



GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

N\$8.00

WINDHOEK - 7 July 2025

No. 8678

CONTENTS

Page

GENERAL NOTICE

No. 453 Determination under the Payment System Management Act, 2023 1

General Notice

BANK OF NAMIBIA

No. 453

2025

DETERMINATION UNDER THE PAYMENT SYSTEM MANAGEMENT ACT, 2023

In my capacity as Governor of the Bank of Namibia (The Bank), and under the powers vested in the Bank under section 45 of the Payment System Management Act, 2023 (Act No. 14 of 2023), I hereby issue this Determination on Interchange Rates and Off-Us ATM Withdrawal Fees (PSD-11). This Determination shall become effective on the date of publication in the *Gazette*.

J. !GAWAXAB
GOVERNOR
BANK OF NAMIBIA

Windhoek, 20 June 2025

Payment System Determination (PSD-11)**DETERMINATION ON INTERCHANGE RATES AND OFF-US ATM WITHDRAWAL FEES****Arrangement of Paragraphs****PART I
PRELIMINARY****PARAGRAPH**

1. Short Title
2. Application
3. Definitions
4. Authorisation

**PART II
STATEMENT OF POLICY**

5. Purpose
6. Scope
7. The Position of the Bank
8. Application of the Act

**PART III
IMPLEMENTATION AND SPECIFIC REQUIREMENTS**

9. The Bank's Approach to Determine Interchange Rates
10. Card Interchange Rates
11. Instant Payment Interchange Rates
12. Off-Us ATM Withdrawal Fees
13. Additional Requirements and Conditions

**PART IV
OTHER REGULATORY REQUIREMENTS**

14. Revision Principles and Intervals
15. Oversight
16. Administrative Penalties
17. Repeal
18. General
19. Effective date
20. Enquiries

PART I: PRELIMINARY

1. **Short Title** – Determination on Interchange Rates and Off-Us ATM Withdrawal Fees.
2. **Application** – This Determination shall apply to all card and instant payment participants in the National Payment System.
3. **Definitions** – In this Determination, unless the context otherwise indicates, the words and expressions used herein shall have the same meaning assigned to them in the Payment System Management Act, 2023 (Act No. 14 of 2023), and cognate expressions shall have corresponding meanings:

“Acquirer” means a domestic financial institution or non-bank financial institution that contracts with a merchant to accept payments for goods and services from interoperable payment cards.

“Acquirer IPP” means a domestic banking institution or non-bank financial institution that contracts with merchants to enable the acceptance of interoperable instant payment transactions.

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

“ATMs” means domestic interoperable automated teller machines.

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

“Card participants” means banking institutions and non-bank financial institutions, including their agents, that issue and/or acquire payment cards and provide ATM payment services in the National Payment System.

“Cashback with purchase” means a facility offered by retailers in collaboration with a card participant whereby cash is paid out to the user together with a purchase of goods and/or services using a payment card.

“Credit card” means an interoperable payment card with a pre-set credit limit issued to a user by an issuer to be used at payment channels including ATMs.

“Debit card” means an interoperable payment card linked to a banking account issued to a user by an issuer to be used at payment channels including ATMs.

“Electronic money” or “e-money” means monetary value as represented by a claim on its issuer, that is:

- (a) stored electronically; magnetically or digitally;
- (b) issued on receipt of funds (legal tender) of an amount equivalent to the monetary value issued;
- (c) accepted as a means of payment by persons other than the issuer; and
- (d) redeemable upon demand for cash in Namibia Dollar.

“Fuel transactions” means all card payment and instant payment purchases of fuel.

“Hybrid card” means an interoperable payment card linked to a banking account with a dual messaging functionality issued to a user by an issuer to be used at payment channels including ATMs.

“Instant payment participants or IPP” means banking institutions and non-bank financial institutions, including their agents, that offer and/or acquire instant payment transactions excluding Near Real-time Credits (NRTC) transactions in the National Payment System.

“Instant payment transactions” means a payment process where funds are transferred from the payer to the payee in real-time, with immediate confirmation of the transaction’s success or failure. This excludes NRTC transactions.

“Interchange rate” means the rate computed by the Bank intended to compensate the issuer or issuer IPP for the cost of performing work to facilitate a transaction performed at payment channels excluding ATMs.

“Issuer” means a domestic financial institution or non-bank financial institution that issues interoperable payment cards that can be used at payment card channels including ATMs.

“Issuer IPP” means a domestic banking institution or non-bank financial institution that provides users with access to an interoperable instant payment enabled store of value that allows users to initiate and authorise payments.

“Near Real-time Credits” means a payment process where funds are transferred from the payer to the payee near real-time within the domestic electronic funds transfer system.

“Off-us ATM withdrawal fee” means the fee determined by the Bank that an issuer or issuer IPP can charge their user each time the user withdraws cash from an ATM operated by a banking institution or non-bank financial institution other than the issuer or issuer IPP.

“Payment channels” means traditional point-of-sale (POS) devices, electronic commerce websites, mobile commerce devices and other digital channels where an interoperable payment card transaction or instant payment transaction can be processed.

“Payment system operator” means a person authorised under the Act to operate a payment system.

“Pure cashback or cashback without purchase” means a facility offered by retailers in collaboration with a card participant whereby cash is paid out to the user without the purchase of goods and services using a payment card.

“Retail transactions” means all payment card or instant payment purchases of goods and services excluding fuel transactions.

“Reverse interchange rate” means the rate computed by the Bank intended to compensate the acquirer or acquirer IPP of an ATM for the cost of accepting and processing a transaction initiated using an interoperable payment card or an instant payment enabled store of value issued by another card or instant payment participant. This definition extends to the cash portion of cashback with purchase, pure cashback, cash-out and cash-in transactions.

“Store of value” means a bank account or e-money wallet provided by a banking institution or a non-bank financial institution payment instrument issuer licensed by the Bank in terms of the Act.

4. **Authorisation** – Authority for the Bank to issue this Determination is provided in section 45 of the Act.

PART II: STATEMENT OF POLICY

5. **Purpose** - This Determination provides the interchange rates and off-us ATM withdrawal fees for interbank card and instant payment transactions in the National Payment System, as determined by the Bank.
6. **Scope** - This Determination applies to all participants involved in the processing of interbank card and instant payment transactions performed at various payment channels, inclusive of ATMs, in Namibia.
7. **Position of the Bank** - It is the Bank’s position that interchange encourages the development and introduction of interoperable payment systems, ultimately providing end-users with access to a broad range of digital payment services. Given the rapidly evolving digital payments landscape, it is imperative to establish appropriate compensatory measures that support the maintenance of existing and adoption of new payment mechanisms. It is the Bank’s position that the adoption of interoperable Quick Response Codes should be actively

promoted to enhance financial inclusion, simplify digital payments for consumers, and reduce costs for merchants. In Namibia, ATMs are widely used as a payment channel to access cash by end-users, off-us ATM withdrawal fees should be regulated to ensure fair compensation for issuers or issuers IPP incurring reverse interchange, promote competition in the provision of ATM services, while ensuring that fees imposed on end-users are aligned with the public interest.

8. **Application of the Act** - Unless expressly stated otherwise, the provisions of the Act, as well as the related Determinations, Guidelines and Directives, shall apply to card and instant payment participants in the National Payment System.

PART III: IMPLEMENTATION AND SPECIFIC REQUIREMENTS

9. **The Bank's Approach to Determine Interchange Rates**

- 9.1 The Bank conducted an interchange costing exercise by collecting data related to the provision of interbank card payment services by the card participants as well as data from e-money participants inclusive of the instant payment programme functional specification document and technical specification document to determine interchange rates for payment card and instant payment services in the National Payment System. The data was validated, analysed, and used to derive cost-based interchange rates for payment card and instant payment transactions at payment channels inclusive of ATMs.

10. **Card Interchange Rates**

10.1 Interchange for Retail and Fuel Card Transactions

- 10.1.1 The following interchange rates are to be implemented for transactions at all payment channels:

Card Interchange for Retail Transactions	Rates
Debit card	0.50%
Hybrid card	0.75%
Credit card	1.55%
Card Interchange for Fuel Transactions	Rates
Debit card	0.50%
Hybrid card	0.75%
Credit card	0.80%

10.2 Interchange for Cashback Transactions

- 10.2.1 Interchange for pure cashback or the cash portion for a cashback with purchase qualifies as reverse interchange as it will be paid by the issuer to the acquirer, while the point-of-sale (POS) purchase portion interchange will be paid by the acquirer to the issuer. The following interchange rates are to be implemented for cashback transactions:

	Debit card	Credit card	Hybrid card
Pure cashback	N\$1.25	N\$1.25	N\$1.25
POS purchase	0.50%	1.55%	0.75%

10.3 Reverse Interchange for ATM Financial Transactions

10.3.1 Financial transactions at ATMs involve the movement of funds. The reverse interchange rates for ATM financial transactions are as follows:

Successful Transaction	Rate
ATM Withdrawal	N\$4.00 plus N\$0.80 per N\$100
Unsuccessful Transaction	Rate
ATM Withdrawal	N\$4.80

10.4 Reverse Interchange for ATM Non-Financial Transactions

10.4.1 Non-financial transactions at ATMs do not involve the movement of funds. The reverse interchange rates for ATM non-financial transactions are as follows:

Non-Financial ATM Transaction	Rates
Balance enquiry	N\$0.60
Invalid PIN	N\$0.60
Excess PIN tries	N\$0.60
Negative card	N\$0.60
Access restricted	N\$0.60
Expired card	N\$0.60
Invalid transaction	N\$0.60
Insufficient funds	N\$0.60
Withdrawal balance	N\$0.60
Daily limit exceeded	N\$0.60
Excess daily limit withdrawal	N\$0.60
Transaction cancelled	N\$0.60
Own Financial Institution (Issuer) Errors	Rates
Host unavailable	N\$0.60
Invalid PAN	N\$0.60
Unable to process	N\$0.60
Denied	N\$0.60
Invalid PIN block	N\$0.60
Balance unavailable	N\$0.60
Slow authorisation	N\$0.60
Invalid data	N\$0.60
No reply	N\$0.60
Other Financial Institution (Acquirer) Errors	Rates
Invalid PIN block service provider	N\$0.60
Invalid data	N\$0.60
Partial dispense	N\$0.60
ATM fault	N\$0.60
Slow ATM mode	N\$0.60
Unable to capture	N\$0.60
No request	N\$0.60

10.5 Card participants are prohibited from deviating from the card interchange rates determined by the Bank under this section.

11. **Instant Payment Interchange Rates**

11.1 Interchange for Payments at Merchants

- 11.1.1 The following interchange rate will be paid by the acquirer IPP to the issuer IPP for instant payment transactions that are facilitated at merchants:

Interchange for Retail Transactions	Rate
Person-to-Business (P2B) / Person-to-Merchant (P2M)	0.40%
Interchange for Fuel Transactions	Rate
Person-to-Business (P2B) / Person-to-Merchant (P2M)	0.40%

11.2 Interchange for Cash-In and Cash-Out Transactions

- 11.2.1 Interchange for cash-in and cash-out at merchants or agents qualifies as reverse interchange as it will be paid by the issuer IPP to the acquirer IPP. The interchange rates to be implemented for cash-in and cash-out instant payment transactions at merchants or agents are as follows:

	Rates
Cash-in at merchant or agent	N\$1.25
Cash-out at merchant or agent	N\$1.25

11.3 Reverse Interchange for ATM Financial Transactions

- 11.3.1 Financial transactions at ATMs involve the movement of funds. The reverse interchange rates for ATM financial transactions for all instant payment transactions are as follows:

Successful Transaction	Rate
ATM Withdrawal	N\$4.00 plus N\$0.80 per N\$100
Unsuccessful Transaction	Rate
ATM Withdrawal	N\$4.80

11.4 Reverse Interchange for ATM Non-Financial Transactions

- 11.4.1 Non-financial transactions at ATMs do not involve the movement of funds. The reverse interchange rate for an ATM non-financial transaction for an instant payment transaction is as follows:

Non-Financial ATM Transaction	Rate
Balance enquiry	N\$0.60

- 11.5 No interchange rate is applicable to person-to-person (P2P), business-to-person (B2P), business to business (B2B), business-to-government (B2G), government-to-person (G2P) and request to pay transactions.
- 11.6 The interchange rates determined under this section will apply to all store of values notwithstanding the payments channel used.
- 11.7 Instant payment participants are prohibited from deviating from the instant payment interchange rates determined by the Bank under this section.

12. Off-Us ATM Withdrawal Fees

- 12.1 A card participant must not charge their user more than the following fees for using another participant's ATMs:

Card Transactions	Fees
Withdrawal at Other Participant's ATM	N\$7.20 plus N\$13.70 per N\$500 with a maximum of N\$35
Balance Enquiry at Other Participant's ATM	N\$1.60

- 12.2 An instant payment participant must not charge their user more than the following fees for using another participant's ATMs:

Instant Payment Transactions	Fees
Withdrawal at Other Participant's ATM	N\$4.80 plus N\$9.00 per transaction
Balance Enquiry at Other Participant's ATM	N\$1.60

- 12.3 Instant payment participants in addition to section 12.2, must offer the first monthly withdrawal for free for off-us transactions. ATM reverse interchange rate must be applied to the first free monthly withdrawal.
- 12.4 A card or instant payment participant has the discretion to offer the ATM services for free or at a lower rate than stipulated above.
- 12.5 Each card or instant payment participant should include the fees stipulated under section 12.1, 12.2 and 12.3 in their pricing guides/booklets and on the ATM screen prior to the withdrawal process is completed by the customer in line with the provisions of the fees and charges as determined by the Bank.
- 12.6 A card or instant payment participant may not amend the above stipulated off-us ATM withdrawal fees in their pricing guides to higher fees before the Bank has revised such fees as per the intervals determined in terms of section 14.
- 12.7 An off-us ATM withdrawal fee will apply to all interoperable domestic card and instant payment transactions.

13. **Additional Requirements and Conditions**

- 13.1 In the event of a successful dispute against a card or instant payment transaction among participants, the interchange applied to the successfully disputed transaction must be returned to the card or instant payment participant that initially incurred the interchange fee.
- 13.2 The payment system operator responsible for processing interbank card and/or instant payments and/or ATM transactions must ensure that the interchange rates specified under sections 10 and 11 are calculated daily and are applied on the same day or by the following business day to affected card participants or instant payment participants.
- 13.3 The settlement of interchange fee payments to card or instant payment participants should be done through domestic clearing and settlement systems.
- 13.4 All the interchange rates provided under sections 10 and 11 shall exclude value-added tax (VAT), which is to be included during the settlement process specified under section 13.3.
- 13.5 An interbank card and instant payment transaction type not specified in this Determination may not be subjected to interchange rates.

- 13.6 Card and instant payment participants are prohibited from discussing, negotiating, revising, or colluding with regards to the implementation of the interchange rates or off-us ATM withdrawal fees specified under this Determination.

PART IV: OTHER REGULATORY REQUIREMENTS

14. Revision Principles and Intervals

- 14.1 The Bank intends to revise the interchange rates and off-us ATM withdrawal fees at frequencies to be determined based on the following principles:
- 14.1.1 Cost to card or instant payment participants for providing payment services.
 - 14.1.2 Market conduct by card or instant payment participants in the pricing of products and services directly impacted by interchange and off-us ATM withdrawal fees.
 - 14.1.3 The introduction of new participants, payment services, or payment service providers that may be impacted or impact the effectiveness of the rates.
 - 14.1.4 Consideration by the Bank to introduce new interchange rates for other segments and industries other than the fuel industry.
 - 14.1.5 The impact of the prevailing interchange rates to card and instant payment participants, merchants, and user during a specified period.
- 14.2 Once the Bank has considered the principles above, the revision intervals and scope of revision will be communicated to card and instant payment participants six (6) months before the new rates are determined by the Bank.
- 14.3 The Bank may consider additional principles not listed under section 14.1 when revising the interchange rates and off-us ATM withdrawal fees.

15. Oversight

- 15.1 The Bank reserves the right to inspect all records, data, or other relevant information of a card or instant payment participant or its agent or merchant to ensure compliance with this Determination.

16. Administrative Penalties

- 16.1 A card participant, instant payment participant or its agent that contravenes or otherwise fails to comply with any provisions of this Determination will be subjected to administrative penalties as provided for under section 40 of the Act.

17. Repeal

- 17.1 This Determination repeals and replaces the Determination on Card Interchange and ATM Surcharging (PSD-11), published under General Notice No.181, in the Government Gazette No. 7798 issued on 28 April 2022.

18. General

- 18.1 This Determination is not exhaustive and may be supplemented and/or amended from time to time.

19. **Effective Date**

19.1 This Determination becomes effective on the date of publication in the *Gazette*. However, the interchange rates stipulated herein must be implemented by 1 August 2025 by card and instant payment participants, including the payment system operator(s) responsible for calculating interchange.

20. **Enquiries**

20.1 All enquiries related to this Determination shall be directed to:

**THE DIRECTOR
NATIONAL PAYMENT SYSTEM AND
FINANCIAL SURVEILLANCE DEPARTMENT
BANK OF NAMIBIA
P.O. BOX 2882, WINDHOEK
NAMIBIA**
