



**STARTERPACK FOR PARTICIPATION IN SADC LOW VALUE CREDIT
TRANSFERS CLEARED ON AN IMMEDIATE BASIS (TCIB) SCHEME FOR
NAMIBIAN PARTICIPANTS**

MARCH 2020

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[Signature]

DATE: 23 March 2020

1. Purpose

- 1.1 The purpose of this document is to provide prospective and existing payment instrument issuers, authorised dealers (AD) and authorised dealers with limited authority (ADLAs) with guidance in respect of the application process for the SADC cross-border low value credit transfer cleared on an immediate basis (TCIB) scheme for Namibian participants.
- 1.2 Additionally, this document provides the relevant procedures that applicants must comply with before full authorisation to participate in the TCIB scheme can be granted by the Bank of Namibia (the Bank).
- 1.3 Prospective applicants are encouraged to familiarise themselves with the criteria set out in this document.

2. Background

- 2.1 The SADC region launched a cross-border, low-value Transactions Cleared on an Immediate Basis (TCIB) payment scheme. The project is led by the SADC Bankers' Association (SADC BA) under the SADC Finance and Investment Protocol (FIP), the legal basis for regional cooperation and harmonisation in the areas of finance, investment and macroeconomic policy.
- 2.2 There are various use cases for the TCIB scheme. It can be used for Government-to-Business (G2B), Business-to-Business (B2B), Person-to-Business (P2B) or Business-to-Person (B2P) as well as Person-to-Person (P2P) transfers.
- 2.3 The participation model in the TCIB, as may be proposed by the applicant, must undergo review and if satisfactory, approval by the Bank.

3. Application Conditions

- 3.1 Applications to access and participate in the TCIB scheme is solely for applicants that have undergone the licensing / authorisation process with the Bank and that been issued with:
 - 3.1.1 an AD (Authorized Dealer) or ADLA (Authorized Dealer with Limited Authority) license as per the Currency and Exchanges Act, 1933 (Act No. 9 of 1933) and Exchange Control Regulations, 1961; and / or
 - 3.1.2 an authorisation to issue a payment instrument as per the Payments Management Act, (Act No. 18 of 2003), as amended.
 - 3.1.3 Given the nature of the scheme, applicants must adhere to regulatory requirements concerning the Exchange Control, Payment and Settlement Systems and the Financial Intelligence Centre (FIC). As such, existing ADs / ADLAs shall undergo an assessment by the Payment and Settlement Systems Department, and payment instrument issuers shall undergo an assessment by the Exchange Control and Legal Services Department of the Bank of Namibia.
 - 3.1.4 All applicants, new and existing, must be accountable to the FIC.

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4. Application Steps

4.1 The following steps are to guide prospective applicants seeking authorisation for participation in the TCIB scheme.

Steps	Action	Description
1	Notification to the Bank	1.1 As a scheme that falls under the SADC PSOC (Payment System Oversight Committee) and to ensure efficiency in the application process, all prospective applicants who intend on participating in the TCIB scheme must formally notify the Bank and submit a letter of intent to access and participate in the scheme to the Director of the Payment and Settlement Systems Department (PSSD).
2	Introduction Meeting	2.1 Once the Bank has been notified of the intent to access and participate in the TCIB Scheme, where applicable, the Bank will arrange for a meeting between the applicant and the relevant departments to understand the applicant's business and operating model, in light of the TCIB Scheme. 2.2 Thereafter, the applicant will be expected to make a full submission guided by the criteria as listed under the Bank's regulatory checklist (Appendix 1 and 2 hereto).
3	Application Assessment	3.1 Following the full submission by the applicant referred to under step 2, the relevant department will conduct an assessment on the application against the relevant laws, regulations and this checklist. 3.2 The relevant department(s) shall respond with the assessment outcome to the applicant after four (4) weeks from date of receiving the application, provided that all application documents have been submitted to the Bank.
4	(1) Letter of Provisional Authorisation; and (2) Engagements with SADC BA	4.1 Following the introductory meeting (if applicable) and the satisfactory assessment of the application, the Bank will issue a provisional authorisation letter to the applicant to commence with the preliminary engagements with the SADC Banking Association (SADC BA), to obtain guidance on the mandatory technical requirements and to conduct the necessary testing herein. 4.2 Following the issuance of the provisional authorisation letter, SADC BA will provide the relevant guidance to the applicant. 4.3 The applicant shall submit the necessary information and documentation as listed under Appendix 2.
5	Letter of Full Authorisation	5.1 Once the applicant has met all the regulatory criteria, inclusive of any conditions, technical standard etc. as set

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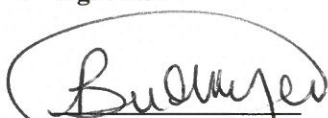
Steps	Action	Description
		<p>out in Appendix 2, the applicant will be granted full authorisation to participate in the TCIB scheme by the Bank. This approval will be in the form of an official letter to the said applicant.</p> <p>5.2 Applicants must submit the complete SADC BA checklist prior to receiving full authorisation from the Bank.</p> <p>5.3 Additional conditions may accompany the full/final authorisation granted by the Bank.</p> <p>5.4 An applicant is not permitted to access and participate in the TCIB until full/final authorisation is granted herein.</p>

5. Contact Information

- 5.1 For further clarity pertaining to the information provided in this document kindly forward all queries to the following address:

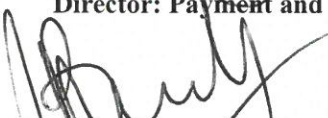
The Director
 Payment and Settlement Systems Department
 Bank of Namibia
 No. 71 Robert Mugabe Avenue
 Windhoek
 Tel: + 264 (61) 283 5352
 Fax: + 264 (61) 283 5931

6. Signature



Barbara Dreyer
 Director: Payment and Settlement Systems Department

24/3/2020
 Date



Bryan Eiseb
 Director: Exchange Control and Legal Services

24/03/2020
 Date



Leonie Elleneza Dunn
 Director: Financial Intelligence Centre

2020/03/23
 Date

Bank of Namibia and the Financial Intelligence Centre (FIC) TCIB Application Checklist

NO	TCIB - REQUIREMENT	ITEM COMPLETED (YES / NO / NOT APPLICABLE)	COMMENTS
1	<p>Full license as an Authorized Dealer or Authorized Dealer with Limited Authority as per the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), and the Exchange Control Regulations, 1961.</p> <p><i>Submission of appropriate authorisation / licensing certificate.</i></p>		
2	<p>Ability to report transactions on BoPCus cross-border reporting system.</p> <p><i>Submission of appropriate documentation.</i></p>		
3	<p>Full authorization as a payment instrument issuer, an e-money issuer or a system participant in line with the Payment Systems Management Act, and the supporting regulations.</p> <p><i>Submission of appropriate authorisation / licensing certificate.</i></p>		

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4	<p>As an accountable or reporting institution (AI or RI) captured under either Schedule 1 or 3 of the Financial Intelligence Act, 2012 (Act No. 13 of 2012)(FIA), applicant must have a written AML/CFT/CPF programme setting out how the entity complies with all obligations provided for under the FIA and Prevention and Combating of Terrorist and Proliferation Activities Act 4 of 2014 (PACOTPAA).</p> <p><i>Submission of copy of AML/CFT/CPF Programme.</i></p> <p><i>Submission of proof of registration.</i></p>		
5	<p>Registration with the FIC as per Sections 35(8) & 39(2) of the FIA.</p> <p><i>Submission of proof of registration.</i></p>		
6	<p>Appropriate monitoring systems implemented to detect suspicious transactions or activities, large cash transactions (in excess of N\$ 100 000.00 or equivalent thereof in another currency), large electronic funds transfers (EFTs) in excess of N\$ 100 000.00 or equivalent thereof, and all international funds transfers (IFTS) and report it to the FIC.</p> <p><i>Submission of appropriate documentation.</i></p>		

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7	<p>Screening procedure in place to ensure that all clients and recipients of funds are screened against the United Nations Security Council sanctions lists as envisaged by section 24 (1) (b), read with regulation 15(5) of the FIA?</p> <p><i>Submission of appropriate documentation.</i></p>		
8	<p>Registered on the FIC goAML system in order to file suspicious transaction or activity reports securely and confidentially.</p> <p><i>Submission of appropriate proof of registration.</i></p>		
9	<p>Detailed TCIB Model (i.e. clearing and settlement arrangements, liquidity management, business and technical operations, customer protection arrangements, risk management arrangement etc.).</p> <p><i>Submission of proposed TCIB model.</i></p>		
10	<p>Full adherence to the SADC TCIB Checklist (Appendix 2).</p> <p><i>Submission of completed checklist.</i></p>		



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SADC BA and Bankserve Africa Checklist



- TCIB - BANK- PARTICIPANT WITH DIRECT CONNECTION TO RCSO- ON-BOARDING - CHECKLIST -

No	TCIB - REQUIREMENT	TASK COMPLETE		RESPONSIBLE PERSON	COMMENT / GAP
		Yes	No		
1	Letter for authorisation from Central Bank (where required)				
2	TCIB Assent Agreement signed & sent off to SADC BA				
3	KYC Policy and procedures agreed with regulator				
4	FATF Requirements, policy and procedures agreed with regulator				
5	TCIB Participation Application Form sent to SADC BA				
6	Access to Beige Book made				
7	MSA Agreement signed and sent to BSA				
8	SLA Agreement signed and sent to BSA				
9	S2S – VPN Application form sent to BSA				
10	Data connectivity established with BSA – both Test and Production environments				
11	SWIFT MyStandards / Readiness Portal usage in place				
12	SADC BA supplied with ALL of the participant MDM data requirements (as per application form)				

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13	SADC RTGS settlement accounts for Test and Production in place				
14	Rules in Beige Book understood and applied				
15	Correspondent Banks for other currency settlement in place - registered and tested as BSA RCSO SWIFT CUG members				
16	Integration between Initiating Channel (i.e. mobile app / internet) to back-office system in place				
17	Sending / receiving of ISO 20022 XML transactions (pacs.008 / pacs.004) correct				
18	Settlement via SADC RTGS functions as required				
19	Settlement via Correspondent Bank(s) functions as required				
20	Reconciliation process between cleared items and settlement in place				
21	Operational personnel for the TCIB service in place				

TCIB -- READINESS ASSESSMENT -- CHECKLIST for PARTICIPANTS

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