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FOR IMMEDIATE RELEASE

NAMIBIAN INTERBANK SETTLEMENT SYSTEM (NISS) RECORDS SETTLEMENT VALUE OF N\$ 1 TRILLION MILESTONE

1. Since its inception in 2002, the Bank of Namibia's (the Bank) Namibia Interbank Settlement System (NISS) has, for the first time, recorded a settlement value of N\$ 1 trillion during the year 2021 due to high volumes. The hallmark milestone celebrates Namibia's secure, reliable, and modern payment system.
2. The NISS is a Real-Time Gross Settlement System (RTGS) that processes and settles time-critical payments. Interbank transactions settled in the NISS constitute retail payments such as electronic funds transfer (EFTs) and Payment Card transactions cleared through Namclear and single-item large-value transactions processed by the participants in NISS.
3. The highest settlement values recorded to date, can be ascribed to the following:
 - high volumes of the new domestic EFT system streams (NAMPAY),
 - the utilisation of the lending facilities, specifically the 7 Day repo of the Bank,
 - the purchase/resell of government securities; and
 - inflows of funds to comply with Regulation 28 by the Namibia Financial Institutions Supervisory Authority (NAMFISA).
4. These clearing and settlement operations occur under the auspices of the National Payment System (NPS), which advocates for reforms in the payments ecosystem to ensure alignment to best practices. The designation of the NISS as a systematically important Financial Market Infrastructure (FMI) in line with the requirements of the Principles for Financial Market Infrastructures (PFMI) is another critical development that continues to contribute to the safety, security, efficiency, and cost-effective operations of the NPS.

5. In 2021, the aggregate settlement value recorded in the NISS stood at N\$1.050 trillion. In this regard, the share of single transactions settled in the NISS amounted to N\$726.4 billion, which translates to 69 percent of the total value settled. While the retail payment transactions cleared through Namclear were N\$323.9 billion, representing 31 percent of the aggregate value settled.
6. Although the single item large value transactions contributed the most to the milestone settlement value, it is worth noting that the retail transactions also contributed significantly, from a payment stream perspective. In particular, the EFT stream composed 94.13 percent of the total retail payment value settled. Of the total retail payment transaction value, the Enhanced Credits which is part of NAMPAY contributed 52.37 percent of the total retail payments settled, while the Same-day payment stream contributed 36.43 percent. This reflects the industry's efforts towards the decommissioning of the old EFT streams in line with the regulatory requirements to promote efficiency in the processing of payments in the NPS. Equally important to note, the share of payment card stream in relation to the total retail payments was 5.87 percent.
7. The Bank indicated that this milestone is achieved by a resilient NPS, which will continue to uphold and ensure financial system modernisation and efficiency, as guaranteed by the Bank of Namibia's recently launched Strategic Plan 2022-2024 and the NPS Vision and Strategy 2021- 2025.
8. The role of a fully functional and modern payment system in the economy cannot be understated. It propels the meaningful participation of all agents in the economy at large. It remains the Bank of Namibia's preoccupation to foster a modern, safe and secure national payment system that delivers efficient and effective payment services.

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