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FOR IMMEDIATE RELEASE

## **BANK OF NAMIBIA TAKES ON THE ROLE OF LICENSING PAYMENT SERVICE PROVIDERS**

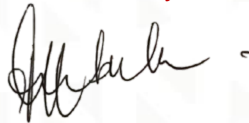
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1. The Bank of Namibia (the Bank) will now handle the licensing and regulation of payment service providers instead of sharing the responsibility with the Payments Association of Namibia (PAN). This is in line with the recently promulgated Payment System Management Act 14 of 2023 (the PSM Act). The rationale for having a single regulator is to provide regulatory certainty, reduce the administrative load on payment service providers by eliminating the need to interact with two regulators, and bring the domestic national payment system in line with international best practices.
2. The Bank, in terms of section 10 of the PSM Act, is responsible for licensing, regulating, and overseeing payment service providers, which include electronic money issuers, payment instrument issuers, payment intermediation service providers, as well as payment facilitators and processors. To this effect, all queries related to applications for licensing and authorisation to offer payment services should be directed to the Bank of Namibia.
3. The Payments Association of Namibia will continue to exist and maintain its role as an advisory association and a collaborative platform for its members within the national payment system in terms of section 5 of the PSM Act. The Association will further, subject to the Bank of Namibia's approval, establish criteria for member participation in payment systems and forums, as well as make and administer technical rules concerning payment instructions and payment instruments.
4. Other enhancements of the PSM Act include the enhanced powers of the Bank to set technical standards and impose conditions to ensure that fees and charges related to the provision of payment services, payable by a user, is transparent and in the public interest. The Act further empowers the Bank to conduct inspections and access information necessary to oversee the efficient functioning of the national payment system.

Further to that, innovative services such as the issuance of different types of payment instruments deemed as legal tender in Namibia were incorporated into the payment service offerings.

5. The Deputy Governor of the Bank, Ms. Leonie Dunn, describes the development as enhancing the Bank's overall ability to ensure the efficiency and continuous modernisation of the national payment system. "The amendments in the new law enable for a more diverse and innovative payment system that encourages new forms of payment methods in Namibia. As such, our payments landscape will continue to operate in an ever-evolving environment that promotes competition and manages risks in the ecosystem."
6. The Bank of Namibia remains committed to fostering a sound, secure, and efficient financial ecosystem that benefits all Namibians.

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