

Ipumbu Shiimi: Opening of the office of the Payments Association of Namibia

Speech by Mr Ipumbu Shiimi, Governor of the Bank of Namibia, at the official opening of the office of the Payments Association of Namibia, Windhoek, 6 March 2012.

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Director of Ceremonies

Mr. Erastus Hoveka, Chairperson of the Bankers Association of Namibia

Mr. Paul Hartmann, Chairperson of Payments Association of Namibia

Members of PAN Management Council

Banking industry and Payments Service Providers, present here

Members of the Media

Distinguished Invited Guests, Ladies and Gentlemen,

I am pleased to join you in witnessing and celebrating the official opening of the office of the Payments Association of Namibia, PAN. Let me first use this opportunity to thank the entire banking industry for their respective contributions in the process of making the operation of this office a reality. Without your input it would not have been possible to arrive at this very important milestone.

At this occasion, I am also privileged to introduce the new Chairperson of PAN. Please join me in welcoming Mr. Paul Hartmann to the Management Council of PAN. We are confident that given his background as a pioneer of payment system reform project and thus his in depth knowledge of payments systems will be of immense value, and that through his leadership PAN will be able to make a great impact on the National Payment System of Namibia.

In the same vein, I would also like to thank the former chairperson, Mr. Gift Kavari for his contribution. Your guidance and input has provided a significant foundation for PAN.

As financial systems have become increasingly complex, stricter control, oversight and co-ordination of payment systems are required. Namibia is not an exception in this regard. PAN was therefore born as an integral part of this process, having been established in 2005 by virtue of the Payment System Management Act, 2003 (Act No. 18 of 2003). PAN is a legal body, self-regulatory non-profit association, made up of banking institutions and non-bank payment service providers. But why was this Association established and what is its mandate?

Ladies and Gentlemen, the mandate of PAN is, amongst others, the following:

- to provide a forum for the consideration of matters of policy and mutual interest of members relating to the national payment system of Namibia;
- to authorize and set standards for non-bank payment service providers related to payment instructions, clearing and settlement with the endorsement of the Bank of Namibia. Current examples of authorized service providers authorized by PAN are SmartSwitch, Real Pay and Paym8. This allows the Bank of Namibia to focus on its mandate to authorize payment instruments such as Nampost Smart Card and electronic money instruments such as issued by MobiPay.
- to assist the Bank of Namibia in carrying out the functions of oversight of the abovementioned service providers to ensure compliance with set standards.

Since its establishment, PAN has developed in terms of both its structural arrangements and its stature. Today, PAN has a governing council, an executive office which is being launched today, and several Payment Clearing House (PCH) working groups or committees. This has increased its operational efficiency and service delivery.

PAN has achieved many goals over the last several years. Although I do not want to go into details of all the particular achievements, allow me to highlight a few major milestones at this occasion.

- PAN facilitated the development of the National Payment System Vision 2015 which casts the roadmap for both bank and non-bank stakeholders to participate in a broader payment system which is efficient, cost-effective and secure.
- PAN currently runs three PCHs, each representing a retail payment stream being; cheque, cards and Electronic Funds Transfer (EFT). This has increased the operational efficiency and effectiveness of the industry for the benefit of the National Payment System in the provision of these services.

Ladies and gentlemen, with the commissioning of this office, PAN will be better positioned to continue to be the co-ordinating body through which Payment System Stakeholders are able to voice their views, contribute to a mutually beneficial National Payment System and through which payment system projects can be co-ordinated. Any providers of payment services that are not authorised by PAN are operating illegally and we therefore call on any payment service providers to please enquire at this office.

It is with great pleasure therefore, that I commission the office of PAN together with its new logo and website. Please join me in congratulating PAN on these achievements which pave the way towards an exciting and bright future for the National Payment System of Namibia.

In conclusion, I have no doubt that PAN will live up to its mission, *“to maintain a world-class payment system that meets domestic, regional and international requirements”*.

Thank you.