

SADC Banking Association SADC Payment System Business Processes and related documents manual sub section 7.6 (Beige Book)

- **Financial market infrastructure requirements**

7.6.1 Introduction

Financial Market Infrastructures (FMI'S) are organizations that provide recording, clearing and settlement services for monetary and other financial transactions. The financial industry in SADC has determined that it requires the following FMI'S to process intra-SADC cross-border transactions:

- a) A Real Time Gross Settlement System – the system is called SIRESS – SADC Integrated Regional Electronic Settlement System
- b) A regional clearing house for low value credit transfers and direct debits
- c) A regional switch for card based payments
- d) A securities settlement infrastructure to facilitate the delivery vs payments for securities transactions

This document will explain all key aspects for the on-going functioning of such FMI'S in a SADC context. SADC FMI'S also need to comply with the standards laid down by the Technical Committee of the International Organization of Securities Commissions (IOSCO) and the Committee on Payments and Settlement Systems (CPSS). The document containing these standards can be found in sub-section. Adherence to these standards is a prerequisite for being approved as a regional SADC payment operator. (ACH)

7.6.2 Agreements required and adherence to rule books

Each of the SADC FMI'S are employed within SADC payment schemes and these schemes require participants to adhere to the associated rule books and sign any legal agreements that are required to give effect to processing requirements of each scheme. These documents can be found in sub-section 7.9

7.6.3 Associated business models

Each SADC payment stream has a documented business model and these should be studied in conjunction with this document in order to gain a full understanding of the end-to-end processing cycle of each payment scheme. These business models are to be found in sub-sections 7.2.1, 7.2.3 and 7.2.4.

7.6.4 SADC Financial market Infrastructures

As indicated in the introduction, the financial industry in SADC requires the following FMI'S for the processing of intra-region cross-border transactions.

- a) A Real Time Gross Settlement System – the system is called SIRESS – SADC Integrated Regional Electronic Settlement System
- b) A regional clearing house for low value credit transfers and direct debits
- c) A regional switch for card based payments
- d) A securities settlement infrastructure to facilitate the delivery vs payments for securities transactions