



Guidance Notice on the migration to ISO 20022 Messaging Standards for both Domestic and Cross-Border Payments in the National Payment System

06 September 2023

1. Purpose

1.1. In terms of section 46 (1) of the Payment System Management Act, 14 of 2023, the purpose of this Notice is to communicate the date for the migration from SWIFT MT messaging standards to ISO 20022 messaging standards for both domestic and cross-border payments in the National Payment System by system participants, Namibian Interbank Settlement System (NISS) and Namclear, as may be applicable. This Guidance Notice repeals and replaces the Guidance Note issued by the Bank of Namibia on 09 December 2021.

2. Background

2.1 Following feedback received from the financial community, the Society for Worldwide Interbank Financial Telecommunication (SWIFT) approved plans to facilitate the adoption of ISO 20022 messages for cross-border payment and cash reporting businesses. The adoption of the ISO 20022 messaging standards requires that financial institutions migrate from the current SWIFT FIN (specifically category 1, 2 and 9 MTs in the FIN) standards for purposes of cross-border payments and cash reporting businesses. While SWIFT enabled ISO 20022 messages for cross-border payments from November 2022, financial institutions are required to ensure that they migrate to ISO 20022 messaging standards by the set deadline of November 2025.

2.2 Given the aforementioned, the Cross-Border Payments and Reporting Plus (CBPR+) market practice working group was formed in January 2019 to formulate common guidelines for the use of ISO 20022 for cross-border payments and cash reporting. The work of the CBPR+ group is aligned with the PMPG High Value Payment System Plus (HVPS+) guidelines that serve as a common baseline for the ISO 20022 specifications of key high-value payments system operators. This ensures consistency of data for payments that include one or more high-value payments systems in their end-to-end processing.

2.3 Consequently, the Southern African Development Community Real Time Gross Settlement (SADC-RTGS) Operator in collaboration with the SADC Bankers Association have logged an ISO 20022 Migration Project with the proposed implementation date for the SADC region being 15 April 2024. In this regard, the relevant project governance arrangements are underway, inclusive of engagements with the affected parties, such as central banks, payments associations, banking institutions and financial market infrastructure (FMIs) responsible for clearing and settlement services.

2.4 On 9 December 2021, the Bank issued a Guidance Note on the migration to ISO 20022 Messaging Standards for both Domestic and Cross-Border Payments in the National Payment System, with a migration deadline of 31 October 2023. From a domestic perspective, on 23 June 2023, the NISS Operator after having conducted industry consultations, requested for dispensation from compliance with the ISO 20022 Migration Project timelines from 31 October 2023 to 30 May 2025. The dispensation request was premised to allow the NISS Operator to complete the pre-requisite support work for the NISS version upgrade. Additionally, the SADC-RTGS operator has committed to revise the October 2023 regional ISO migration Go-Live date to allow participants sufficient time to implement changes.

2.5 On 22 August 2023, the Bank approved the dispensation request from the NISS Operator. As such the new ISO 20022 Migration Project timeline is 30 May 2025 for domestic payments in the National Payment System by system participants, NISS and Namclear, as may be applicable.

2.6 Regarding the migration of cross-border payments from MT to ISO 20022, the ISO 20022 Migration Project Timeline will be aligned to the regional deadline which will be set and communicated by the SADC-RTGS operator.

3. Definitions

3.1 In this Notice, unless the context otherwise indicates, the words and expressions used herein will have the same meaning assigned to them in the Payment System Management Act, 2023 (Act No. 14 of 2023), and in the Banking Institutions Act, 2023 (Act No. 13 of 2023), and cognate expressions will have corresponding meanings:

3.1.1. **“Act”** means the Payment System Management Act, 2023 (Act No. 14 of 2023).

3.1.2. **“Bank”** means the Bank of Namibia as referred to in section 2 of the Bank of Namibia Act, 2020 (Act No. 1 of 2020).

- 3.1.3. **“Banking institution”** refers to a banking institution as defined in section 1 of the Banking Institutions Act, 2023 (Act No. 13 of 2023), as amended, means a public company authorised under that Act to conduct banking business, or deemed to be so authorised.
- 3.1.4. **“Cross-Border Payments and Reporting Plus (CBPR+)”** means the SWIFT working group responsible for developing global usage guidelines for cross border payments.
- 3.1.5. **“High-Value Payments System Plus (HVPS+)”** means the SWIFT convened group of high-value market infrastructures and banks to establish suggested practices for implementing ISO 20022 messages across high-value payment systems with enhanced features that are not supported today in legacy formats.
- 3.1.6. **“Namclear”** means Namibian automated clearing house; company number 2005/0645 and incorporated on 20 November 2003.
- 3.1.7. **“NISS”** means Namibia Inter-bank Settlement System which facilitates the settlement of all domestic transactions in Namibia dollar at Bank of Namibia.
- 3.1.8. **“Messaging Standards”** means standards set to ensure standardized communication of instructions related to both domestic and cross-border transfer of funds. In this regard, the standard serves as controls to ensure the protection, accuracy, completeness, validity and security of this data.
- 3.1.9. **“Payments Association of Namibia”** refers to the Association as defined in section 1 of the Payment System Management Act.
- 3.1.10. **“Southern African Development Community Real Time Gross Settlement” or “SADC-RTGS”** refers to an automated, real-time gross, cross border settlement system for SADC, that is provided to SADC-RTGS Participants by the SADC-RTGS Operator, including all the technical infrastructure and business components thereof.
- 3.1.11. **“The Society for Worldwide Interbank Financial Telecommunication” or “SWIFT”** refers to the organisation that provides a worldwide network which enables financial institutions to send and receive information about financial transactions in a secure, standardized and reliable environment.

4. **Migration Date**

- 4.1. Given the aforementioned, the Bank hereby provides the following guidance:
- 4.1.1. SWIFT provides a network that enables financial institutions worldwide to send and receive information about financial transactions in a “*secure, standardized and reliable environment*.” In this regard, it is therefore the position of the Bank that financial institutions in Namibia subscribe and adhere to standardized rules as set by SWIFT, the SADC-RTGS operator and any other notable regional or international structures regarding messaging standards. Thus, the Bank is in support of the dates as issued by SWIFT.
- 4.1.2. Given that messaging standards are required for both domestic and cross-border payments, the Bank deemed it prudent to similarly take a position on the domestic migration date and provide the necessary guidance to the national payment system.
- 4.1.3. In this regard, system participants, NISS and Namclear are required to ensure that their systems allow the conversion of SWIFT MT message formats to ISO 20022 message formats by 30 May 2025.
- 4.1.4. System participants in the SADC-RTGS are required to adhere to the implementation timelines as determined by the SADC-RTGS operator to ensure timely migration and implementation.
- 4.1.5. System participants, NISS and Namclear must submit timely communication on all project artefacts and associated changes, as may be prescribed by the Bank in line with this Notice.
- 4.1.6. In order to ensure that it is effectively overseeing system participants, NISS and Namclear, the Bank reserves the right to inspect all records, data and other relevant information to establish compliance with this Notice.
- 4.1.7. This Notice is not exhaustive. Thus, the Bank will monitor its implementation within the national payment system and may amend or supplement this notice with a Determination or other subordinate legislation, to ensure compliance with the Bank’s regulatory guidance herein.

5. Enquiries

All enquiries related to this Notice may be forwarded to:

Director: National Payment System
Bank of Namibia
P.O. Box 2882
71 Robert Mugabe Avenue
Tel: +264-61-283-5111