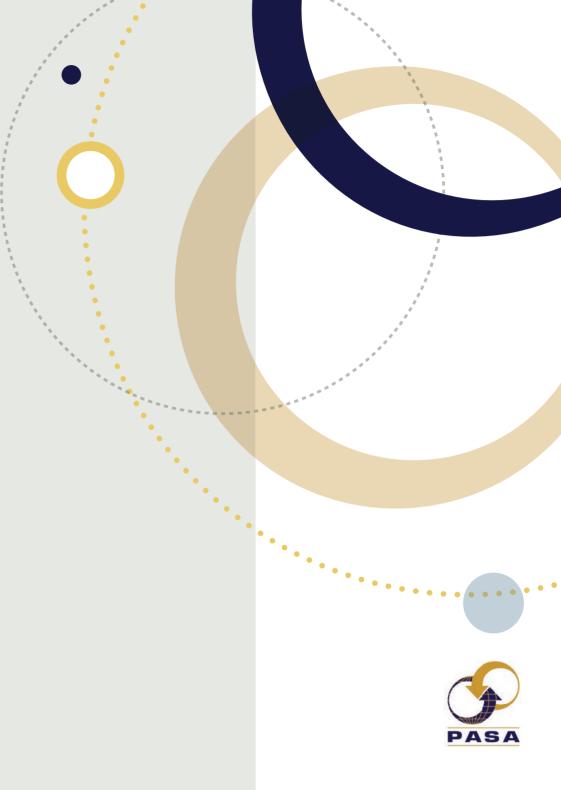


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MANDATE

The Payments Association of South Africa (PASA) is recognised as a Payment System Management Body in terms of the National Payment System Act of 1998, as amended in 2004, (National Payment System Act) by the South African Reserve Bank (Reserve Bank). In terms of this recognition PASA is mandated to "organise, manage and regulate the participation of its Members in the National Payment System"

PURPOSE

PASA exists to facilitate payments in the interest of economic development of South Africa, thus serving South Africa as a whole, while aligning with the policies of the Reserve Bank and the interests of the National Payments System.

VISION

PASA aspires to be acknowledged as world class, in assisting in the evolution and oversight of the payments industry.

MISSION

The mission of PASA is to manage and develop the National Payment System and facilitate integration with international payments.

In terms of the Constitution, PASA has the following goals:





Tim Masela Biography

Tim Masela was appointed as Head of the National Payment System Department of the Reserve Bank in August 2012.

He joined the Reserve Bank in July 1994 and he represents the Bank on both the Bank for International Settlements Committee on Payment and Market Infrastructure and the Continuous Linked Settlement Oversight Committee chaired by the Federal Reserve Bank of New York.

He holds MCom and BCom degrees and a Graduate Diploma in Computer Audit and has completed a senior executive programme from Harvard University.

MESSAGE FROM

RESERVE BANK NATIONAL PAYMENT SYSTEM DEPARTMENT

Looking at developments in the payments landscape, it is evident that there has been a flood of new innovations impacting most aspects of financial services such as currency, payments and remittances, lending, insurance, investment management and advisory services. The bulk of innovations have occurred in the currency, payments and remittance, and lending domains. Some of the factors influencing the drive include shifting regulation and sentiment, rapidly evolving technologies, and unfulfilled customer demands or needs.

The industry has continued to focus on Cybercrime and Security taking into account the influx of new technologies which, makes it difficult to regulate, and could have a spill over effect into financial systems.

South Africa, is positioned as one of Africa's largest economies and, is well positioned to take advantage of these developments. Digital currency as well as innovation on emerging digital platforms, mobile payments, wallets and contactless payments, will allow for better technological advancements in an already sophisticated payments landscape. The introduction of "Faster payments" which also enables secure and instant transfer of money between online buyers and sellers, should introduce enhanced consumer benefits and protection.

South Africa has further focused on safety and security in the payments environment while considering solutions to facilitate financial inclusion for all its consumers to access transactional accounts and payment services. We see interoperability as a pillar of the payment system that enables people to make electronic payments in a convenient, affordable, fast, seamless and secure way through a transaction account.

We have been following developments with respect to Distributed Ledger Technology within South Africa. This innovation is being considered in shaping the future of the payments ecosystem.

The National Payment System Department embarked on charting the future South African payments landscape through Vision 2025. The goals that will guide the realisation of the Vision, focus on issues such as competition, innovation, transparency, and system stability.

Last but not least, the National Payment System Department has made good progress with the PASA Review Project, and has consulted with all payments stakeholders through the structures established for this purpose. Although, faced with many challenges, many new insights have been gathered from the process, which has also involved gathering views and proposals from international payments experts. I wish to thank the payment industry Stakeholders and specifically the PASA Executive Office for their unwavering support of the development and maintenance of stability in the South African payment system.



Dr Alewyn Burger Biography

Initially following an academic career in Mathematical Statistics, Alewyn's career in banking started in 1979 when he was employed as a statistician and operations researcher at the United Building Society in South Africa. Moving through various general management levels, Alewyn was appointed executive director of the United Group (which became Absa in 1991) in early 1990, with responsibility for group management services, information technology and research.

Following the Absa merger in 1993 he fulfilled various executive positions, ending as group executive director on the main board of directors accountable for all of the Absa commercial bank, infrastructure, Group Payments and IT in 1998, when he resigned.

He joined Standard Bank in 2001 in Personal and Business Banking (PBB), initially as head of self-service channels. 2006 to mid-2011

(performing as the Global PBB Chief Operating Officer), he was accountable for Operations, IT, Finance, Human Resources, Bank acquisition integration, as well as Group payments and Interbank. Later his focus moved to the PBB business across the rest of Africa (16 Countries) and the Sponsoring of the Core Banking Replacement Programme for rest of Africa, Cards and Payments, Remittances and Mobile Payments, Self-service Channels and Financial Inclusion businesses across Africa.

Alewyn was recognised for his contribution over the years by the ICT industry in 2003 as the "ICT Leader of the Year", the first award of its kind in the industry.

He was the first Chairman of PASA, as well as the Clearing Bankers Association in 1997, and played a major role in the set-up of the National Payment System, which regulates the payment industry in SA. He was also one of the founder Directors of BankservAfrica and remained on the board for many years. He was also heavily involved in the Card payments business as a global Board member of Maestro International, Master-Card and VISA regional boards at various times.

Formal Qualifications are MSc (RAU 1974), Ph.D (UNISA 1981), AEP (UNISA SBL 1986), AMP (Harvard Business School, 1991).

In March 2015 Alewyn assumed the role of Independent Chairman of the Payment Association of SA (PASA) at the request of the SA Reserve Bank and PASA Council.

MESSAGE FROM PASA COUNCIL CHAIRPERSON

PASA 2017 has been a year of continued investment to strengthen our internal capability and ways of work, participation in the review of PASA's mandate and role by the Reserve Bank, executing and/or progressing key project priorities and continuing on the journey to build and broaden our affiliations.

As PASA reflects on the critical role it plays in ensuring that the needs of all South Africans are met by our payments system, the PASA Council is convinced that South Africans will benefit from the comprehensive and consultative approach PASA is following in creating a focused Payment Strategy in terms of its delegated Reserve Bank mandate.

We welcomed more Independent Councillors broadening the skills, diverse backgrounds and experience of PASA Council. I would like to acknowledge the Council and the PASA Executive office members for their commitment and contribution to PASA, and for using their collective voice to help the organisation move forward.

My best wishes and sincere thanks to the collective ecosystem in the South African Payments industry who collaborate to enable the remarkable National Payments System capability in existence today.





Walter Volker Biography

Walter Volker joined PASA as Chief Executive Officer in March 2008. Prior to this he worked for Absa Bank (Member of Barclays) for 17 Years and established and headed up Group Payment Systems, responsible for the coordination and management of all payment systems in the banking group.

During his career in banking and payments, Walter played a leading role in a number of payments innovations in South Africa, including the introduction of debit cards in the late 1990s, the migration to Europay, MasterCard and Visa (EMV) chip and PIN technology, launching of a real-time inter-bank EFT service (called Real Time Clearing), the introduction of an Early Debit Order processing service, inclusion of the SA Rand in Continuous Linked Settlement (CLS), and a number of others.

Over the years Walter has served on a variety of boards and committees, including PASA

Council, the BankservAfrica board, AllPay board, MasterCard Global Debit Board of Advisors, MasterCard Chip Expert Group, Europay, MasterCard and Visa Consortium Board of Advisors, SWIFT National Member Group, SA Reserve Bank Strategy Body, the National Payment System Act Standing Committee, and others. He is also a member of the International Council of Payment Association Chief Executives.

Walter holds a Bachelor of Science (UP) and a Master's in Business Leadership (UNISA SBL) degree, as well as post-graduate qualifications from IMD in Lausanne, Switzerland, and the Gordon Institute of Business Science (GIBS) in Johannesburg.

He is also the author of seven published works ranging from genealogy to military history, and including Essential Guide to Payments, which was published in November 2013.

MESSAGE FROM PASA CHIEF EXECUTIVE OFFICER

In response to the significant increase in the general demands on and expectations of PASA by the broader payments industry, the capacity and professionalism of the executive office members was further increased during the course of 2017. One of the key appointments was that of the Chief Operating Officer, in addition to two Payment Operations Managers – one focused on Card, the other on Electronic, Paper, Cash and High Value/ Wholesale payments. A number of other important appointments were also made, such as an Office Manager, Financial Manager, and IT and Facilities Manager. Some of these services were provided by the Banking Association in previous years, but due to their own growth, this was no longer practical.

To enable the growth in executive capacity, as well as related support services, the budget for 2017 was 100% bigger than that of the previous year – probably the biggest single jump in the history of PASA.

Given the fundamental nature and strategic importance of the PASA Review, which was being directed and managed by the National Payment System Department of the Reserve Bank, this continued to enjoy top priority of all matters on the Council, Executive, and most PASA Member agendas. Due to some unresolved issues, the project was not completed by the end of 2017 as was planned, but was spilled over into 2018. We trust that the final outcome of this important initiative will be of such quality that it will serve the National Payment System and South Africa for many years into the future.

Undoubtedly taking second spot in the priority rankings was the Authenticated Collections project - which has a brand name of its own, namely DebiCheck. The complexity, extent and impact of this project resulted in most participating banks not achieving key project milestones despite the allocation of

extensive resources and capital. By the end of the year, however, there were encouraging signs that the systems were beginning to reach levels of stability not previously achieved.

The media - print, radio and TV - have continued to demand explanations for the continued abuse of and problems associated with the Debit Order system. An explanation of the DebiCheck system was always welcomed as were the interim measures that PASA was busy with to address Debit Order Abuse and secure the wider Debit Order "eco-system". There is no doubt that the system will be exposed to severe reputational risk, should the current initiatives not be implemented within reasonable timeframes.

These additional measures are being coordinated by a steering committee mandated to investigate, prioritise and implement a wide range of initiatives addressing the abuse of the Electronic Funds Transfer (EFT) Debit system by both users and consumers. Especially as DebiCheck will initially be confined to debit orders processed in the so-called early window only, it is of utmost importance that these additional measures continue to enjoy focus and priority.

Another important initiative that enjoyed prominence during 2017 was the re-emphasis on payments modernisation. Initially it focused on a technology change – from the very limiting EFT180 format to the international ISO20022 standard. Recently it was decided that a set of national strategic and business objectives needed to be defined to provide new focus

and impetus. The result of this decision was research funded by PASA and BankservAfrica to review similar modernisation efforts in eight countries across the globe, augmented by interviews of some fifty local stakeholders in the domestic payments industry. The result of this was a hierarchy of goals, levels and functions to guide the South African industry in its own modernisation journey.

The compliance enforcement aspect of PASA's role in the industry continued to mature with the establishment and operationalisation of the Independent Compliance Enforcement Panel. The policy and model adopted by PASA Council was practical and effective in implementation. Although not always popular, it is an essential part of the role that PASA needs to fulfil in its pursuit of a well-functioning and effective National Payment System. One of the key focus areas continues to be the application of sanctions on users found that have submitted Debit Orders with deficient or non-existent mandates.

The project management office continued to perform well, underlying the critical need for professional and capable project managers and processes to ensure that complex and multi-stakeholder network projects are implemented according to the scope, milestones and timeframes.

Another of the ongoing success is capacity building, training and awareness. This past year saw record levels of attendance at 2 courses and 23 programmes. The statistics speak for themselves and encourage

us as a team to do more to ensure that knowledge, experience and expertise are transferred to an ever greater base of participants in the payment system, be they Members or non-Members.

Finally, it is only appropriate to convey my sincerest thanks and appreciation for the constructive and positive role of all the key Stakeholders in the National Payment System. This starts with the Head of the National Payment System Department at the Reserve Bank, as well as the Chairperson of PASA Council and the rest of the Councillors, for their guidance, leadership and undoubted support. Next, my thanks to all the staff of the executive office, ranging from the Executives to the administrative and support staff for their dedication and hard work. It is an inspiration and joy to work with such a motivated team. Without the contribution of the PASA Members, PASA would not exist; without their enthusiastic participation in the structures we could never as a community achieve the objectives which we have set ourselves. And then there are the so-called non-members, which include critical service providers, Payment Clearing House System Operators, System Operators (almost 100 of them), Third Party Payment Providers (almost 200), Users, Merchants, Associations, other Regulators, and so on. All of these are playing an increasingly important role, not just in the payment system, but also in ensuring the more effective functioning of PASA. This fact we recognise and appreciate. It is our intention to further build on all of these relationships in order that we may be beneficiaries of the wider variety of expertise and experience.



PASA COUNCIL

The composition of PASA Council is determined by the PASA Constitution which provides that, with the exception of the representative of the Reserve Bank and the Chief Executive Officer of PASA (Ex-officio Councillors), up to three Independent Councillors may be appointed by PASA Council, and up to seven Councillors may be appointed by Members.

PASA Council is currently comprised of an Independent Chairperson, an Independent Deputy Chairperson, as well as Councillors appointed by:

- Any PASA Members with a throughput representing more than 10 % of the total, as a product of Value and Volume cleared through the interbank systems during the previous year. This currently adds up to four Members;
- · Three PASA Members elected by the rest of the Members (commonly referred to as the "lower Volume and Value banks");
- · The Chief Executive Officer of PASA is an ex- officio and voting member of PASA Council: and
- · The Reserve Bank (Ex-officio and nonvoting).

The Independent Chairperson has a casting vote, and the Independent Deputy Chairperson has a right to vote. Both office bearers were elected for a term of two years from April 2017.

PASA COUNCIL COMPOSITION

The PASA Council appointed Ms Ingrid Goodspeed as its second Independent Councillor, who was subsequently also elected as Deputy Chairperson of the PASA Council. Dr Alewyn Burger was elected for a second term of two years, as the Independent Chairperson of PASA Council. Under the leadership of both Dr Alewyn Burger and Ms Ingrid Goodspeed the PASA Council, mandated by the PASA Constitution, acts independently and objectively in the best interest of the National Payment System.



Alewyn Burger CHAIRPERSON

Ingrid Goodspeed DEPUTY CHAIR















Hendrik Pelser

Jill Murtagh

Michael Daniels

Rufaida Ismail

Sydney Gericke

Dean Marais





Dirk

Ehlers



Masela



Edward Leach



Pierre Coetzee COMPANY **SECRETARIAT**



Nicolette Nortie **ADMINISTRATOR**

2017 was the year in which three councillors resigned, namely: -

Tim

- Wouter Kielblock (January 2017)
- Dean Marias (November 2017)
- Jaap Cornelius (November 2017)



PASA COUNCIL KEY AREAS

PASA COUNCIL ATTENDANCE 2017

Some key areas PASA Council focused on during the year to align with King IV for effective outcomes, included improved communication with PASA Structures, appointment of Independent Councillors, induction and ongoing training and development of Councillors, Independent Council, Chair and Councillor performance assessment, and improved stakeholder engagement and consultation. Other focus areas of PASA Council relate to Debit Order Abuse, implementation of the AC Project, and Compliance Enforcement Panel informed by the Compliance Enforcement Policy. The future of Payment Card Industry Data Security Standard, 3D-Secure Framework and Cheque Item Limit Reduction to R50 000 were also topics under debate.

PASA Council	20/02	05/05 (Special)	05/05	24/05 (AGM)	26/06 (Special)	25/07	22/08 (Special)	19/09	17/10 (Special)	24/11
Chair : Dr Alewyn Burger	•	(Special)	•	•	(opecial)	•	(Special)	•	(Special)	•
Deputy Chair: Ingrid Goodspeed		•	•	•	•		•			
Principle Principle										
Dirk Ehlers	•	•	•	*	*	•	•	•	•	•
Hendrik Pelser		•	•	•	•	•	•	•	•	•
Jill Murtagh		•	•	•	*	•	•	×	*	•
Michael Daniels	*	•	•	*	•	×	*	•	*	•
Rufaida Ismail		•	•	•	*	•	•	•	•	•
Sydney Gericke				•		•	•	•	•	•
Dean Marias		•	•	•	•	•	•	•	•	•
Alternate										
lan Carter		•	•	•	•	•	•	•	•	•
Idrees Kolabhai		*	•		*	•	•	*	×	×
John Elliot		•	•	•	*	•	*	•	×	•
Marthinus Janse van Rensburg		×	*	•	•	×				
Megan Brown		•	•	•	•	•	•	•	•	•
Neil Capazorio		*	×		•	×	*	*	*	×
Jaap Cornelius		*	*		•	•	•		*	×
Ex Officio Councillor (Voting)										
Walter Volker		•	•	•	•	•	•	•	•	•
Ex Officio Councillors (Non-Voting)										
Tim Masela			*	•	*	×	•	•	*	×
Edward Leach		•	•	•			*	*	*	•
PASA Executives										
Pierre Coetzee			•	•	*	•	•	•	•	•
Enoch Malisa						•		•		•
Maurits Pretorius		•	•	*			•	×	•	•



PASA COUNCIL COMMITTEES

Audit Committee

The primary role of the Committee is to assist PASA Council in fulfilling its oversight responsibilities as they relate to PASA's accounting and financial matters.

Nomination and Induction Committee

The role of the Nomination and Induction Committee is, inter alia, to assist PASA Council to ensure the induction and on-going training and development of PASA Councillors by overseeing the development and implementation of a formal induction programme for new PASA Councillors, as well as programmes for the continued professional development of PASA Councillors.

AUDIT COMMITTEE

The Audit Committee is comprised of two Councillors, Hendrik Pelser and Idrees Kolabhai, appointed by the PASA Council.

The PASA Financial Manager also attends Committee meetings.



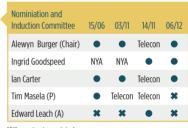
Hendrik Pelser

Idrees Kolabhai

MEMBER BANKS Audit Committee	18/04	13/07	24/08	08/11
Hendrik Pelser	•	Telecon	•	•
Idrees Kolabhai	•	•	•	•

NOMINATION AND INDUCTION COMMITTEE

The Nomination and Induction Committee focused on the induction and ongoing training of Councillors and ensuring the composition of PASA Council is appropriate in terms of skills, expertise, seniority and diversity. Following a recommendation by the Nomination and Induction Committee, the PASA Council approved compulsory induction and governance training and membership of the Institute of Directors of South Africa for all Councillors, as well as, a formal assessment of the PASA Council by an independent third party.



NYA = not yet appointed



Alewyn Burger



Ingrid Goodspeed



lan Carter



Tim

Masela

Edward Leach



PASA COUNCIL SUB-COMMITTEES

Appointment and Remuneration Committee

The primary role of this Committee is to review and propose guidelines in respect of the remuneration of the PASA Executive Office with a view to ensuring industry alignment, market related practice and the attraction and retention of talented staff. The Committee approves and makes recommendations to PASA Council on the appointment of Executives.

PASA Council Review Sub-Committee

The mandate and role of the committee is to represent a PASA view to any request, proposal. comment, document and the like, that emanates from the Reserve Bank's PASA Review Project Structures and provide comment to the Reserve Bank on the future Mandate, Membership, governance and function of PASA.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee comprised of:

- The Independent Chairperson of PASA Council Dr. Alewyn Burger
- The Deputy Chairperson of PASA Council Ingrid Goodspeed
- Councillor Dirk Ehlers
- Councillor Jill Murtagh (Chairperson of Committee)



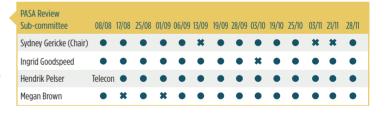
Jil	Dirk	ngrid
Murtagh	Ehlers	peed

Appointment and Remuneration Committee	15/08	03/11	14/11
Alewyn Burger	•	•	•
Ingrid Goodspeed	•	•	•
Dirk Ehlers	•	•	•
Jill Murtagh (Chair)	•	•	•

PASA COUNCIL REVIEW SUB-COMMITTEE

The PASA Council Review Sub-committee is comprised of:

- The Deputy Chairperson of PASA Council Ingrid Goodspeed
- Councillor Sydney Gericke (Chairperson of the Committee)
- Councillor Hendrik Pelser
- Councillor Megan Brown





TRANSITION AND RENEWAL

PASA will strive to become more independent and further align to the Principles of KING IV by introducing further Independent Councillors. By the end of 2019, PASA anticipates to appoint up to 5 Independent Councillors.

With the changing landscape PASA will be reviewing the inclusion of additional ex officio Councillors from other Financial Regulators.

The future PASA landscape, through the PASA Review, will have a number of new aspects that will impact the membership, mandate and inclusion all National Payment System Participants and Stakeholders that form part of the Payment System value chain.

INDUCTION AND TRAINING

The PASA Secretariat facilitated induction training for the following Councillors during 2017:

- Ingrid Goodspeed
- Megan Brown
- John Elliott
- Sydney Gericke

During 2017, the PASA Council agreed (as a prerequisite to being a Councillor) all PASA Councillors attend the 'Being a Director' Programme presented by the Institute of Directors of South Africa.

COUNCILLOR APPOINTMENT PROCEDURE

PASA Councillors are appointed by eligible Members through a formal process that requires such Member/s to consult with the Nomination and Induction Committee before a PASA Councillor is appointed. The Committee advises Members of requirements of PASA Council with regards to the appropriate mix of seniority, skills, experience and diversity required on PASA Council.

The process to appoint Independent Councillors is, barring the assessment of the appropriate mix of seniority, skills, experience and diversity, slightly different. The decision to appoint Independent Councillors is initiated by PASA Council. The Nomination and Induction Committee identifies appropriate candidates, who are then approved by Council.

The Committee regularly assesses the skills, experience and diversity of PASA Councillors to determine the 'needs' of PASA Council and has advised Members accordingly.

PERFORMANCE ASSESSMENT OF PASA COUNCIL, INDEPENDENT CHAIRPERSON AND COUNCILLORS

The Sirdar Group was appointed by PASA Council at its meeting during November 2017, to perform an assessment of PASA Council, the Independent Chairperson and of Councillors. The assessment commenced during December 2017 and culminated in formal feedback to the Independent Chairperson and then to PASA Council between February and April 2018.

PASA REVIEW

During June 2016 the Reserve Bank released a Final report on the review of the effectiveness of PASA and its institutional, regulatory and governance frameworks to ensure the effective fulfilment of its mandate as provided for in the National Payment System Act. 19 recommendations were captured by the Reserve Bank and consulted on with PASA and other industry Stakeholders. During 2017 the Reserve Bank has initiated four Workgroups to investigate, consult and manage the outcome of these recommendations.

During 2017 the Reserve Bank established a project functionality structure a Steering Committee and four Workgroups to investigate, consult and manage the outcome of these recommendations.

The Workgroups focused on aspects such as the mandate, membership, regulatory framework (including compliance enforcement), governance and operating model of PASA and more generally of Payment System Management Bodies'. Some of the fundamental aspects of the above required intervention on a high level and resulted in discussions with the Deputy Governor, Mr Francois Groepe who suggested the appointment of international consultants to advise on the most optimal model for South Africa.

NATIONAL PAYMENT SYSTEM ACT REVIEW

Work commenced to review and amend the National Payment System Act during 2017. Three committees have been established by the Reserve Bank National Payment System Department: -

- A Standing Committee (consisting of the Reserve Bank, Financial Services Board and National Treasury);
- A Working Committee (to attend to the required drafting); and
- An Expert Committee (consisting of industry Experts to provide advice and opinion on proposed policy positions).

PASA Chief Executive Officer Walter Volker, Independent Councillor, Ingrid Goodspeed and PASA's Senior Legal Counsel, Charl Ackerman are Members of the Expert Committee.

The primary drivers for the review are stated to be: -

- The alignment with international requirements (e.g. The Principles for Financial Market Infrastructure, World Bank General Principles for International Remittance Services etc.):
- Adoption of the Twin Peaks Regulatory Framework;
- Southern African Development Community Harmonisation;
- The Payment System Management Body and PASA Review;
- 2008 Competition Commission Banking Enquiry; and
- The Reserve Bank's Vision 2025.

The revisions from the Expert Committee to the draft Policy document were presented to the Standing Committee in December 2017.







PASA EXECUTIVE OFFICE

INTRODUCTION

The role of the PASA Chief Executive Officer and his staff, referred to as the Executive Office, is to give effect to the strategy and direction of the PASA Council, to provide leadership to the organisation and the payments industry and to perform value adding administrative, professional and executive functions on behalf of PASA.

Changes to PASA's office layout, capacity, employee policies, incentive schemes and performance processes were made to ensure that PASA attracts appropriate talent to serve PASA Council, Members, Stakeholders, the Reserve Bank and its climate is aligned to our future mandate and role flowing from the PASA Review.

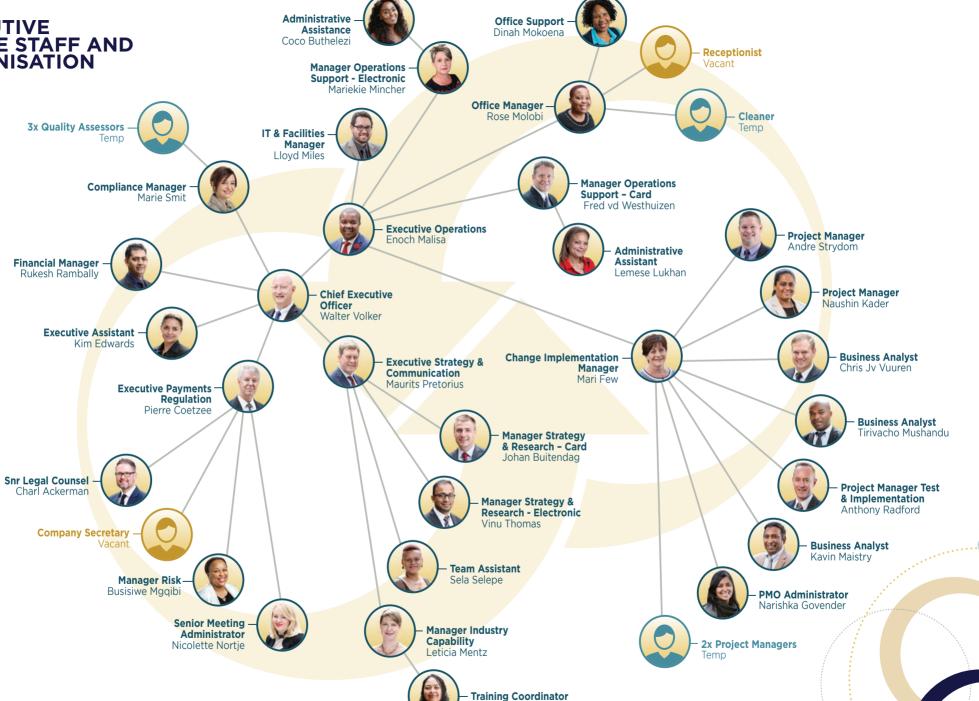
ORGANISATION STRUCTURE

During the course of 2017 the complement of the Executive Office was increased from 21 to 32 full time personnel, which included the appointment of the Chief Operating Officer at executive management level.

In addition, a number of initiatives were undertaken to contribute to an improved working environment and to further professionalise the PASA Executive Office.



EXECUTIVE OFFICE STAFF AND ORGANISATION



Caronese Tait

PASA ACTIVITIES

1700

Number of Official Meetings

1230

Number of Representatives attending PASA Structures

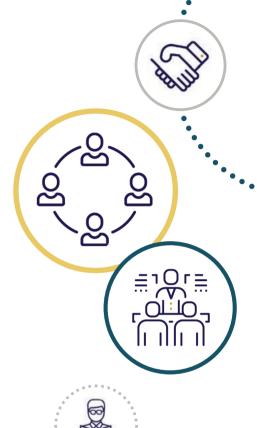
337

Number of Direct Participants

510

Number of Industry Representatives at Formal Training Sessions 25

Number of Training Sessions







LEGAL AND REGULATORY

The Legal and Regulatory team welcomed Charl Ackerman as Senior Legal Counsel during 2017 that alleviated a number of constraints and brought about improvement in the legal division.

The Legal and Regulatory team has been involved in a number of initiatives ranging from being requested to provide opinion on ground breaking industry initiatives and to assist the industry with projects such as Authenticated Collections and Debit Order Abuse.

Financial Sector Regulations Act (FSRA)

The FSRA was promulgated in 2017 and will commence once a commencement has been gazetted. The Act will provide for financial products, financial services and financial stability as well as the establishment of the "two peaks" mainly the Prudential Authority and the Financial Sector Conduct Authority.

AUTHENTICATED COLLECTIONS (DEBICHECK) - CLEARING RULES

PASA legal and Member legal representatives have made good strides, together with the relevant technical and business representatives in developing the industry clearing rules required for DebiCheck, and the migration requirements for existing early debit orders into the DebiCheck payment system.

Work continued to achieve a consolidated set of rules, which at times has been a challenge due to the fluid nature of the project, with many changes still being made to the system.

DEBIT ORDER ABUSE PROJECT

With good traction being achieved in the last quarter of 2017, key quick win deliverables have been determined to address the risk in the Debit Order payment system on both the payer and user side. Understanding the legal inherent risk in any proposed changes is a key factor in the project. With key deliverables identified, the Steering Committee has established a legal working group to assist with and expedite the drafting of required rules and the provision of advice on any possible legal risk.

COMMON MONETARY AREA (CMA) AND FINANCIAL ACTION TASK FORCE (FATF)

The legal team has assisted with the CMA Electronic Fund Transfer project in unpacking and understanding the requirements of the FATF Recommendation 16 and the National Payment System Department's domestication of Recommendation 16 through its Directive 1 of 2015 and later interpretive note.

Although much work remains to implement the project, certainty on the regulatory requirements has assisted in determining requirements, identifying regulatory gaps and narrowing the focus of the project.

PROTECTION OF PERSONAL INFORMATION ACT (POPIA)

PASA Executive Office and the Legal Committee established a special task team to assist with the industry and PASA compliance with the requirements of POPIA. A PASA policy for data privacy and protection is in the process of being developed and the related structures created to serve as a central point of the industry on data related matters.

2018 will see robust work being undertaken to finalise PASA POPIA readiness as an organization, and the relevant PCH's adherence to the regulatory requirements. Workshops with the Information Regulator have been arranged to introduce the National Payment System, highlight areas of concern, and agree a mutually acceptable approach.

CONDUCT OF FINANCIAL INSTITUTIONS (COFI) BILL

Representatives from the payments community, including the PASA Executive Office, were requested to participate in an Expert Panel to review the draft COFI Bill. Detailed input was provided to National Treasury and the Financial Services Board on the regulation of conduct in the payments value chain, and the various activities present in the National Payment System.

STRATEGY

The strategic landscape for payments continued to evolve at a rapid pace in 2017.

Real time payments are becoming the new normal in the move to fast and frictionless payments.

Digital innovations introduced new risks through practices like screen-scraping.

Big data becomes increasingly sought after and the importance of a payment system to act as a transmission system of richer data becomes more and more critical.

Payment systems that facilitate richer data transfer through the adaptation of ISO 20022 standards, are becoming increasingly commonplace globally.

The forces behind change seemed to be primarily the following:

RAPID DIGITAL GROWTH

The rapid growing digital world and ubiquitous mobile usage means that there are ample opportunities to offer consumers new and different ways of paying, which open up new payments experiences for the consumer. This also offered banks an opportunity to modernise payments systems and change the way consumers make payments.

CHANGING CONSUMER AND BUSINESS DEMANDS

Consumers are continuously embracing alternative payment methods, both in e-commerce and in-store. For business, consumer experiences related to a payment becomes increasingly critical, as it conveys important behavioural information, increases product cross-sell and most importantly, supports consumer confidence and trust in payments and e-commerce. As a result, large and small businesses are looking to explore innovative ways to make payments.

INCREASED REGULATION

Increased regulation is not only causing margin compression for banks but the requirements for security, authentication, open access and a general focus on a migration from cash to digital, are but some of the regulatory pressures being felt in the payments space.

TECHNOLOGICAL CHANGE

Payments are currently at the forefront of technological development. Mobile wallets, Cryptocurrencies, Application Program Interface, Distributed Ledger Technology Artificial Intelligence and Biometrics all impact this world in some way or another.

These forces are all coming together globally in a short time frame and in a cost pressurised environment. While banks feel the pressure of cost and margin compression, new customer and business needs also to be supported. The innovation brought along by Fintechs and Third-Party Payment Providers are broadening their participation causing pressure on the banks to lead a redefinition of the payments world. Consumers also demand innovation and ubiquity and the response of all payments participants must be supported for the rapid implementation of new interoperable payments capabilities. Increasingly, it would seem that closed loop solutions worldwide are not taking off, and customers will think twice about using a new payment service if they cannot pay any-one at any time.

These factors also drove several strategic changes and focuses in South Africa during 2017. Whilst focus has been placed on the implementation of South Africa's first interoperable ISO 20022 programme, being the Authenticated Collections project, further modernisation work was deemed necessary. Late in 2016, the banking industry decided to re-kindle the South African payment modernisation programme. With a focus on both High Value Payments and Low Value Credits

and Debits, the programme made good progress and a Business Requirement document was published for all these streams in 2017.

Early in 2017, PASA, together with BankservAfrica commissioned a piece of research from Lipis Advisors and IQ Business that compared the modernisation work that was done in nine other jurisdictions, with the pathway and choices South Africa was prioritising. The report, published in mid-2017, highlighted a few interesting international trends and aspects of payments modernisation. About ten common goals were driving modernisation across all nine • jurisdictions- these ranged from commercially driven goals through to policy driven goals. Whilst different levers and features were selected per Country, the landscape, challenges and selected payments strategies were remarkably similar. This piece of work, which provided a perspective of South African Stakeholders' views on the priority of these goals, was also discussed with the Reserve Bank, which contributed to the crystallisation and finalisation of Vision 2025. This important document will set a vision for payments modernisation in South Africa for the next few years.

As a result of the research and the final expected Vision 2025 document, it was decided late in 2017, that South Africa needs to crystallise a Future Payments Blueprint for electronic payments in South Africa, that would be more specific about the combination

of features, levers and the selected priority use cases that would form part of a target state architecture and pathway for South African electronic payments. This work is targeted to commence in early 2018. The Electronic, Paper and Cash (EPC) Strategy Forum took responsibility to drive this deliverable for the industry.

Other strategic priorities on the radar of Electronic, Paper and Cash (EPC) Strategy Forum during 2017:

- Ways in which Cheques as a payment stream can be exited
- Screen-scraping and sort-at-source activities of Systems Operators or Third Party Payment Providers and ways in which standards can be used to reduce certain risks.

In 2017 PASA also established a research programme on Cryptocurrencies and Blockchain and the application in the South African context. PASA has been following developments in this area closely and are working with the participating banks in the South African Block-chain Consortium and with the Reserve Bank's Fintech department to monitor the way forward with Distributed Ledger Technology.

The Reserve Bank requested that PASA conducted a preliminary study on South Africa's RTC system and faster payments in the low value payments environment and to outline the findings about the barriers for success, adoption and to propose recommendations

that would address any of the shortcomings. Specific concern to the Reserve Bank was that Real Time Clearing has not expanded beyond its current reach to a broader customer base and the value proposition of Real Time Clearing has not been enhanced to promote Low Value, Immediate Payments. A preliminary report and recommendations were provided during March 2017 and the final report was provided to the Reserve Bank at the end of 2017. The recommendations were rigorously debated at the EPC Strategy Forum and by PASA Council and will be further considered in the Future Payments Blueprint project.

CARD PAYMENT DEVELOPMENTS DURING 2017

Card Payments, have made significant progress in the consideration of strategies suitable to South Africa. The drive towards a Card Credit Payment Instruction opened the door for a number of interesting new usecases, notably in the person-to-person and person-tosmall-merchant areas. Fraud and security remained a key focus, and whilst the drive towards Payment Card Industry compliance continued, the Card Strategy Forum also started to look at 3D Secure 2.0 and the application of this capability to help with new Card security challenges, notably those being brought about by the use of Cards in mobile devices and in native applications. Contactless has remained a hot topic for South Africa as well as tracking the adoption rate of this new functionality that was being monitored more closely during 2017.

MEMBERSHIP

PASA Membership

There are currently 33 Direct Clearing Members, of which two are non-banks designated by the Reserve Bank as Designated Clearing System Participants.

Discovery Bank Limited and Tyme Digital by Commonwealth Bank SA became full PASA Members during 2017.

Bank of Baroda was a provisional Member but has since exited during 2017.

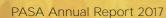
Payment Clearing House (PCH) Participant Group (PG) Membership

A PCH is the legal construct through which a Payment System is governed. In order to clear in a particular Payment System, an entity needs to be a Member of the relevant PCH. The Participants/Members of a PCH, as a collective, are responsible for the day-to-day operational management of the Payment System, and are known as the PCH PG.

PASA currently manages 19 PCHs and 13 PCH PGs.

PASA MEMBER BANKS AND DESIGNATED CLEARING PARTICIPANTS

Absa Bank Ltd	HSBC Bank plc, Johannesburg Branch
African Bank Ltd	ICICI Bank Limited
Albaraka Bank Ltd	Investec Bank Ltd
Bank of China, Johannesburg Branch	JPMorgan Chase Bank N.V Johannesburg Branch
Bidvest Bank Ltd	Mercantile bank Ltd
BNP Paribas Corporate and Investment Banking	Nedbank Ltd
Capitec Bank Ltd	The South African Post Office Ltd
China Construction Bank	SA Bank of Athens Ltd
Citibank N.A.	South African Reserve Bank
Tyme Digital by Commonwealth Bank SA	Sasfin Bank Limited
Diners Club (SA) (Pty) Ltd	Societe Generale JHB Branch
Discovery Bank Ltd	Standard Bank of SA Ltd
Finbond Mutual Bank	Standard Chartered Bank JHB Branch
FirstRand Bank Ltd	State Bank of India SA Branch
Grindrod Bank Ltd	UBank Limited
Habib Overseas Bank Ltd	VBS Mutual Bank
HBZ Bank Ltd	



The following table details the participation of PASA Members across the various PCHs.												РСН	PAR	TICIF	PATIC	NC										CARD S	CHEME
of PASA Members across the various PCHs.					1	3	4	5	6	7	8	19	23	24	25	9	10	11	13	14	15	16	99	21		22	20
BANK	PASA Membership	Clearing	Non-Clearing	Non-Settlement	IMMS	CLC	EFT DT	EFT CT	ATM & SSD	DT CARD	CT CARD	Amex	Diners	Fleet	AC	AEDO	NAEDO	RTC	EQUITIES	BONDS	MONEY MARKET	Cash Settlement	RTL	Derivative Margin	Total	VISA	MASTERCARD
Absa Bank Ltd	1	1			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	19	1	1
African Bank Ltd	1	1			1		1	1	1	1	1				1		1	1							9	1	
Albaraka Bank Ltd	1	1			1	1	1	1	1	1								Р				Р			6		
Bank of China, Johannesburg Branch	1	1			1																				1		
Bidvest Bank Ltd	1	1			1		1	1	1	1	1	1	1		1		1	1							11	1	
Capitec Bank Ltd	1	1			1		1	1	1	1	1	1	1		1	1	1	1				1			13		1
China Construction Bank	1	1			1																				1		
Citibank N.A. South Africa	1	1			1	1	1	1	1	1	1								1	1	1	1			11	1	1
Commonwealth Bank SA	1	1					1	1		1															3		
Diners Club SA	1	1		1			·						1												1		
Discovery	1	1			1		1	1		1	1							Р							5	1	
Finbond Mutual Bank	1	1			1		1	1	1	1					1	1	1	1							9		1
FirstRand Bank Ltd	1	1			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	19	1	1
Grindrod Bank Ltd	1	1			1		1	1	1	1	1														6	1	1
Habib Overseas Bank Ltd	1	1			1	1	1	1																	4	·	1
HBZ Bank Ltd	1	1			1	1	1	1	1	1															6		
HSBC	1	1			1	1	1	1																	4		
ICICI Bank	1	1			1																				1		
Investec Bank Ltd	1	1			1		1	1	1	1	1			1				1	1		1			1	11	1	
JPMorgan Chase Bank N.V Johannesburg Branch	1	1			1		1	1																	3	·	
Mercantile Bank Ltd	1	1			1	1	1	1	1	1	1	1	1		1	1	1					1			13	1	1
Nedbank Ltd	1	1			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	19	1	1
BNP Paribas Corporate and Investment Banking	1	1			1		1	1																	3		
Postbank (SAPO) - Designated System Pa	1	1		1			1	1	1	1															4	1	1
Sasfin Bank Limited	1	1			1		1	1	1	1								1							6		1
Societe Generale JHB Branch	1	1			1			1											1	1	1			1	6		
South African Reserve Bank	1	1			1	1		1											1	1	1	1			1		
Standard Chartered Bank JHB Branch	1	1			1		1	1										1	1						5		
State Bank of India SA Branch	1	1			1		1	1	1	1															5		1
UBank Limited	1	1			1		1	1	1	1					1		1	1				Р			8	1	1
SA Bank of Athens Ltd	1	1			1	1	1	1	1	1					1	1	1					1			10	1	1
Standard Bank of SA Ltd	1	1			1			1		1	1	1	1	1		1	1	1	1	1	1	1		1	19	1	1
VBS Mutual Bank	1	1			1		1	1	1	1								1							6	1	1
		33									12		8		11				9	7	8				224		16

RISK

Importance of Risk Governance

- Greater confidence when we make institution-critical decisions
- A firm and objective basis for our stakeholders to maintain confidence in us
- Greater efficiency by allowing clear focus on the most critical risks and controls, allowing us to prioritise our actions and attention
- Fewer 'surprises' particularly bad ones leading to dependable returns and steady, confident growth
- Greater management 'agility', allowing us to identify and seize strategic opportunities as they arise
- A culture of accountability, efficiency and clarity about objectives – at all levels

Looking Ahead

In collaboration with the Risk Management function, the Risk Committee took on a more proactive role in risk management addressing the risks that are outside of PASA's risk tolerance level as a matter of priority and attempt to reduce risk to be within the tolerance level

RISK OVERVIEW

Risk management is vital to our continued existence. We recognise that commitment to risk management contributes to sound management practice and increases both Member and Stakeholder confidence. As such we are committed to managing risks through the continual improvement and implementation of best-practice Risk Management Policies and frameworks relating to Enterprise Risk Management (ERM).

The Risk Committee oversees the implementation of risk management and monitors its performance within PASA. The Committee reviews development and maintenance of the external and internal controls that are in place, so as to ensure the identified risks are effectively managed. It further satisfies itself that the nature, intent and effectiveness of the risk control infrastructure within PASA is adequate, effective and continuously improved.

The PASA Council and the Risk Committee oversee the implementation of risk management and monitors its performance.

The ERM Framework which encapsulates PASA's risk philosophy, methodology, strategies, and processes are reviewed annually by the Risk Committee and approved by PASA Council.

2017 TOP INDUSTRY RISKS

- Project Risk (Authenticated Collections, Modernisation of Payments and Common Money Area Low Value Cross Boarder Payments South Africa)
- Electronic Payments Risk (Screen scraping and Sim swop fraud risk)
- Debit Order Abuse Risk
- Card Payments Risk (Tollgate Industry Negative File Service risk and Lost and Stolen Card fraud); and
- Cyber Security Risk

HIGHLIGHTS

Risk reporting was streamlined across all operations, increasing the understanding of the risks the business faces.

CHALLENGES FACED

During 2017 it was identified that there was a shortage of appropriate talent and skills which exacerbated the human capital. Further to this there was also a need to enhance the understanding of risk by ensuring a risk culture ethos across PASA is embedded.

COMPLIANCE ENFORCEMENT

Key Focus Areas

In line with PASA's Strategy of Risk-based Compliance En-forcement, the following are-as formed the main focus of compliance enforcement efforts during 2017:

- Payment Card Industry Data Security Standards
- Debit Order Abuse
- Surcharging

COMPLIANCE UNIVERSE AND STRATEGY

In order to achieve the objectives of the National Payment System Act and in accordance with the PASA Constitution and Compliance Enforcement Policy, PASA is responsible to manage, monitor and enforce compliance by its Members with:

- The PASA Constitution
- PASA Policies (which includes Clearing Rules) and
- Any decisions of PASA Structures duly taken

In early 2017 PASA's amended Compliance Enforcement Policy took effect. Under the new Policy PASA's Compliance Enforcement strategy is to focus on compliance areas which pose a high risk to the National Payment System.

COMPLIANCE MILESTONES

On 1 February 2017 the new PASA Compliance Enforcement Policy came into effect. In accordance with the stipulations of the new Policy, a Compliance Enforcement Panel (CEP) was duly constituted, and had their inaugural sitting on 26 April 2017.

The establishment of the CEP marks the achievement of a number of policy objectives, including:

- The introduction of independence in compliance enforcement
- Addressing potential conflict of interest in PASA Structures
- Aligning with the Reserve Bank report on the PASA Review with regard to the stipulations on Compliance Enforcement.

The following matters were assessed by the CEP during 2017:

NATURE OF MATTER	NUMBER OF INSTANCES ASSESSED	TOTAL PENALTY IMPOSED
Surcharging on Card Transactions	2	R 130 000
Attendance of Structure Meetings	1	R 5 000
Transaction Splitting in order to Bypass Transaction Item Limit	1	R91 100
Non-compliance with Payment Card Industry Data Security Standards	3	R2 400 000
Non-compliance to Clearing Rules governing Debit Order disputes	2	R175 000

DOMESTIC INDUSTRY ENGAGEMENTS

Engagement between PASA, its Members and Stakeholders form an integral part of assessing and understanding the broader payment land-scape. These engagements provide valuable insight and input into shaping the payments landscape on all levels, including operational, regulatory and strategic matters.

PASA manages and facilitates two main Stakeholder Forums in the Strategy environment, namely the Card Payment Stakeholder Forum and the Electronic, Paper and Cash Stakeholder Forum.

PASA Legal Stakeholder Forum was introduced during 2017 and its inaugural meeting will be held during January 2018.

THE CARD PAYMENT STAKEHOLDER FORUM

The Card Payment Stakeholder Forum aims to provide a liaison platform for various Stakeholder groups in the payments industry such as Banks, Retailers, System Operators and Card Schemes to encourage and stimulate robust discussions for industry related items. Relevant topics and industry initiatives such as the Failed Reversals project has been a focus area during the 2017 forums.

THE ELECTRONIC, PAPER AND CASH STAKEHOLDER FORUM

The Electronic, Paper and Cash Stakeholder Forum allows for the engagement with Stakeholders on matters affecting the Electronic, Paper and Cash Payment Streams. During 2017, this Forum was mainly used to provide the Stakeholder group with updates related to key projects such as: -

- DebiCheck (Authenticated Collections);
- The PASA Review; and
- The Modernisation of Payments Programme.

In addition, Stakeholder input was obtained by debating key issues such as the barriers to adoption of Real Time Clearing payments; Debit Order Abuse and the key mechanisms proposed to curb the abuse; as well as global developments around open banking and the revised payments services directive and how they could potentially be applied locally to South Africa to promote financial stability and security while also promoting competition and innovation.

PASA LEGAL STAKEHOLDER FORUM

PASA Executive Office Legal and Regulatory team established a PASA Legal Stakeholder Forum, to meet during the course of the 2017 year.

The intent of the Forum is to update those non-PASA member National Payment System participants of legal and regulatory developments that PASA is involved in and/or are on our regulatory radar. Similarly, the Forum is also intended to provide a platform for such payments community Stakeholders to update PASA on other matters that may be of relevance to them.

It is hoped that the PASA Legal Stakeholder Forum will assist in PASA moving closer to a more open and transparent engagement model; where payments and legal matters, and matters of mutual concern can be shared and discussed to the benefit of all Stakeholders.

INTERNATIONAL ENGAGEMENTS

ICPACE

The Chief Executive Officer of PASA is a member of the International Council of Payment Association Chief Executives (ICPACE), which consists of Chief Executive Officer's from six Payment Associations across the globe, including the Australian Payments Network, Payments Canada, NACHA (USA), the Payments Association of the Netherlands, Payments New Zealand, and Payments UK. There was a constant flow of information between these organisations during the course of the year as various topics were discussed and debated. The Chief Executive Officer's and one of their senior executives meet together at least once per annum.

EMVCo

PASA did not attend the EMVCo Advisors meeting during 2017, frequent updates were received and shared with the members of the relevant PASA structures.

Payment Card Industry Security Standards Council (PCI SSC)

In March 2017 the PCI SSC held its Europe, Middle East and Africa Countries. Regional Conference in Cape Town for the first time, which proved to be their most successful conference in the region ever – judging by the turnout of delegates and quality of the presentations.

INTERNATIONAL COUNCIL OF PAYMENT ASSOCIATION CHIEF EXECUTIVES (ICPACE)

The 2017 ICPACE meeting was hosted in Sydney, Australia in late February to early March, and proved to be as valuable as all the previous meetings. These meetings are generally combined with a payments conference as the host country tries to leverage the presence of the International Chief Executive Officer's during that time. This was the case in Australia, during which the focus was on Open Banking and the revised payments services directive.

EMVCo

In 2017 PASA remained a member of the EMVCo Board of Advisors, of which the PASA Chief Executive Officer has been a member since 2001. The shareholders of EMVCo include Visa, MasterCard, American Express, Discovery, Unified Payments Interface (UPI), and JCB. EMVCo is the owner of the EMV chip specifications, 3D-Secure specifications, the international biometric Cardholder Verification Method standards, QR code Specifications for Point of Sale, and so on.

PAYMENT CARD INDUSTRY (PCI) SECURITY STANDARDS COUNCIL

PASA has formally mandated the adoption of and compliance to the PCI Data Security Standard for all System Operators, Third Party Payment Providers and Tier One Merchants involved in card payment systems, ongoing interaction and alignment with the changing programmes of the PCI Security Standards Council was given high priority.



PROJECTS

The PASA project management methodology was introduced in 2014 and over the past four years the Project Management capability has progressively grown in maturity from an environment with limited established project management practices to a maturity level 3 environment where all projects are managed according to a standard methodology.

In 2018 we will embark on a transition process to migrate the PASA Project Management capability to level 4 in the Project Management maturity model, improve the standard methodology focusing on strategic goals, adding capabilities in performance measurement, demand and benefits realization management.

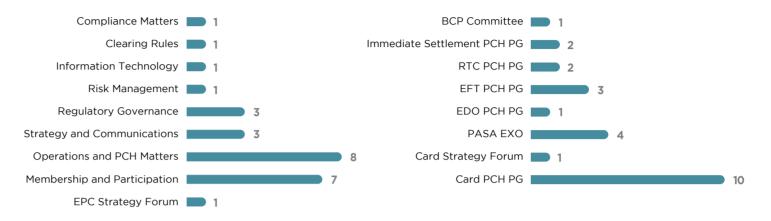
During 2017 despite competing priorities, complexity of projects and resource availability (financial, human internal and external) a total of 25 projects were successfully completed and 21 new projects were initiated during the same period.

Challenges During 2017

Due to the number of high priority projects participation from the same Industry resources were required. Industry resources found it difficult to commit and to deliver on all the projects. In order to address this critical concern, prioritisation and demand management processes will be reviewed and changes will be implemented during 2018.

PROJECT ACCOMPLISHMENTS AND MILESTONES DURING 2017

The following diagram provides an overview of the portfolio performance, detailing the number of projects completed, per portfolio as well as per PASA structure.



ELECTRONIC PAYMENTS PROJECT

In the Electronic Payment System environment, the effort and focus remained on four programmes namely, Authenticated Collections, Modernisation of Payments, Debit Order Abuse and Common Monetary Area Low Value Cross Border payments.

PRIORITY PROJECTS FOR 2017

Modernisation of Payments

The Modernisation of Payments programme encompassed three main project areas namely High Value Credits, Low Value Credits and Low Value Debits. Excellent progress on all three projects was made during 2017, however based on the outcome of the strategic research project and the next steps to develop a logical design for the future of payments under the Electronic, Paper and Cash Strategy Forum, a decision was made by the Programme Steering Committee during November 2017, to place the Low Value Credits and Debit projects on hold. The Project scope of these two projects will be reviewed once the logical design has been finalised.

Authenticated Collections History

The Authenticated Collections project was initiated in response to the Reserve Bank policy decision during 2013 to no longer allow Authenticated Early Debit Orders and Non-Authenticated Early Debit Orders to be processed at the same time. The outcome of this project will be that only debit orders that are authenticated by consumers will be allowed for processing in the early processing window. Whilst the industry originally worked towards 1 October 2016 as the date from which all new Early Debit Orders had to be authenticated electronically, there were concerns around the potential systemic impact that a project of this size and nature could have on the payment system and after a thorough review by the industry, the Reserve Bank approved a phased implementation plan where this solution will first be piloted and then slowly ramped up and phased in by 31 October 2019.

Debit Order Abuse Project Objectives

Proactively address Debit Order Abuse within the South African National Payment System in a manner that will protect and enhance the integrity and reputation of the end to end payment system.

Development of a New Dispute Regime

As a result of challenges from the user community, and to align with the modernization of the Debit Order environment (Authenticated Collections), PASA Council tasked the Steering Committee to develop a new dispute regime, with the revision of the 40-day rule to ensure a balanced approach to disputes without removing any rights of any consumer or User.

AUTHENTICATED COLLECTIONS

During 2017 the Authenticated Collections programme was at a very critical junction. The project has far more complexity than was originally anticipated. Being a first of its kind in the world meant that there was no prior experience against which challenges and progress could be benchmarked. Additionally, the introduction of the ISO20022 standard brought about further unanticipated complexities.

Despite many disappointments on past delivery commitments, sometimes outside the control of the greater interbank programme, the project has been reorganised to progress the programme and prepare for Ramp-Up during the third quarter of 2018. This plan in principle:

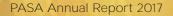
- Reduces the instability experienced in production by focusing all resources and effort on stabilisation of the core assets already in production for a period of time; and
- Mitigates against future production instability by placing renewed focus and rigour on testing through a re-designed testing approach, which will run until completed by end of July 2018.

The key focus in 2017 was therefore to achieve a stable environment where all the functionality as per the full AC design has been developed, productionalised and operationalised to enable the industry to, with confidence, take on the User community (Ramp up) and Migrate the remaining Authenticated Early Debit Order and Non-Authenticated Early Debit Order books to Authenticated Collections afterwards. This is seen as the most prudent approach with the highest chance of de-risking the programme and achieving the critical dates contained in the Reserve Bank Directive.

DEBIT ORDER ABUSE

On 23 June 2017, the Reserve Bank issued a Directive for Conduct within the National Payment System in respect of the Collection of Payment Instructions for Authenticated Collections. The Directive regulates the conduct of participants involved in the collection of payment instructions in the Early Debit Order environment.

In addition to providing for the collection of Early Debit Orders through Authenticated Collections in the early processing window by 31 October 2019, the Directive requires PASA to continue to improve the safety and efficiency of Debit Orders, including the introduction of measures to address risk emanating from Debit Order Abuse.



Project Team

PASA's Project Team began a comprehensive and collaborative effort that included the Council for Scientific and Industrial Research (CSIR). MasterCard and Visa to specify the Association's local requirements for an Europay, MasterCard and Visa based biometric cardholder verification method. After the completion of this work, PASA requested Visa and MasterCard to work together to develop a standardized EMV terminal specification that addressed PASA's requirements. Visa and MasterCard worked closely with the PASA Project Team to develop an EMV based specification that supports biometrics. This was subsequently put forward to Europay, Master-Card and Visa Consortium (EMVCo) for further consideration and development in March 2017.

Common Monetary Area (CMA) Low Value Cross Border Payments Objectives

The objective of this Directive is to regularise involvement in the current inappropriate practices of Clearing and Settlement of the CMA cross border low value credit EFT transactions. These are currently processed as domestic transactions.

CMA LOW VALUE CROSS BORDER PAYMENTS - SOUTH AFRICA

The National Payment System Department issued a letter and a Directive for Regularisation of Clearing and Settlement of Cross Border Low Value Credit Electronic Funds Transfer Transactions within the Common Monetary Area. PASA agreed to manage the execution of a Project on behalf of the Industry which was initiated during August 2017.

INTEROPERABLE BIOMETRIC CARDHOLDER VERIFICATION METHOD STANDARD

PASA began a search for an industry solution for Biometric Cardholder verification during 2015 to fulfil a requirement from SASSA and the future industry needs. A Project Team and Steering Committee were established to help identify and implement a solution. Following an extensive search, it was agreed that the optimal solution was an EMV based, vendor neutral and open solution which was proposed by Visa.



CARD OPERATIONS

CARD OPERATIONS

Operational Incident Management Process

Building on the 2016 enhancement and automation of incident management from a risk perspective, the industry has updated and structured the current logging and escalation procedure of incidents, from an operational perspective, to include referral of incidents to the Card Payment Clearing House Participant Group (PCH PG) Incident Sub-committee, the escalation to the compliance team for the urgent Remedial Process and ultimately the Compliance Enforcement Panel in events where the remedy was not implemented within acceptable timeframes and standards.

3D Secure and Payment Card Industry Data Security Standard

Since the 2016 agreement by the Card PCH PG to monitor Card not present fraud, the industry has completed a monitoring and reporting framework within the Card PCH PG and piloted these parameters which yielded good results. The industry will implement this framework in the first quarter of 2018.

ATM Data Integrity implementation

Integrity of data elements in transaction processing is critical and may lead to misdiagnosis in cases of system breaks or risk events. The ATM Data Integrity Project was successfully implemented and operationalised in the Card PCH PG where monthly dashboard monitoring also takes place. Further refinement of the remediation process for identified data elements per bank will be implemented during the second quarter of 2018.



ELECTRONIC OPERATIONS

Electronic operations included Payment Clearing House Participant Groups (PCH PG's) involved in Electronic Fund Transfer, Early Debit Order, Cash Settlement, Real Time Clearing and Paper.

Each PCH PG is focused on specific industry objectives to ensure that the day to day operations of such payments ran efficiently and effectively.

ELECTRONIC OPERATIONS

The short name description on client bank statement is not always descriptive enough to give the client clear information about the User from whom the transaction originates. The current User Report (TSM605) is purposed to provide more information in respect to User details. Unfortunately, this information is restricted to the User code. In instances where multiple short names are affiliated with a user code, the TSM605 is restricted in providing information to a user. The impact of clients not being able to understand from whom the debit is originating, leads to high volumes of queries, stop payments and dispute requests. During the later part of 2016 the Electronic Funds Transfer (EFT), Authenticated Early Debit Order (AEDO) and Non-Authenticated Early Debit Order (NAEDO) Payment Clearing House Participant Groups (PCH PGs) identified the need to enhance the identification of User information as contained in the TSM605 report. The industry identified the requirements to establish a new TSM605A report which contains full User details to be utilised in the event of consumer or Member Bank queries. The revised report was implemented in second quarter of 2017.

The Authenticated Collections Payment Clearing House (PCH) went live on 3 July 2017 and is managed under the Early Debit Order PCH PG. During the stabilisation period a number of production incidents were identified. A weekly teleconference was established to ensure resolution. In 2017, the Project was still in the process of testing full functionality, impacting the PCH environment. Project test for full functionality is envisaged to be completed by June 2018.

The AEDO and NAEDO PCHs identified that there was a need to increase the overall Item Limit of R15k. It was agreed to increase to R30k and implemented on 12 February 2017.

A number of System Errors have been experienced in the payments environment. During 2017 the payment industry agreed that a System Error Correction Project must be registered to address all EFT Credit and Debit System Errors identified. The Project is in the process of finalising the Technical Requirement Specification, which, once finalised, will determine the implementation approach.

The Immediate Settlement PCH PG was approached by the Electronic Securities Settlement PCH PG for the introduction of Corporate Actions for Bonds. A new code was identified to ensure the processing of such transactions for Settlement. The code was implemented during the fourth quarter in 2017. The PCH PG Escalation Procedures were reviewed and incorporated into the Guidelines for the South African Multiple Option Settlement (SAMOS) Windows Extensions.

The Settlement System Participant Group (SSPG) responsible for settlement for all PCHs has embarked on a Project called SAMOS Replacement to modernise the Settlement environment. The Project is managed by SAMOS and governed through the SSPG.

PCH MEMBERSHIP ONBOARDING

PCH PG Structures

To date PASA has 19 registered Payment Clearing Houses (PCH) and 9 Participation Groups (PGs). Each specific PCH PG manages the operational and Clearing Rules for each PCH Payment Stream as listed below: -

- Card PCH PG
- Cash Settlement PCH PG
- Derivative Margins PCH PG
- Electronic, Securities Settlement PCH PG
- Early Debit Order PCH PG
- Electronic Fund Transfer PCH PG
- Real Time Clearing PCH PG
- Immediate Settlement PCH PG
- Paper PCH PG

The following Member Banks were on boarded during 2017 in respective PCHs:-

BANK	PCH	DATE
Tyme Digital by Commonwealth Bank of South Africa	EFT Credit PCH (Issuer)	October 2017
Tyme Digital by Commonwealth Bank of South Africa	Debit Card PCH (Issuer)	October 2017
Discovery Bank Limited	IMMS PCH (Sponsoring and Paying Bank)	September 2017
Discovery Bank Limited	Debit Card PCH (Issuer)	October 2017
Discovery Bank Limited	Credit Card PCH (Issuer)	October 2017
Societe Generale JHB Branch	EFT Credit PCH (Sponsoring and Paying Bank)	October 2017
African Bank Limited	EFT Credit PCH (Paying Bank)	March 2017
African Bank Limited	EFT Debit PCH (Paying Bank)	March 2017
African Bank Limited	RTC PCH (Paying Bank)	May 2017
ICICI Bank Limited	IMMS PCH (Sponsoring and Paying Bank)	September 2017
Standard Chartered Bank JHB Branch	RTC PCH (Sponsoring and Paying Bank)	September 2017
Capitec Bank Limited	RTC PCH (Sponsoring Bank)	May 2017



INDUSTRY CAPACITY BUILDING

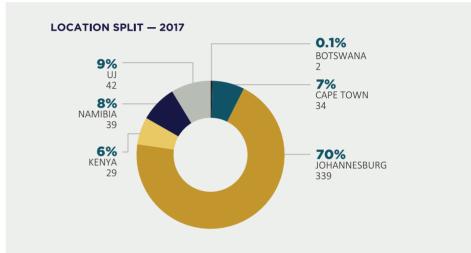
2017 was an exciting year for the PASA training team. Aligning with the Reserve Bank's vision to enhance human resources capacity in the payments industry, PASA increased its efforts on the training front by appointing a dedicated training team and insourcing the training administration function. The improved focus yielded

good results with 49% more delegates attending the PASA Certificate in Foundational Payments (PCFP) as well as an additional programme, the Advanced Certificate in High Value Payments, being launched at the end of the year.

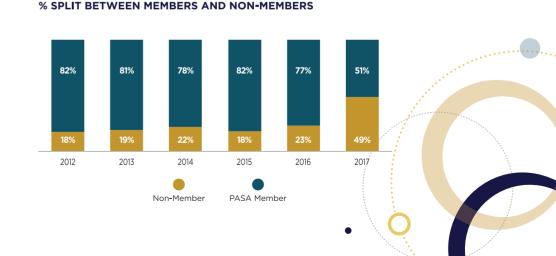
Another milestone was celebrated when 34 students from the University of Johannesburg attended the PCFP programme. The students did particularly well

and were excited to learn about the world of payments. Although not PASA's primary focus, the continued demand from African countries for payments training, provides an opportunity to share our training programmes wider than South Africa. During 2017, the PCFP programme reached Namibia, Ghana and Kenya. In addition, a number of delegates from Botswana made their way to South Africa to attend our local training.









INDUSTRY COLLABORATION AND CHANGE MANAGEMENT

INDUSTRY COLLABORATION AND CHANGE MANAGEMENT

An increased focus on and demand for industry change management and communication was seen during 2017. This was evidenced mainly in the Authenticated Collections project and the need to develop an industry brand, supported by a single narrative for authenticated debit orders.

In many ways, Authenticated Collections marked the beginning of a more inclusive and collaborative approach to enhancing the payments system. The Toolkit and related communication efforts is only one example of this. Another is the composition of the project Steering Committee that, for the first time ever, included non-PASA member representatives, as well as the involvement of non-PASA members in various other project workgroups.

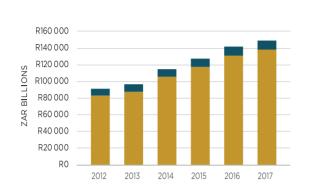
Still as part of DebiCheck efforts, extensive engagement with other industry and regulatory bodies was also at the forefront of breaking ground for the industry, and PASA specifically. A common understanding that communication internal to banks, as well as external to consumers and collecting companies needed to be a coordinated effort, from a timeline, messaging and aesthetic viewpoint. The DebiCheck Toolkit was built to assist in these efforts, with over 400 artefacts hosted on a central portal. These included plans and guidelines such as the Corporate Identity guidelines, Training guidelines, a Consumer Education Strategy, the DebiCheck scripting guideline and the project Change Strategy. In support of these, standard artefacts that could be used by banks and users, was created. Examples of these are infographics, awareness videos, cartoon strips and customisable posters, brochures and screensavers.

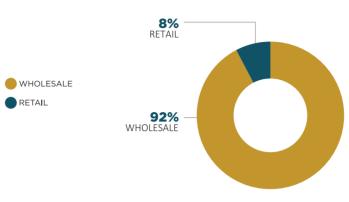


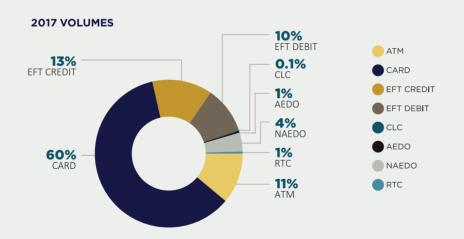


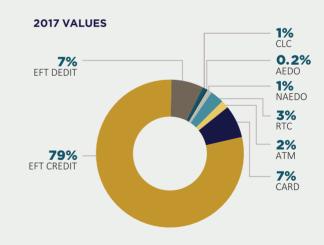
SETTLEMENT VALUES

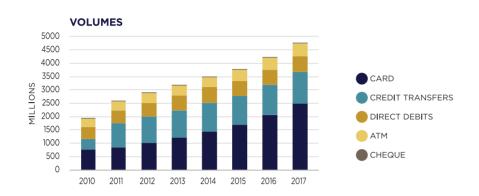
2017 SPLIT IN VALUES

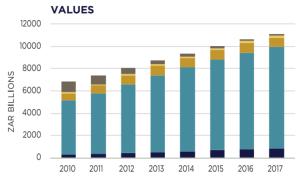




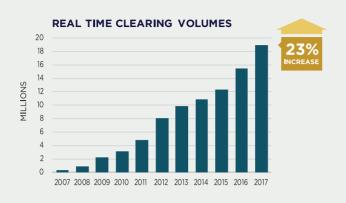




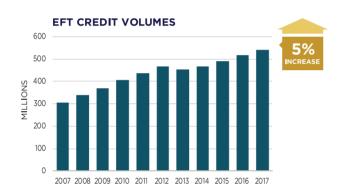


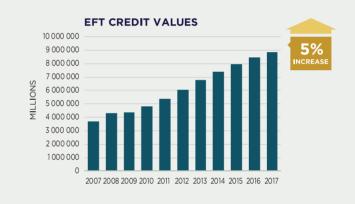


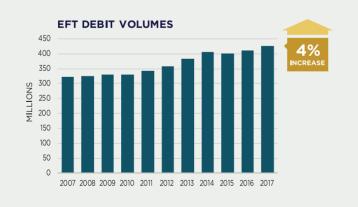


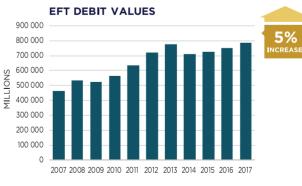


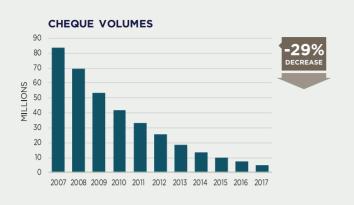


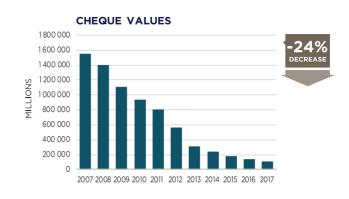


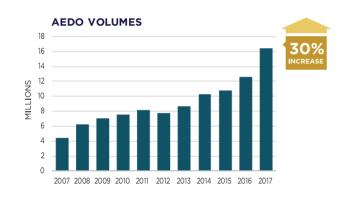


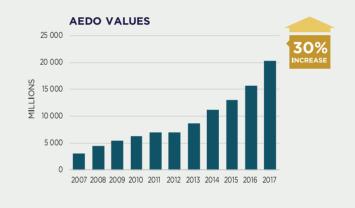


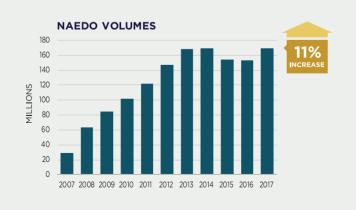


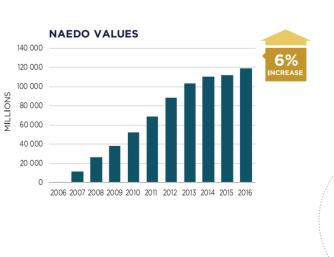


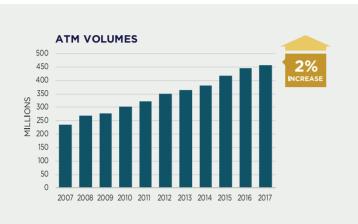


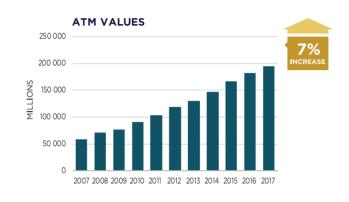


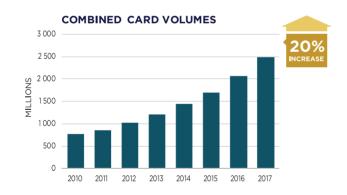


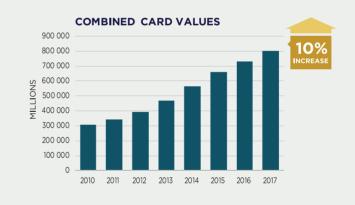














ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	NOTE(S)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 600 208	474 348
Other financial assets	3	2 917 653	1 572 450
		4 517 861	2 046 798
Current Assets			
Trade and other receivables	4	5 478 355	3 128 675
Other financial assets	3	1 363 765	2 576 597
Cash and cash equivalents	5	31 850 482	17 100 244
		38 692 602	22 805 516
Total Assets		43 210 463	24 852 314
Equity and Liabilities			
Equity			
Accumulated funds		19 994 117	8 516 444
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	2 917 653	1 452 226
Current Liabilities			
Trade and other payables	6	5 952 732	3 850 902
Other financial liabilities	7	559 765	633 688
Deferred income	8	13 778 796	6 633 543
Membership fees received in advance		7 400	3 765 511
		20 298 693	14 883 644
Total Liabilities		23 216 346	16 335 870
Total Equity and Liabilities		43 210 463	24 852 314



ANNUAL FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE(S)	2017 R	2016 R
Revenue	9	60 944 058	29 824 486
Other income	10	5 813 532	2 609 410
Operating expenses		(58 244 510)	(30 761 387)
Operating surplus	11	8 513 080	1 672 509
Investment revenue	12	2 740 201	1 319 385
Fair value adjustments	13	311 600	32 437
Finance costs	14	(87 208)	-
Surplus for the year		11 477 673	3 024 331

STATEMENT OF CHANGES IN EQUITY

	Accumulated funds R	Total equity R
Balance at 1 January 2016	5 492 113	5 492 113
Surplus for the year	3 024 331	3 024 331
Balance at 1 January 2017	8 516 444	8 516 444
Surplus for the year	11 477 673	11 477 673
Balance at 31 December 2017	19 994 117	19 994 117



ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

	NOTE(S)	2017 R	2016 R
Cash flows from operating activities			
Cash generated from operations	17	11 950 012	2 592 676
Interest income		2 740 201	1 319 385
Finance costs		(87 208)	-
Net cash from operating activities		14 603 005	3 912 061
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 494 916)	(376 140)
Sale of property, plant and equipment		71 416	18 545
Movement in financial assets		179 229	286 698
Net cash from investing activities		(1 244 271)	(70 897)
Cash flows from financing activities Movement in financial liability		1 391 504	(698 590)
Net cash from financing activities		1 391 504	(698 590)
net cash from imaneing activities		1331304	(030 330)
Total cash movement for the year		14 750 238	3 142 574
Cash at the beginning of the year		17 100 244	13 957 670
Total cash at end of the year	5	31 850 482	17 100 244



2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	581 599	(153 990)	427 609	353 816	(93 275)	260 541
IT equipment	1 496 295	(541 319)	954 976	495 406	(318 049)	177 357
Office equipment	360 990	(144 017)	216 973	149 808	(114 008)	35 800
Security equipment	32 804	(32 154)	650	32 804	(32 154)	650
Total	2 471 688	(871 480)	1 600 208	1 031 834	(557 486)	474 348

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	260 541	268 136	(39 467)	(61 601)	427 609
Office equipment	35 800	225 891	(14 708)	(30 010)	216 973
IT equipment	177 357	1 000 889	-	(223 270)	954 976
Security Equipment	650	-	-	-	650
	474 348	1 494 916	(54 175)	(314 881)	1 600 208

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	44 541	249 965	(475)	(33 490)	260 541
Office equipment	21 076	30 990	-	(16 266)	35 800
IT equipment	155 735	95 185	-	(73 563)	177 357
Security equipment	1 250	-	-	600	650
	222 602	376 140	(475)	(122 719)	474 348

3. OTHER FINANCIAL ASSETS

Fair value information:

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

Glacier Investment Plan - PASA:

The investment consist of incentive bonuses forfeited by employees who have resigned before the vesting period ended.

Glacier Investment Plan - Vested Portion:

The investment consists of incentive bonuses vested and which are payable to the employees.

Glacier Investment Plan - Non-Vested Portion:

The investment consists of incentive bonuses granted to key management which have not yet vested in the current period.

Long term incentive scheme:

The long term incentive scheme provides for incentive bonuses to key management. 66% of the bonus allocation vests 3 years after the grant date and the balance vests 5 years after the grant date. Payment is made to employees immediately after vesting date. Furthermore, the allocation is forfeited if the employee leaves the entity before vesting and when the employee forfeited the allocation, the amount vests as an investment for PASA.

3. OTHER FINANCIAL ASSETS

	2017 R	2016 R
At fair value		
Glacier Investment Plan - PASA	804 000	1 942 909
Glacier Investment Plan - Vested portion	559 765	633 688
Glacier Investment Plan - Non-Vested portion	2 917 653	1 572 450
	4 281 418	4 149 047
Non-current assets		
Designated at fair value through profit (loss)	2 917 653	1 572 450
Current assets		
Designated at fair value through profit (loss)	1 363 765	2 576 597
	4 281 418 4	149 047

4. TRADE AND OTHER RECEIVABLES

	2017 R	2016 R
Trade receivables	5 478 355	3 128 675

5. CASH AND CASH EQUIVALENTS

	2017 R	2016 R
Cash and cash equivalents consist of:		
Bank balances	6 850 576	6 017 368
Short-term deposits	25 006 011	10 951 089
Other cash and cash equivalents	(6 105)	131 787
	31 850 482	17 100 244



7. OTHER FINANCIAL LIABILITIES

Long term incentive scheme - vested portion:

The liability consists of the vested portions of the long term incentive scheme which is payable to the key members of management for an incentive bonus. The liability is recognised as the fair value of the investment it relates to. Refer to other financial assets for more details regarding the investments.

Long term incentive scheme -

non-vested portion:

This liability consists of the non-vested portions of the long term incentive scheme which is payable to the key members of management for an incentive bonus. The liability is recognised as the present value of the amounts payable to the employees in future.

The fair values of the financial liabilities

were determined as follows:

Expected volatility: Volatility was estimated using historical returns data. The asset allocation of the portfolio was used to compute portfolio historical returns which were then used to compute historical volatility.

Expected life: 66% after 3 years from grant date, and the balance after 5 years from grant date.

Risk free rate: The zero-coupon bond curve interest rate was used for each grant date in determining this rate.

Resignation rates: It was assumed that senior personnel qualifying for this scheme have lower resignation rates and therefore an annual resignation rate of 0% was assumed.

6. TRADE AND OTHER PAYABLES

	2017 R	2016 R
Trade payables	222 876	349 953
VAT	294 627	439 142
Accrued leave pay	1 324 682	1 215 814
Accrued expense	510 449	27 898
Deposits received	11 400	-
Other payables - Pension fund	359 961	-
Other payables - Cheque standards authority	135 222	188 140
Other payables - PAYE, salaries & wages	3 093 516	1 629 955
	5 952 733	3 850 902

7. OTHER FINANCIAL LIABILITIES

	2017 R	2016 R
At fair value		
Long term incentive scheme - Vested portion	559 765	633 688
Long term incentive scheme - Non-Vested portion	2 917 653	1 452 226
	3 477 418	2 085 914
Non-current liabilities		
At fair value	2 917 653	1 452 226
Current liabilities		
At fair value	559 765	633 688
	3 477 418	2 085 914



8. DEFERRED INCOME

Deferred Income - Membership fees

In accordance with the PASA Constitution all income and assets of PASA, however derived, shall be applied wholly towards the promotion of the objectives of PASA. No portion of the income and assets is transferrable, directly or indirectly to the members except by way of rebate which may be granted in respect of the whole or a portion of the subscription in any financial period. Such a rebate shall be applied in reduction of members' subscriptions for the following financial period. Subsequent to the reporting period, the Council granted a rebate of R 7 831 491 (2016:Rnil).

Deferred Income - Training

In terms of a PASA Council meeting held during the 2014 financial period, all non-compliance penalty income should be utilised specifically for industry training purposes. This resulted in Deferred Income - Training which is ring-fenced for the use by PASA in the course of normal business operations. The total penalty income for the period not utilised in terms of training was transferred to deferred income. The amount deferred is R12 237 546 (2016: R6 446 872).

8. DEFERRED INCOME

	2017 R	2016 R
Special Project Training - Non Compliance	12 237 546	6 446 870
Special Project - SWIFT	49 460	59 180
Special Project Industry Training	1 487 076	127 493
PASA Structures Functions	4 714	-
	13 778 796	6 633 543

9. REVENUE

	2017 R	2016 R
Member contribution	60 944 058	29 824 486

10. OTHER INCOME

	2017 R	2016 R
Other income	164 761	1 220 878
PCH agreements & membership	110 000	230 516
Special projects	4 987 442	590 613
Profit and loss on sale of assets	17 241	18 070
System operator authorisation	534 088	549 333
	5 813 532	2 609 410



11. OPERATING SURPLUS

	2017 R	2016 R
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
Contractual amounts	1 879 918	1 826 614
Equipment		
Contractual amounts	494 308	441 456
	2 374 226	2 268 070
Property, plant and equipment	17 241	18 070
Depreciation on property, plant and equipment	376 961	132 490
Employee costs	33 761 300	21 761 019

12. INVESTMENT REVENUE

	2017 R	2016 R
Interest revenue		
Other financial assets	128 414	-
Interest received	2 611 787	1 319 385
	2 740 201	1 319 385

13. FAIR VALUE ADJUSTMENTS

	2017 R	2016 R
Other financial assets	311 600	32 437



14. FINANCE COSTS

	2017 R	2016 R
South African Revenue Services	87 208	-

15. TAXATION

PASA is exempt from Income Tax under Section 10(1)(cA)(i) of the Income Tax Act 58 of 1952. PASA needs to comply with requirements annually to retain their exempt status.

16. AUDITORS' REMUNERATION

	2017 R	2016 R
Fees	69 677	60 958

17. CASH GENERATED FROM OPERATIONS

	2017 R	2016 R
Profit before taxation	11 477 673	3 024 331
Adjustments for:		
Depreciation	314 881	122 719
Profit on sale of assets	(17 241)	(18 070)
Interest received	(2 740 201)	(1 319 385)
Finance costs	87 208	-
Fair value adjustments	(311 600)	(32 437)
Changes in working capital:		
Trade and other receivables	(2 349 678)	7 468 598
Trade and other payables	(1 656 281)	(10 317 601)
Deferred income	7 145 251	3 664 521
	11 950 012	2 592 676



19. RELATED PARTIES

Relationships

Members of key management

Walter Volker (Chief Executive Officer)

Maurits Pretorius

(Executive: Strategy & Communications)

Pierre Coetzee

(Executive: Payment Regulations)

Enoch Malisa

(Chief Operating Officer)

18. COMMITMENTS

	2017 R	2016 R
Operating leases – as lessee (expense) Minimum lease payments due		
- within one year	1 783 290	1 621 173
- in second to fifth year inclusive	772 291	2 555 581
	2 555 581	4 176 754

19. RELATED PARTIES

	2017 R	2016 R
Compensation paid to key management		
Short-term employee benefits	11 000 935	9 477 286

20. RECLASSIFICATION OF COMPARATIVE FIGURES

	R
There were various changes in the Statement of Cashflows for 2016. The following line items were affected:	
Cash generated from operations	(7 138 075)
Purchase of property, plant and equipment (Prior year casting error)	(8 581)
Sale of property, plant and equipment (Prior year casting error)	9 770
Movement in financial assets	695 987
Movement in non-compliance penalty fund	(6 446 872)
Movement in membership fees paid in advance	13 586 361
Movement in financial liability	(698 590)
	-

2016



CORPORATE INFORMATION

Country of incorporation and domicile South Africa

Nature of business and principal activities
The Payments Association of South Africa was established

with the objective to organise, manage and regulate all matters affecting interbank payments and payments clearing and settlement of inter-bank obligations within the

payments system and operates in South Africa.

Registered office 2nd Floor, Building D

Sunnyside Office Park

32 Princess of Wales Terrace

Parktown 2193

Business address 2nd Floor, Building D

Sunnyside Office Park

32 Princess of Wales Terrace

Parktown 2193

Postal address P.O. Box 61380

Marshalltown

2107

Contact details Tel: +27 10 140 7100

pasa@pasa.org.za www.pasa.org.za

Bankers First National Bank Limited

Auditors Grant Thornton

Chartered Accountants (SA)

Registered Auditors

Member of Grant Thornton International

Secretary P Coetzee

