contributions and space at PAN.

GROWTH

We encourage and empower everyone to grow to their full potential through training, coaching and delegated decision making.

INTEGRITY

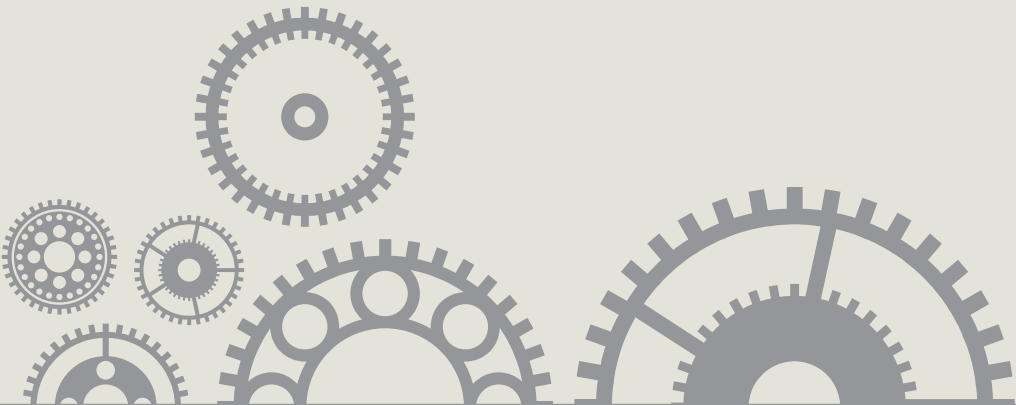
We are honest, truthful, and consistent in applying PAN's policies. We take responsibility for our words and actions and behave with consideration and reliability.

FLEXIBILITY

We believe in continuous improvement and being responsive to customer needs.

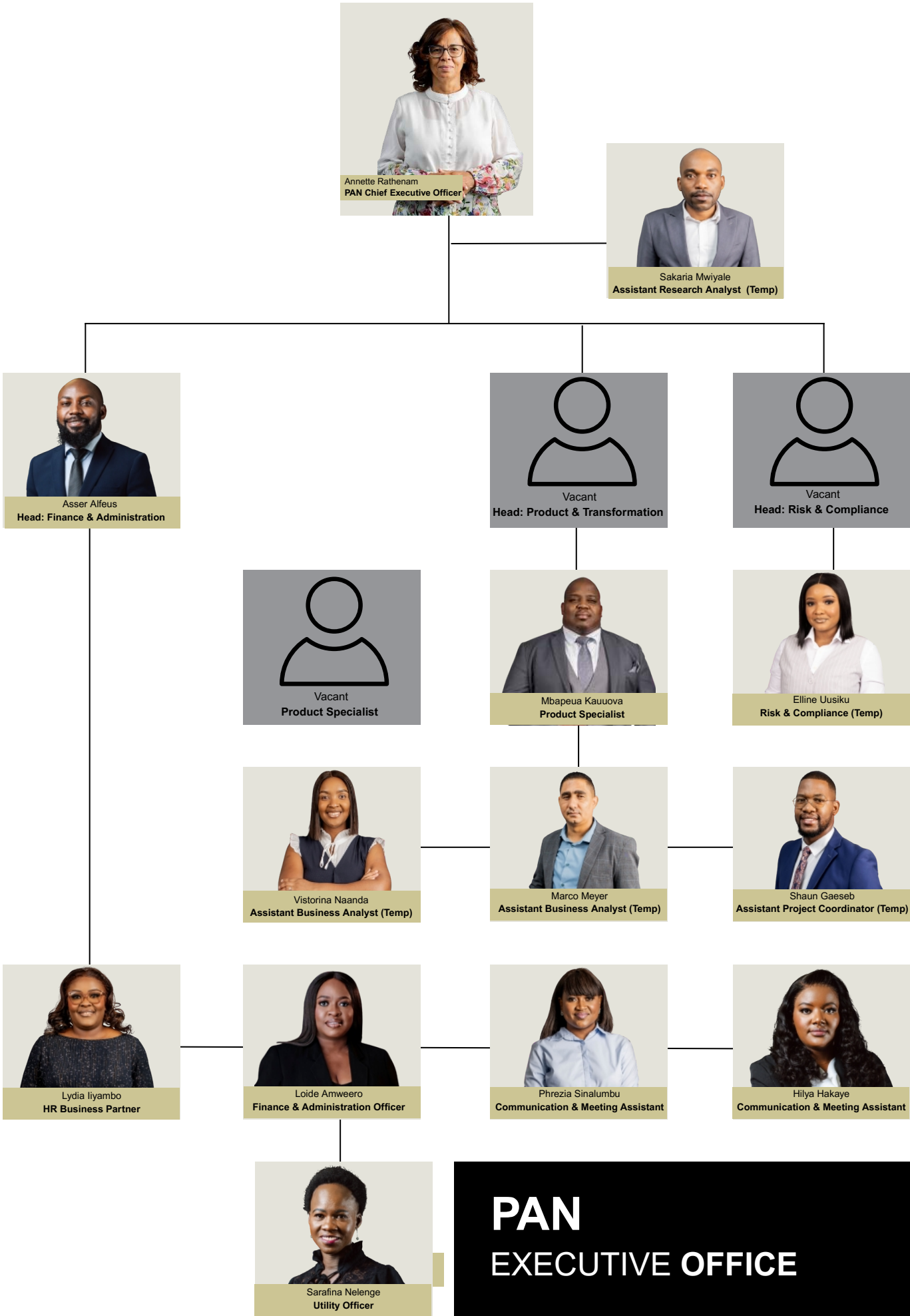
TEAMWORK

We believe that teams can rise to achieve greater things together than individuals. We appreciate, support, and sustain each other in fulfilling our common vision.





PAN
MANAGEMENT
COUNCIL





VOICES OF DIRECTION

“
MESSAGE
FROM THE
INDEPENDENT
CHAIRPERSON



The PAN Management Council continued to ensure efficiency, transparency, interoperability, effectiveness and safety within the national payment system’s regulatory environment.

Efficient and secure payment systems form the backbone of a stable financial system and are paramount to supporting Namibia’s economic growth and development. Over the years, we have observed that modernising our National Payment Systems is an ongoing process. The Payment System Management Act expanded the stakeholder engagement, particularly regarding the integration of non-bank entities, allowing them to benefit as PAN members alongside banking institutions and other stakeholders. Similarly, such rapid accelerations in fundamental reforms are occurring globally in other national payment systems. Continual re form of the Namibia’s payments ecosystem is crucial to aligning the country with best practices and positioning it as a world-class NPS.

In alignment with the NPS Vision 2025, Namibia’s payments ecosystem has been preparing for new changes based on these legislative adjustments . New business models and technologies will soon be launched. The industry is adapting to new platforms that deliver faster, more convenient offerings to customers while simultaneously adhering to safety regulations.

Following the enactment of the Payment System Management Act 14, 2023 (Act No. 14 of 2023), PAN initiated and obtained approval from the Bank of Namibia on the PAN Constitution. Governance and funding models for PAN and the NPS are currently anticipated.

The Association further carried out its mandate through collaborative platforms for its members, including participation in regional cross -border payments. Full interoperability across all streams will be achieved once the industry reaches this strategic goal by December 2025.

A significant milestone was reached when the Namibia Interbank Settlement System (NISS) incorporated the ISO 20022 payment messaging standard, enabling Straight Through Processing (STP) in 2024. The SADC-RTGS Operator, in collaboration with the SADC Bankers Association, adopted the ISO 20022 messaging standards for cross-border payments. All participating domestic banks in the SADC RTGS have successfully migrated to ISO 20022 standards.

The industry has embarked on adopting QR and Open Standards to integrate with the various payment streams. Together with the aforementioned enhancements in efficiency, interoperability, and payment processing security, alignment to international best practices and support for the evolving financial sector , these developments underscore PMC’s commitment to the safe and effective operation of Namibia’s national payment system.

The modernisation efforts by the Bank of Namibia and the industry are pivotal steps toward realizing the vision of a world-class National Payment System. By closing the gap and aligning with the National Payment System Vision 2025, the PAN Management Council seeks to drive economic progress and inclusive growth in Namibia. These endeavours serve as a beacon of hope, with collaboration and shared commitment transforming Namibia’s financial ecosystem.

I wish to thank the Bank of Namibia for their vital support to the industry and the PAN Council for their dedication to modernising the NPS to include all Namibians. Additionally, I extend my gratitude to the PAN Executive Office for its steadfast efforts in collaborating with the industry, ensuring both large and small projects are consistently driven forward with zeal.

Adrianus Vugs
PAN INDEPENDENT CHAIRPERSON”

“

MESSAGE FROM THE
CHIEF EXECUTIVE OFFICER



The global payments landscape is evolving rapidly, with near real-time payment infrastructures becoming the norm in major markets, including Namibia. The batch processing of EFT remains the dominant stream in terms of value followed by card transactions . Soon, instant payments will become a payment stream, enabling greater inclusion for unbanked and underbanked Namibians to participate in multiple payment methods. The main purpose of this is to accelerate the transition toward a less cash-dependent society.

Evolving regulations promoting financial inclusion, innovation, consumer protection, and privacy continue to shape the industry. Businesses and financial institutions invest significantly in advanced security measures, including encryption and multifactor authentication, to mitigate the risks of cyberattacks and fraud.

Additionally, regulatory oversight plays an increasingly critical role in ensuring that both bank and non-bank participants meet the required compliance criteria, while interoperability in e-wallets and mobile payments continues to expand industry-wide. NamPay (Namibia), which comprises of three streams, Endo, NRTC and ENCR, is not yet available 24/7/365. Meanwhile, point- of- sale (POS), automated teller machines (ATMs) and near-field communication (NFC) are actively provided primarily by banking institutions. However, QR codes have not yet been implemented.

To meet compliance and market demands, ISO 20022 has been implemented for both domestic and cross- border payments across high- value and low value payment streams. Primarily, Namibia’s big four banking institutions participate in these cross- border payments.

The industry must continually innovate to offer faster, more secure, more user-friendly payment solutions. This will provide consumers with greater choices and flexibility. Since banking institutions remaining the most direct participants, while service providers play a more indirect role, consumers remain largely reliant on traditional financial services.

I would like to thank the Bank of Namibia for their unwavering support of PAN, the PAN Management Council for their guidance in modernising the NPS, and the staff of PAN’s Executive Office for consistently fostering stakeholder collaboration to fulfill PAN’s mandate.

Annette Rathenam

CHIEF EXECUTIVE OFFICER

”

“

PROJECT MOMENTUM: PROGRESSING VISION 2025



As we enter the final year of the National Payment System (NPS) Vision 2025, the Product and Transformation Department is working tirelessly around the clock to achieve its set objectives. Throughout 2024, the department has focused on key projects and initiatives aimed at enhancing efficiency, security, and innovation within Namibia’s payment ecosystem.

Key Activities and Project Updates:

Implementation of NPS Vision 2025

The final year of the NPS Vision 2025 is marked by a dedicated drive to implement and complete all remaining initiatives within the payments landscape. Significant strides have been made to execute impactful projects, with rigorous assessments ensuring their feasibility and effectiveness. Several critical initiatives have been launched or implemented, including:

- Namibia Interbank Settlement System (NISS) ISO 20022 Migration
- SADC Real-Time Gross Settlement (RTGS) ISO 20022 Migration
- SWIFT Cross-Border Payment and Reporting (CBPR+) ISO 20022 Migration
- Implementation of PSD-9
- Fleet Card Data Standard

During this period, the completion of the Change Classification and Prioritization Framework experienced delays due to resource constraints. Nonetheless, this framework remains a crucial tool for structuring and prioritizing changes within PAN’s industry projects to ensure optimized resource allocation.

The industry successfully met the PSD-9 compliance deadline of September 30, 2024, by phasing out the Interim CMA Solution and transitioning to either the SADC RTGS system or the SWIFT network. Given the complexity of this transition, particularly for cross-border transactions, proactive engagement with the Payments Association of South Africa (PASA) have been prioritized. Key transition elements, including processing times and regulatory requirements, are being clarified to maintain a seamless shift.

The Immediate Settlement (IS) Forum has approved an updated implementation plan for the NISS and SADC RTGS ISO 20022 Migration Project. The revised target date for testing completion and system go-live is now May 30, 2025. The Southern African Development Community (SADC) is actively conducting internal User Acceptance Testing (UAT), with bi-weekly progress meetings ensuring continued momentum and transparency.

As 2024 concludes, the Product and Transformation Department remains fully committed to the realization of NPS Vision 2025. The past year has seen significant progress in various streams, with strategic initiatives driving transformation in the payments industry. As we approach the final milestones, we remain steadfast in our pursuit of an innovative, resilient, and efficient national payment system.

Mbapena Kammova
PRODUCT SPECIALIST”



COMPLIANCE IN A DIGITAL AGE



The Payments Association of Namibia (PAN) remains steadfast in its commitment to maintaining a secure and transparent payment ecosystem, in compliance with the Payment System Management Act of 2023 (Act No. 14 of 2023). This report, submitted in accordance with Section 6(1)(d)(d) of the Act, outlines PAN’s efforts to align its governance and compliance frameworks with regulatory requirements while fostering a resilient and inclusive payment environment.

To ensure robust oversight and effective industry collaboration, PAN has established a Transition Committee (TC) tasked with reviewing and refining its governance and funding model. This process, conducted under the guidance of the Bank of Namibia (BoN), aims to strengthen PAN’s structural integrity and operational efficiency. The revised governance framework is set for submission to BoN by 30th June 2025.

Mega Trends with Relevance to the Namibian Market

As global payment ecosystems continue to evolve, it is essential for the Payments Association of Namibia (PAN) to remain proactive in addressing key trends impacting the national payment landscape. The rapid advancement of digital currencies, fintech driven solutions, and cybersecurity measures necessitates a resilient and adaptive regulatory framework. By aligning with these emerging trends, PAN ensures that Namibia’s payment systems remain secure, inclusive, and efficient.

A key development shaping the Namibian market is the Instant Payment Project, driven by the Bank of Namibia (BoN). This initiative aims to facilitate real-time payments across various financial institutions, enhancing transaction efficiency and financial accessibility. Additionally, efforts to achieve interoperability across all payment streams are underway, ensuring seamless integration between banking and non-banking players to foster an inclusive and efficient payment environment.

Although digital payment adoption increases the risk of cyber threats, cybersecurity and fraud prevention remain a top priority. Strengthening security protocols, enhancing fraud detection mechanisms, and raising stakeholder awareness are crucial steps to protecting the integrity of Namibia’s financial ecosystem.

Moreover, financial inclusion remains a critical focus, with mobile money, agent banking, and cross-border payment innovations expanding access to financial services. The integration of artificial intelligence, blockchain, and machine learning is transforming risk management and transaction processing, paving the way for a more efficient and secure payment landscape.



By embracing these transformative trends, PAN continues to play a pivotal role in ensuring the Namibian payment system remains aligned with global best practices, fostering innovation while safeguarding financial stability.

Fraud Awareness Strategy

Recognizing the increasing prevalence of digital fraud, PAN has adopted a strategic, phased approach to fraud awareness, ensuring a comprehensive and targeted campaign across Namibia. The PAN Annual Fraud Awareness Strategy leverages insights from the Financial Institutions Fraud Security Committee (FIFSC), the Namibia Cybersecurity Council, and the Bank of Namibia’s Biannual Fraud Reports to identify evolving fraud patterns and implement effective countermeasures.

The strategy focuses on key fraud trends, including but not limited to digital banking fraud, business email compromise, and e-money scams which pose significant risks to businesses and consumers alike. This understanding informs a national fraud awareness campaign designed to equip the public with the knowledge and tools needed to recognize, prevent, and report fraudulent activities.

Given the rapid expansion of digital financial services, the campaign emphasizes the importance of vigilance in an increasingly interconnected environment. Cybercriminals continue to refine their methods, targeting vulnerable demographics such as the elderly, small business owners, and everyday consumers. To combat these threats, PAN is employing a multi-channel communication strategy that includes digital platforms, community outreach, and traditional media, ensuring accessibility for individuals across all levels of technological proficiency.

By reinforcing fraud prevention measures and promoting digital security awareness, PAN aims to create a safer financial ecosystem, fostering consumer confidence and resilience against financial crime.

Payment Cards Industry Data Security Standards (PCI DSS) Compliance

We are pleased to provide an update on the industry's ongoing efforts to comply with the Payment Card Industry Data Security Standards (PCI DSS). Overall, the compliance status has improved significantly, rising from 50% to 63%, reflecting notable progress across various institutions. Despite the progress made, challenges continue to persist, particularly regarding delays in certification and compliance recertification, underscoring the need for continued oversight and enforcement.

Certain financial institutions have encountered setbacks due to a combination of internal and external factors, including but not limited to restructuring and cybersecurity incidents. However, efforts remain underway to address these challenges, with a clear commitment to achieving full compliance within the set timelines. The transition to PCI DSS Version 4.0 is a critical next step, requiring a focus on enhanced technical controls in the second phase which is scheduled for implementation by 1 April 2025. The 14-month remediation period presents an opportunity to strengthen security measures and align with evolving industry standards.

As the industry continues to work towards full compliance, collaboration and proactive risk management remain essential. With sustained commitment and a structured approach, achieving full adherence to PCI DSS requirements by 2025 remains an attainable goal, ensuring a secure and resilient payment ecosystem.

National Payments Strategic Plan Vision 2025

Crafted through collaborative efforts with key stakeholders, including banking institutions, non-bank financial entities, payment service providers, and non-bank emoney issuers, the Vision for the National Payment System (NPS) reflects a shared commitment to its development. It embodies a mission focused on ensuring its safe, secure, efficient, and cost-effective operation, as outlined in the Payment System Management Act, 2023 (Act No. 14 of 2023).

Spanning from 2021 to 2025, this vision seeks to establish a world-class NPS driving digital innovation and economic activity in alignment with Vision 2030, while ensuring accessibility, efficiency, and security through stakeholder collaboration and adherence to payment system standards. Guided by core values such as collaboration, integrity, respect, transparency, fairness, innovation, and excellence, strategic initiatives are cascaded annually from the Vision into operational plans, ensuring alignment and accountability across stakeholders.

Notable achievements during the reporting period include regulatory advancements, such as the establishment of an Open Banking Forum, and operational model restructuring to foster digital innovation and support Vision 2030. While the implementation of the Vision for 2023 has been satisfactory, it is important to adequately address the strategic themes for the NPS 2025, given the rapid evolution of the payment ecosystem, the transformative nature of digital economy and innovation within this fast-paced environment. Therefore, all stakeholders are strongly encouraged to seize every available opportunity to effectively achieve the Vision.

New PAN Members

In alignment with the Bank of Namibia’s directive dated July 11, 2024, and in accordance with Section 8(1)(c) of the Act and Section 7.4 of the PAN Constitution, United Paypoint (Pty) Ltd and Finatic Technologies (Pty) Ltd have been invited to join the Payments Association of Namibia (PAN) as provisional members. This follows the Bank’s provisional authorization, granting Finatic Technologies (Pty) Ltd the ability to offer payment facilitation services and United Paypoint (Pty) Ltd the ability to provide third-party payment services and issue electronic money in Namibia.

We have taken the necessary steps to facilitate their provisional membership in full compliance with regulatory and constitutional requirements, reinforcing our commitment to maintaining a self-regulatory environment within the National Payments System (NPS). This continues our effort to provide an efficient and accessible NPS while upholding transparency, accountability, and rigorous standards for the benefit of all stakeholders.

Table 1: Fully authorized members of PAN

COMMERCIAL BANKS & PAYMENT SERVICE PROVIDERS: STATUS OF REGISTRATION WITH PAN			
No.	Institutions	Type of Payment Service Providers	Registration Status/Comments
1	Bank of Namibia	Banker to the State	Full paid-up PAN member
2	Bank Atlantico - Europa Namibia Branch	Commercial Bank	Full paid-up PAN member
3	Bank BIC Namibia	Commercial Bank	Full paid-up PAN member
4	Bank Windhoek	Commercial Bank	Full paid-up PAN member
5	First National Bank	Commercial Bank	Full paid-up PAN member
6	Standard Bank Namibia	Commercial Bank	Full paid-up PAN member

COMMERCIAL BANKS & PAYMENT SERVICE PROVIDERS: STATUS OF REGISTRATION WITH PAN			
No.	Institutions	Type of Payment Service Providers	Registration Status/Comments
7	Letshego Bank Namibia	Banker to the State	Full paid-up PAN member
8	Nampost Namibia	Commercial Bank	Full paid-up PAN member
9	NedBank Namibia	Commercial Bank	Full paid-up PAN member
10	Trustco Bank Namibia	Commercial Bank	Membership has been revoked
11	NamClear (Pty) Ltd	Automated Clearing House (ACH)	Full paid-up PAN member
12	ATM Solutions Namibia (Pty) Ltd	Payment Service Provider	Full paid-up PAN member
13	Ecentric Payment System Namibia	Payment Service Provider	Full paid-up PAN member
14	Hyphen Technology Namibia (Pty) Ltd	Payment Service Provider	Full paid-up PAN member
15	Innervation Value Added Services	Payment Service Provider	PAN member
16	EasyPay Namibia (Pty) Ltd	Payment Service Provider	PAN member
17	Adumo Online Namibia	Payment Service Provider	PAN member
18	Paymate (Pty) Ltd	Payment Service Provider	PAN member
19	RealPay Collections (Pty) Ltd	Payment Service Provider	PAN member

COMMERCIAL BANKS & PAYMENT SERVICE PROVIDERS: STATUS OF REGISTRATION WITH PAN			
No.	Institutions	Type of Payment Service Providers	Registration Status/Comments
20	Payat Payment Services Namibia	Payment Service Provider	PAN member
21	Buddy Industries (Pty) Ltd	Payment Service Provider	PAN member
22	Collexia Payments (Pty) Ltd	Payment Service Provider	PAN member
23	Nutun Payments Solutions	Payment Service Provider	PAN member
24	MobiCash Payment Solutions (Pty) Ltd	Payment Service Provider	PAN member
25	Selcom Payment Namibia (Pty) Ltd	Payment Service Provider	PAN member
26	Virtual Card Servcies Namibia (Pty) Ltd	Payment Service Provider	PAN member
27	Finatic Technologies (Pty) Ltd	Payment Service Provider	Provisional member
28	United PayPoint (Pty) Ltd	Payment Service Provider	Provisional member
29	Vivo Energy Namibia	Electronic Money Issuer	Full PAN member
30	Nam-mic Payment Solutions	Electronic Money Issuer	Full PAN member
31	Virtual Technology Services	Electronic Money Issuer	Full PAN member
32	Windhoek General Administrators (Pty) Ltd	Electronic Money Issuer	Full PAN member

The following sub-committees of the PMC were approved for the year 2025.

- Card Forum
- Electronic Funds Transfer Forum
- Immediate Settlement Forum
- Electronic Money Forum
- PAN Stakeholder Forum
- Financial Institution Fraud & Security Committee
- Risk Management Committee
- PAN Projects Prioritization Committees
- Incident Management Forum
- Open Banking Forum

In conclusion, the Payments Association of Namibia (PAN) remains dedicated to fostering a secure, inclusive, and transparent payment ecosystem. Through strategic initiatives and collaboration with key stakeholders, PAN continues to align with regulatory standards, drive innovation, and address emerging trends within the national payments landscape.

Our ongoing efforts, including fraud prevention, PCI DSS compliance, and the Vision 2025 for the National Payments System, underscore our commitment to ensuring a resilient, accessible, and efficient payment environment. Moving forward, PAN will continue to uphold its values of transparency, accountability, and collaboration to support the continued growth and security of Namibia’s financial ecosystem.



Mbapena Kamova
ACTING HEAD: RISK AND COMPLIANCE





FORUMS DRIVING INTEROPERABILITY



ENHANCING CARD INFRASTRUCTURE FOR A DIGITAL FUTURE



We are delighted to present the report for the PCH Card Forum, showcasing key progress achieved throughout 2024. Despite the challenges posed by a dynamic market environment, we remain steadfast in our commitment to fostering collaboration, knowledge sharing, and innovation within the payment card industry.

Projects:

Compliance with PCI DSS

While substantial progress has been made toward achieving this critical goal, some participants still have further steps to take on their compliance journey. Ensuring secured and protected payments through the card stream remains a priority for the payments industry and all participants have shown their commitment in achieving this goal.

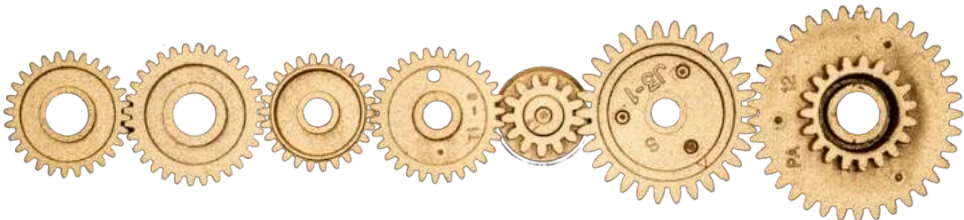
Card Framework Document

The Card Framework Document outlines the foundational principles and guidelines governing the issuance, usage, and management of payment cards within the industry. By adhering to these standards, we aim to ensure security, efficiency, and compliance across all card-related activities. The industry has dedicated considerable time to drafting the document, which will be presented to the PMC for review and final enforcement by the regulator.

Modernization of Card Rails

The ongoing modernization of card payment infrastructure is a strategic initiative aimed at enhancing the efficiency, security, and scalability of the industry’s card rails. By embracing innovative technologies and industry best practices, we seek to future proof our payment ecosystem, meet evolving customer expectations, and stay ahead of emerging market trends.

Figures 7 and 8 below illustrate the card transaction volumes and values from 2020 to 2024, offering a detailed overview of the changes and trends in card usage during this period. The data highlights a steady increase in both the transaction volumes and values, serving as a valuable resource for analyzing the state of the payment card industry.



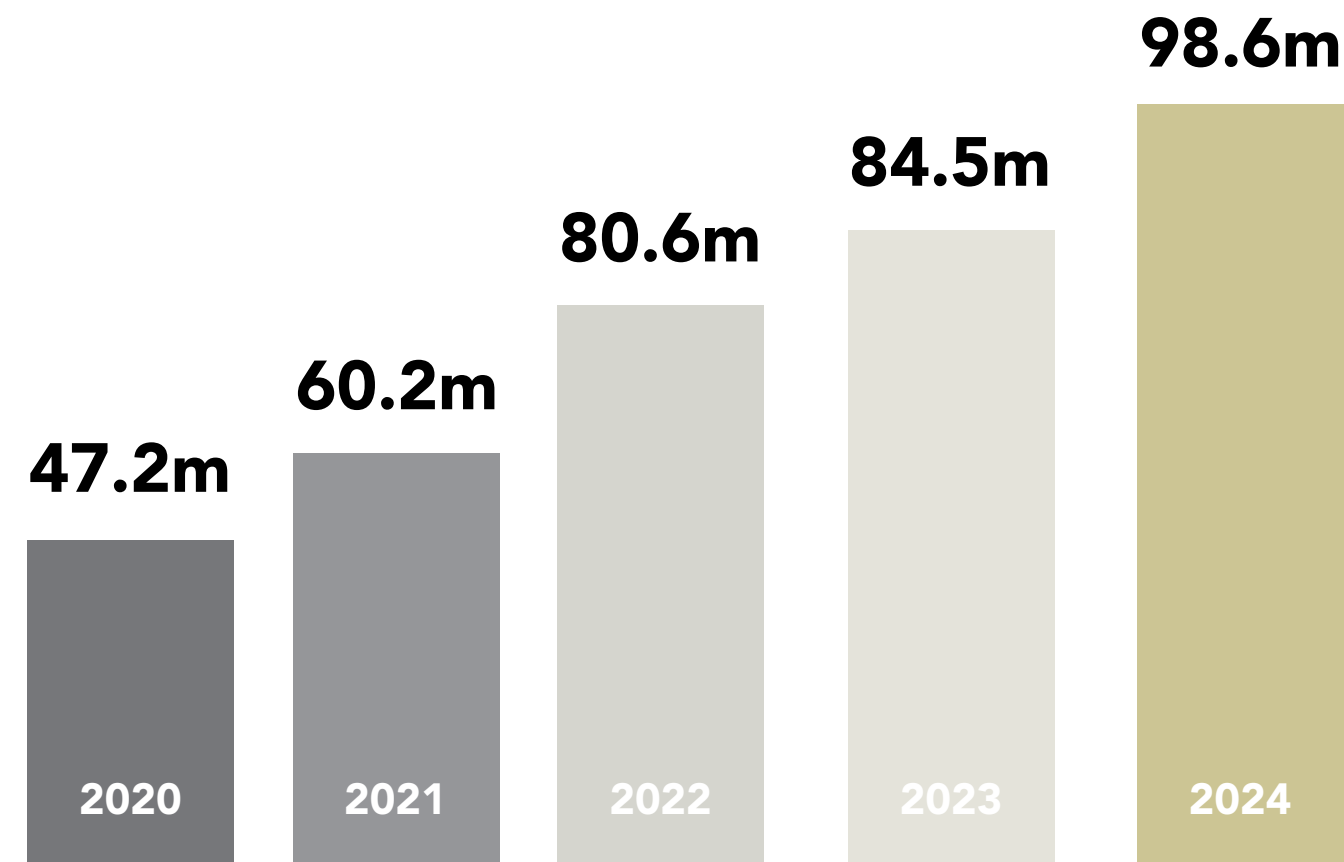


Figure 7: Card transaction volumes, 2020 – 2024

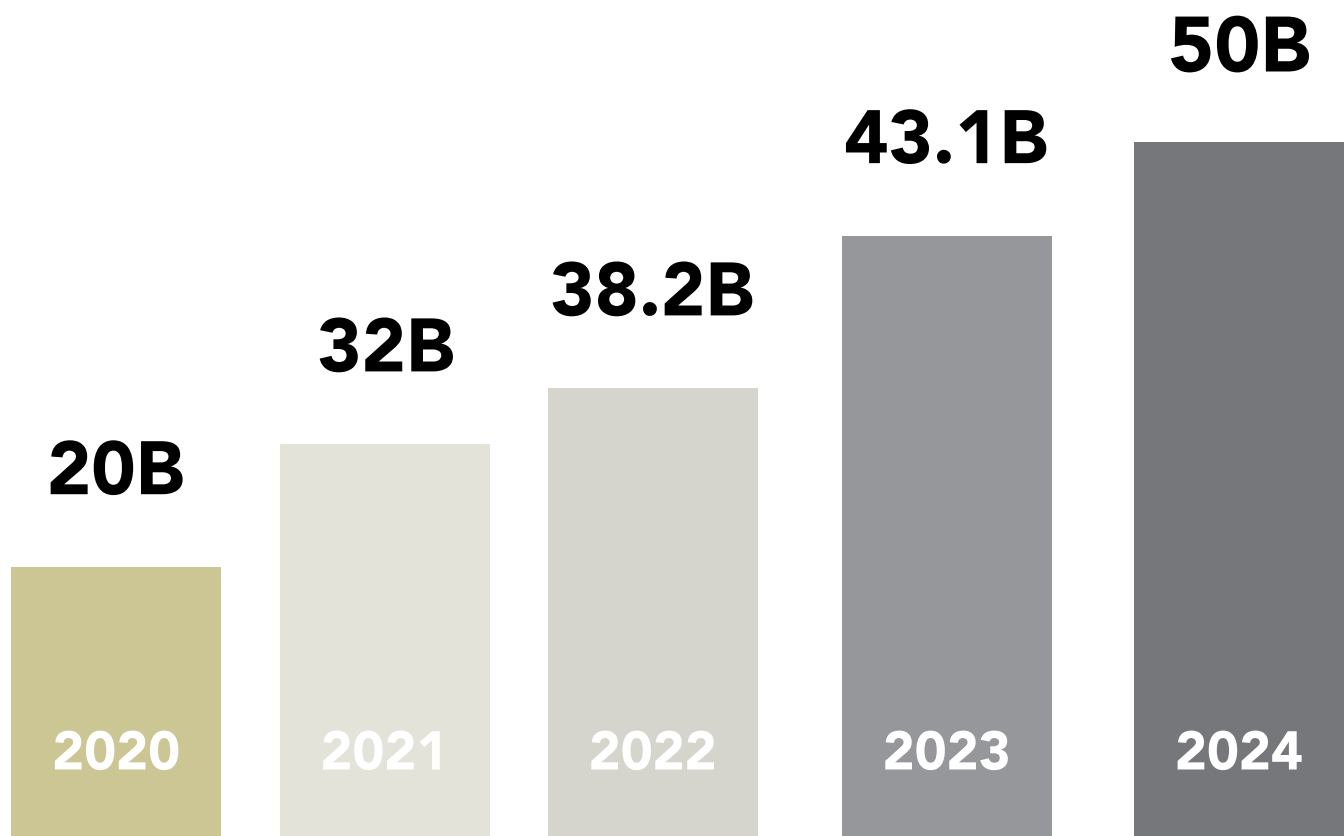


Figure 8: Card transaction values (N\$), 2020–2024

As illustrated in Figures 7 and 8, Namibia experienced an increase in card transaction volumes (the number of transactions) by 14.1 million and values (the total monetary number of transactions) by N\$6.6 billion between 2023 and 2024. This growth can be attributed to several factors:

- A shift towards digital payments and increased e-commerce activity.
- Banking initiatives promoting card usage.
- Technological advancements in payment systems.
- Regulatory support.
- Shifts in consumer behavior towards cashless transactions.

Furthermore, the digitalization of businesses catering to consumer preferences has further contributed to the rise in card transaction volumes and values in Namibia's financial economy.

As we look ahead to 2025, we are excited not only by the endless possibilities that the introduction of new technologies promises to bring, but also by the opportunities to better serve our citizens and participants.

We remain committed to continuously collaborating, challenging, and improving the Payment Cards industry.

We extend our heartfelt gratitude to all members for their continued support and participation in the PCH Card Forum. Together, we will continue to shape the future of payments.

Joe Möller

CHAIRPERSON: CARD FORUM





DRIVING EFT MODERNIZATION AND CROSS-BORDER ALIGNMENT



The National Payments System (NPS) continues to play a pivotal role in facilitating seamless, efficient, and secure financial transactions across the country.

As the Chairperson of the EFT Forum for 2024, I am proud of the ongoing collaborative efforts of the members and stakeholders, all working towards the common goal of ensuring safe, secure, efficient, and cost-effective operations, as outlined in the NPS mandate.

Monthly meetings were held throughout the year, complemented by several workshops designed to deepen our understanding of agenda items and facilitate collaboration to ensure timely conclusion and effective implementation. Additionally, the weekly Incident Management Forum held members accountable for incidents, ensuring they were promptly addressed and resolved.

PSD-9

A significant achievement this year was the industry's successful compliance with the PSD-9 directive. The Bank of Namibia issued the Determination on the Conduct of Electronic Funds Transfer Transactions in the National Payment System (PSD-9) on 14 October 2022, with the implementation deadline extended to 30 September 2024. PSD-9 governs the conduct of EFT transactions within the NPS, ensuring adherence to both local and international regulations that promote transaction safety, security, efficiency, and cost-effectiveness.

One of the key provisions of the directive prohibits classifying Namibian EFT transactions as domestic in other jurisdictions, ensuring they are recognized as international transactions. PSD-9 also enhances transaction visibility and transparency, addressing the classification and reporting of cross-border low-value Namibian EFT transactions, particularly within the Common Monetary Area (CMA).

To support the implementation process, regular bi-weekly testing meetings were held with regional counterparts in collaboration with PAN and PASA until the project's conclusion.

Change Requests

Drive by the unwavering commitment of the Forum members and stakeholders, two Change Requests were successfully implemented;

- **CR 224 - ENDO Cancellations (Disputes) resolution (SLA) Timeline Extension.**
- **CR 221 - ENCR and ENDO Start of Day and Extract Time Alignment;** and

Work in progress

- **Change Charters and Requests**

Two Change Requests are inflight:

- **CR 217 - NamPay Mark-Off Split & ENDO ENCR Non-Financial EOD Time Change;** and
- **CR 218 - In- Flight ENDO_ENCR File Transmission Time Change;** and

Additionally, two more Change Requests remain pending:

- **CR219 - Outward ENCRRET and ENCRAML After Cut-Off Response**, which is bank-specific and has been implemented by 90% of the banks; and
- **CR 220 - NRTC Continuous Processing**, for which outstanding feedback is still due.

The current **ITAS Validation** configurations and documentation contain outdated references and processes that no longer align with the organizational structure and tax administration procedures, leading to confusion, errors, and inefficiencies for customers and the Namibia Revenue Agency (NamRa). To update the banking systems, NamRa issued a Change Request via the Bank of Namibia.

The **ITAS Validation** developments are in progress, with all banks committed to deploying them by the end of March 2025.

Challenges Faced:

Industry knowledge and skills

One of the Strategic Themes of the NPS’ Vision and Strategy (2021-2025) is the “Theme 4: Human Resource Capacity Development”.

While the year has seen significant success, an ongoing challenge for the EFT Forum is the limited depth of the industry knowledge and lack of skills among its members which at times hinders meaningful and constructive dialogue.

To address this challenge, the industry should consider implementing targeted training programs, workshops, and knowledge-sharing initiatives to enhance expertise among its members. Encouraging collaboration with external experts and fostering a culture of continuous learning will also ensure more informed and productive discussions, leading to stronger decision-making and engagement.

PSD-9

Concerns regarding occasional delays in the processing of cross-border payments have tested the resilience of customers.

Additionally, the industry raised concerns regarding the misalignment of Balance of Payments (BOP) codes, and through PAN, submitted a request to the Bank of Namibia (BON) for an extension to facilitate their harmonization.

The Future - 2025

Several projects and change requests have been earmarked for the upcoming year, each aimed at advancing the industry’s objectives and addressing key areas for improved efficiency . Below are some of these initiatives:

- Account Verification Services
- NRTC Simplification and CR 220 - NRTC Continuous Processing
- Standard Referencing for Non-Tax Revenue of The Government of Namibia - the Ministerial Deposits Change Request
- Standardization of Quick Response (QR) Codes in the NPS

Volumes and Values

The volume and value of electronic fund transfers (EFTs) are crucial metrics for assessing the expansion and vitality of the financial sector. Figures 9 and 10 provide a summary of EFT volumes and values within the National Payment System (NPS), along with a comparison of patterns observed over the previous five years.

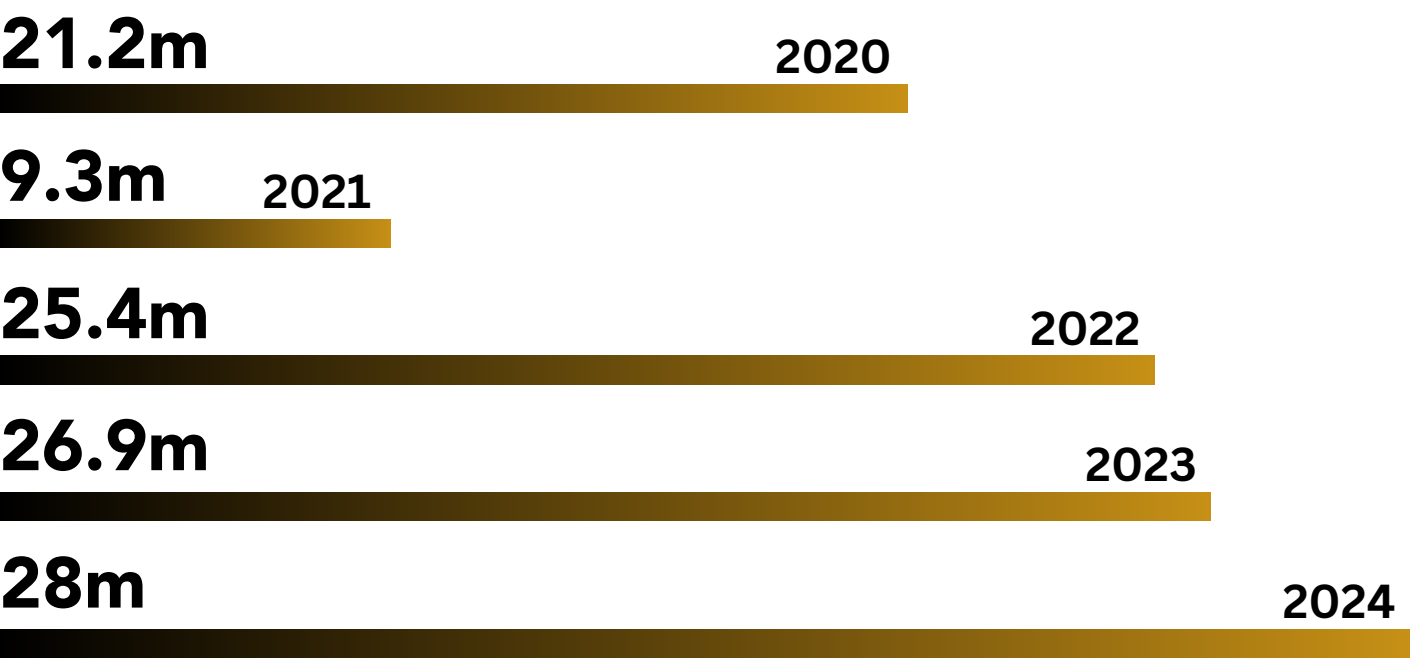


Figure 9: EFT transaction volumes (N\$), 2020 – 2024

Figure 9 demonstrates a steady increase from 2023 to 2024. This growth is evident in the Nampay sub-services provided to the NPS. This increase can be attributed to the products and services offered by the participants, as well as non-banks that utilise the payment system's functionality to promote financial inclusion.

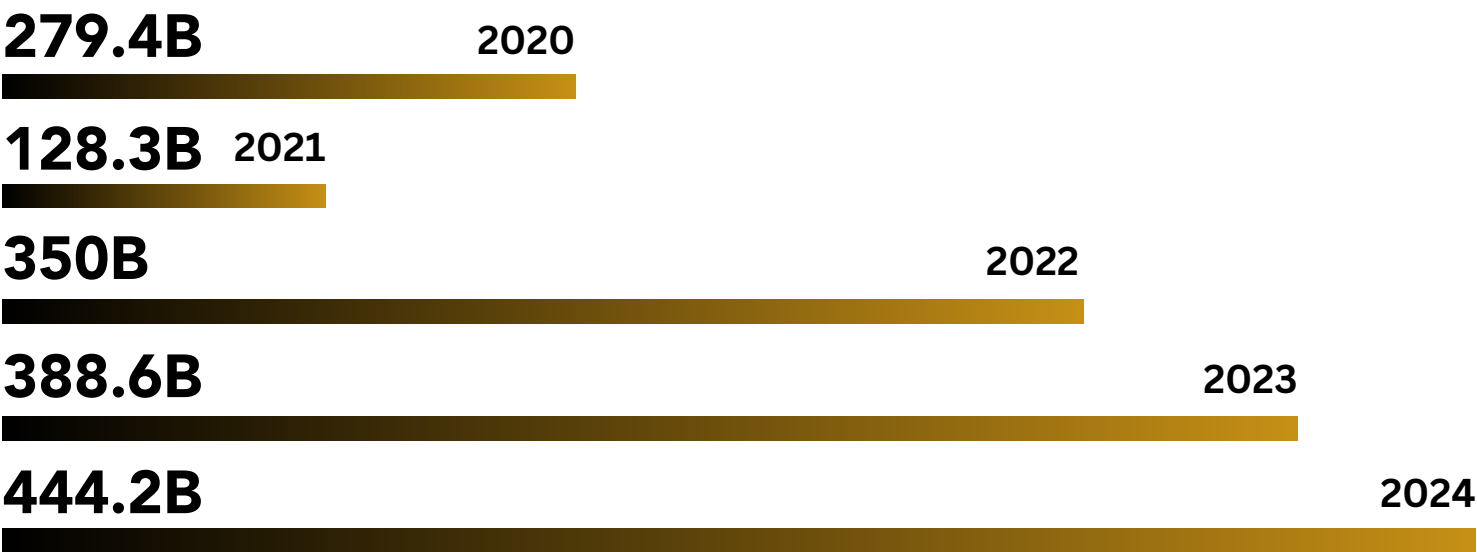


Figure 10: EFT transaction values, 2020 – 2024

Figure 10 reveals consistent growth in participant values throughout 2024. This trend continued with the entry of a new member into the NPS in the last quarter of 2024. The monthly circulation of EFT transactions reflect a robust payment industry with significant growth potential, driven by innovation and effective risk mitigation.

As we conclude this year, I express my deepest gratitude to all members and stakeholders of the EFT Forum for their unwavering commitment and contributions. Together, we have achieved significant progress in transforming the payments ecosystem, and your dedication to excellence has been central to our collective success.

The year ahead holds immense promises; let us continue working together to strengthen the NPS and create an even more customer-centric, efficient, inclusive, innovative, progressive, and secure financial system for all.

Vaanda Katjuongua
CHAIRPERSON: ELECTRONIC FUNDS TRANSFER FORUM





POWERING INSTANT PAYMENTS THROUGH NISS & ISO 20022



In 2024, the Namibian payments industry made notable strides. Participants in the Namibia Interbank Settlement System (NISS) focused on overcoming challenges and demonstrating resilience while working to maintain the system's overall integrity. This period marked an ongoing effort to ensure that the NISS operated smoothly and securely, adapting to changes in the banking environment and addressing any new obstacles that arose. The industry's dedication to improving its operations helped enhance the reliability and effectiveness of interbank settlements across the country.

The key activities deliberated on during the year were based on projects, stakeholder engagements, and recent changes to the Namibian banking landscape that impact the seamless and risk-free operation of interbank settlements:

Straight-Through-Processing (STP) Project

STP is defined as “an automated end-to-end processing of trades and/or payment transfers, which includes the automated completion of confirmation, matching, generation, clearing, and settlement of instructions, all without the need for re-keying or reformatting data.”

The implementation of Industry STP is one of the regulatory projects that commenced in 2020. The project was primarily initiated to establish an automated, end-to-end processing framework aimed at accelerating transaction processing (optimization), thereby enabling transactions to be handled without manual intervention (automation). This initiative is key to enhancing efficiency and reducing human error in the transaction lifecycle.

The status of the STP project remains unchanged, as its progress relies on the ongoing NISS ISO 20022 migration, which is currently under testing. The MX testing services are still in progress, while the MT services have concluded. Industry timelines have been shared with the various participants to facilitate the next steps in the process.

The forum continues to address several ongoing projects and strategic initiatives, with emphasis on the Payment Systems Management Act, the STP project, and NISS ISO 20022 migration. Operational readiness and compliance are under continuous review, with forthcoming updates anticipated upon the completion of the necessary resources.



NISS ISO 20022 Migration Project

In line with the preparation for the NISS ISO 20022 migration, BoN has been actively working with all participants to ensure that all the necessary testing is performed within the provided timeline.

Thus far, the migration to the new NISS system since 19th October 2024 has been operating smoothly. To address the challenges encountered, the PCH IS forum submitted communication through to the PAN office. The PAN team has been collaborating closely with the NISS testing team to identify areas where additional support could be provided, aiming to enhance the industry's efforts.

Testing continues across the industry, with the expectation that all participants will have completed the MT and MX message testing by 15th February 2025.

Volumes and Values

Figures 11 and 12 provide a comprehensive illustration of the Immediate Settlement (IS) stream's volumes and values in the National Payment System (NPS) over the past five years.

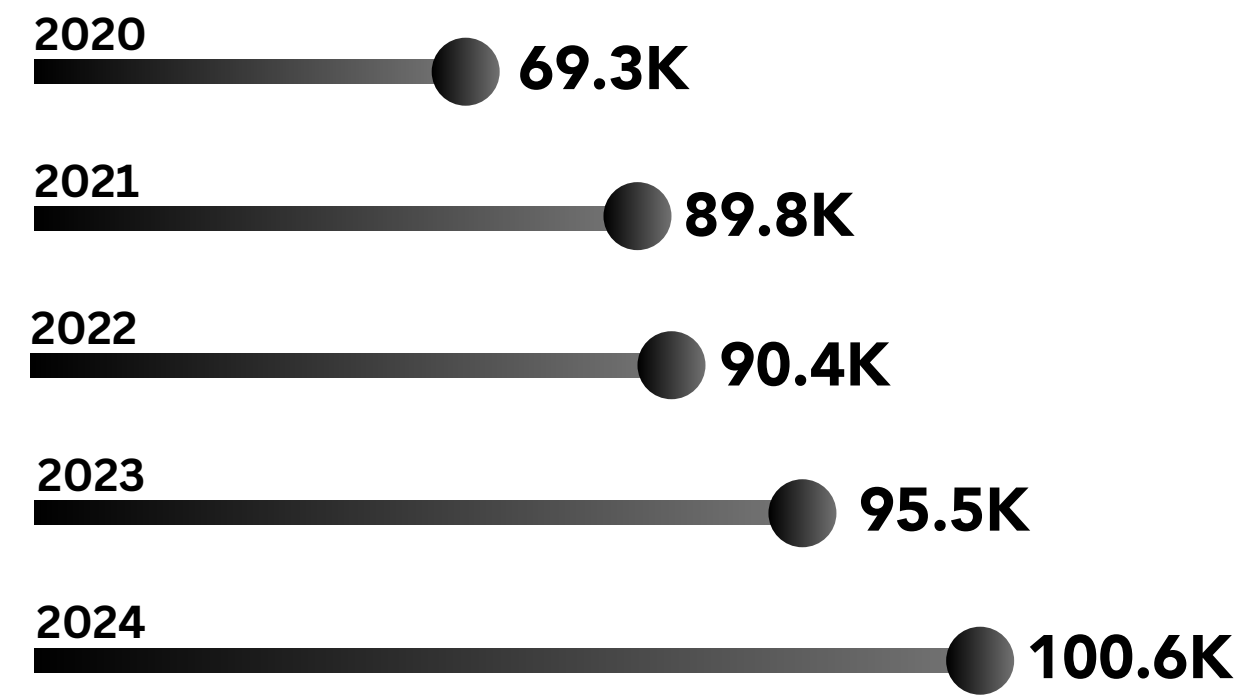


Figure 11: IS transaction volumes, 2020 – 2024

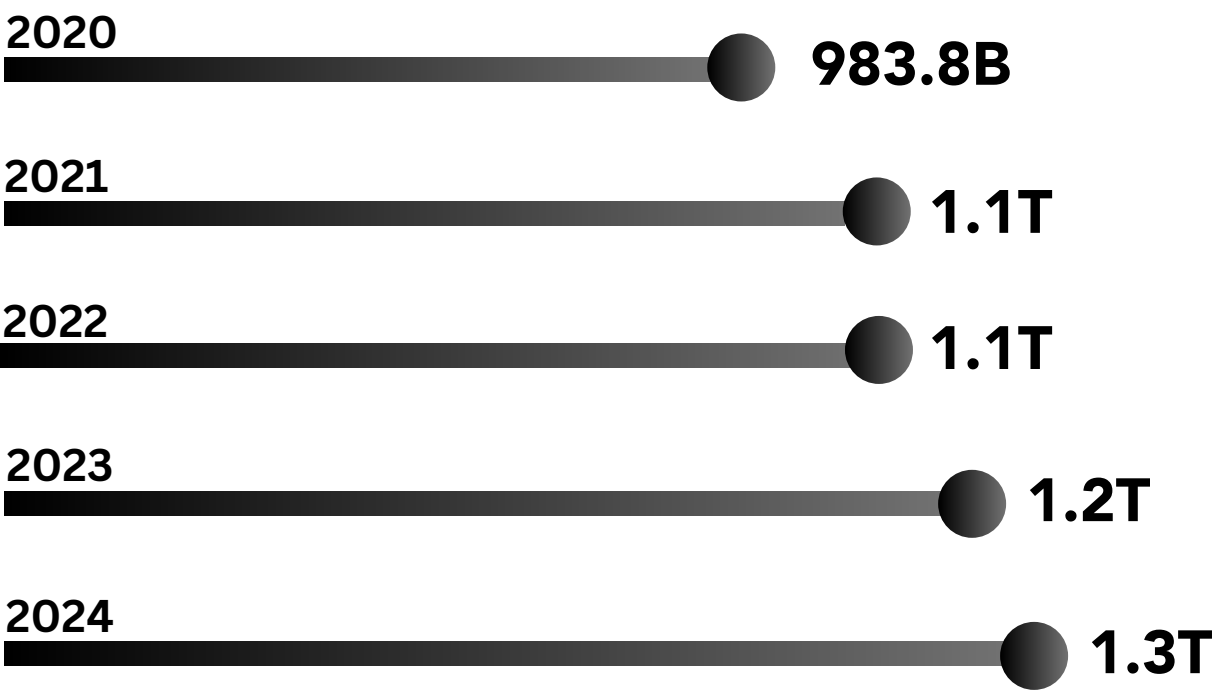


Figure 12: IS transaction values (N\$), 2020 – 2024

Figures 11 and 12 indicate that Immediate Settlement transaction volumes increased by 6% and values rose by N\$63 billion from 2023 to 2024. Growth in the trading of financial instruments during this period has significantly contributed to increased volumes and values within the Immediate Settlement category.

In conclusion, I extend my deepest appreciation to the participants of the Immediate Settlement (IS) Forum for their unwavering commitment, exceptional effort, and invaluable contributions throughout 2024. Their dedication has been instrumental in driving progress, and I wish them all the best as we work together toward the successful fulfillment of our mandate in 2025.

Rosalina Rui

CHAIRPERSON: IMMEDIATE SETTLEMENT FORUM





STRENGTHENING INDUSTRY RESILIENCE AGAINST FINANCIAL CRIME



Although the National Payment System (NPS) faced significant challenges in 2024, particularly due to the rise of digital fraud, with the support of forensic specialists and industry stakeholders within the Financial Institutions Fraud and Security Committee (FIFSC) forum, our efforts remained steadfast in fighting fraud and unlawful activities within the NPS.

To address the alarming rise in fraud, the forum and its members initiated several strategic initiatives:

- The 2024 PAN Fraud Awareness Campaign, which utilized radio jingles on Energy100fm to educate the public on modern digital banking fraud.
- An ongoing review of the monthly financial crime reports submitted by forum members, demonstrating a collaborative effort to identify and address financial crimes.
- An invitation to the Namibian Police Force (NAMPOL) to participate in the forum to enhance the exchange of information on digital banking fraud-related incidents in the financial sector.
- The successfully run initiative to register all SIM cards, implemented by industry stakeholders including MTC (Mobile Telecommunications Company), Telecom Namibia, and CRAN (Communications Regulatory Authority of Namibia), which has contributed to reducing criminal activities and assisted law enforcement in identifying and apprehending suspects.
- The ongoing updates to the 2024 PAN Annual Fraud Awareness Strategy Template aim to continuously promote digital banking fraud awareness to the public throughout the coming year.

In conclusion, I wish to express my profound gratitude to the esteemed members and participants of the FIFSC forum for their invaluable support and guidance. Our concerted efforts have markedly strengthened our industry's resilience against fraud. As we move forward, sustained collaboration and vigilance will remain imperative in safeguarding the security of our National Payment's Ecosystem. Together, we can uphold a more secure financial landscape for all.

Samuel Zambwe

DEPUTY CHAIRPERSON: FIFSC FORUM



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UNLOCKING INTEROPERABILITY IN NAMIBIA’S EMONEY ECOSYSTEM



As we approach the end of another noteworthy year, I would like to reflect on and acknowledge the journey we have shared as part of this vibrant electronic money (eMoney) forum. This year has been a valuable learning experience, enriched by the impactful contributions from our dedicated members and partners.

We have witnessed notable advancements and developments that will lead us toward a shared vision among eMoney forum members and partners of interoperability in the eMoney space in Namibia. Despite challenges, such as the current lack of clarity regarding the eMoney forum’s mandate, the active participation of our members has enabled us to tackle emerging issues , share valuable insights, and explore opportunities that will define the future of eMoney.

Highlights from this year include:

- The formal launch of the industry’s Instant Payments Pro ject, designed to implement the Instant Payments Solution and enable interoperability for eMoney transactions in Namibia;
- The Bank of Namibia’s demonstrated openness and transparency in leading this project; and
- The establishment of the Namibian Quick Response Code Standards.

Although these initiatives are regulatory- driven, the collaboration and commitment of eMoney forum members in working toward this shared goal have played a significant role in initiating and sustaining their momentum.

Looking ahead, the future promises even more innovative transformation. Together, we must continue driving conversations, fostering collaboration, and shaping the trajectory of electronic money in Namibia.

Thank you for being an essential part of the forum and for making this year impactful.

Elly Hasholo
CHAIRPERSON: ELECTRONIC MONEY FORUM

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“ FOSTERING INCLUSIVE GROWTH THROUGH STAKEHOLDER COLLABORATION



The PAN Stakeholder Forum (PSF) has continued to play an integral role in shaping the Namibian National Payments System (NPS) throughout 2024. As a platform fostering collaboration among diverse stakeholders, including non-banking financial institutions, payment schemes, merchants, consumer groups, and regulators, the PSF has steadfastly pursued its mission of driving innovation and ensuring equitable participation within the payment ecosystem.

2024 was a pivotal year marked by the implementation of the Payment System Management Act (PSM Act), which was promulgated in 2023. This transformative legislation has solidified the PSF’s role as a cornerstone in the operationalization of regulatory frameworks and as a key advocate for innovation and efficiency in the payments industry.

Governance and Membership

Under the continued leadership of Mr. Herman Kruger (Chairperson) and Mr. Shaun Seboa (Deputy Chairperson), the PSF maintained a robust governance framework. Regular monthly operational meetings and quarterly strategic sessions were held, with high member participation through virtual platforms. This structure ensured informed decision-making and effective representation in broader NPS initiatives. The PSF membership remained diverse, encompassing 24 organizations across various sectors which enabled comprehensive deliberations on critical issues, contributing to a balanced approach to industry challenges.

Key Activities and Achievements:

Operationalization of the PSM Act

The PSF actively supported the transitional structures mandated by the PSM Act through its collaboration with the Bank of Namibia (BoN) and the Payments Association of Namibia (PAN). It also contributed significantly to ensuring that the Act’s implementation is fit-for-purpose, particularly for non-banking payment service providers and other stakeholders.

Payment Innovation

The PSF’s commitment to innovation was demonstrated by its active participation in forums such as the Open Banking and EFT forums. Key achievements included:

- The submission of proposals for enhanced electronic mandates and data verification solutions.
- The collaboration with Namclear on the testing of account verification mechanisms to support open banking initiatives.
- The review and enhancement of the EFT Rules to better align with industry needs.

Financial Inclusion and Efficiency

Aligning with the Payments Vision 2025, the PSF focused on:

- Expanding access to payment services, particularly for underserved populations.
- Supporting enhancements to NamPay’s ecosystem aimed at reducing cash dependency and promoting electronic payments.
- Facilitating workshops and collaborative discussions to balance creditor and debtor rights in the NPS.

Collaboration and Risk Management

Regular engagement with industry stakeholders ensured effective management of operational risks, especially those related to the launch of new functionalities by participants like NamPost Bank. Issues, including digital mandate acceptance and the dual roles required for credit and debit operations, were addressed collaboratively.

Challenges and Concerns

Key challenges included:

- Addressing delays in finalizing and implementing industry-wide EFT Rules.
- Promoting cost- effective regulatory compliance without imposing undue financial burdens on stakeholders.

Despite these challenges, the PSF’s proactive approach ensured steady progress and robust solutions.

Looking Ahead

As 2025 approaches, the PSF is poised to deepen its contributions to the Namibian payment s ecosystem. Priorities include:

- Continuing to support the operationalization of the PSM Act through active participation in transitional and future structures.
- Enhancing capacity-building initiatives to equip members with the expertise needed to navigate evolving regulatory and technological landscapes.
- Strengthening collaboration to foster innovation, broaden participation, and achieve the objectives outlined in the Payments Vision 2025.

The PSF’s achievements in 2024 underscores its pivotal role in advancing the Namibian NPS. By fostering collaboration, driving innovation, and ensuring balanced representation, the PSF has reaffirmed its commitment to the greater good of the payments industry and society at large.

The Chairperson extends gratitude to all PSF members, representatives, and industry participants for their unwavering dedication and contributions throughout the year.

Herman Kruger

CHAIRPERSON: PAN STAKEHOLDER FORUM



MESSAGE FROM THE CHAIRPERSON OF THE OPEN BANKING FORUM

The Bank of Namibia, on behalf of the Open Banking Forum, issued a request for proposals earlier this year to appoint a qualified and experienced consultant. Following this process, Konsentus Limited was officially appointed and onboarded on 5 September 2024. Konsentus is entrusted with a critical mandate to identify and recommend API standards, develop robust data-sharing rules, and provide recommendations for operationalizing Open Banking, including Open Finance in Namibia.

This journey has been nothing short of extraordinary for the Open Banking Forum. From meaningful in-person engagements and knowledge-sharing sessions to navigating the complexities of crafting bespoke Namibian Open Banking Standards, the progress has been remarkable. Yet, this journey is far from over, with the Open Banking Project set to culminate in April 2025.

This initiative represents a groundbreaking milestone and a pivotal step toward realizing the vision of a world-class National Payment System (NPS). As a cornerstone of our modernization strategy, it aligns seamlessly with the National Payment System Vision 2025, which seeks to drive economic progress and inclusive growth in Namibia. By enabling the secure sharing of consumer information through APIs, Open Banking has the potential to foster stronger partnerships between banks and non-banks, significantly enhancing the customer experience. This endeavor stands as a testament to collaboration and a shared commitment to transforming Namibia's financial ecosystem.

Looking ahead to 2025, the finalization of the Open Banking Standards will mark a defining moment in this transformative journey. The Open Banking Forum is forging a promising path, making significant contributions to Namibia's financial sector while advancing the modernization of the economy. Together, we are shaping the future of the Namibian NPS.

Compiled by

RISK AND COMPLIANCE DEPARTMENT



GLOSSARY

Act Payment System Management Act, 2003 (No. 18 of 2003), as amended.

ATM Automated Teller Machine - An electronic device that operates in conjunction with a processor and network and allows customers to debit an account in exchange for cash and that may allow customers to effectuate account transactions.

Bank of Namibia (BON) - Namibia's central bank, established under the Bank of Namibia Act, 1997 (No. 15 of 1997).

Banking institution - An institution authorized to conduct banking business under the Banking Institutions Act, 1998 (No. 2 of 1998), as amended.

Cheque - A paper instrument that instructs the payer's financial institution to debit the payer's account for a specified amount, and either to transfer that value to the payee's financial institution for credit to the payee's account or to pay out cash.

Clearing - The exchange of payment instructions between a payer's bank and the payee's bank (or their respective agent) resulting in the calculation of payment obligations among system participants.

Cross-border transaction - A transaction in which at least one party is located outside the home country from which the transaction originates.

Determination Directives published in Gazette Notices issued by the Bank of Namibia on any matter which is required or permitted by the Banking Institutions Act, 1998 (No. 2 of 1998), as amended, to address issues deemed necessary and expedient for ensuring the prudent conduct of the banking business in accordance with the best standards and sound financial management.

Directive - Such instruction, requirement, rule or procedure as may be approved by a PCH Participant Group as being binding on all members of that PCH and ratified by PAN, or as issued by PAN or by the Bank of Namibia.

Entry and Participation Criteria laid down by PAN, in consultation with the Bank of Namibia, for participating in a certain stream of payment transactions. SADC ISO 20022 Migration project will continue to improve the efficiency of cross-border payments to ensure expansion of cross border digitization, customer services, while regional and continental integration for both banking institutions and non-banks remains high in order to align to global best practice.

Item limit - The maximum value for which a cheque can be legally issued, processed and cleared within the NPS.

National Payment System (NPS) - The payment system as a whole, which includes any payment system, settlement system or clearing system arrangement used in the process of effecting payment between payers and beneficiaries.

Nominating and Governance Committee (NGC) – the Nominating and Governance Committee of the SADC BA.

Payment system - A system that enables payments to be executed between a payer and a beneficiary.

PCH Participating in Group - A group governing the affairs of the participants in one or more PCHs and constituted by PAN.

Scheme - A collective of governance structures, rules, processes and instruments that permit payment transactions to be undertaken within SADC in a specific manner.



