

BANK OF NAMIBIA

No. 8

26 January 2024

DIRECTIVE UNDER THE PAYMENT SYSTEM MANAGEMENT ACT, 2023 (ACT NO. 14 OF 2023)

In my capacity as Governor of the Bank of Namibia (the Bank), and under the powers vested in the Bank by virtue of section 44 of the Payment System Management Act, 2023 (Act No.14 of 2023), I hereby issue the **Directive on Straight-Through-Processing within the Namibia Inter-Bank Settlement System (PSDIR-8)**, which Directive shall become effective by **30 October 2025**.



JOHANNES !GAWAXAB
GOVERNOR

Windhoek, 26 January 2024

DIRECTIVE ON STRAIGHT-THROUGH-PROCESSING WITHIN THE NAMIBIA INTER-BANK SETTLEMENT SYSTEM

1. Definitions

In this Directive, unless the context indicates otherwise, 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.

- 1.1. **“Act”** means the Payment System Management Act, 2023 (Act No. 14 of 2023).
- 1.2. **“Efficiency”** means the achievement of the principles as established in the Determination on the Efficiency of the National Payment System (PSD-7).
- 1.3. **“Namibia Inter-Bank Settlement System”** or **“NISS”** means the domestic settlement system which facilitates the settlement of all domestic transactions in Namibia dollar at Bank of Namibia.
- 1.4. **“Straight-through-processing”** means the automated end-to-end processing of trades and/or payment transfers, including the automated completion of confirmation, matching, generation, clearing and settlement of instructions, without the need for re-keying or reformatting data.
- 1.5. **“System participant”** means a member of a payment system that is authorised and recognised in the rules of that payment system or is otherwise recognised by the operator of that payment system.

2. Purpose

- 2.1. The purpose of this Directive is to direct system participants in the Namibia Interbank Settlement Systems (NISS) to implement straight-through-processing in their internal payments environment to ensure efficiency within the national payment system (NPS).

3. Position of the Bank

- 3.1 The Bank considers straight-through-processing in the NISS environment as a key component in ensuring efficiency within the NPS, as it enables system participants connecting to the NISS to process, confirm, clear, and settle NISS transactions in a shorter time, more cost effectively and with fewer errors. This forms a critical part of the NPS modernization journey towards faster and efficient payments.
- 3.2 Straight-through-processing also streamlines back-office activities related to NISS payments, leading to less errors, lower settlement risks, and reduces costs per transaction.
- 3.3 The Bank’s intention is therefore to enhance efficiency within the NPS by requiring all system participants in the NISS to implement straight-through-processing within their payment environments facilitating NISS payments.

4. Effective Date

4.1. This Directive takes effect by 30 October 2025.

5. Expected Results

5.1. All system participants in the NISS are required to successfully implement straight-through- processing for NISS transactions on or before 30 October 2025.

6. General

- 6.1 This Directive is not exhaustive and may be supplemented and/or amended from time to time.
- 6.2 In order to maintain efficiency of the NPS, all system participants in the NISS are required to act in accordance with this Directive.
- 6.3 Contravention of this Directive is an offence in terms of section 44(2) of the Payment System Management Act, 2023 (Act No. 14 of 2023) and is subject to penalties under section 40 of the Payment System Management Act, 2023 (Act No. 14 of 2023).

7. Enquires

Any enquiries or clarification concerning this Directive may be addressed to:

The Director: National Payment System Department
Bank of Namibia
P O Box 2882
71 Robert Mugabe Avenue
Windhoek

Signed:



JOHANNES !GAWAXAB
GOVERNOR