

# Have your say on national payment system review

National Treasury and the South African Reserve Bank (Sarb) have published the *Review of the National Payment System Act 78 of 1998* policy paper for public comment.



[123rf.com](https://www.123rf.com)

In a statement, the Sarb says the national payment system (NPS) is a set of arrangements and infrastructures that enables consumers, businesses and other entities to transfer funds to one another.

“A number of developments prompted a rethink of the comprehensiveness and relevance of the existing payments regulatory framework. These include global policy developments relating to financial inclusion, financial stability, effectiveness, integrity and competition; and international standards, best practice and recommendations from global policy and standard setting bodies such as Committee on Payments and Market Infrastructures as well as assessment institutions such as World Bank and the International Monetary Fund,” the reserve bank said.

The central bank said it was important for the payments industry to embrace digital age as it becomes increasingly innovative, “and financial technology becomes more advanced, the emergence of new payment methods, technologies, services, risks, participants and ‘payment systems’ have become increasingly prominent and challenge the traditional payments regulatory landscape”.

“The regulatory and legislative framework thus needs to be flexible and adaptable to these changes, and provide an

enabling environment for innovation to thrive,” the bank said.

The NPS Act, the Sarb said, has become outdated and does not provide an adequate framework for the effective regulation of the NPS.

“This may be problematic as payment systems are a gateway to economic activity between consumers and businesses, and contribute to the well-being of South Africans. It is therefore crucial that payment systems are adequately regulated to ensure their continued safety and efficiency.

“The framework should remain robust and resilient to risks that may pose a threat to the safety and efficiency of the NPS,” said the Sarb.

The review is aligned with the global trend of regularly reviewing perimeters of regulation to strengthen them or, where necessary, extend the regulatory net to previously unregulated sectors of the economy.

Section 15 of the National Payment System Act 78 of 1998 (NPS Act) requires the Sarb to review the NPS Act and to make recommendations to the minister of finance.

For more, visit: <https://www.bizcommunity.com>