

Phil Mnisi: Eswatini Payment Switch Fast Payments product launch

Speech by Mr Phil Mnisi, Governor of the Central Bank of Eswatini and Chairman of the COMESA Committee of Governors of Central Banks, at the Eswatini Payment Switch Fast Payments product launch, Ezulwini, 11 December 2024.

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- Programme Director,
- Leaders of Financial Service Providers,
- Media Representatives,
- Central Bank of Eswatini Management and Staff,
- Ladies and Gentlemen,
- Good Morning!

1. INTRODUCTION

1.1 May I take this opportunity to welcome you all to this Eswatini Payment Switch Fast Payments module launch. This marks the completion of the first phase of the three phases to be delivered by the end of the Payment Switch Project. The Fast Payments phase will be followed by the Open Banking, and the Point of Sale and ATM Switching features of the Payment Switch.

1.2 The Central Bank of Eswatini appreciates the efforts by the industry partners that have committed to the delivery of the Eswatini Payment Switch Project as a collective. This has been demonstrated by the resources invested as well as the numerous engagements to deliver on the phase, as well as mitigating the challenges that have been encountered to reach this significant milestone.

1.3 Fast Payments will be revolutionary for payments processing in the country; as it ushers in real time payments across all payment service providers, both banks and non-banks.

1.4 As we celebrate this milestone, we recognize its significance to Eswatini's digital financial services sector. This achievement contributes to both infrastructure development and financial inclusion in the economy.

1.5 It is worth noting that the Payment Service Providers on the Eswatini Payment Switch are referred to as Participants, which is a term that is inclusive of both the banks and the non-banks.

2. BACKGROUND

2.1 Programme director, the Central Bank of Eswatini together with the Eswatini payments industry embarked on a project to implement a domestic payment switch. The implementation of the local switch addresses the need for enhanced payment architecture that is driven by stakeholder needs, fit for purpose, and appropriate for the

era of modernized payment systems globally. 2.2 This national initiative aligns with the broader payment digitalization strategic imperative as outlined in the National Payment Systems Strategy 2022-2025.

2.3 The implementation of Fast Payments will achieve the following objectives:

2.3.1 Facilitate systems interconnectedness and interoperability among and between banks and non-banks payment service providers;

2.3.2 Enable processing of payments within seconds, and not hours or even days. This will translate to less demand for hard cash payments and create or translate to a cash-lite economy; and

2.3.3 Provide 24/7 availability of payment services-available at all hours of the days of the week, including weekends and holidays.

3. FAST PAYMENTS

3.1 Programme director, fast /instant payments continue to gain traction globally as most markets seek to bring convenience to the consumers of financial services by opening up real-time transacting for the payment of goods and services.

3.2 Eswatini currently has eight participants that have been actively working towards integration to the Switch. Given the varying existing systems, infrastructural arrangements and resource distribution, the integration has not been at the same level across the industry. This means that some of the participants will not be ready at the initial launch, but will onboard to Fast Payments within a few months of the launch.

3.3 Three participants will be offering Fast Payment services as of today, namely: Eswatini Bank, Swaziland Building Society and E-mali Limited.

3.4 Participation on Fast Payments has been mandated for all payment service providers that offer local payments. The remaining participants are expected to offer Fast Payment Services by the end of January 2025.

3.5 Ladies and gentlemen, Fast Payment transactions are limited to a maximum of E50,000 for a single transaction for Bank Accounts, and E10,000 per transaction for Digital Wallets. The daily limit for senders is a maximum of E50,000.

3.6 This means that Emaswati can now use the live participants' digital platforms to transact using their service providers' existing digital channels –e.g. cellphone banking, app, and online banking.

3.7 We look forward to having the other participants onboard on to the Fast Payments Module of the Switch and enable this seamless transacting and interoperability within the payment ecosystem where both the banks and the non-banks participate on a level playing field.

4. CONSUMER EDUCATION

4.1 Distinguished guests, in line with the Bank's mandate to educate consumers, an extended campaign is scheduled to take place after the stabilization period and will commence in the first week of February 2025. This campaign aims to provide consumers with the necessary information to make informed decisions about the Fast Payments products and services.

4.2 The focus of the campaign will be to reach the consumers in all four corners of Eswatini, educating all Emaswati in urban, per urban and rural communities.

4.3 The Bank will launch a full consumer awareness camping on various Central Bank initiatives as well as the Fast Payments feature of the Domestic Switch.

4.4 The campaign will be a collaborative effort by the Bank together with the participants of the Eswatini Payment Switch.

5. CONCLUSION

5.1 In conclusion, we applaud the efforts of our industry stakeholders to continue to invest into the Eswatini Payment Switch Project. We all appreciate that technology projects involve complexity and associated challenges, more so projects that involve a lot of stakeholders and participants. The engagements, shared insights, lessons learned, and risk mitigation strategies have been vital and will be carried forward into the next phases of the project.

5.2 We also appreciate the input of the implementation Service Provider, PayLogic as well as other partners that have contributed to this project including the technical assistance provided by the World Bank. We also look forward to working with new partners towards the delivery of this key initiative of the Bank and the industry at large.

5.3 As a collective, we notify Emaswati about this new payments service that is now available in Eswatini. We encourage the public to use the service as will be offered by the various participants on the Eswatini Payment Switch –EPS for short.

5.4 Lastly, and certainly not least, ladies and gentlemen, let me introduce to you our new EPS logo that will be embedded in all the platforms, outlets and infrastructure where the EPS products are available. Please take a moment and view our new EPS logo.

Thank you for your attention and time!