

Caleb M Fundanga: Advanced payment system oversight and management

Opening remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) workshop on Advanced Payment System Oversight and Management, Lusaka, 12 July 2010.

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- ***The Director – Financial Sector Management at MEFMI***
- ***Representatives from MEFMI Secretariat***
- ***Distinguished Resource Persons***
- ***Dear participants***
- ***Ladies and Gentlemen***

It is my pleasure and honor to be here today to officiate at this important regional workshop on ***Advanced Payment System Oversight and Management*** organized by the Financial Sector Management Programme of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

Ladies and Gentlemen, allow me to begin by expressing my gratitude to MEFMI, for having organized this workshop that has brought together officials from the regional central banks and ministries of finance and economic planning to address and brainstorm on important aspects concerning regulation and supervision of the payment systems.

I warmly welcome you all to Zambia and in particular to the City of Lusaka. In particular, I would like to welcome and thank our distinguished resource persons, some of whom are here present and others still to join us during the week. We thank you for accepting invitations to join us for this workshop and hope that your participation will enrich the deliberations of this workshop as well as the knowledge of the participants.

I am aware that the quest to hold this workshop was driven by the deep conviction that a well developed and regulated payment system plays an important role in enhancing and promoting soundness in the financial system and is a catalyst for creating efficient transmission of monetary value in the economy. A well functioning and developed payment system is an essential requirement for the development of a market economy and deep financial markets.

Equally important is its role in the enhancement of the conduct and transmission of monetary policy. Conversely, inefficient payment system operations can be a channel for causing distortions in the economy through inordinate delays in the monetary policy implementation and in settlement of financial transactions. This will invariably prevent the central bank from achieving its objectives of price stability and a sound financial sector.

The MEFMI region still faces a lot of challenges with respect to the development and oversight of payment systems. Notable among these are:

1. Regulation of non-bank payment system providers such as mobile phone companies;
2. Regulation of innovative payment system products;
3. Ensuring the law contributes to payment system developments and operations;
4. Ensuring full utilisation of large value payment system by all stakeholders including the Government;
5. Enhancing and retaining skills in oversight of payment systems;
6. Ensuring effective cooperation between different regulatory authorities in the regulation of payment systems;

7. Maintaining and enhancing market competition and cooperation in the development and operation of payment systems; and
8. Ensuring consumer protection in payment system services.

I am glad that this workshop is going to address these key issues and challenges with respect to the above and I am confident that the rich discussions you are going to hold and the lessons of experience you are going to share will not only enhance your skills but also bring out pertinent issues that require to be addressed when you go back to your home countries.

Ladies and Gentlemen; let me take this opportunity to express my gratitude to the North-West University, South Africa, the South African Reserve Bank and the Reserve Bank of Zimbabwe for releasing their officials to share with us their knowledge and experience at this workshop.

To all of you, I wish you the best and I encourage you to participate actively during the presentations and discussions. Use every opportunity to tap from the vast experiences of the resource persons during these five days.

Last but not least, I wish to thank the MEFMI Secretariat for organising this important workshop and for choosing Zambia as the venue.

With these remarks, **Ladies and Gentlemen,** I declare this workshop officially open.