



PAYMENT SYSTEM NOTICE No.1

Issued in terms of section 46 (1) of the Payment System Management Act, 2023 (Act No.14 of 2023)

DATE: 26 March 2024

1. Purpose

The purpose of the Payment System Notice is two-fold:

- 1.1. To provide capital adequacy requirements for payment service providers; and
- 1.2. To list fees payable to the Bank of Namibia (the Bank) by payment service providers and payment system operators.

2. Minimum Capital Adequacy Requirements for Payment Service Providers

- 2.1. A payment service provider shall ensure that at the time of licensing, it maintains a minimum capital and during its operations it maintains an ongoing capital in country as determined by the Bank. The purpose of initial capital and ongoing capital requirements is to safeguard against liquidity and insolvency risks.
- 2.2. The following categories of payment service providers are required to maintain the below prescribed minimum capital requirements:

Table 1: Minimum Capital Adequacy Requirements for Payment Service Providers

Payment Service Provider	Initial Capital Requirement	Ongoing Capital Requirement
Payment Facilitator Service Provider	N\$1 million, inclusive of capital assets, systems, among others.	Cash or liquid assets equivalent to the average of outstanding liabilities held in the trust/merchant bank account, calculated over the previous six (6) months.
Non-bank Electronic Money Issuer	N\$1.5 million, inclusive of capital assets, systems, among others.	
Micro Electronic Money Issuer	N\$500 thousand, inclusive of capital assets, systems, among others.	
Third party payment service provider	N\$1 million, inclusive of capital assets, systems, among others.	Not applicable

- 2.3. The liquid assets should remain unencumbered and may be in the form of cash balances or other recognised financial instruments at banking institutions (different from where the trust account is

kept) or in the form of highly liquid assets such as short-term financial instruments issued by the Government, the Bank or as may be approved by the Bank.

2.4. The Bank may, on application in writing and on good cause shown, permit a payment service provider to and for such a period as the Bank may specify, have capital funds which are lower than the capital funds determined under 2.2.

2.5. Pursuant to section 2.4, the Bank reserves the right to waive the condition of ongoing capital requirements or impose such further conditions as it deems necessary.

3. Fees payable by payment service providers in accordance with the Determination on Licensing and Authorisation of Payment Service Providers (PSD-1)

3.1. Banking institutions are not required to pay any fees to offer payment services as a payment service provider.

3.2. Non-bank financial institutions that intend to offer payment services, are required to pay an application fee at the time of submitting an application, a licensing fee at the time of licensing and an annual license renewal fee in line with the Regulations Relating to Fees Payable to Bank of Namibia: Payment System Management Act, 2023.

3.3. The following mandatory and non-refundable fees shall be payable by non-bank financial institutions that intend to offer payment services:

Table 2: Fees Payable by Payment Service Providers

Fee Type	Amount in N\$
Application fee	N\$5,000
Licensing fee	N\$10,000
Annual License Renewal	N\$5,000

4. Fees payable by payment system operators in accordance with the Determination for the Authorisation of Payment System Operators and System Participants in the Payment, Clearing and Settlement Systems (PSD-6)

4.1. A person that intends to operate a payment system is required to pay an application fee at the time of submitting an application, an authorisation fee at the time of authorisation and an annual license renewal fee.

4.2. The following mandatory and non-refundable fees shall be payable by a payment system operator:

Table 3: Fees payable by a Payment System Operator

Fee Type	Amount in N\$
Application fee	N\$5,000
Licensing fee	N\$10,000
Annual License Renewal fee to operate a payment system	N\$10,000

5. Transaction and Balance Limits

- 5.1.** In terms of the *Determination on Issuing Electronic Money in Namibia* (PSD-3), e-money issuers are subject to transaction and balance limits, which are subject to approval from the Financial Intelligence Centre. E-money issuers are therefore required to consult the Financial Intelligence Centre when setting or revising transaction and balance limits on e-money services.
- 5.2.** The transaction and balance limits will apply to all types of e-money wallets i.e. individual, agent and business.

Table 4: Transaction and Balance limits

Type of E-money Wallet	Outbound limit per transaction	Outbound limit per day	Outbound limit per month	Outbound limit per year	Maximum Balance
Business Wallet	To be determined by the e-money issuer subject to approval from the Financial Intelligence Centre.				
Individual Wallet					
Agent Wallet					

6. Effective Date

- 6.1.** The Payment System Notice will become effective on date of signature. All payment service providers and system operators are expected to comply with the provisions of the Payment System Notice.

7. Repeal of Circular PSMA No. 1

- 7.1.** The Payment System Notice repeals and replaces Circular PSMA No. 1 (Transactions and Balance Limits for Electronic Money Accounts and Fees Payable) published on 16 November 2018.

Issued:



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