

BankservAfrica

South African clearinghouse to provide infrastructure for real-time payments



By Rachit Tayal
Head – Africa,
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We are well positioned to expedite the launch of a modern, easy-to-use, and efficient payments platform that caters to lower-value transactions at an affordable cost for the benefit of all South Africans.

Bishnen Kumalo,
Executive Head of Modernisation,
BankservAfrica

BankservAfrica is participating in an industry-wide initiative to launch **Rapid Payments Program (RPP)**, an easy-to-use, real-time retail payments system for South Africa. RPP is a Modernisation initiative of the South African Reserve Bank (SARB) and part of SARB's Vision 2025 strategy.

As a clearinghouse, BankservAfrica will be responsible for providing the RPP infrastructure, including real-time payments and clearing, for participants throughout the payment ecosystem in South Africa. To support this significant national initiative, BankservAfrica has selected the ultra-high-performance, low-latency, scalable solution of TCS BaNCS for Market Infrastructure.

"Following our rigorous selection process, TCS BaNCS emerged as the natural fit, matching our key criteria for fit-for-purpose and ability to deliver," said **Bishnen Kumalo**, Executive Head of Modernisation at BankservAfrica. "In addition to having the best technology stack, they have had major success for innovating in India's payments ecosystem and will no doubt support us in bringing some of this experience to South Africa."

"This comes at a time where economic recovery is critical and the industry needs to catch up to the digital changes in the economy," adds Kumalo. "With TCS' technology, we are well positioned to expedite the launch of a modern, easy-to-use, and efficient payments platform that caters to lower-value transactions at an affordable cost for the benefit of all South Africans."

Market Infrastructure



Modernizing payments

RPP is an industry-wide initiative involving bank participants, the Payments Association of South Africa (PASA), and the Banking Association of South Africa (BASA). “We have received positive support from all participants as they all rally behind a common goal of unifying the entire banking sector to achieve Modernisation of South Africa’s payment system,” says Kumalo. “As of today, eleven of South Africa’s major banks have committed to the implementation and rollout of RPP, with additional participation from non-bank players such as fintechs.”

To support these diverse entities, the unique High Performance Transaction Manager (HpTM) of TCS BaNCS for Market Infrastructure will be deployed using cloud-based microservices accessible through APIs. This approach will deliver complete support for ISO 20022 standards, enabling easy integration with existing payment ecosystems to further the reach of real-time payments throughout South Africa. For clearing, BankservAfrica will consolidate multiple payment rails into the unified clearing solution of TCS BaNCS for Market Infrastructure, with configurability to cater to each ecosystem participant using the payments infrastructure.

The flexibility of the solution will enable payments providers throughout the economy to customize services to their own business models and customer needs. “Creating this new payment platform through a collaborative effort with banking and non-bank participants will ensure ease of use and access for South Africans,” says Kumalo.

The RPP project commenced in October 2020 and is expected to launch in South Africa by mid-2022. “We anticipate that by 2023, RPP will be the preferred e-payment option in South Africa, deepening financial inclusion and contributing to building a safe, reliable, and efficient national payments system,” says Kumalo.





Market Infrastructure



BANKSERVAFRICA

RPP will promote widespread adoption of instant payments to South Africa using “pay-by-proxy” functionality that enables retail consumers to initiate, receive, and request payments using their mobile phones. These easy-to-use and powerful capabilities will be supported by TCS’ innovative Quartz™ Smart Ledgers for Proxy Resolution, a solution built on decentralized and distributed architecture to deliver a secure, real-time, and scalable solution for account management; and Quartz™ for KYC/AML to provide real-time fraud management capabilities to facilitate transaction screening and monitoring.

Mobile-friendly capabilities will be essential in making RPP a ready alternative to cash, which still represents 9 out of 10 transactions in South Africa. “Cash can lead to losses for businesses and prevents small business from entering the formal economy,” says Kumalo. “Our payments revolution is not about cancelling cash but reducing dependency on it by the underbanked and by small, medium, and micro-sized enterprises.”

BankservAfrica’s partnership with TCS BaNCS will enable further growth and transformation in the years to come. “Beyond the RPP, there are several enhancements and initiatives in the pipeline for the payments industry to continue to modernize by providing more immediate benefits to consumers while enabling a smooth transition towards digital solutions in an efficient and cost-effective manner,” says Kumalo. “Also, once the RPP has been concluded domestically in South Africa, BankservAfrica has every intention to explore expansion into other African countries.”

TCS has earned an important role as a partner to BankservAfrica and other financial industry players in the country. “Over the last couple of years TCS BaNCS has experienced great success in the South African financial services industry,” says Kumalo. “With its proven track record for delivery and great innovation, its role in the Modernisation of the payments ecosystem in South Africa will remain relevant.”



AT A GLANCE

Company: BankservAfrica

Headquarters: Johannesburg, South Africa

Business Challenge: Support South Africa's Modernisation initiative with real-time retail payments and clearing with Rapid Payments Program (RPP).

Solutions: TCS BaNCS for Market Infrastructure
Quartz™ Smart Ledgers for Proxy Resolution
Quartz™ KYC/AML

FAST FACTS

BankservAfrica seeks to ensure the ongoing stability of South Africa's National Payment System while enabling financial inclusion in South Africa and Sub-Saharan Africa as a whole.

BankservAfrica was formed in 1972 as Automated Clearing Bureau (ACB), South Africa's first payments clearing house.

