



TCIB

TCIB REGIONAL CONFERENCE REPORT

22-23 November 2022



AfricaNenda
ACCELERATING INCLUSIVE PAYMENT SYSTEMS



BANKSERVAFRICA

ON 22-23 NOVEMBER 2022, BANKSERVAFRICA AND AFRICANENDA CO-HOSTED THE LAUNCH TCIB REGIONAL CONFERENCE IN LUSAKA, ZAMBIA.

Focusing on advancing equal access to payments across the SADC region, the two days gave key audiences – from commercial banks, fintechs, regulators, and money transfer operators – the opportunity to openly engage, share learnings and impart knowledge and experiences. Everyone walked away with a clearer idea of what needs to happen and the role – big or small – they can have in delivering a connected payments future for the region.

Noting the high cost of sending money and the promotion of digital payment services, the Bank of Zambia indicated their support for the TCIB Payments Scheme, which has also paved the way for further collaborations.

TCIB, as a SADC payments instant scheme, has been developed by central banks to overcome the main cross-border payments challenges experienced of high costs, low speed, limited access, and insufficient transparency. According to the SADC Payment System Oversight Committee, as the first in the world, the emphasis should be on ensuring sound levels of collaboration for making TCIB a success. This will involve stakeholders and regulators cooperating to ensure that facilitating payments across borders is seamless and as efficient as possible. To mitigate the risks, Central Banks will ensure policies align for proper oversight. It is also important that the right structures are in place to govern these payment streams.

The PSOC is responsible for overseeing and regulating the TCIB Payments Scheme. It is mandated to ensure a safe and efficient payment scheme in the region and see that TCIB is running smoothly. The PSOC also provides guidance on regulations for the payments scheme. Cross-border payments must contend with high costs, low speed, limited access and insufficient transparency. Designed for ISO 20022 standards, the TCIB Payments Scheme is an affordable and transparent service to the community and is open to reputable entities eligible to join the scheme.

The keynote speaker on the first day, Maria Katepa, Assistant Director of the Bank of Zambia, noted the critical role of remittances for economic development and its use in everyday lives – from funding education to health and supporting livelihoods. Due to the high costs of sending money, the Bank of Zambia has focused efforts on promoting digital payment services and various initiatives aligned with the Bank's financial inclusion objectives. In this regard, the TCIB Scheme has opened the space for partnerships and collaborations.

TCIB, as a SADC payments instant scheme, has been developed by central banks in the SADC region and owned by central banks, explained Tina Matlhabegoane, Lead Overseer of the SADC Payment System Oversight Committee (PSOC) during the 'TCIB: The SADC Cross Border Payments Scheme' session. Tina referred to some of the main cross-border payments challenges experienced involving high costs, low speed, limited access, and insufficient transparency that TCIB has been designed to solve for the SADC community. She added that as the first in the world, the emphasis should be on ensuring sound levels of collaboration for making TCIB a success.

Appointed as the operator and manager for the TCIB Payment Scheme, BankservAfrica ensures the scheme is led by members, as outlined in the scheme's established framework, Constitution and Rulebook. The criteria for joining the scheme – under the operator agreement and technical standards – are also set out. **"Joining the TCIB Scheme has been vastly simplified," said Tshepo Rakhibane, TCIB Scheme Manager at BankservAfrica.**



To date, the BankservAfrica TCIB Scheme has granted provisional membership to 26 banks, MNO and MTO participants across the SADC region.

"The pipeline is exciting – we are currently in discussion with at least 101 of the approximately 330 remitters and potential service providers that can be onboarded to the scheme. At the same time, we are pursuing the huge potential in the active corridors," added Sarel Myburgh, Africa Strategic Business Development for TCIB at BankservAfrica. Achieving scale is possible through the platform's cooperative design that leverages collaborations with the Friends of TCIB – Traderoot, GLU Global, Oracle, Sybrin, ProBASE and Mobile Payment Solutions – to simplify their participants' integration to the platform.

Sarel added: **"The benefit of the TCIB Payments Scheme operated and managed by a non-profit entity like BankservAfrica and endorsed by regulators means that this scheme has a value proposition across commercial, mutual, and regulatory spheres. It also means a more sustainable model for achieving long-term commercial value."**

The ability of the TCIB Payments Scheme to deal with the complexities in cross-border payments sets it apart from other existing and instant payment systems, according to special guests joining the 'SADC State of Instant Payments' panel discussion.

"How the scheme operates across different jurisdictions, multiple currencies, and across the divergence of due diligence is enlightening," remarked Barry Cooper, Executive at CENFRI. Critically, the world of instant payments should evolve for customers. **Michael Mbuthia, Regional Director of East Africa at AfricaNenda, said: "Customer experiences vary for those choosing to visit a bank branch compared to others opting for online. In understanding the personal and generational needs of the youth, elderly, and people with disabilities, traditional payment infrastructure should evolve to cater for all," he said.**





Referring to the risks in the current environment, the importance of compliance in remittances and cross-border payments cannot be overstated, particularly for instant payments, to keep financial markets safe and sound. **Denis Kruger, Business Development Manager for Sub Sahara Africa at SWIFT, said that the regulator must ensure the rules apply equally for each member.**

Pulling together in the same direction will open more market opportunities and returns, said Ruhling Herbst, Executive Head Africa Business Development at BankservAfrica, opening the 'Unconventional role players covering the payments landscape' panel discussion. This is also necessary for the current market dynamics where the COVID-19 pandemic and lockdown have driven the uptake of digital payments, notably mobile markets. This acceleration has beckoned the call for the market to re-organise and re-orient itself.

"There's a lot of great things happening among the non-traditional players that have opened many new opportunities. The question now is how we, as the appointed Operator and Scheme Manager for the TCIB Payments Scheme, can collaborate with all role-players to further objectives," questioned Ruhling.

Opening the second day, **Dr Robert Ochola, CEO of AfricaNenda, urged everyone to declare 2023 the year of driving the Africa we want. AfricaNenda launched the second edition of its report, 'The State of Instant and Inclusive Payment Systems in Africa' in November 2022, showing 400 million Africans – 60% of the population – continue to face financial exclusion. On the instant payments front, there have been dynamic shifts. The challenge is that key players across the continent don't talk to each other.**

Successful instant payment schemes are characterised by clear oversight, effective scheme management and timely settlement. Well-managed schemes can drive transactions at scale – thereby improving the customer-centric approach while addressing regulatory concerns around the efficiency of payments.

Customer needs remains key with many wanting faster and more efficient payments. Economies are digitalising globally, leading to profound implications for the retail and wholesale industries and their use of payments and money. Therefore, close collaboration amongst regulators is important – and this is becoming even more imperative for integrating regional payment systems. An efficient and transparent regional payments ecosystem is critical for fostering financial integrity, enhance financial inclusion, leverage fintech innovation, in addition to achieving regional, continental, and international integration.

Cross-border payments are often more complex in nature due to the involvement of different stakeholders, jurisdictions, and time zones. They are also characterised by high costs, low transaction speeds and inadequate transparency. Enhancing the private and public vision to enhance cross-border payments is one way of overcoming this.

The next generation RTGS is in the pipeline for ensuring the system remains relevant and valuable to the community.

The roadmap to positioning the SADC as a harmonised region has been in the collaborative space.

In 2015, conversations started with different roleplayers interested in addressing the expensive corridors and creating an interoperable platform. Many in the industry thought this was impossible – however, today, we have TCIB, which also brings the opportunity to work and learn from others interested in partnering in this incredible journey.

The faster payments movement is gaining momentum globally and capturing a fresh wave of innovation. In all the excitement, systems should not lose sight of the importance of customer experience – and in the case of Africa, to stay future-focused to remain ahead of the curve.

Due to the different stakeholders, jurisdictions and time zones, cross-border payments are more complex in nature and therefore characterised by high costs, low transaction speeds and inadequate transparency, explained Barbara Dreyer, Deputy Chairperson of the PSOC. As the TCIB Payments Scheme is a homegrown solution, it's important that the industry gets behind it to contribute towards deepening financial inclusion, and the seamless flow of low-value transactions across the region – and eventually the continent. "As regulators, we are advocating for the scheme and its participation. We urge potential participants to engage with the TCIB Scheme."

Discussing the SADC RTGS Renewal Strategy – which will be implemented in a phased approach until 2025 – Nomwelase Skenjana, Divisional Head – Domestic and Regional Services National Payment System Department at the South Africa Reserve Bank, shared more on the next generation RTGS for enabling smart multi-currency settlement efficiently and offering solutions, like liquidity bridges, to prevent settlement obligation risks from stalling. Nomwelase discussed the other aspects under consideration – such as having a central infrastructure to deal with cybercrime or fraud. A common approach would help to strengthen controls. The big changes coming to the SADC RTGS will ensure the system remains relevant and valuable to the community.



The roadmap to positioning the SADC as a harmonised region has been in the collaborative space, explained Maxine Hlaba, Executive Secretariat at the SADC Banking Association. In 2015, conversations started with different roleplayers interested in addressing the expensive corridors and creating an interoperable platform. **"Many thought we were crazy, but this is what we wanted to do - and today we have TCIB," said Maxine unpacking the journey, which continues as the scheme attracts more participants. "We still believe there are opportunities to learn from each other."**

The faster payments movement is gaining momentum globally and capturing a fresh wave of innovation. In all the excitement, systems should not lose sight of the importance of customer experience - and in the case of Africa, to stay future-focused to remain ahead of the curve.

Opening the discussion on the 'Future of Faster Payments on Domestic and Regional Levels and its convergence' panel discussion, **Jan Pilbauer, CEO of BankservAfrica, spoke about the progress, such as the market launch of PayShap in South Africa in March 2023. "In this real-time movement, the days of waiting for a payment to clear and settle are disappearing," added Jan. "People want the experience to be instant - and we need to get used to this."**

"Automated Clearing Houses, including BankservAfrica, are evolving from processing interbank payments to catering for a broader market operating in closed-loop systems," he noted. "We need to solve for these, as well as for regional systems lacking the interoperability to speak to other systems. BankservAfrica is setting out to do this through the TCIB Payments Platform that connects the different real-time domestic solutions."

The conference also featured the Friends of TCIB, namely Traderoot Africa, Sybrin, GLU Global, Sybrin, ProBASE and Mobile Payment Solutions sharing their proposition to potential participants for simplifying the integration into TCIB.

We would like to express our gratitude for the overwhelming support received from country representatives, regulators and market players, some of whom attended virtually. The knowledge sharing, learnings and ideas will place us in a better position to mobilise the TCIB Payments Scheme to make a real difference together.

"We are encouraged by the interest and focus of key stakeholders and players from across the region sharing the same vision of promoting cross-border payments for the benefit of communities and stimulating trade across the region and the rest of the continent. We are looking forward to driving this vision together in 2023," ended Ruhling.

After the successful conclusion of the inaugural TCIB Regional Conference, BankservAfrica and AfricaNenda will host similar conferences in each of the member countries over the next 12 months. This is an opportunity to further the constructive engagements to see SADC cross-border payments becoming a reality.



IF YOU ARE INTERESTED IN MORE INFORMATION OR CONTINUING THIS DISCUSSION, PLEASE REACH OUT TO THE BANKSERVAFRICA TCIB TEAM:

Email: TCIBqueries@bankservafrika.com
Contact our service desk
at: +27 (11) 497 4000

Look out for the updates on the TCIB Payments Scheme in our quarterly newsletter, Payments Corridor Talk! Sign up to join the mailing list at Marketing@bankservafrika.com.

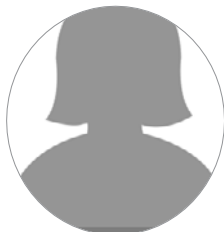


TCIB





THANK YOU TO ALL THE CONFERENCE PARTICIPANTS



Maria Katepa
Acting Assistant Director
Payments Systems Development
and Operations
Bank of Zambia



Dr Robert Ochola
CEO
AfricaNenda



Michael Mbuthia
Regional Director East Africa
AfricaNenda



Barbara Dreyer
Deputy Chairperson
PSOC



Engwase Mwale
Chief Executive Officer
FSD Zambia



Nomwelase Skenjana
Divisional Head - Domestic and
Regional Services
**National Payment System
Department, SARB**



Jan Pilbauer
CEO
BankservAfrica



Maxine Hlaba
Executive Secretariat
SADC Banking Association



Leonard Mwanza
CEO
Bankers Association of Zambia



Barry Cooper
Executive
CENFRI



Edgar Mlauzi
Assistant Director: Consumer Protection
and Information Management
ZICTA



Ruhling Herbst
Executive Head Africa
Business Development
BankservAfrica



THANK YOU TO ALL THE CONFERENCE PARTICIPANTS



Tshepo Rakhibane
TCIB Scheme Manager
BankservAfrica



Denis Kruger
Business Development I Sub-
Sahara Africa
SWIFT



Shadrack Ogechi
Solutions Architect | Consultant
BPC



Dr Jonathan Pinifolo
Chief Operating Officer
COMESA Business Council



Tina Matlhabegoane
Lead Overseer
PSOC



Elvis Chomba
Head: Transactional Banking
EcoBank Zambia



Joseph Shiku
Chief Information Officer
Zambia National



Nicholas Mungo
Payment Specialist
AfricaNenda



Ignatius Mwanza
Zambia Industrial Commercial
Bank Ltd



Andrew Chuma
Director: Airtel Money
Airtel



Ian McAlpine
Business Development Executive
GLU Global



Vanessa Chitupila
Head of Legal and Regulatory Affairs, Risk
and Compliance- Fintech
MTN



THANK YOU TO ALL THE CONFERENCE PARTICIPANTS



Brendon Paul
CEO
Sybrin



Charity Chikumbi
Director – Policy & Digital
Financial Services
FSB Zambia



Francois Roode
Head of Business Development
Traderoot



Marcus Achiume
Co-Founder
Mobile Payment Solutions (MPS)



Phil Boyall
Business Development Director |
Corporate & Transactional
Banking Africa
Oracle Fin Services Global Business



Komba Malukutla
Managing Director
MTN



Dr Francis Lwanga
Chief Executive Officer
ZECHL



Roy Muyelu
Chief Executive Officer
ProBase



Sarel Myburgh
Strategy and Research Officer &
Africa Strategic Business Development
BankservAfrica



Damola Owolade
Head: SADC Financial Inclusion
FinMark Trust



Masinja Mulenga
Head of Mobile Money
Zamtel