PASA

2024 INTEGRATED REPORT

PAYMENTS ASSOCIATION OF SOUTH AFRICA

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REPORT OVERVIEW AND LEADERSHIP INSIGHTS

This chapter presents the core elements of PASA's 2024 integrated report, detailing the processes involved in its compilation, review, and approval. It captures valuable insights from PASA's leadership and outlines the strategies implemented for value creation and preservation and efforts to mitigate value erosion. The foundational principles that inform PASA's balanced perspective on disclosures are examined, along with guidance for navigating the report effectively. Additionally, a comprehensive glossary of frequently used terms and abbreviations is provided to enhance understanding of the content.

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ABOUT PASA

By collaborating with the SARB and its Members, PASA ensures the effective operation, innovation, and evolution of the National Payments System (NPS), advancing a secure, efficient, and interoperable payments ecosystem for a digitalising economy.

With a strong governance framework—comprising its vision, mission, values, constitution, and diverse membership—PASA is well-positioned to address material matters, manage risks, and seize opportunities. These efforts underpin the sustainability and resilience of South Africa's payments ecosystem. This section also explores PASA's business model, demonstrating how its strategic use of capitals drives modernisation and innovation while protecting and creating value within the NPS.

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HOW PASA CREATES VALUE

PASA's role in the payments ecosystem goes beyond operations; it is about creating enduring value through strategic foresight, industry collaboration, and capacity building. This section explores how PASA's strategic direction, performance against its goals, and stakeholder engagement practices drive its impact. At the heart of PASA's value creation is a unified vision that aligns with the SARB's objectives, ensuring that its efforts contribute meaningfully to the modernisation and resilience of the NPS.

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MAXIMISING VALUE ACROSS THE CAPITALS

PASA's ability to create, protect, and sustain value lies in its strategic management of the six key capitals: financial, manufactured, intellectual, human, social and relationship, and natural. By harnessing these interconnected resources, PASA delivers optimal outcomes for its Members and stakeholders, driving progress and innovation across the NPS. This section explores how PASA uses these capitals to deliver value, adapt to industry challenges, and maintain its indispensable role within the payments ecosystem. Through its efforts, PASA strengthens the foundation for sustainable growth, advances payment modernisation, and reinforces its position as a trusted authority locally and globally.

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OVERVIEW

REPORTING CONTEXT AND REGULATORY UPDATE

Reporting period and scope
This report provides a fair and complete representation of PASA's operations for the period 1 January to 31 December 2024, and includes forward-looking information up to 2 April 2025.

Regulatory update post-reporting period
On 3 April 2025, after conclusion of the 2024 integrated report, PASA received a letter from the South African Reserve Bank (SARB) — specifically the National Payment System Department (NPSD) — withdrawing its previous "no objection" to the original PIB Design. This decision follows developments in the SARB's Payments Ecosystem Modernisation (PEM) programme.

Changing regulatory landscape
While interoperability and industry collaboration remain critical to the National Payment System (NPS), the current PIB construct no longer aligns with the SARB's evolving regulatory approach and PEM objectives. The SARB has stressed that interoperability must be balanced with broader public policy goals such as financial inclusion, innovation, and financial stability.

Impact on rulemaking and governance
A key concern is that granting rulemaking authority to an industry-led or self-regulatory body over the National Payments Utility (NPU) could limit the SARB's ability to implement its public policy objectives. As the NPU governance model evolves, BankservAfrica, under partial SARB ownership, will be governed solely by SARB rules.

Consequently, the rule-making mandate of the PIB has been withdrawn, and there will be no licensed rulemaking function within the PIB. These responsibilities will be assumed by the SARB.

Way forward
The SARB has reaffirmed its support for an industry collaborative and coordination body to promote interoperability in the NPS, provided it operates under the policy and regulatory direction of the NPSD, and aligns with PEM objectives.

To this end, PASA has been given six months to review the PIB Design, and is actively engaging its members and the broader PIB community to determine the appropriate next steps. While the implications are still being unpacked, PASA is committed to transparency and has therefore disclosed this update in the report.

REPORT THEME: BUILDING AN INCLUSIVE, COLLABORATIVE, AND RESILIENT PAYMENTS ECOSYSTEM

PASA continues to support modernisation and reforms within the National Payments System (NPS), aiming to ensure that South Africa's payments infrastructure is inclusive, efficient, and resilient. While the SARB's Payments Ecosystem Modernisation (PEM) programme focuses on advancing financial inclusion through digital payments, PASA's broader modernisation efforts extend beyond this scope. These include initiatives such as debit order ecosystem improvements and fleet card solutions, reinforcing PASA's pivotal role in maintaining and evolving the NPS.

Recent regulatory changes, notably the SARB's withdrawal of its "no objection" to the original PIB Design, have introduced an evolving landscape. As the payments industry adjusts to the SARB's updated regulatory stance, PASA remains focused on maintaining collaboration and resilience across the ecosystem. PASA continues to lead with transparency and principle-driven decision-making while working closely with industry stakeholders to ensure alignment with the SARB's revised approach. The trust in PASA's expertise is evident in its PIB work and strategic alignment with PEM efforts, with the SARB sourcing PASA's resources to support the mobilisation of its PEM programme, further reinforcing PASA's reputation as a thought leader in the industry.

Internally, PASA is equipping its leadership and teams to navigate these changes, embedding resilience, collaboration, and innovation at all levels. Through structured coaching programmes, PASA is fostering a culture of continuous learning and adaptability to address the evolving needs of the payments ecosystem.

This report reflects PASA's achievements in 2024, highlighting its ongoing commitment to ensuring a resilient, interoperable, and efficient payment system that supports South Africa's economic and societal needs.

ABOUT THIS REPORT

The primary objective of this report is to deliver a comprehensive and balanced disclosure of PASA's strategy, performance, risks, opportunities, and outlook, particularly regarding significant financial, economic, social, and governance issues. The report explains how value is generated over the short, medium, and long-term, highlighting its effects on the six capitals: financial, manufactured, intellectual, human, social, and natural.

The report provides stakeholders with a transparent and holistic perspective on PASA's business operations, contributions and the sustainable practices that underpin its performance, decision-making and alignment with its strategic goals. Through this approach, PASA seeks to enhance stakeholder confidence and engagement.

REPORTING SCOPE, BOUNDARY, AND ALIGNMENT WITH REPORTING FRAMEWORKS

This integrated report covers PASA's operations from 1 January to 31 December 2024.

Aligned with the Integrated Reporting Framework, this report comprehensively reflects PASA's value creation, preservation, and impact across the six capitals, while considering potential value erosion. The principles of the King Report on Corporate Governance™ for South Africa, 2016 (King IV™), along with its supplement for non-profit organisations, are applied and demonstrated throughout.

The annual financial statements are prepared in accordance with the reporting principles of the International Financial Reporting Standards (IFRS) and the guidelines for small and medium-sized entities.

MATERIALITY

PASA utilises the concept of materiality to shape the content and scope of this report. This approach highlights issues, risks, and opportunities that could significantly affect PASA's sustainable performance over short, medium, and long-term horizons where:

SHORT-TERM
Less than one year

MEDIUM-TERM
One to less than three years

LONG-TERM
Three to 10 years

Information included in this report is deemed material, signifying its potential to influence PASA's strategic execution and value generation.

Materiality serves as guiding principle to ensure that the report provides stakeholders with key insights to assess PASA's performance and future outlook.

For further details of how PASA defines materiality, and the specific issues identified as material, please refer to page 33.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements about PASA's expected future performance and the overall outlook for the payments industry. While these statements represent PASA's evaluations and expectations at the time of preparation, it is essential to recognise that various emerging risks, uncertainties, and other significant factors could cause actual results to differ significantly from these projections.

These factors may influence business operations and financial performance, resulting in both negative and positive effects.

APPROACH TO VALUE CREATION, PRESERVATION AND EROSION

VALUE CREATION

PASA plays a key role as a non-profit organisation funded by its Members. It organises, manages, and regulates its Members' participation in payment systems to secure the effective operation of and address challenges to the NPS in support of South Africa's economy and economic development.

By managing financial, human, manufactured and information technology resources, PASA seeks to maximise value for Members, the SARB, and other stakeholders. While the SARB's PEM currently establishes the strategy for credits modernisation, PASA remains responsible for leading efforts in the modernisation of debit orders and fleet cards.

PASA's expertise and methodologies, developed through initiatives like debit order modernisation, position it as a key driver of operational progress within the NPS. By enabling collaboration and solving technical challenges, PASA ensures the system remains efficient, innovative, and aligned with national economic goals, delivering value to all stakeholders.

VALUE PRESERVATION

PASA preserves value by ensuring a well-maintained and efficient payment system, which is essential for the overall stability of the NPS. A resilient NPS not only supports South Africa's broader financial policy objectives such as financial stability and market integrity but promotes financial inclusion and access for all citizens.

The PASA Council acts as the custodian of good governance, providing oversight for strategic direction, risk management, and resource allocation. This governance structure is pivotal in PASA fulfilling its role in the NPS.

PASA's commitment to preserving value extends beyond operational efficiency; it encompasses the cultivation of an ethical culture, adherence to effective controls, and compliance with relevant regulations. By prioritising stakeholder engagement, PASA fosters transparency and collaboration, ensuring that diverse perspectives are considered in decision-making processes.

PASA continuously assesses emerging risks within the payment landscape, implementing proactive measures to mitigate potential threats. This comprehensive approach to risk management not only protects the payment systems but also builds trust among stakeholders, reinforcing the resilience of the NPS.

VALUE EROSION

PASA's strategy to combat value erosion focuses on safeguarding stakeholder interests and preventing the diminishment or loss of value within the NPS. The organisation understands that maintaining a secure and reliable payment system is critical to ensuring South Africa's financial stability.

In an increasingly technology-driven payments ecosystem, vulnerabilities such as cybercrime and fraud pose significant threats to trust and confidence in the NPS. These challenges can lead to a deterioration of the system's integrity, ultimately affecting the broader financial landscape.

To address these risks, PASA implements a proactive risk management framework that identifies potential areas of concern within the NPS. Collaboration is key; PASA engages with a range of stakeholders— including Members, the SARB, BankservAfrica (BSA), the Banking Association of South Africa (BASA), the South African Banking Risk Information Centre (SABRIC), and the Financial Services Conduct Authority (FSCA) - among others, to effectively manage and mitigate these risks.

PASA also emphasises the importance of resilience by developing robust strategies and response plans that adapt to the evolving threat landscape. By fostering a culture of vigilance and preparedness, PASA aims to ensure that any risks are swiftly addressed, thereby preserving stakeholder value and maintaining trust in the payment system.

INTEGRATED THINKING

PASA embraces integrated thinking by engaging a wide range of stakeholders, including non-bank entities, in its decision-making process. This inclusive approach enhances the robustness of PASA's governance and aligns with the goals of key regulators such as the SARB and the Financial Sector Conduct Authority (FSCA). By considering diverse perspectives early in decision-making, PASA strengthens its commitment to building a resilient and inclusive payments ecosystem that supports South Africa's broader economic and societal needs.

NAVIGATING THE REPORT

VIDEO | READ MORE | WEB

Working together and separately, the capitals, stakeholders, material matters and strategic focus areas have the potential to impact (positive and negative) PASA's ability to create value over the short, medium, and long-term.

Throughout the report, icons of and references to these elements are used to show the interconnectivity between core concepts and the various sections of the report.

Capitals

Financial, human, manufactured, intellectual, social and relationship as well as natural capitals facilitate every aspect of PASA's business and its ability to create long-term value.

Financial	PASA's financial capital is based on the funding received from Members. PASA also generates income from other streams such as industry training and conferences. This income is ring-fenced for specific purposes including capacity building, education and training, research on matters such as new or emerging technologies and projects for the benefit of the NPS.
Human	PASA's human capital comprises its people, their competencies, experience and capabilities. It also includes Member representatives who participate in the various PASA structures, along with industry professionals and initiatives focused on payment skills development and capacity building.
Manufactured	PASA's manufactured capital is anchored in the regulatory, legal, and contractual frameworks that enable effective management of payment systems. While the SARB now leads the strategy and modernisation of credits through PEM, PASA continues to support these efforts. In addition, PASA directs and oversees key areas such as debit order and fleet card modernisation.
Intellectual	PASA's intellectual capital is represented by its intricate end-to-end knowledge of payment systems, procedures and protocols, as well as its understanding of how to build industry consensus and coordinate multiple stakeholders.
Social and Relationship	PASA's social and relationship capital revolves around its connections with regulators, banks, non-banks including fintechs, businesses, and consumers. Through collaborative and strategic discussions within the payments industry, PASA fosters relationships that contribute to its value proposition. By providing a platform for thought leadership and knowledge sharing, PASA actively furthers the growth and evolution of the payments ecosystem while delivering tangible benefits to its stakeholders.
Natural	PASA's natural capital involves a low environmental impact and the broader societal impact it has through driving digital payments.

NAVIGATING THE REPORT

Material matters

- Changes to the regulatory environment
- Payment system modernisation
- Cybercrime and fraud prevention
- Skills shortage and industry capacity
- Resilience of the National Payment System
- Increasing complexity of the payments ecosystem
- New payment models and types of currency
- Global harmonisation and regional integration
- Geopolitical impact on the complexity of the payments landscape

Stakeholders

Strategic focus areas

1. Risk and compliance
2. Modernisation
3. PIB transition
4. Running of PASA

IV 1 King IV™ principles

Request for feedback

PASA welcomes your feedback on the contents and presentation of this report. This will enable the Association to improve the quality and relevance of future reports.

Send feedback on reporting content to pasa@pasa.org.za.

TERMS AND ABBREVIATIONS

BASA	The **Banking Association South Africa** advances the interests of the banking industry with its regulators, legislators and stakeholders, to make banking sustainable, profitable and better able to contribute to the social and economic development and transformation of the country.
BSA	**BankservAfrica** is an automated clearing house that provides interbank switching and clearing services to the South African banking sector in the context of its role as a Payment Clearing House (PCH) System Operator (SO). The SARB is working on purchasing 50% of the shares of BankservAfrica, which is currently owned by the banks (see NPU).
CMA	**Common Monetary Area** namely South Africa, Namibia, Eswatini and Lesotho whose currencies are pegged to the South African Rand (ZAR).
DCSP	**Designated Clearing System Participants** may include non-banks specifically designated by the SARB to participate directly in one or more PCHs.
EMV	**EMV** stands for Europay, Mastercard, and Visa. It is a global standard for credit and debit card payments based on chip card technology.
FATF	The **Financial Action Task Force** leads global action to tackle money laundering, terrorist and proliferation financing. The 39-member body sets international standards, embodied in 40 Recommendations, to ensure national authorities effectively go after illicit funds linked to drug trafficking, the illicit arms trade, cyber fraud and other serious crimes. FATF's Recommendation 16 applies to cross border and domestic payments.
FSCA	The **Financial Sector Conduct Authority** is the market conduct regulator in South Africa's Twin Peaks regulatory model implemented via the Financial Sector Regulation Act. The FSCA's mandate is to supervise and regulate the conduct of all financial institutions that provide a financial product and/or a financial service as defined in the Financial Sector Regulation Act.
Mastercard	**Mastercard** is a multinational credit and debit card payment network, headquartered in the USA, enabling purchases in stores, online, and through digital payment systems. In South Africa it is also a PSO.
Member	A **Member** of PASA such as a bank, mutual bank, branch of a foreign institution or Designated Clearing System Participant.
NPS	The **National Payment System** is South Africa's set of instruments, procedures and rules that enable funds to be transferred from one financial institution to another. It connects financial institutions, businesses, and consumers,ensuring that money can seamlessly and effectively move in the economy.
NPSD	The **National Payment System Department** is a department within the SARB and is the regulator, supervisor, and overseer of the NPS. The NPSD is also the operator of the settlement systems SAMOS (South Africa's real-time gross settlement system) and SIRESS (the SADC's regional cross-border real-time gross settlement system).
NPU	The key deliverable under the SARB PEM programme, the **National Payments Utility**, aims to create an inclusive, accessible, and efficient national payments infrastructure. The SARB is working on purchasing 50% of the shares of BankservAfrica, which will become the National Payments Utility. It will enable instant payments as a public service to support South Africa's social development goals.
PASA Council	**PASA Council** is PASA's governing body responsible for the effective governance of PASA and its structures. It delegates powers to the PASA Chief Executive Officer, PASA structures, and Council Committees to assist it with executing its responsibilities, while retaining accountability for the outcomes.
PCH	A **Payment Clearing House** refers to a legal arrangement between two or more system participants that governs the clearing and settlement of payment instructions between the participants.
PCH PG	A **Payment Clearing House Participant Group** manages operational matters for PCHs via PCH agreements, clearing rules and service level agreements.

Important industry role players and structures

PIB	The **Payments Industry Body** refers to a new entity intended to replace PASA. The key purpose of the PIB will be to provide a structure that will ensure the maintenance of an interoperable middle-mile infrastructure through collaboration and cooperation among all participants in the payments landscape.
PSMB	A **Payment System Management Body** organises, manages, and regulates the participation of its members in the payment system. The National Payment System Act gives the SARB the authority to recognise a Payment System Management Body, and PASA is currently recognised as a PSMB by the SARB.
PSO	A **Payment Clearing House System Operator** conducts clearing operations on behalf of banks and designated clearing system participants. There are four authorised PSOs in South Africa: BankservAfrica, Strate, Visa and Mastercard.
SABRIC	The **South African Banking Risk Information Centre** is a Non-Profit Company formed to assist the banking and cash-in-transit industries combat organised bank-related crimes.
SARB	The **South African Reserve Bank** is South Africa's central bank. The SARB's primary mandate is to protect the value of the country's currency in the interest of balanced and sustainable economic growth. In addition, the SARB has a statutory mandate to enhance and protect South Africa's financial stability.
SARS	The **South African Revenue Service** is South Africa's tax collecting authority. Established in terms of the South African Revenue Service Act 34 of 1997 as an autonomous agency, they are responsible for administering the South African tax system and customs service.
SASSA	The mandate of the **South African Social Security Agency** is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework. It is responsible for paying social grants to grant recipients.
SCE	The **Strategy Centre of Excellence** is a PASA capability to rapidly find solutions to complex problems and build industry consensus.
SO	A **System Operator** is an entity that is authorised to provide a service to any two or more entities (banks and non-banks) in respect of payment instructions.
SSPG	The **Settlement System Participation Group** is a PASA structure which manages the settlement rules related to all the PCHs.
Strate	As South Africa's principal central securities depository and central collateral platform, **Strate** serves the financial market through the safekeeping of the legal, digital record of securities ownership, enabled through registry, settlement and asset services, and through facilitating the reuse of securities for the benefit of the South African economy.
TOM	A **Target Operating Model** is the blueprint of how an organisation should operate to achieve its strategic objectives. It defines the future structure and organising logic of key functional areas, encompassing governance, structures, processes, and technology required to effectively deliver the organisation's goals.
TPPP	A **Third Party Payment Provider** is a non-bank entity that makes or collects payments on behalf of payers or beneficiaries.
UPP	**Unified Payments Platform** refers to an advanced financial infrastructure designed to streamline and integrate various payment systems into a single, cohesive framework, facilitating seamless transactions across multiple payment methods, including bank transfers, card payments, and mobile wallets. The primary goal of UPP is to enhance the efficiency, speed, and security of financial transactions for businesses and consumers alike.
Visa	**Visa** is a multinational credit and debit card payment network, headquartered in the USA, enabling purchases in stores, online, and through digital payment systems. In South Africa it is also a PSO.

PAYMENTS INDUSTRY PRODUCTS, SOLUTIONS, PROCESSES AND TERMS

AC	**Authenticated Collections (AC)** is a debit order payment stream associated with DebiCheck where the mandate has been successfully authorised by the payer before the debit order is collected. The system was allowed to accommodate electronic mandates that have not been authenticated on a temporary basis (the Registered Mandate Service (RMS)). In 2025 the RMS capability will be formalised and separated as the Registered Mandate (RM) system, which will collect later than AC, leaving AC as the only early window collections system.
API	An **Application Programming Interface** is a set of defined methods and functions that allow one computer programme to 'talk' to another programme to consume data, perform actions or both. Working behind the scenes, APIs help to reduce the complexity of accessing technology systems and automate interactions between systems and apps.
CBDC	**Central Bank Digital Currency** is a form of money that is denominated in fiat currency (central bank money), in an electronic form, and which is a liability of the central bank similar to cash and central bank deposits.
DebiCheck	**DebiCheck** is an electronic mandate debit order collection capability that facilitates a more convenient and secure debit order environment. The scheme was designed to obtain authorisation of all collection mandates by payers before collections take place.
EDO	Debit orders are used by companies to collect money from a consumer's bank account on a repeating basis for recurring payments such as debt repayments, premiums for insurance and investment policies. An **Early Debit Order** is processed immediately after a credit payment i.e., a transfer of funds into a bank account.
EFT	An **Electronic Funds Transfer** enables money to be sent and received digitally across an online network. The stores of value, such as bank accounts, do not have to be at the same financial institution to send or receive funds.
FPS	A **Faster Payments System** is a system in which both the transmission of the payment message and the availability of 'final' funds to the payee occur in real time or near-real time, on a basis that is as near to 24 hours a day and 7 days a week (24/7) as possible.
ISO 20022	**ISO 20022** is a multi-part International Standard prepared by International Organisation for Standardisation (ISO) Technical Committee TC68 Financial Services. It describes a common platform for the development of messages.
MyStandards	Swift's **MyStandards** simplifies global financial messaging, offering a collaborative platform for easy creation, sharing and testing of message specifications.
NPS Act	The **National Payment System Act** provides for the management, administration, operation, regulation and supervision of payment, clearing and settlement systems in the Republic of South Africa.
PayShap™	**PayShap** is South Africa's FPS. It was delivered through the industry's Rapid Payments Programme. The clearing rules for PayShap are managed through the Rapid Payments (RP) PCH.
PEM	**Payments Ecosystem Modernisation** is a strategic initiative by the SARB to modernise South Africa's payments landscape. PEM aims to enhance financial inclusion by offering foundational digital payment infrastructure to encourage a shift from cash-based to digital transactions.
PIPC	The **PASA International Payment Conference** is a premier event for industry leaders, experts, and policymakers, providing a platform for insights, technology discussions, and networking.
QR Code	A **Quick Response Code** is a high-density, two-dimensional barcode that stores information and can be read by a digital device such as a cell phone. The QR Code can be used to initiate a payment.
RM	RMS, once separated from AC into its own payment stream **Registered Mandate**, will be managed by the **Registered Mandate PCH.**
RMS	The **Registered Mandate Service** was introduced to enhance DebiCheck and accommodate electronic mandates that have not been authorised (i.e. where consumers failed to respond to DebiCheck authorisation requests).
RP	**Rapid Payments** are the Faster Payments processed through and managed by the RP PCH PG.
RTC	**Real-Time Clearing** is South Africa's legacy (first) FPS. It will ultimately be replaced by PayShap and discontinued.
RTGS	All credit transfers of a value greater than R5 million must be processed through the South African Multiple Options Settlement (SAMOS) system, the country's **Real-time Gross Settlement System**.
SADC-RTGS	The **SADC-RTGS** (formerly known as SIRESS) is the regional cross-border real-time gross settlement (RTGS) system in the SADC region. It is an automated interbank settlement system operated by the SARB, as appointed by the SADC participating member central banks.
SAMOS	The **South African Multiple Options Settlement** system, run by the SARB, facilitates the settlement of domestic individual high-value payment transactions, retail transaction batches, and bond and equity market settlement obligations. It is an automated system that settles obligations in real- time or in a delayed settlement arrangement.

PROCESS TO PRODUCE THIS INTEGRATED REPORT

The development and presentation of this report is overseen by the PASA Council and coordinated by the Executive Committee (ExCo).

REPORT APPROVAL AND ASSURANCE

The ExCo prepared and validated the information in this report, ensuring it offers an accurate, balanced, and comprehensive overview of PASA's performance and progress throughout the financial year. All financial data presented is sourced from the annual financial statements, which were audited by PASA's independent auditors, Moore Infinity Inc. The Audit Committee reviewed the financial statements in detail and recommended them for approval to PASA Council.

As the governing body, PASA's Councillors acknowledge their responsibility to uphold the integrity and completeness of both the integrated report and the annual financial statements. They express confidence that this report accurately and materially reflects PASA's performance and strategic direction, addressing all relevant issues. PASA Council formally approved this report on 29 May 2025.

Ingrid Goodspeed
Chairperson

Ghita Erling
Chief Executive Officer

Supporting modern, safe and efficient
payment systems to enable economic growth

MESSAGE FROM THE HEAD OF THE SARB NATIONAL PAYMENT SYSTEM DEPARTMENT

"The evolution of South Africa's payment ecosystem is driven by innovation, collaboration, and a steadfast commitment to achieve financial inclusion. As we navigate this journey, our focus remains on building a secure, efficient, and accessible payment system that meets the needs of all South Africans, while supporting economic growth and stability."

Tim Masela
Head of the SARB National Payment System Department

Reflecting on the past year, stakeholders should take comfort in knowing that the country's payment systems are operating effectively and are poised to contribute significantly to national economic goals. Beyond enabling consumers to transact safely, the payment system should play a pivotal role in addressing broader economic challenges. If we can meaningfully contribute to economic growth and enhance financial inclusion as a responsible corporate citizen, we will make a crucial and impactful contribution towards achieving national goals.

The challenge lies in identifying and driving broader financial system goals beyond transactional capabilities. A key priority is transitioning towards a cash-lite system while respecting consumer choice. Cash costs the SARB and the economy over R30 billion annually. Reducing dependency on cash and providing effective options that offer choice to the consumer is crucial.

Transitioning to digital payments is vital for South Africa's economic landscape. By reducing cash management costs, enhancing financial inclusion, and contributing to stimulation of economic growth, digital payments may contribute meaningfully to a more efficient and robust economy. Managing cash in the system is costly, and funds saved through digitisation can be redirected toward investment in infrastructure development and crucial social programmes.

PROGRESS IN DRIVING INNOVATION AND INCLUSION IN SOUTH AFRICA'S DIGITAL PAYMENTS ECOSYSTEM

In collaboration with the payment industry, the SARB has advanced the provision of seamless, safer, convenient, affordable, and faster digital payment offerings. Among others, these include the phasing out of cheques, the launch of the new faster payments system, PayShap, in March 2023, and the introduction of contactless payments and quick response (QR) codes. While it is encouraging to see somewhat of an increase in PayShap volumes, the overall adoption of new digital payment channels and the utilisation of existing digital payment options in South Africa remains slow. This is due to the slow pace of embedding crucial use cases in the systems that would drive usage.

Key challenges include an over-reliance on cash, high transaction costs of some of the offerings to consumers and small, micro, and medium-sized enterprises, and fragmentation that is embedded in the systems. Additionally, financial exclusion persists, particularly for underserved and disadvantaged communities, compounded in some instances by financial and digital illiteracy. The slow modernisation of legacy systems, restricted access to essential infrastructure such as the Internet and Wi-Fi, and a general lack of trust in digital payments further hinder progress.

Looking ahead, I remain optimistic about the future developments and am confident that PASA and the broader payments ecosystem stakeholders are ready to play their meaningful roles in this journey. The uptake of new functionalities, such as the "Request to Pay" feature in our real time retail payments offering has been promising, and we anticipate higher transaction volumes as we continue embedding further innovative use cases within the system.

Another critical area of focus is enabling non-banks to enter the payment space, which presents opportunities to enhance competition, improve accessibility, and continue to drive financial inclusion. A key barrier for non-banks to hold stores of value that would enable them to effectively offer transactional services, is the deposit taking provision in the Banks Act, as the Act currently restricts the holding of a store of value to banks. We, however, believe that consumers would benefit immensely if they were provided with alternative stores of value, such as a digital wallet, to enable them to transact.

We are pleased that we are advancing in bringing reforms in this area and report that the SARB is actively exploring ways to open access to the payment system and is pursuing regulatory changes that would allow non-banks to enter clearing and settlement. For this to materialise, the deposit-taking provision of the Banks Act would accommodate such an arrangement through a suitable dispensation. At the same time, it is crucial that non-banks meet relevant criteria that include among others, anti-money laundering requirements to maintain financial integrity of the system. Care should also be taken to ensure that as expansion of service provision in this area is facilitated, interoperability between banks and non-banks is entrenched to avoid fragmentation.

Our ultimate goal is to have a payments ecosystem that is innovative to spur development of convenient and cost-effective offerings. We believe that fintechs and other non-banks have the potential to introduce compelling digital payment solutions that would offer consumers greater choice. By enabling broader participation in the payment system, we can further unlock new opportunities to enhance financial inclusion and modernise South Africa's digital payments landscape.

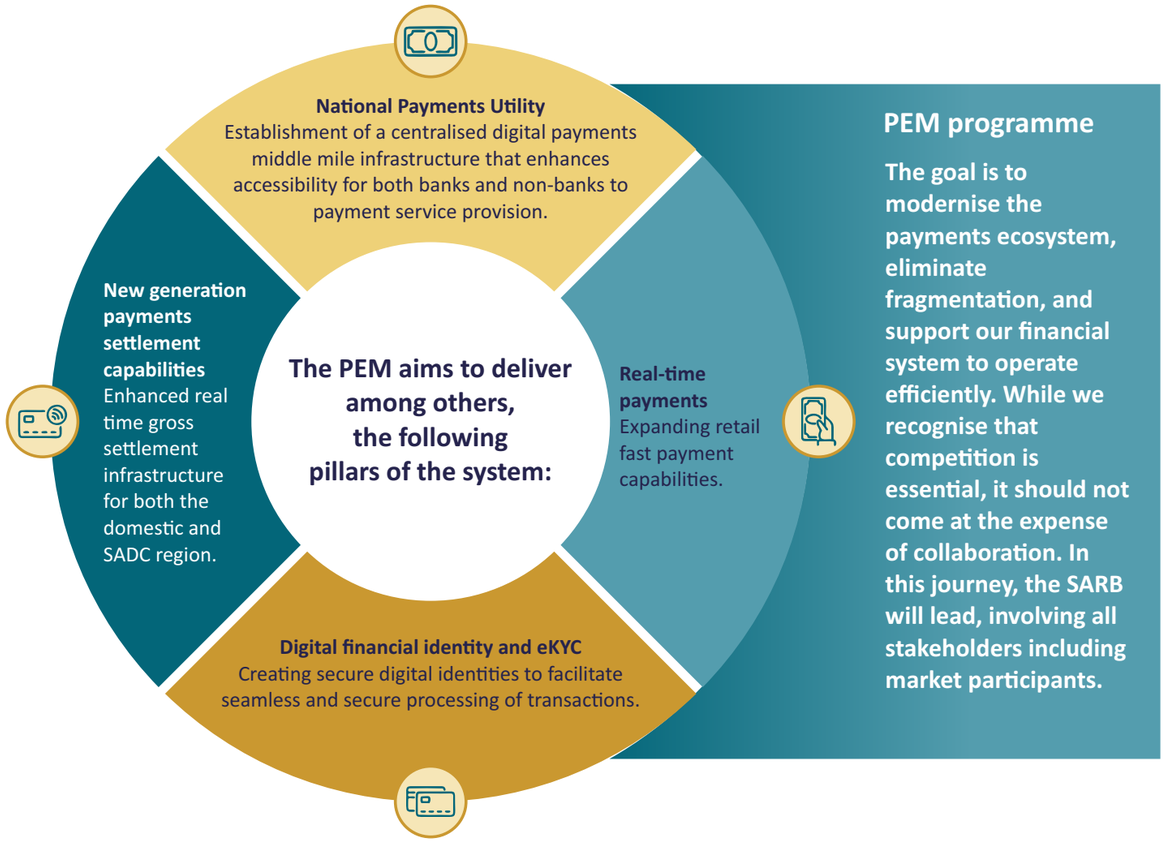
Inclusive. Accessible. Effective.

The future of digital payments.

MESSAGE FROM THE HEAD OF THE SARB NATIONAL PAYMENT SYSTEM DEPARTMENT, *Cont*

PAYMENTS ECOSYSTEM MODERNISATION (PEM): A CATALYST FOR CHANGE

The SARB's PEM programme is a comprehensive initiative aimed at transforming South Africa's payment systems into an accessible, affordable, and secure system. This programme is designed to contribute meaningfully towards access to digital services to enhance financial inclusion, by establishing a platform for providing a suite of digital products and services that will also present effective alternatives to cash.



The role of PASA in the PEM programme

PASA has been integral to the development of South Africa's NPS, with cooperation and collaboration at its core. As part of this commitment, PASA has already handed over critical content to the PEM team to support ongoing implementation efforts. PASA continues to play a significant role in the PEM programme, with the SARB leveraging PASA's expertise to assist in the modernisation of South Africa's digital payment infrastructure.

While the SARB has withdrawn its support for a licensed rulemaking function within the PIB, it has reaffirmed the importance of industry collaboration in achieving interoperability within the National Payment System (NPS). Interoperability is central to the envisaged transformation of the NPS, and industry contributions, remain pivotal. The SARB has expressed support for an industry coordination body — operating under its policy and regulatory direction — to advance this goal.

As indicated earlier, PASA is collaborating closely with the PEM team to ensure seamless progress and alignment, positioning all stakeholders to work collectively toward an inclusive, modernised payments system.

ADDRESSING FRAGMENTATION AND PROMOTING COLLABORATION

Fragmentation remains one of the main challenges in our NPS. Fragmentation leads to higher costs, frictions in transactions, and ultimately hinders growth. To avoid these pitfalls, we must coordinate efforts and ensure that all system participants are working toward common goals. Our approach should prioritise the public good over individual interests. By promoting collaboration, we can develop middle mile infrastructure solutions that benefit all participants in the ecosystem. This approach promotes seamless transactions and safeguarding the public's interests while presenting an opportunity for participants to compete on products and services that they offer to consumers of payment services.

SHIFTING PERSPECTIVES ON COMPLIANCE: CHALLENGES AND OPPORTUNITIES

Despite the progress we have made, challenges persist. One concern that often weighs on me is the market's perception that regulatory requirements hinder business growth. It is crucial for stakeholders to recognise that compliance should not be seen as a burden, but as an opportunity to better manage risk in the system and strengthen business practices. My vision for PASA is to inspire industry participants to proactively embrace compliance because they understand its inherent value, rather than merely complying to avoid penalties.

Regulatory compliance should be regarded as a valuable practice that is good for business and not be treated as a box-ticking exercise. Effective communication and transparency will be key to shifting this mindset. Our goal is to encourage collaboration and a shared understanding among stakeholders, helping them appreciate the long-term benefits of adopting a proactive stance on compliance.

THE PATH FORWARD

In conclusion, the journey we undertook this year with PASA has been remarkable. This integrated report serves as a testament to our industry's dedication to enhancing the payments ecosystem. As we look to the future, our focus will continue to be on collaboration, innovation, and inclusivity.

Building on Vision 2025, the development of Vision 2030+ is well underway, with an emphasis on ensuring it remains responsive to the evolving payments landscape. The current nine goals of Vision 2025 remain mainly relevant and may be carried forward into the new vision. Several strategies have been executed to deliver on Vision 2025, while others are still in progress. Some initiatives will continue as part of our ongoing operations, while others may remain strategic and be carried forward into Vision 2030+. The PEM programme is anticipated to be one pillar of Vision 2025 that will be integrated into the future strategy.

Consultation with our stakeholders will continue throughout 2025 to help shape this strategy, with the publication and commencement of the implementation of Vision 2030+ expected to begin in 2026. It is our anticipation that our payment industry will play a pivotal role in the execution of this strategy.

APPRECIATION

I would like to express my sincere appreciation for PASA and other industry stakeholders, whose invaluable role in building consensus for the collective good has been fundamental in driving our shared vision. The ongoing collaboration is a key asset in shaping the future of the payments ecosystem. Together, we have the opportunity to contribute meaningfully to a brighter future, where our systems not only serve as transactional gateways but also act as catalysts for broader economic goals.

REPORT FROM THE COUNCIL CHAIR

"PASA has a pivotal role in the rapidly evolving payments landscape. Committed to innovation, inclusivity, and effective governance, we prioritise collaboration and transparency as we navigate the future. By developing robust capabilities and prioritising stakeholder and consumer trust, we strive to build a secure, cohesive payments ecosystem for all."

Ingrid Goodspeed
Council Chair

THE YEAR IN REVIEW

2024 was an interesting one for the payments industry. Across the world we saw further adoption of real-time and faster payments, increased implementation of the ISO 20022 standard, expansion of digital banks, additional entry of new non-bank players, initiatives to enhance cross-border payments efficiency and an expanding global regulatory reform agenda.

PASA, as an integral part of this continuously developing ecosystem, remained focused on its strategic priorities aligned to the achievement of SARB's Vision 2025 and larger national policy imperatives of financial inclusion, financial stability, consumer protection and market integrity. Key areas of work included:

- Embedding PayShap with its potential to drive financial inclusion and support economic growth and development by helping to formalise informal activities.
- Transitioning PASA to the PIB as a strategic catalyst for payment industry inclusivity, incorporating both traditional players and a broader range of payment providers, signalling a new era of collaboration and shared purpose among all stakeholders.
- Contributing to regulatory frameworks and reform in the interest of a fair, efficient, and secure NPS that meets the needs of all South Africans.
- Supporting the SARB's Payments Ecosystem Modernisation programme (PEM) to transform South Africa's payment systems into a safer, faster, more affordable, and inclusive framework. PASA's capabilities and methods used for good modernisation outcomes, along with the PIB Design and transition work, have proven useful to the SARB PEM team.
- Risk management at both PASA and NPS levels. PASA was deeply involved in the development of contingency plans to enable a co-ordinated response in the event of a disruption to payment systems.

Through strategic leadership and collaborative momentum, PASA is playing a pivotal role in modernising payment systems within a dynamically evolving payments landscape.

SHAPING THE FUTURE OF PAYMENTS

With South Africa firmly in the international limelight as host of the G20, 2025 is shaping up to be as interesting as 2024. Apart from facing the impact of geopolitical tensions and fragmentation, South Africa is expecting the introduction of long-anticipated legislation, including the NPS Bill. Modernisation of South Africa's payment system will gain momentum under the steer of the SARB's PEM and in support, PASA's focus will be on achieving essential industry collaboration and alignment with the programme, but now within the context of SARB's withdrawal of its previous "no objection" to the original PIB Design.

To remain future-ready, PASA is committed to upholding its sound and proactive governance and risk management approach and key capabilities around collaboration across the industry, preventing fragmentation and ensuring interoperability across diverse stakeholders. This collaborative approach is essential for modernising payment systems, integrating new technologies and maintaining the highest standards of reliability and security, ultimately benefiting all participants in the broader financial landscape.

By leveraging its Strategy Centre of Excellence (SCE), PASA will continue to serve as a central hub for strategic thinking, playing a key role in consensus-building and solution development. PASA will continue to work closely with the regulators and SARB's PEM to drive industry coordination, further reinforcing PASA's pivotal role in shaping the payments landscape.

ACKNOWLEDGEMENTS AND APPRECIATION

Firstly, I would like to pay tribute to PASA's outgoing Chairperson Sydney Gericke, for his invaluable contributions to PASA. A respected leader in South Africa's payments industry, Sydney served as a PASA Councillor before becoming Chair in 2019. His steady and professional leadership has cultivated an environment of good governance, ensuring PASA remained aligned and focused, even during challenges. His calm and measured approach kept discussions constructive and the organisation united. Under his guidance, PASA achieved key milestones, including the creation of the PIB design. His commitment to self-regulation and industry modernisation has left a lasting legacy, and his Lifetime Achievement Award at the 2024 PASA Industry Awards is a fitting recognition of his impact.

Reflecting on the achievements of the past year, I extend my gratitude and that of PASA Council to the management and all PASA employees for their steadfast hard work, professionalism, and dedication throughout 2024. Your commitment has ensured that the interests of our Members, industry and regulators are well served.

On behalf of the PASA Council, I acknowledge PASA Members, the SARB NPSD, and all stakeholders for their continued trust, support, and collaboration in our shared mission to enhance the NPS and shape a payments landscape that is unified, resilient, and future-focused.

Finally, to my fellow PASA Councillors, thank you for your time, expertise, guidance, wisdom, and ongoing commitment to uphold the high standards of engagement, independent thought, ethical leadership, and oversight that define PASA.

CONCLUSION

The insights presented in this integrated report reinforce the significance of collaboration, integrity, and forward-thinking in our mission. As we navigate this evolving environment, with agility and resilience, PASA remains committed to advancing financial inclusion, effective governance, and consumer trust. By embodying the metaphor of "building a cathedral," we are collectively shaping a payments ecosystem that is resilient, future-focused, inclusive and innovative.

Read more about PASA's Cathedral statements on page 38.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

"The environment is one of constant change, and for PASA to remain relevant and effective, it must not only continue adding value, but be seen to rapidly adapt. This means being resilient in the face of change and leading through it, ensuring that we remain a trusted and pivotal force in the South African payments ecosystem."

Ghita Erling
Chief Executive Officer

SHIFTING LANDSCAPE IN THE PAYMENTS INDUSTRY

The South African payments ecosystem is poised to undergo some of the most consequential changes in decades. The imminent regulatory reforms, which are primarily intended to increase access to the NPS, and which will ultimately enable PASA's transition to the PIB, have been anticipated since 2018. Equally transformational is the PEM programme, led by the SARB. The PEM programme aims to provide South Africa with fast, simple, affordable, and secure digital payments. Over the next few years, we anticipate a redefined national payments ecosystem that should welcome new players, unlock innovations through regulatory reforms, enable the delivery of exciting products to consumers, and advance meaningful financial inclusion.

PASA is privileged to support this transformation, through our ability to facilitate collaborative processes across the entire industry, as well as our payments expertise and experience in delivering industry projects. In recent years, we have led the co-design of the PIB, an initiative that reflects our belief in the importance of incorporating the expertise, experience and perspectives of the entire payments community. We have developed and matured the processes used for co-designing the PIB through other strategic processes, building a capability which we are formalising into a "Strategy Centre of Excellence" (SCE). We believe the application of the SCE processes has promoted a sense of shared purpose and high levels of buy-in from industry participants, demonstrating how our deep understanding of the payments industry, combined with community coordination, has driven collective progress towards a future state that the industry broadly supports.

In addition to our work in support of the PEM programme, PASA continues to drive broader modernisation efforts. Our initiatives extend beyond the PEM's scope, focusing on areas such as the debit order ecosystem and the implementation of EMV fleet card solutions. PASA is committed to ensuring that these initiatives complement the PEM's objectives, creating a cohesive and modernised payments landscape for South Africa.

Our efforts to align PASA's expertise with the PEM programme are already underway, with discussions to formalise our collaboration through a service provision agreement with the SARB.

PASA's ability to adapt quickly to the changing environment has been a key factor in our success, allowing us to pivot effectively and contribute to the modernisation agenda. The coaching interventions initiated in 2023 have strengthened our resilience, growth, and organisational maturity, enabling us to meet the increasing complexities of the evolving payments landscape.

LEADERSHIP CHANGES

At the end of July 2024, we said goodbye to Sydney Gericke as Chairperson of PASA. Sydney has been an incredible source of support for me, especially during some challenging moments. His voice of reason, calm leadership, and practical insight in navigating the complexities of our industry have been invaluable. I am deeply grateful for the opportunity to have learned from Sydney and to benefit from his wisdom and steady guidance. From my perspective, the continued existence of PASA and its ability to transition into an inclusive PIB owe much to Sydney's leadership and tireless efforts.

We welcome Ingrid Goodspeed as the new Chairperson of PASA. Ingrid takes on this crucial role during a significant period of transition, and we are confident that her vast experience and leadership will guide PASA Council effectively through the continued evolution of the PIB and the broader payments ecosystem.

At an executive level, we bade farewell to Maurits Pretorius, our Chief Strategy Officer, who retired after eight years of exceptional service at PASA. We are pleased that he will continue to lead the transition of the PIB and serve as the primary interface with the PEM programme. I would like to take this opportunity to acknowledge Maurits for his invaluable contributions, particularly in guiding the PIB transition and establishing the SCE. His foresight and expertise have been and continue to be instrumental in contributing to the shaping of PASA's strategic direction.

We also bade farewell to Pierre Coetzee, our Chief Legal and Regulatory Officer, who retired after more than 24 years of dedicated service at PASA. Pierre was instrumental in establishing the legal frameworks, policies and procedures that form the foundation of our current operating model.

PERFORMANCE HIGHLIGHTS

PASA has demonstrated strong performance during the reporting period, with key enhancements to its performance scorecard approach in 2024. In line with our multi-year efforts to mature the performance management culture, two notable improvements made in 2024 are:

1. **Agility in the strategic scorecard:** PASA transitioned from a "bottom-up" approach to a "top-down" strategic scorecard, emphasising desired outcomes and measuring performance against these outcomes, while maintaining a detailed internal scorecard for ongoing delivery.
2. **Introduction of an operational scorecard:** To address operational issues more effectively, PASA introduced a separate operational scorecard, ensuring all employees align their activities with PASA's deliverables.

These adjustments have proven successful, allowing PASA to adapt to a rapidly changing environment, with minimal changes required to the scorecard at the half-year mark, and continued improvements in performance.

In 2024, PASA's activities were categorised into four pillars:

1. Risk and compliance
2. Modernisation
3. PIB transition
4. Running of PASA

Key achievements in 2024 include:

1 RISK AND COMPLIANCE

PASA has made steady progress in enhancing its digital capabilities and security, with initiatives such as patch management, anti-virus monitoring, penetration testing, and phishing simulations now firmly embedded with a cyber-response plan drafted. While the cyber-effectiveness assessment highlighted areas for improvement, it did not present any major surprises. A service provider has been onboarded to assist in the event of a cyber event.

2 MODERNISATION

The formal service provision agreement requested by the PEM programme is a testament to the quality of PASA's methodologies and the credibility built by the team.

PASA's progress in the Financial Action Task Force (FATF) space, including the development of internal expertise, we hope will assist in the pragmatic implementation of measures to protect the safety of the NPS and to balance privacy and financial inclusion with crime fighting imperatives.

PASA has also shown an ability to resolve difficult conversations more efficiently, often through applying SCE practices. For example, support provided to members on CMA changes and decision-making on PayShap transaction limits broke deadlocks and re-established forward momentum.

PASA has demonstrated effective consultation with non-member stakeholders, resulting in significant changes to proposed outcomes, such as the decision to implement a 60-day debit order dispute period instead of a 90-day period.

3 PIB TRANSITION

Despite uncertainty surrounding changes to the NPS Act, PASA has successfully maintained momentum in the PIB transition phase. The project has been simplified and de-risked by agreeing to repurpose the PASA legal entity for the PIB, and PMO costs and capacity have been adjusted favourably accordingly.

Read more about PASA's performance against strategy on page 39.

4 RUNNING OF PASA

In a rapidly changing and increasingly complex environment, PASA continues to deliver value to stakeholders. The annual stakeholder survey yielded overwhelmingly positive feedback, with nearly all responses rated 4 (agree) or 5 (strongly agree) across all dimensions. Written feedback was highly supportive.

PERFORMANCE LOWLIGHTS

Thanks to the maturing performance discipline and a more agile approach to the PASA scorecard, there are fewer areas of underachievement and no material concerns. However, there are a few areas which require additional focus:

- **Messaging and standard formats:** The separation of Registered Mandate from the Authenticated Collections project is at risk for March 2025 delivery. The delays arise from a misinterpretation of the ISO 20022 message standard to be used for Registered Mandate, as the Authenticated Collections message standard, although built on IS0 20022, lags current best practice.
- **Rule review progress:** A clearer understanding of rule review progress has been established, with more predictable outcomes being set through the Prioritisation Committee.
- **Member compliance environment:** Employee turnover continued to pose challenges, and the Member Compliance Enforcement Process capability has had to be re-established.
- **Metrics and reporting:** The development of metrics and reports for tracking PASA's performance and that of the broader industry has progressed slower than expected.

APPRECIATION

I want to express my deepest gratitude to everyone who has contributed to PASA's success over the past year. Our achievements are a direct result of the dedication, hard work, and collaboration from all our stakeholders.

To the SARB, thank you for your ongoing support in our mission to support the payments ecosystem. Your guidance has been invaluable as we navigate the complexities of regulatory change and industry transformation. To PASA's executive team and councillors, thank you for your leadership and vision. Your strategic direction continues to shape PASA's success and ensures that we remain focused on delivering on our objectives. To our PASA Members, your engagement and participation are critical to the realisation of our goals. We are grateful for your continued involvement.

Lastly, I extend my heartfelt thanks to all PASA employees. Your hard work and resilience are the driving force behind everything we do. Together, we continue to evolve and adapt, ensuring that PASA remains at the forefront of payments industry development.

LOOKING AHEAD

I have no doubt that the pace of change will continue to increase, and that the industry will only become more complex in 2025. This, in my view, is as much an opportunity for PASA to provide leadership as it is a challenge that will require ongoing changes to how we work. We must continue to demonstrate high levels of resilience and adaptability.

Recent regulatory developments — particularly the SARB's withdrawal of its "no objection" to the original PIB Design — reflect a significant shift in the approach to industry rulemaking and governance. While this has implications for the PIB's intended role, the SARB has reiterated its support for a collaborative industry body, provided it operates under its regulatory direction and aligns with the objectives of the PEM programme.

As the PEM programme takes shape, PASA is excited to continue our collaboration with the PEM team and the broader payments community to co-create, design, and deliver South Africa's payments future. We are eager to support the SARB in delivering the PEM programme and remain confident that our SCE, project management office, and enablement functions represent an effective combination of expertise and experience to support this crucial strategy for the NPS.

ABOUT PASA

PASA'S ROLE IN THE SOUTH AFRICAN PAYMENTS LANDSCAPE

PASA, recognised by the SARB as the PSMB, plays a pivotal role in the South African payments landscape. PASA organises, manages, and regulates its Members' activities within the NPS, adding substantial value through strategic guidance, operational oversight, and the tangible implementation and execution of its initiatives within the NPS.

PASA focuses on the development, governance and regulation of payment systems in the country, aiming to enhance the efficiency, security, and accessibility of payment services while supporting innovation in the financial sector.

KEY FUNCTIONS OF PASA INCLUDE

Payment stream management, including:
- **Agreeing rules and compliance:** Defining and implementing rules for the interoperable and safe management of payment systems.
- **Standards:** Establishing standards for payment systems to ensure interoperability and security.
- **Risk management:** Identifying and mitigating risks to the NPS.

Policy development: Engaging with regulators and stakeholders to shape policies that impact the payments landscape, as well as issuing its own Member policies.

Industry collaboration: Facilitating collaboration among various parties, such as banks, payment service providers, financial institutions, and regulators. Designing solutions and agreeing strategic direction with these parties.

Education and knowledge-sharing: Providing resources and opportunities to promote understanding of payment systems, issues, and trends.

Project management and governance: As a key function of PASA in delivering industry initiatives, the PASA Project Management Office (PMO) ensures structured execution and effective governance. This includes refining project management frameworks, strengthening industry testing controls, aligning with business analysis best practices, and enhancing process engineering and mapping.

Membership, registration, and authorisation management: Admitting participants to the NPS as well as authorising PSOs. Ensuring a seamless onboarding experience, efficient authorisation and registration processes, and timely query resolution.

COLLABORATION WITH THE SARB

PASA works closely with the SARB to regulate and manage clearing and settlement systems, ensuring the safety, stability, and efficiency of the NPS. This collaboration is essential to support PASA's mandate.

PASA'S OPERATIONS

PASA structures its operations around four core focus areas, closely aligning with SARB's Vision 2025 and the PEM programme.

SHAPING THE FUTURE OF PAYMENT SYSTEMS

PASA drives strategic initiatives aligned with SARB's Vision 2025, promoting member collaboration while managing risk and ensuring business continuity within the NPS.

PASA brings together industry stakeholders—Members, non-Members, and regulators—to build consensus and align with SARB's strategic goals.

MANAGING PAYMENT SYSTEMS

Through robust governance and policy enforcement, PASA ensures that payment systems are effective, secure, and meet the evolving needs of consumers and businesses.

FACILITATING INDUSTRY-WIDE PROJECTS AND DELIVERY

As a key enabler of industry initiatives, the PASA PMO ensures structured execution, effective governance, and seamless coordination. By applying robust project management methodologies, the PMO drives industry-wide projects from inception to completion, ensuring alignment with strategic objectives, regulatory requirements, and stakeholder expectations.

BUILDING INDUSTRY CAPACITY

PASA enhances the payments industry's adaptability to modernisation through education, awareness, and transparent communication. The PASA Academy plays a key role, offering training programmes that equip professionals with the skills needed to navigate the evolving payments landscape.

LEGAL FRAMEWORK AND REGULATORY STRUCTURE FOR THE NPS

Given the critical role of the NPS in South Africa's economy, a robust legal and regulatory framework is essential for ensuring its safety, soundness, and efficiency. The SARB is entrusted with overseeing the safety and stability of the NPS, the backbone of South Africa's modern financial payments infrastructure.

In its regulatory, supervisory, and oversight capacity, the SARB ensures that the NPS operates efficiently and effectively. Recognising the dynamic needs of South Africans, the SARB works to ensure that payment systems are capable of evolving to meet these needs while addressing the country's challenges and structural deficiencies.

The relevant legal framework and constructs are provided below.

SARB Act

Mandates the SARB to regulate and oversee the NPS, ensuring its integrity, safety, and efficiency.

NPS Act (1998)

(currently being updated)

Provides the regulatory foundation for the NPS, empowering the SARB to recognise a PSMB. PASA fulfils this role, organising, managing, and regulating participants within the NPS.

PASA Constitution

Defines its governance structures, strategic objectives, and operational rules. It governs the relationship between PASA and its Members.

PASA Policies and Position Papers

PASA issues policies and position papers that provide detailed guidance and set out principles for its Members. These documents ensure consistency in operations and alignment with broader regulatory and strategic objectives.

PCH Agreements

Form a crucial part of PASA's legal framework, defining the transactions, standards, and clearing rules applicable to each PCH. These agreements are negotiated among Members of the Participant Groups (PGs) responsible for one or more PCHs.

PCH Clearing Rules

Establish the operational and technical standards that participants must follow. These rules ensure uniformity and mitigate systemic risks within the NPS.

Service Level Agreements (SLAs)

SLAs formalise the relationships between Payment Clearing House Participant Groups (PCH PGs), Payment Clearing House System Operators (PSOs) and Members. They define the operational expectations for clearing payment instructions via PSOs, which are authorised by PASA. Transactions processed through PSOs are ultimately settled at the SARB through the South African Multiple Option Settlement (SAMOS) system, South Africa's Real-Time Gross Settlement (RTGS) system.

PASA'S CONSTITUTION AND STRUCTURES

PASA CONSTITUTION

VOLUNTARY ASSOCIATION

PASA operates as a voluntary association, comprised of Members who participate in the NPS. Membership of PASA is mandatory for clearing or settlement participation in the NPS. Its constitution ensures PASA's independence from its Members.

SEPARATE LEGAL PERSONALITY

PASA has its own distinct legal identity, separate from its Members and officers, ensuring its autonomy and ability to act independently.

PASA'S OPERATIONAL PRINCIPLES

MEMBER OBLIGATIONS

All PASA Members adhere to the constitution and its rules, which include the PASA Regulatory Framework and payment clearing rules.

RIGHTS AND OBLIGATIONS

The constitution outlines the rights and obligations of Members, ensuring a framework for fair and equitable participation.

GOVERNING BODY: PASA COUNCIL

STRATEGIC DIRECTION

PASA Council sets the strategic direction for PASA, ensuring alignment with the evolving needs of the payment system.

OVERSIGHT AND EXECUTION

Council oversees the implementation and execution of strategic decisions, ensuring the effective functioning of PASA.

PASA COUNCIL DELEGATES AUTHORITY TO PASA STRUCTURES

PCHs

PASA Council has delegated some of its authority to PCHs, which handle the rules for the clearing and settlement of payments.

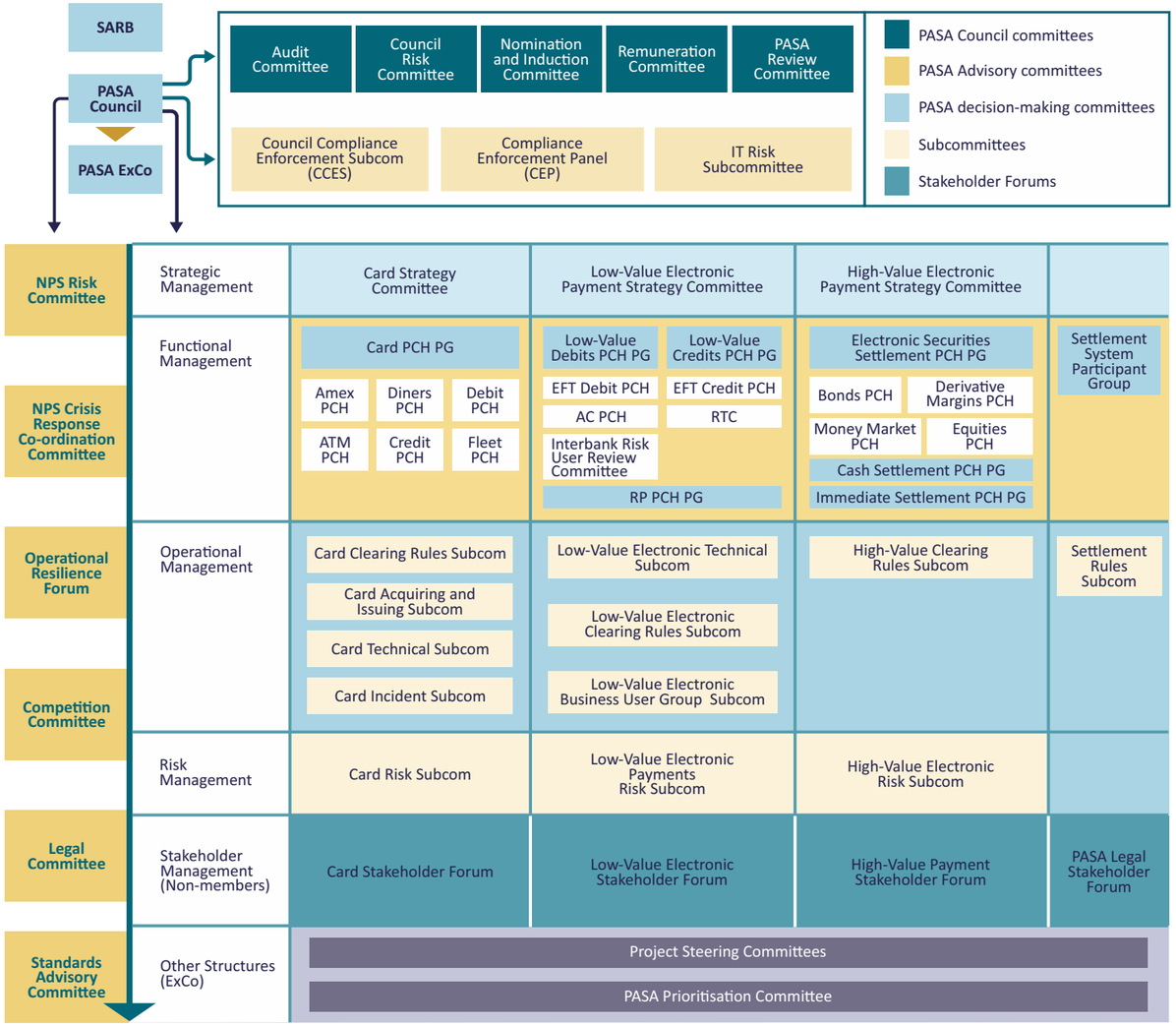
STRATEGY FORUMS

Strategy forums provide a platform for PASA Members to engage in discussions on key strategic issues and contribute to decision-making.

CEO

PASA Council delegates some of its authority to the CEO, who oversees PASA's daily operations, ensuring efficient execution of strategic goals and management of resources.

PASA STRUCTURES



IN 2024, PASA HAD:

7 PCH PGs, with an operational focus on managing a specific payment system/(s) and an SSPG which is responsible for the settlement obligations of the PCHs that make up the NPS.

3 Strategy committees, covering card payments, electronic payments and high-value (HV) payments.

6 Advisory committees (Legal, Competition, Risk, Crisis co-ordination, Operational resilience and Standards advisory).

4 Stakeholder forums (legal, low-value electronic payments, high-value electronic payments and card), ensuring regular engagements with impacted parties who are not PASA Members.

In addition to other management functions and powers delegated to the CEO, the PASA Constitution mandates the CEO to establish project steering committees to assist with the management and implementation of PASA projects.

PASA's MEMBERS, PSOs, SOs AND TPPPs ON 31 DECEMBER 2024

MEMBERS

31*	17	7	1	218
Members (2023: 34)	PCHs (2023: 17)	PCH PGs (2023: 7)	Settlement PG	PCH Memberships (2023: 217)

*In the 2023 report, PASA reported 34 members, including provisional members. In 2024, the reported number is 31, as provisional members are no longer included. This change aligns with clause 7.3.1 of the PASA Regulatory Framework (PRF), which recognises that provisional membership does not guarantee full PASA membership nor operational go-live due to potential regulatory and operational requirements.

PSOs, SOs AND TPPPs

4	89	444	338
Authorised PSOs (2023: 4)	Authorised SOs (2023: 88)	TPPP registrations (2023: 394)	TPPP legal entities (2023: 298)

PASA MEMBERS

Absa Bank Ltd
Access Bank Ltd
African Bank Ltd (Note that African Bank acquired Grindrod)
Albaraka Bank Ltd
Bank of China, Johannesburg Branch
Bank Zero
Bidvest Bank Ltd
Capitec Bank Ltd
China Construction Bank
Citibank NA South Africa
Diners Club SA - Designated Participant
Discovery Bank
Efficacy - Designated Participant
Finbond Mutual Bank
FirstRand Bank Ltd
Grindrod Bank Ltd (acquired by African Bank Ltd)
HBZ Bank Ltd
HSBC
Investec Bank Ltd
JPMorgan Chase Bank N.V Johannesburg Branch
OM Bank Ltd
Nedbank Ltd
Paycorp - Designated Participant
Postbank (SAPO) - Designated Participant
Retail Assist - Designated Participant
South African Reserve Bank
Sasfin Bank Ltd
Standard Bank of SA Ltd
Standard Chartered Bank JHB Branch
State Bank of India SA Branch
Tyme Bank Ltd
VBS Mutual Bank

PURPOSE, VISION, MISSION AND VALUES

Purpose
PASA exists to manage payment systems in the interest of economic and social development of South Africa.

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 NPS and facilitate integration with international payment standards.

Values
PASA is committed to fostering a workplace defined by integrity, diversity, and equality. PASA's values and employee policies play an integral role in upholding these principles and creating an inclusive and ethical environment.

The following values drive PASA's culture, guiding attitudes and behaviours in pursuit of delivering exceptional service to members and the broader financial ecosystem:
- Demonstrate integrity and authenticity in all our actions.
- Show respect for others.
- Achieve results through collaboration and teamwork.
- Display leadership and stewardship in everything we do daily.
- Strive for excellence through professionalism, dedication and service.
- Push the boundaries to grow and change ourselves and the industry.

Goals
To achieve its mission, PASA's goals are to ensure improved or greater:
- Financial stability
- Risk management
- Fairness and transparency
- Innovation
- Access
- Inclusion
- Efficiency
- Competition
- Sustainability
- Interoperability
- Legal certainty

NPS FRAMEWORK AND STRATEGY: VISION 2025

The SARB as regulator of the NPS sets the strategic direction for the payment systems through issuing the NPS Framework and Strategy. The prevailing strategy is **Vision 2025**. The SARB is currently working on Vision 2030, which will be issued before the end of 2025. PASA, along with the rest of the industry, has the opportunity to contribute to the development of the new Vision document.

THE SARB's VISION 2025 GOALS
The SARB sets out nine strategic goals for the NPS in Vision 2025. These goals are:

- A clear and transparent regulatory and governance framework
- Transparency and public accountability
- Financial stability and security
- Promoting competition and innovation
- Cost-effectiveness
- Interoperability
- Flexibility and adaptability
- Regional integration
- Financial inclusion

THE SARB's REGULATORY ROLE

In its regulatory, supervisory and oversight capacity, the SARB plays an important role in ensuring the safety and efficiency of the NPS. The SARB recognises that it is vital that payment systems are capable of meeting the evolving needs of South Africans while helping to address the challenges and structural deficiencies faced by the country.

ALIGNMENT WITH NATIONAL DEVELOPMENT GOALS

Vision 2025 goals align with broader societal objectives such as financial inclusion, and contributing to economic development goals outlined in the National Development Plan. Through the implementation of these strategies, the SARB envisions the development of a world-class payment system, fostering increased consumer trust in electronic payment systems.

OPERATING CONTEXT

Current trends in South Africa's payments landscape

South Africa's payments landscape is undergoing a profound transformation, shaped by changing approaches to both regulation and the role of the regulator, geopolitical forces impacting on payments on a global level, as well as constant advances and changes in technologies and business models. Efficient digital payment systems are increasingly recognised for their potential to alleviate poverty and contribute to GDP. Over the last decade or two, the dynamic and evolving nature of payments has given rise to new value-added services, products, platforms, and players.

THE ROLE OF CASH IN SOUTH AFRICA'S EVOLVING PAYMENTS LANDSCAPE

Material Matter

Cash continues to dominate South Africa's payments landscape, highlighting the need for more inclusive digital payment solutions. Despite the availability of bank accounts for the vast majority of South Africans, many prefer to withdraw all their funds as cash, perceiving it as the easiest and cheapest option. This reliance on cash persists even as digital alternatives offer greater safety and convenience.

However, the payment landscape is undergoing a transformation. The SARB reports that demand for cash is growing at a much slower rate. Historically, cash usage grew in line with nominal GDP, but this trend has shifted post COVID-19, reflecting the growing availability and appeal of digital payment options. [1] Over the past five years, the average annual growth of cash in circulation has plateaued, while digital payments - measured through retail batch settlements - have grown, recording a 9% increase over the same period, according to data from the SARB.

Card payments have played a significant role in this shift. The card industry has evolved more in the past five years than in the previous three decades and is set to transform even further in the next three years. The widespread issuance of debit cards, including to millions of social grant recipients, has expanded financial access. Additionally, the acceptance of debit cards at tollgates - where previously only credit cards and cash were allowed - has further displaced cash transactions.

E-commerce and mobile payment innovations are accelerating digital adoption. The surge in e-commerce during and after COVID-19 has significantly reduced face-to-face cash transactions. Affordable mobile point-of-sale (mPOS) solutions now enable small businesses to accept card payments using mobile devices, broadening financial inclusion and economic activity. Meanwhile, person-to-person and person-to-business push payments continue to convert cash-based transactions into electronic payments.
While innovations such as PayShap, launched in 2023, offer real-time, low-cost transactions using mobile numbers, the country still lags global leaders such as India and Brazil, where systems like UPI and PIX have revolutionised retail payments.

To remain competitive and support financial inclusion, South Africa must accelerate the adoption of digital payment technologies and modernise its payment infrastructure. This transition is vital not only for enhancing consumer convenience but also for achieving broader economic growth and reducing reliance on cash. This shift will be driven by the SARB's PEM programme, which aims to create a more efficient and inclusive payments ecosystem.

BARRIERS TO FINANCIAL INCLUSION IN SOUTH AFRICA

Material Matter

A recent study by the SARB[2] notes that, several barriers prevent real financial inclusion in South Africa. They conclude that:

- A major hurdle is financial literacy, as many individuals lack the knowledge to navigate financial systems or make informed decisions. This knowledge gap contributes to underutilisation of digital banking services.
- Another key barrier is affordability. High transaction fees, data costs, and account maintenance fees disproportionately affect lower-income communities, limiting their ability to access financial services. Technological barriers also play a significant role, as limited access to smartphones, poor connectivity, and inadequate infrastructure in rural areas restrict the adoption of digital financial platforms.
- Additionally, socio-cultural factors such as a preference for cash-based transactions and a lack of trust in financial institutions further hinder digital adoption. Financial products may also fail to meet the needs of the underbanked, especially those requiring high deposits or offering high-interest rates.
- Lastly, regulatory challenges also persist, with the current framework restricting the provision of payment services involving the pooling of funds - such as mobile money, e-money, and remittances - to banks. Under the Banks Act 94 of 1990 and the National Payment System Act 78 of 1998, non-banks must partner with banks to offer these services. Ahead of the pending changes to the NPS Act, the SARB has developed a Banks Act exemption notice and supporting regulatory framework to enable non-bank access to provide these functions with partnering with a bank. services. Addressing these barriers requires a multi-pronged approach to increase financial education, lower service costs, improve access to technology, and tailor financial products to underserved communities.[2]

EXPANDING DIGITAL INCLUSION: OPPORTUNITIES FOR GROWTH

Material Matter

Despite these barriers, there is significant opportunity for growth in South Africa's digital financial ecosystem.

The National Treasury's draft policy paper, “An Inclusive Financial Sector for All”, published in October 2020 for comment, emphasises the importance of collaborative efforts to enhance financial inclusion. The policy framework aims to improve access to quality, affordable financial products and services, particularly for low-income earners and small, medium, and micro-enterprises (SMMEs).[3]

The paper was updated based on extensive public comments received and the Financial Inclusion Policy (FIP) Framework was approved by Cabinet on 8 August 2023 and publicly released in November 2023.

Following the FIP's approval, the National Treasury is now tasked with developing a National Financial Inclusion Strategy (NFIS) to achieve the policy's objectives. To drive this effort, the Financial System Council of Regulators (set up in terms of the Financial Sector Regulation Act (FSRA)) established the Financial Inclusion Working Group (FIWG) in July 2024. The FIWG comprises key government and regulatory entities, including the National Treasury, the SARB, the Financial Sector Conduct Authority (FSCA), and the Department of Small Business Development (DSBD).

Recognising the critical role of private sector participation, the Financial Inclusion Forum (FIF) was formed in January 2025. As a key industry stakeholder, PASA is a member of the FIF, which serves as a platform for financial sector participants to contribute strategic insights, support industry alignment, and advance financial inclusion initiatives. The FIF also plays a role in the development, implementation, and review of the NFIS, ensuring coordinated efforts between regulators and industry players.

PASA notes that accelerating digital financial inclusion requires a collaborative approach between government, regulators, and the private sector and therefore has supported the FIF by appointing PASA employees to participate in two of the FIF workstreams.

This initiative, combined with the work of the PEM programme, should create considerably more capacity and focus on ensuring that more people are able to access digital financial services, improve their financial security, and contribute to poverty reduction, economic participation, and business growth through greater financial inclusion.

Read more about the PEM programme on page 20.

THE RISE OF FINTECH IN SOUTH AFRICA

Material Matter

South Africa's fintech sector is rapidly growing, driven by the increasing adoption of mobile banking and digital payment systems. The digital investment market in South Africa is projected to reach a total transaction value of approximately USD8.96 billion by 2025, with an expected annual growth rate (CAGR) of 3.18% from 2025 to 2028, culminating in a projected total of USD10.16 billion by 2029. This growth highlights fintech's role in advancing financial inclusion, particularly among underserved communities. [4]

Fintech innovations, such as digital wallets, mobile payments, and peer-to-peer lending, are providing access to financial services for those without traditional banking infrastructure. However, regulatory bodies such as the SARB and the FSCA face the challenge of balancing innovation with consumer protection. The SARB has a Fintech Unit to explore the impacts of fintech on policy, focusing on data privacy and cybersecurity. [5]

Despite its potential, South Africa faces challenges in the provision of infrastructure, especially in rural areas. Fintech must also navigate regulatory complexities, but it remains a means of accelerating financial inclusion and economic growth. [6]

ENHANCING CONSUMER SECURITY AND FINANCIAL EDUCATION

Material Matter

In 2024, the South African Banking Risk Information Centre (SABRIC) continued its commitment to enhancing consumer security and education in the payments sector through several key initiatives: [7]

- The 2023 Annual Crime Statistics Report highlighted a concerning rise in financial crimes, with losses totalling nearly R3.3 billion. The report focused on fraud types such as digital and card fraud, emphasising the need for increased consumer awareness and security.
- A public advisory was issued on the significant rise in fraudulent investment schemes targeting bank customers, warning consumers about emerging fraud tactics and encouraging vigilance.
- A Memorandum of Understanding was signed with the Department of Justice and Constitutional Development to strengthen efforts against financial crimes and corruption, enhansing the integrity of South Africa's financial system.

The FSCA urged banks and insurers to create comprehensive consumer education plans, emphasising the role of informed individuals in safeguarding the financial system. The FSCA has published a draft conduct standard that sets baseline requirements for financial institutions that provide consumer financial education. [8]

The National Financial Ombudsman South Africa (NFOSA) enhanced its consumer education initiatives, using targeted marketing and accessible communication to simplify banking processes and empower individuals to navigate complaint resolutions effectively. [9]

TALENT SHORTAGES IN SOUTH AFRICA'S PAYMENTS INDUSTRY

Material Matter

PASA has highlighted a critical skills gap which could affect the sector's ability to innovate and maintain secure payment systems. Addressing this shortage is vital, with a Mindcor report suggesting South Africa's fintech sector could create up to 500,000 high-skill jobs locally by 2030, boosting financial inclusion and innovation. [10] However, global demand for fintech talent further exacerbates the local shortage, emphasising the need for strategies to retain skilled professionals within South Africa.

GEOPOLITICAL ALIGNMENT AND ISSUES OF SOVEREIGNTY

Material Matter

With the global financial system in danger of fragmenting, countries are placing greater emphasis on securing their domestic payment infrastructures. In response, national payment systems are proliferating as governments seek to reduce reliance on foreign financial networks and enhance economic resilience. [11]

South Africa continues to pursue a non-aligned foreign policy, balancing relationships with major global powers such as Russia and China while maintaining a focus on its domestic priorities. [12] As part of a broader trend, regional and trade blocs are strengthening cooperation by directly linking their national payment systems, facilitating more efficient cross-border transactions and reducing reliance on global financial intermediaries. [13]

ADVANCEMENTS IN CRYPTOCURRENCY ADOPTION

Material Matter

Cryptocurrency adoption in South Africa is gaining momentum, with retailers and payment platforms increasingly integrating digital assets into everyday transactions. Several major retailers have begun accepting crypto payments, reflecting growing consumer interest in digital currencies.

One year after introducing crypto payments, Pick 'n Pay is seeing R1 million a month in sales from shoppers buying groceries, data and airtime, and paying their municipal bills. [14] This represents less than 0.001% of its FY2024 revenue of R112.29 billion. While adoption is growing, the overall impact remains minimal.

Online retailer Takealot has also embraced crypto, allowing customers to make purchases using digital currencies.

Luno, a cryptocurrency exchange, has partnered with Zapper to enable crypto payments at over 31 000 merchants across South Africa. This integration allows customers to use cryptocurrencies for various purchases, including groceries and services, at numerous retail locations nationwide. [15]

While these examples highlight the growing role of cryptocurrency in retail, it remains to be seen whether these initiatives will achieve scale or material transaction volumes or interoperability.

SOUTH AFRICA'S PERSISTENT INCOME INEQUALITY AND UNEMPLOYMENT CHALLENGES

Material Matter

South Africa continues to experience significant income inequality, with the top 10% of earners receiving approximately 65% of total national income. [16]

In the third quarter of 2024, South Africa's official unemployment rate decreased to 32.1%, marking the first decline in a year. [17]

In this context, achieving financial inclusion becomes even more critical, as payment systems have the potential to significantly enhance accessibility and equity in economic participation.

1. Governor Lesetja Kganyago delivers the keynote address on the outlook for the South African payments landscape at the opening of the SARB Payments Conference 2024
2. SARB Digital Payments Roadmap
3. National Treasury: An Inclusive Financial Sector For All
4. Statista: Fintech Market in South Africa
5. SARB: Fintech Unit
6. FSCA: Fintech Regulation
7. SABRIC Press Releases
8. Moneyweb: FSCA asks banks, insurers for consumer education plans
9. National Financial Ombud Scheme
10. Mindcor Fintech Talent Report 2024
11. National payments systems are proliferating
12. Why South Africa's Nonalignment Is Here to Stay
13. Linking fast payment systems across borders
14. ITWeb: Pick 'n Pay sees uptick in Bitcoin payments in stores
15. Techpoint Africa: Over 31,000 merchants in South Africa now accept crypto on Luno
16. World Inequality Database: Inequality in 2024
17. Reuters: South African unemployment rate dips under coalition government

Industry response to the changing payments landscape

SARB's Payments Ecosystem Modernisation

The SARB, through its PEM programme, is seeking to accelerate the transition from cash to digital by developing a robust public digital infrastructure. This initiative, the most ambitious in the payments sector since the launch of SAMOS over 30 years ago, is central to modernising the national payment system to ensure security, efficiency, and accessibility for all.

At the heart of this effort is the creation of a National Payments Utility (NPU) to deliver a resilient digital payments platform. Priorities include safety, fraud prevention, and inclusiveness, ensuring the system serves everyone in South Africa, regardless of location or socioeconomic status.

Aligned with the Vision 2025 strategy, the PEM programme focuses on enhancing digital payment infrastructure, driving innovation, and encouraging competition. These efforts aim primarily to deepen financial inclusion through the usage of digital payment mechanisms.

Recognising PASA's deep expertise and experience in leading industry initiatives, the PEM programme approached PASA late in 2024 proposing the signing of a formal services agreement for PASA to provide payments consulting services.

The services agreement with the SARB's PEM team, signed in March 2025, will also play a significant role in aligning PASA's modernisation work with the PEM programme, reducing duplication of effort and ensuring effective collaboration.

PASA's journey to establishing the PIB

The primary role of the PIB is to ensure, develop, and maintain interoperability within the NPS. The PIB will primarily focus on industry collaboration to support the maintenance of a safe, secure, efficient, and interconnected payment system. Membership in the PIB will include all entities licensed to provide payment services under a forthcoming activity-based licensing regime, established through amendments to the NPS Act. The estimated five-year journey towards establishing the PIB remains dependent on the promulgation of pending changes to the NPS Act.

To navigate the timing uncertainty, PASA has adopted pragmatic, resource-efficient approaches, retaining momentum by simplifying and de-risking the project through the reuse of the existing legal entity. The Project Management Office (PMO) has scaled its cost and capacity, accordingly, ensuring a balanced and sustainable approach. While progress is inevitably aligned with regulatory timelines, PASA has demonstrated thought leadership and provided effective working models, enabling meaningful advancements during the transition phase.

PASA's journey to the PIB: Key milestones and focus areas

SARB request	PIB Design				PIB transition preparation					
June 2021	September 2021	November 2022	November 2022 to September 2023	September 2023	September 2023 to date	January 2024	April 2024	November 2024	November 2024	December 2024
The SARB presented to its Payments Council, initiating the decision that PASA would lead the co-design of the PIB. PASA was formally tasked with facilitating an industry-wide, collaborative design process.	The design process kicked off with broad industry involvement, laying the foundation for the creation of the PIB.	PASA submitted the PIB Design Report to SARB, outlining the vision and operational framework for the PIB.	The focus was on planning for PASA to PIB transition, implementing critical steps known as "no regret" items.	PASA received the SARB's letter of "no objection" to the PIB Design, confirming SARB's approval for the transition.	Agile implementation activities continue to address critical needs and ensure security for PASA employees amidst uncertainty around enabling legislation.	Industry sign-off on reusing PASA's legal entity for the PIB, simplifying the transition process.	The first draft of the PIB constitution was presented to the community and a process agreed for concluding the drafting thereof.	PIB Target operating model for member participation (TOM): Through an intensive consultation process, the PIB plenary signed off on proposed member participation structures.	PIB brand and identity: Three names were investigated for trademarking purposes and acceptance testing with stakeholders, with a final name submitted to Council, and approved.	The agreed name of Payments Body South Africa was communicated to the PIB community
					Throughout the transition, significant focus and effort has been put into communication and change management, for PASA employees, PASA Members and the broader PIB community.					

KEY AREAS OF FOCUS IN 2025 AND BEYOND

PASA is prioritising engagement with key stakeholders to determine a response to the SARB's revised policy stance regarding the PIB. This work will be conducted inclusively, transparently and quickly to ensure a managed transition from PASA to the future construct and to minimise the risk of skills lost.

Industry capacity building

PASA acknowledges the critical role a skilled workforce plays in enabling innovation and maintaining secure, efficient payment systems. Despite ongoing challenges in the payments sector due to a persistent skills gap, PASA is actively collaborating with industry stakeholders to address these challenges. By fostering partnerships, developing targeted training programmes, and creating pathways for talent development, PASA aims to mitigate risks and ensure continued progress across the payments value chain.

PASA remains committed to capacity building and developing skills both internally and across the broader payments industry. As the industry demands specialised expertise to effectively implement NPS initiatives, PASA is focused on nurturing the next generation of payment professionals. The need for technical, business, legal, and regulatory skills remains high, but these skills are in short supply, making it challenging to fulfil capacity needs.

As part of PASA's ongoing commitment to capacity building, the PASA Academy plays a pivotal role in addressing the industry's skills shortage. The PASA Academy offers formal programmes designed to enhance payment professionals' expertise and prepare the next generation of talent. In 2024, the PASA Academy continued to focus on providing high-quality education to bridge the skills gap within the payments industry.

Read more on human capital on page 43 and intellectual capital on page 47.

CHARACTERISTICS AND DEVELOPMENTS OF INDIVIDUAL PAYMENT SYSTEMS IN 2024

Established payment systems such as Electronic Funds Transfer (EFT) Credits, EFT Debits, and Card payments continue to provide a stable and secure foundation for making and receiving payments. These systems enable seamless, efficient, and safe payments for consumers, businesses, and corporates, playing a key role in supporting trade and commerce across the economy.

Low-value payment systems

Credit push systems

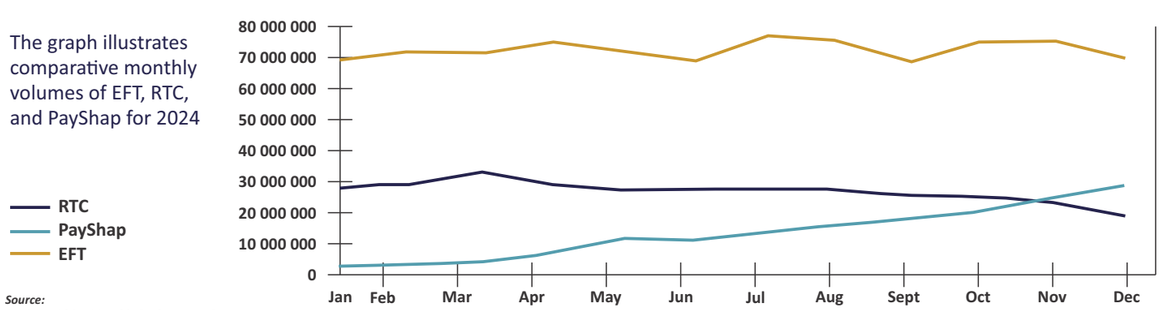
Credit push payments, also known as credit transfers, facilitate the movement of funds between bank accounts, either within the same bank or across different banks. South Africa currently operates two legacy retail credit transfer systems: the EFT Credit system and the Real-Time Clearing system.

A significant advancement came with the launch of the Rapid Payment (RP) system, branded as PayShap in 2023. This modernised, real-time payment system introduces a third retail credit transfer mechanism designed to enhance the speed and efficiency of transactions in the South African market.

The differences between the systems are outlined in the table below:

Feature	EFT Credit system	RTC system	RP system or PayShap
Type of payment	Bulk and single payments processed in batches.	Real time payment system.	Real time payment system with overlay services.
Processing time	Funds credited on the same day or within 1-2 business days.	Funds cleared and available within 60 seconds.	Funds cleared and available in real-time (60 seconds).
Transaction volume	High volume, including bulk payments such as SASSA grants and salaries.	Smaller volume compared to EFT Credits.	PayShap monthly transaction volumes have surpassed RTC volumes since October 2024.
Transaction size	R5m transaction limit Average transaction size R11 672 (2024).	R5m transaction limit Average transaction size R6 205 (2024).	Transaction limit R50 000 Average transaction size R798 (2024).
Technology	Legacy batch-based system using a proprietary message format.	Built on the ISO 8583 (card) message standard.	Modernised, real-time ISO 20022 system with overlay services.
2024 performance	**Volume growth:** - 4.27% **Value growth:** 3.77%	**Volume growth**: 4.5% **Value growth:** 17.81%	**Volume growth:** 1 662.68% **Value growth:** 1 950.26%

The graph illustrates comparative monthly volumes of EFT, RTC, and PayShap for 2024



Source:
BankservAfrica Monthly Performance Reports

Debit order systems

Debit order systems in South Africa facilitate recurring payments such as membership fees or loan repayments, allowing collectors to initiate payments from payers' bank accounts. The country currently operates two key debit order systems; namely: the EFT Debit system and the more modern DebiCheck system, which uses the ISO 20022 standard.

The DebiCheck system includes both authorised mandate transactions—processed through Authenticated Collections (AC)—and non-authorised mandate transactions—currently processed through Registered Mandate Service (RMS). RMS will be separated from AC to become a standalone system, rebranded as Registered Mandate (RM), and processed in the evening processing window, ahead of EFT Debits.

At present, both AC and RMS are processed in the morning (early processing window), with AC being collected as a first priority and RMS as a second priority, immediately following the salary run.

The key differences between the systems are outlined in the table below:

Feature	AC	RMS	EFT Debits
Mandate status	Must be authorised by the payer. Electronic mandate is stored by the payer's bank.	Electronic mandate is stored by the payer's bank but is not authorised by the payer.	No electronic mandate storage functionality or authorisation offered.
Processing window	Processed immediately after morning credit payments (early window).	Processed immediately after AC collections (early window, second priority). From May 2025 to be collected before EFT Debits in the evening window.	Processed in the evening (late window).
Tracking functionality	Availability of funds can be tracked for up to 10 days to facilitate collection. The tracking period is currently under consideration by the PCH PG.	Availability of funds can be tracked for up to 10 days to facilitate collection. The tracking period is currently under consideration by the PCH PG.	No tracking functionality.
System standard	ISO 20022.	ISO 20022.	Legacy, 180-byte messaging format.
Current dispute handling	Disputes allowed in exceptional cases for up to one year.	Instant reversals allowed for up to one year.	Immediate reversals up to 40 days; mandate disputes for one year.
New dispute regime for debit order systems. See page 22	Exceptional cases for up to 60 days.	Instant reversal for 60 days.	Instant reversal for 60 days.
Consumer protection	Authenticated collections are the gold standard in debit order systems, utilising an authorised mandate within agreed parameters to ensure consumer protection.	Collectors are onboarded in a responsible manner. In the event of suspicious activity, collectors are removed from the system. Should fraud be suspected by the consumer, transactions can be challenged indefinitely.	

Key developments for low-value credits and debits in 2024

EFT Credits and Debits

Cross-border transactions and compliance

As of September 2024, material changes have been made to how payments are processed between CMA countries. This shift aligns with international anti-money laundering (AML) and counter-terrorism financing (CTF) standards as outlined by the Financial Action Task Force (FATF) for cross-border payments. Previously, these transactions were treated as domestic payments and processed via South Africa's retail payment system.

Under the new regulatory framework:
- Low-value transactions are now processed through the Southern African Development Community (SADC) RTGS system, which was previously reserved for high-value payments.
- Debit orders must be initiated and collected within the same country, improving consumer protection and offering local recourse for disputes or fraudulent transactions.

While these measures aim to reduce financial crime risks, it seems they have led to higher transaction costs and longer processing times for consumers. To address these concerns, the SARB and the CMA Cross-border Payments Oversight Committee (CPOC) are working to balance regulatory compliance with cost-efficiency and reliability. A draft directive was received in February 2025 mandating the move of all low value credit payments off the SADC RTGS system by April 2027.

PASA has demonstrated excellence in supporting FATF compliance.

Read more in material matters on page 33.

EFT Debits

Modernising South Africa's debit order system

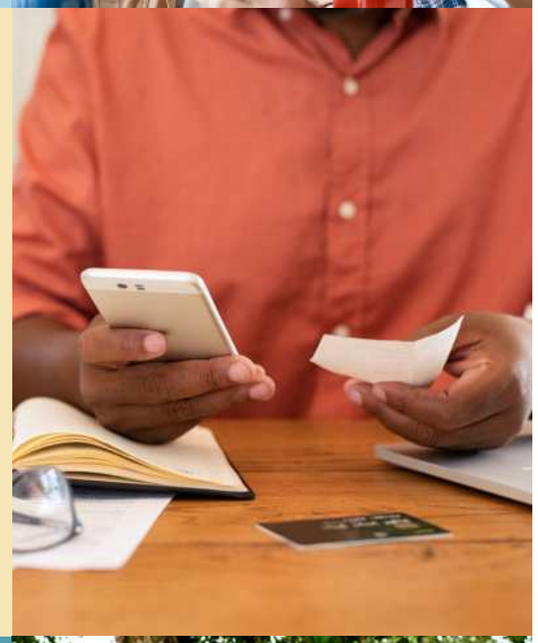
Significant updates are planned to South Africa's debit order system, many of which were initiated in 2023 and 2024 and are expected to be fully realised in 2025 and 2026. These include:

- **Transition from RMS to RM (implementation May 2025):**
  - RMS will transition to the new RM debit order system whereby RMS collections, previously processed in the early morning window, will move to the evening processing window, where they will be prioritised before EFT debit collections.

- **EFT Debit limit increase (completed in 2024):**
  - In 2024, the EFT Debit transaction limit was increased for specified sectors that have need for higher limits without adding undue consumer risk, from R1 million to R2 million.

- **New dispute regime for debit order systems (to be implemented late in 2025 or early in 2026):**
  - In 2024, PASA Members agreed to, and regulators raised no objections to, new dispute rule changes across all three debit order systems. Following extensive consultations with system users, this development strikes a balance between collector and payer/consumer rights, addressing longstanding discontent without compromising consumer protections.
  - The dispute period will be revised from one year to a 60-day window, to be consistent across all three debit order systems that will be in existence when this change is implemented.

- **Debit order mandate authorisation challenges in AC (Threshold implementation planned for late 2025 or early in 2026):**
  - Efforts continue to address persistent debit order mandate authorisation challenges in AC. Minimum thresholds will be established for the successful delivery of mandate authorisation requests to debit order payers. Failure to meet these thresholds or to provide timely reporting on delivery success rates will result in sanctions under the PASA Compliance Enforcement Policy.
  - In addition to establishing these thresholds, PASA is exploring alternative authorisation methods. A key initiative being tested for consideration is the Authentication Consent Authority (ACA) model, designed to enhance how debit order payers approve or decline authorisations using biometrics. PASA has concluded a proof-of-concept (POC) to assess the viability of the ACA model. The next steps will be determined based on guidance from the PASA structures overseeing debit transactions.



PayShap

PayShap, South Africa's newest real-time digital payment platform, continues to develop new functionality to enable new use cases and improve its ability to displace cash. Further, in collaboration with the Rapid Payments (RP) PCH PG, PayShap has standardised data elements to reduce reliance on manual processes, streamlining operations and improving efficiency.

Key milestones
- Request to Pay (RtP) implementation:
  - RtP branded "Payshap Request" enables payees to send a secure payment request to a payer, detailing the amount. The payer can authorise the payment instantly, providing greater control and efficiency for both personal and business transactions.
  - As of 2 December 2024, African Bank, Capitec, Discovery, FNB, Investec, Nedbank, Standard Bank, and TymeBank offer Payshap Request. Additional banks are set to roll out the feature in 2025.
- Transaction limit increase:
  - The transaction limit was increased from R3 000 to R50 000, allowing PayShap to accommodate a wider range of transactions, including higher-value transfers for businesses and individuals.

Overview of low-value credit and debit transaction trends

The table below provides a summary of transaction volumes and values across the payment systems for 2024, highlighting key growth trends and changes compared to the previous year.

EFT Credit	1.1 billion	% CHANGE	-4.32%
	R12.923 trillion	VALUE GROWTH	3.77%
RTC Transactions	323 million	% CHANGE	4.53%
	R2.005 trillion	VALUE GROWTH	17.81%
PayShap (Launched March 2023)	159 million	% CHANGE	1,662%
	R123.894 billion	VALUE GROWTH	1,950%
EFT Debits	441 million	% CHANGE	-0.45%
	R1.128 trillion	VALUE GROWTH	3.87%
AC (incorporating DebiCheck and RMS)	218 million	% CHANGE	10.66%
	R297 billion*	VALUE GROWTH	12.5%

VOLUME VALUE

**The figures for DebiCheck transactions in the 2024 report differ from those in the 2023 report due to discrepancies in data sources and reporting periods. To ensure consistency and reliability, a standardised data sourcing methodology has been implemented, ensuring that future reports align with a single, verified source.*

Modernising credits

Albeit that PayShap represents the first major milestone in the modernisation of low value (retail) credits, credits modernisation remains a focal point for PASA. The primary objectives of the work done in 2024 were to define a set of principles that would guide the remaining credit (high- and low-value) modernisation journeys, to determine the ideal end states, and to provide a clear roadmap for this transformation. The most prominent questions are how and when the remaining EFT credit transactions will be modernised and under what circumstances legacy systems like RTC can be retired.

The need for further modernisation is driven by a combination of global and domestic forces. Key influences include SARB Directive 1 of 2022, relating to requirements set by the Financial Action Task Force (FATF).

The modernisation work carried out in 2024 was a collaborative effort that included the input from the Banking Association of South Africa (BASA) and BankservAfrica (BSA) as well as valuable input from subject matter experts from the Low-Value Electronic Strategy Committee, ensuring alignment with industry needs and regulatory requirements.

The collaborative efforts were managed through the establishment of two PASA task teams to develop principles that would shape both high-value and retail credit payment systems. Throughout 2024, PASA, in partnership with BSA and BASA, held multiple workshops with these task teams. When the SARB PEM programme was formally launched in March 2024, both task teams recalibrated their work to ensure alignment with the broader objectives of the initiative.

By mid-2024, the task teams' efforts culminated in a comprehensive set of modernisation principles and a clear roadmap, which garnered wide support from PASA structures and forums. This framework has since been handed over to the SARB PEM programme, to ensure a cohesive and strategic approach to the low-value and high-value payments transformation.

Also in 2024, to ensure that the PayShap systems align sufficiently to the envisaged Unified Payments Platform architecture (UPP), PASA commissioned Cyan EA to conduct a post-implementation review of the Rapid Payment (RP) system's architecture. The findings were promising, confirming that the RP architecture aligns with the foundational requirements set out by the original Project Future design. PayShap thus sets a firm foundation for the delivery of the task team's recommendations.

To further support the modernisation of credits, PASA concluded a comprehensive review of the messaging capabilities of all low-value credit payment systems against the requirements set out in SARB's Directive 1/2022, thus evaluating the ability of each payment system to effectively comply with FATF Recommendation 16. The outcomes of the assessment resulted in an in-depth gap analysis and proposed solutions for each payment system, as well as overall recommendations to improve industry compliance.

Empowering Payments Elevating Lives

Modernising low-value debits: review of roadmap and progress to date

To shape the future of low-value debits, PASA engaged key strategic and operational stakeholders in 2023, culminating in the agreement of a strategic direction in 2024. Progress made in this regard is presented on page 22 under the heading "Key developments for low-value credits and debits in 2024".

At the request of some PASA Members, a review of the low-value debits strategy will be undertaken in 2025 to assess whether the previously agreed approach remains fit for purpose. This review will examine all current priority initiatives related to low-value debits, with the goal of ensuring that these initiatives are effectively contributing to the long-term achievement of the low-value debits strategy.

Operational management of credit transfers and debit orders is facilitated by:

Low-Value Debit (covering the EFT Debit and AC PCHs), Low-Value Credit (covering the EFT Credit and RTC PCHs), and Rapid Payments (covering the RP PCH) PCH PGs are responsible and accountable for operational clearing and the practical implementation of the principles, project objectives, policies, strategies, rules and procedures contemplated in the PCH Agreements for their respective payment systems.

Other operational committees

Low-Value Debits and Credits Clearing Rules Subcommittees - discuss and develop rules and procedures in relation to the Low-Value Electronic clearing of payment instructions.

Low-Value Debits and Credits Technical Subcommittees - identify operational items related to the clearing and settlement processes associated with the low-value credit and low-value debit payments, evaluate their potential impact, and recommend the necessary changes to technical requirements and/or manuals, for decision by the respective PCH PGs.

Low-Value Debits and Credits Risk Subcommittees - perform formal risk assessments in line with a defined framework, policy and process to identify operational and strategic risks associated with low-value electronic payments, evaluate their potential impact, and recommend risk mitigation measures, for decision making by the respective PCH PGs and Low-Value Electronic Strategy Committee.

Low-Value Debits and Credits Business User Group Subcommittees - provides a platform for communication and ongoing interaction between participants to improve the processing of payment instructions and make recommendations to the PCH PG on rules and procedures in relation to the clearing of payment instructions.

Authenticated Collections 'SWAT' - an ad-hoc committee created to support the 'AC' volume ramp-up which deals with cession and assignments required when AC collectors switch banks and mandate register changes which impact mandate information as well as AC incidents when required.

High-value payment system (SAMOS)

The SAMOS system is South Africa's RTGS system, operated by the SARB, which ensures the settlement finality of interbank payment obligations. Payment obligations are settled either in real-time or on a netted basis, depending on the type of transaction. To limit settlement risk exposure between banks, all credit transfers over R5 million must be processed through the SAMOS system in real-time. This system also facilitates the settlement of specialised transactions, such as those related to bonds, money markets, and equities trading. Additionally, the RTGS supports the settlement of payment obligations from retail batch payment systems on a netted basis, with all transactions processed through the RTGS being irrevocable.

Modernisation of high-value payments

In 2024, South Africa's RTGS system modernisation progressed, as part of the SARB's ongoing RTGS Renewal Programme, a multi-year initiative to replace and upgrade the SAMOS and SADC-RTGS systems. In alignment with global standards, SADC-RTGS successfully migrated to ISO 20022, a global open standard for payments messaging that establishes a common language and model for payments data across countries. This migration marks a significant milestone, enhancing cross-border transactions within the SADC region. Operated by the SARB on behalf of SADC central banks, the SADC-RTGS advancements reflect the collective effort of the region. PASA played a crucial role in guiding the regional participant financial institutions on messaging standards and updating regional participant guidelines for the effective implementation of the SADC-RTGS ISO 20022 standards upgrade.

It should also be noted that the one of the task teams referenced in “modernisation of credits” on the previous page, was constituted by the High-Value Strategy Committee and specifically focused on the modernisation of high-value payments. Their insights and proposals were handed to the SARB to consider in their ongoing work to replace and upgrade the RTGS.

Operational management of electronic (high-value) is facilitated by:

Cash Settlement PCH PG - supports the clearing and settlement rules, processes, procedures and standards used for the day-to-day operations of cash clearing. This includes rules seeking to achieve timely and orderly clearing and delivery of cash, and settlement transactions related to clearing and delivering physical cash.

Electronic Securities Settlement PCH PG - oversees the clearing rules, processes, procedures and standards used in clearing and settlement in the Strate environment, which encompasses payments for bonds, equities, money market and derivative instruments.

Immediate Settlement PCH PG - is responsible and accountable for clearing and settlement management of immediate payment settlement instructions. Also includes management of the practical implementation of the principles, policies, strategies, rules, and procedures contemplated in the PCH Agreements for immediate settlement purposes.

Settlement System Participant Group - defines settlement rules and procedures. The group also determines arrangements for managing the participant limits set by the PCH PGs to the extent that such arrangements affect the settlement agreement in place.

Other operational committees assisting the various PCH PGs are:

High-Value Clearing Rules Subcommittee - is responsible for drafting, updating and formalising new and existing high-value electronic PCH rules. The committee also identifies operational matters related to the clearing processes associated with high-value payments, evaluating their potential impact, and recommending the necessary changes to clearing rules to the relevant high-value PCH PGs.

PASA Cross-Border Payments and Reporting Community - is a subcommittee of the PASA Standards Advisory Forum which addresses all cross-border ISO 20022 message changes and reviews message formats from a global perspective.

Card Systems

The card payment system enables seamless cashless transactions, in-person, remotely and online. Debit, Credit, Business, and Fleet cards are issued and accepted in South Africa and internationally via the international Card schemes (Visa, MasterCard, American Express and Diners Club at present). Cards and card transactions are supported by security standards, such as Chip and PIN, 3D Secure authentication, tokenisation, and the Payment Card Industry Data Security Standard (PCI DSS). Additionally, the card ecosystem provides consumers with a dispute resolution mechanism known as 'chargeback' in case of fraud or non-delivery of goods or services.

The Card PCH PG completed a comprehensive review of the interoperable clearing rule set in 2024. Regular maintenance and updates are essential to keep these rules aligned with rapidly evolving technology and capabilities. Amendments, updates, and new rules will be implemented on an ongoing basis to maintain their relevance.

Securing fleet payments through modernisation

In 2024, South Africa's fleet card payment system underwent significant modernisation to enhance functionality and security; broaden acceptance; and improve efficiency. Led by PASA and supported by industry stakeholders, this project addresses the vulnerabilities of outdated magnetic stripe technology and boosts interoperability and acceptance particularly for cross-border transactions. This is done by migrating from the legacy magnetic stripe three-party fuel cards to a EMV chip card four-party model.

Fleet cards offer specialised payment tools for managing expenses such as fuel and vehicle maintenance to control businesses' spending. Unlike regular cards, they have specific budgets and authorised uses.

The 2024 EMV Fleet migration marked the beginning of a transition period during which EMV and magnetic stripe cards will coexist. Full adoption of EMV cards is scheduled for March 2026, representing a coordinated industry effort to modernise and future-proof card payment systems.

What is a fleet card?

Is a card issued to a business and associated with vehicle-related purchases with an attached credit limit.

Features of a fleet card

- **Switch via BankservAfrica**
- **Issued to business**
- **Linked to vehicles not individuals**
- **Utilises additional transactional data for fleet management**

Who uses a fleet card?

- **Small, medium and large businesses**
- **Commercial road transport companies**
- **Government**

Current Fleet Stakeholders

Banks
Absa, FirstRand, Nedbank, Standard, Bidvest

Banks are involved as Issuers and Acquirers

Oil companies
BP, Astron, Engen, Shell, Total & Sasol

How is fleet card different to garage card/petrol card?

Fleet - issued by a bank/oil company to a **business** linked to a vehicle and used for vehicle-related purchases

Garage/Petrol - issued by a bank to an **individual** and used for their private vehicle fuel purchases

EMV Fleet Migration Objectives	**Migrating from a 3-party to 4-party operating model**	**Enabling cross-border acceptance and processing via scheme (Visa and Mastercard) infrastructure**
Allowing for oil company cards to participate in this programme	**Adding fleet payment clearing rules within the debit- & credit card payment clearing rules**	**Continuing to support the processing of local transactions via BankservAfrica (BSA)**
Standardising issuance and acceptance by adopting International Conexxus specifications	**Adopting a scheme EMV chip & PIN card programme**	

Key areas of focus in 2025

Recognising the evolving payments landscape and rapid innovation in the industry, PASA established the Card Strategy Task Team. This team will identify key priorities and objectives for the next two to three years. The initial focus will be on specifying the requirements for a fit-for-purpose domestic card processing capability, including effective business continuity capabilities, which can be used by all domestic card issuers and acquirers. Thereafter, by conducting a root cause and landscape analysis, the task team aims to develop a comprehensive card strategy aligned with South Africa's broader payment modernisation efforts. This initiative ensures that the card ecosystem remains competitive, secure, and integrated with emerging payment trends.

Operational management of cards is facilitated by:

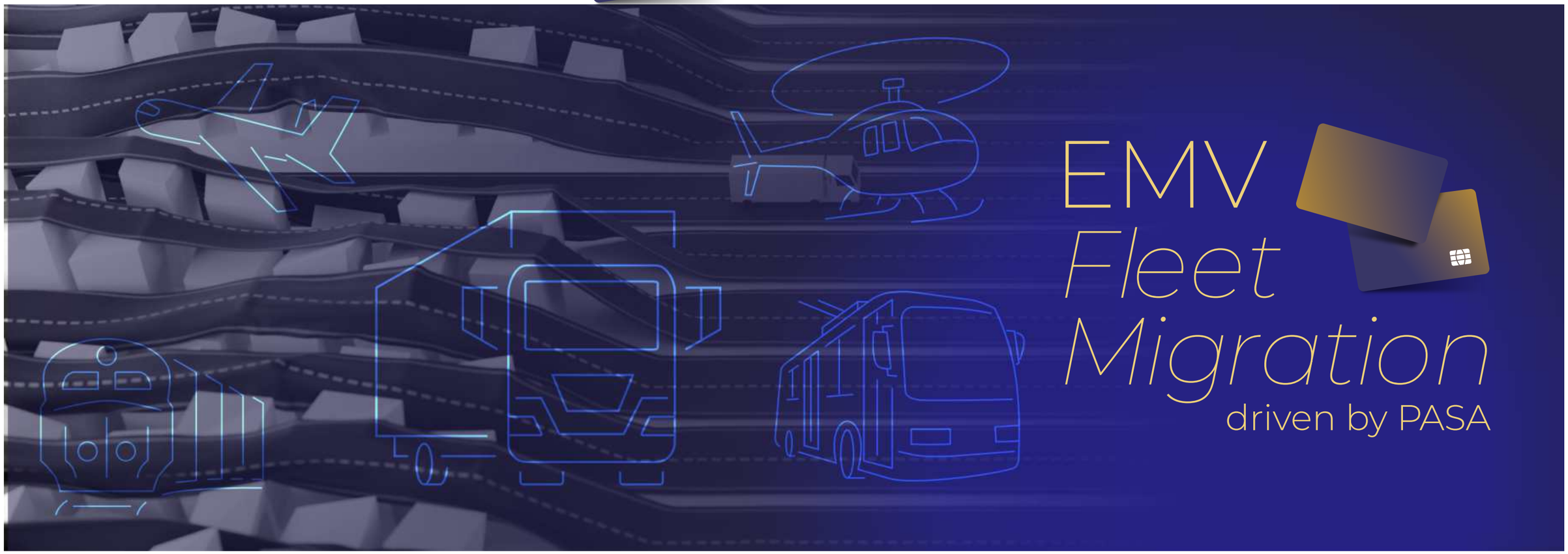
Card PCH PG - is responsible and accountable for operational clearing and the practical implementation of the principles, project objectives, policies, strategies, rules and procedures contemplated in the PCH Agreements for Visa, Mastercard, American Express, Diners Club and Fleet cards.

Other operational committees:

Issuing and Acquiring Subcommittee - deals with operational interoperability between issuing and acquiring banks.

Card Technical Subcommittee - deals with technical specifications and version control of technical updates to the card payment system.

Card Incident Subcommittee - ensures compliance and data integrity of card processing between banks.



BUSINESS MODEL

PASA's business model focuses on creating, preserving, and protecting value by effectively managing the six key capitals to deliver optimal outcomes for its Members and stakeholders. By leveraging its unique capabilities and resources, PASA aims to remain indispensable within the NPS, drive positive industry change, and uphold its position as a trusted authority on payments locally and internationally. Through active engagement with diverse stakeholders, PASA continuously evaluates and enhances the value it provides, reinforcing its commitment to sustainable growth and long-term stakeholder value.

INPUTS

HUMAN CAPITAL

- The diverse capabilities of PASA's 54 employees (F23: 51).
- Strong focus on ethical culture and values.
- R90.1 million in employment costs (FY23: R87.6 million).
- R1.5 million investment in training and development (FY23: R1.5 million).
- On-the-job capacity-building programme.
- Focussed efforts on effective recruitment.
- Continued development of industry payment skills.
- Employee wellness focus - rollout of a comprehensive wellbeing plan, addressing mental, financial, and physical health.
- Performance-based culture.
- Change management and resilience coaching for ManCo and ExCo.

INTELLECTUAL CAPITAL

- Competent, effective and committed Council and employees.
- Supporting agreed payment system modernisation and roadmaps.
- Active collaboration and involvement for from Members, the SARB and stakeholders on industry-wide initiatives.
- Managing payment systems.
- Expert input and advice on various pending regulatory changes.
- Industry capacity building initiative.

NATURAL CAPITAL

- Leveraging technology for modernising the NPS.
- Moving from paper payments (cash) to more electronic (digital) payment means.

SOCIAL AND RELATIONSHIP CAPITAL

- Industry-wide collaboration.
- Supporting regulators and their objectives.
- Supporting Members to manage the payment streams.
- Ensuring optimal outcomes for the financial system and the health of the economy.
- Growing non-bank involvement in key initiatives.
- Collaborative initiatives to reduce fraud.
- Thought leadership and knowledge sharing.

MANUFACTURED CAPITAL

- Industry rules, standards, processes and practices.
- Coordinate industry collaboration to run, manage and grow different payment systems.
- Modernisation initiatives.
- Development of a cyber recovery response plan.
- IT spend R13.2 million (FY23: R5.6 million).
- Leading the modernisation of South Africa's debit and card payment systems.

FINANCIAL CAPITAL

- Implemented standard operating procedures to improve financial management which include more rigorous monitoring of payment releases.
- Robust financial management practices - adoption of learnings and successful implementation of policies and processes.
- Employee training on the improved procurement policy and processes with the contract management process (end-to-end procurement process).
- Prioritising initiatives with maximum impact for the industry.
- R118.1 million (FY23: R122.7 million) in membership fees.

VALUE-ADDING ACTIVITIES

Support the SARB's PEM initiatives
PASA collaborates with the SARB and its Members to support the effective operation and evolution of the NPS, ensuring a secure, efficient, and interoperable payments ecosystem.

Catalyse modernisation of the NPS
PASA leads the modernisation of South Africa's collections and card payment systems, promoting innovation, interoperability, and collaboration among stakeholders to ensure the NPS remains relevant and aligned with global payment trends.

Manage complex NPS portfolios
PASA oversees a portfolio of initiatives aimed at enhancing efficiency, security, and financial inclusion, including managing clearing and settlement rules.

Strengthen resilience of the NPS
PASA collaborates with stakeholders to enhance the resilience of the NPS through contingency planning, operational monitoring, and coordinated responses to disruptions. Key efforts include supporting the SARB's Alternative Connectivity Project, leveraging the PASA NPS Crisis Response Co-ordination Committee, and driving discussions in the PASA NPS Operational Resilience Forum to address emerging risks and escalate critical matters for resolution.

Coordinate regulatory compliance
PASA ensures alignment with regulatory requirements by collaborating with the SARB and supporting initiatives that promote consumer protection, market integrity, and a well-regulated payments environment.

Promote collaboration across the industry
PASA facilitates cooperation among industry competitors to build consensus, resolve disputes, and develop effective solutions, using agile methodologies through initiatives such as the Strategy Centre of Excellence.

Enhance capacity and knowledge
PASA invests in industry capacity building through training programmes, research initiatives, and knowledge-sharing platforms such as the PASA International Payments Conference (PIPC).

VALUE-ADDING OUTPUTS

Modern and efficient NPS
PASA's initiatives support a payments ecosystem that meets the evolving needs of South Africans.

Enhanced payment infrastructure
PASA ensures a robust and reliable payments infrastructure that drives economic growth.

Increased financial inclusion
PASA's efforts promote broader financial inclusion, targeting access to safe, convenient, and affordable payment solutions for all South Africans.

Enhanced regulatory compliance
PASA's collaboration with the SARB ensures that payment systems operate in full alignment with regulatory requirements, enhancing consumer protection and maintaining market integrity.

Value Creation | Value Erosion | Value Preservation

- ↓ Employee turnover excluding retirements 16.8% (FY23: 14.3%).
- ↑ Gender diversity 62.9% female employees (FY23: 56.8%).
- ↑ Transforming workforce demographic 77.8% black employees (FY23: 72.5%).
- ↑ Recognition and reward aligned to performance.
- ↑ Enhanced personal resilience and leadership capacity through targeted coaching programmes.
- ↑ Improved employee wellbeing.
- ↑ Improvement in employee sentiment based on the results of the brand survey.

- ↑ Thought leadership in modernising payment systems.
- ↑ Increasingly mature risk management practices.
- ↑ Collaboration with key stakeholders to improve NPS resilience.
- ↑ PASA's support and services provided to the SARB, enabling the successful execution of digital payments modernisation initiatives.
- ↑ Enhanced industry payment skills.
- ↑ Developed an awareness programme through the 'People in Payments' video series, highlighting the careers of professionals shaping the South African payments industry and inspiring future talent.
- ↑ Created the PASA Industry Awards to recognise outstanding contributions and showcase talent, driving innovation in the payments ecosystem.
- ↑ Industry sign-off on reusing PASA's legal entity for the PIB, simplifying the transition process.

- → Low environmental impact.
- ↑ Leveraging modern technologies in the NPS.
- ↑ Migration away from cash.
- ↑ Growth in digital payments.

- ↑ Strong relationships and collaboration with industry and regulators - positive stakeholder feedback:
  - 57% strongly agree and 29% agree that PASA effectively fulfils its responsibilities within the NPS.
  - 64% strongly agree and 21% agree that engagement approaches are effective.
- ↑ Promoting competition and financial inclusion.

- ↑ Successful execution of agreed initiatives.
- ↑ Closer alignment of payment systems to international best practices and standards.
- ↑ Comprehensive cyber response plan in place.
- ↑ Establishment of a PASA Council IT Risk Subcommittee to ensure that critical IT and cybersecurity risks are identified and mitigated.
- ↑ Facilitated consensus with strategic and operational stakeholders on principle-based directions to address challenges and modernisation for low-value debits.
- ↑ Innovative consensus-building and solution-development processes have proven repeatable, establishing PASA's SCE as a scalable, institutional capability.
- ↑ Comprehensive modernisation principles and roadmap handed over to the SARB PEM programme.

- ↑ Rigour in finance and procurement procedures, with a focus on entrenching best practices and automating where possible for greater efficiency.
- ↑ Professionalised the finance function with strict adherence to the finance policies and improved financial management.
- ↑ Responsible and purpose-led use of funding, underpinned by extensive engagement with Members, which ensures ongoing funding support.
- ↑ Clean financial audit.
- ↑ R2.4 million in deferred income approved for spend on PIB initiatives was not used in 2024, as R4.3 million in savings were achieved, mainly from the industry's agreement to not modify the legal entity design.
- ↓ 3.7% decrease in membership fees for 2024 (FY23: 4.9% increase).

RISK AND OPPORTUNITY MANAGEMENT

Role of risk in value creation

Risk management extends beyond mitigating threats; it encompasses seizing opportunities. True value is realised when clear strategies and objectives strike an optimal balance between value creation, and associated risks, efficiently deploying resources to achieve these goals. PASA acknowledges that every process integrates both strategic embedding and day-to-day operational elements of risk management.

Risk management philosophy

PASA's risk management philosophy is supported by four essential pillars, ensuring effective risk mitigation and strategic alignment.

Embracing good practices

PASA recognises that formal and systematic approaches to managing risk, as advocated by international standards and frameworks such as ISO 31000, COSO, and the King IV™ Code, are essential for effective risk management. By aligning with these best practices, PASA ensures that its risk management processes are comprehensive and robust.

Strategic approach

PASA views risk management as a strategic imperative rather than just a compliance requirement. By adopting a strategic and formal approach to risk management, PASA aims to improve decision-making processes, enhance outcomes, develop a learning organisation, and foster greater accountability throughout the organisation.

Value creation

PASA believes that effective risk management is not only about mitigating threats but also about creating value. By integrating risk management into its operations, PASA seeks to maximise the benefits of its activities while minimising the negative impact of uncertainties on its strategic objectives.

Employee empowerment

Having good risk management practices in place empowers PASA employees and functional areas to undertake activities confidently, knowing that measures are in place to manage risks effectively. This enables PASA to achieve its strategic objectives while safeguarding its reputation and stakeholders' interests.

Approach to risk and opportunity management

Risks are inherent in activities performed within the NPS. As the PSMB, PASA plays a vital role in embedding risk management across its functions and ensuring its integration into core activities within the NPS. PASA operates within two distinct risk environments: PASA as a legal entity and the NPS (PASA as a PSMB).

Processes and associated responsibility for PASA's two distinct risk environments

PASA AS A LEGAL ENTITY	THE NPS (PASA AS A PSMB)
The PASA Legal Entity Risk Management Framework provides principles for embedding consistent and robust risk management into the activities performed by PASA.	**PASA's NPS Risk Management Framework provides a foundation for integrating risk management principles into all the parts of the payments ecosystem within PASA's ambit.**

RISK MANAGEMENT STRUCTURES AND FRAMEWORKS

PASA ExCo is responsible for managing risks within PASA functional areas. Similarly, Project Steering Committees are responsible for managing risks relevant to their specific projects.	PASA structures are responsible for managing risks within their respective payment systems. Risk management is delegated to Risk Subcommittees for card, low-value and high-value payment systems by the PCH PGs. Risk Subcommittees provide structured identification and assessment of payment systems risks, which are populated on the risk registers and utilised to create payment system risk profiles. Risk Champions are in place and receive training and guidance on the framework components.

THESE RISK MANAGEMENT STRUCTURES ARE SUPPORTED BY RISK ASSESSMENT REVIEWS AND REPORTING, WHICH FOLLOW A STRUCTURED APPROACH

Risks pertaining to PASA as a legal entity are discussed and assessed in consultation with relevant business functions, approved by the ExCo and ultimately reported to PASA Council and the following committees: • Council Risk Committee • RemCo • Audit • IT Risk Subcommittee. • PASA Review Committee Project risks are approved by the Project Steering Committees and ultimately reported to PASA Council and Council Risk Committee.	The PASA as a PSMB process entails holding risk assessment workshops to identify and assess key risks, reviewing of risks by the Risk Subcommittees, review and approval at respective PCH PGs, development of a PASA risk profile, review by the NPS Risk Committee and, ultimately, PASA Council and Council Risk Committee reporting.

The above processes enable PASA Council and the Council Committees to be informed of key issues and risks that might have significant or negative consequences (financial and/or non-financial) to PASA, its Members or stakeholders. PASA Council is responsible for overseeing the risk management framework to ensure that all material risks are identified and that the requisite risk management culture, practices, policies, resources, and systems are in place and functioning effectively.

The two frameworks provide governing principles and structured approaches for managing risks within PASA's functions and the broader NPS. By managing these risks effectively, PASA seeks to maximise opportunities and minimise potential adversities, striking a balance that supports the achievement of its objectives.

Lines of defence model

PASA utilises the Lines of Defence Model for risk management, highlighting clearly defined roles and responsibilities. Each line is designed to support PASA in achieving its objectives through effective risk management. Through collaboration, information sharing, and coordinated efforts among the lines of defence, efficiency is enhanced, redundancy is minimised, and all significant risks are addressed appropriately.

First line of defence

Ultimate ownership and accountability for risk management, ensuring the identification, measurement, monitoring, mitigation, management, and reporting of risks arising within their areas of responsibility.

1

PASA as a legal entity:
PASA executives, line management and employees.

PASA as a PSMB:
PASA Structures, including PCH PGs, Strategy and Legal Committees, Risk Subcommittees, Stakeholder Forums and Project Steering Committees. The first line of defence is strengthened by PASA Risk Champions, PASA Structures Chairpersons, PASA Members and their employees.

Second line of defence

Oversight role, ensuring that the risk identification and management activities are performed as required in line with the risk management framework, as well as collecting relevant information to create an enterprise-wide view of risks and controls assessment results.

2

PASA as a legal entity:
PASA Risk Function; PASA Compliance function.

PASA as a PSMB:
PASA Risk Function; NPS Risk Committee.

Third line of defence

Independent assurance on the effectiveness of the management of risks within PASA and on the adequacy and effectiveness of key controls.

3

Independent assurance providers, specifically external audit.

Fourth line of defence

Oversight role to ensure that the NPS remains stable, and that industry trust is not depleted.

4

NPS regulatory bodies.

Key factors to enhance risk management in 2024

PASA's ongoing efforts to embed and enhance its risk management frameworks and policies focused on the following key areas:

- **Risk management governance:** Continued work to strengthen governance structures, including managing risk thresholds, appetite, reporting, and acceptance.
- **Risk acceptance model:** Operationalisation of the risk acceptance models to guide decision-making for accepting risks as part of the overall risk response strategy.
- **Integration with rules change process:** Embedding the risk management approach within the rules change request process to ensure a holistic view of risks related to anticipated changes in PASA rules.

For FY2024, PASA's risk management focus centred on enhancing governance structures and building stronger capabilities to manage emerging risks. Notable initiatives include:

- **IT Risk Subcommittee:** Established to identify, understand, mitigate, and report critical IT and cyber risks impacting PASA in a timely and comprehensive manner.
- **Operational resilience:** The PASA NPS Operational Resilience Forum, established by the NPS Risk Committee, to monitor and advance operational resilience measures. This forum provides a platform for open discussions on resilience and business continuity, with recommendations presented to the NPS Risk Committee and PASA Structures. It supersedes the former Business Continuity Committee that was dissolved in 2024. The Business Continuity (BCP) Policy was reviewed, updated and renamed to Operational Resilience Policy.
- **Crisis response coordination:** The PASA NPS Crisis Response Co-ordination Committee, established by PASA Council, is intended to provide guidance during crises that may impact the NPS.

PASA continues to refine its risk management models, with an emphasis on informative risk reporting as a key input for prioritising mitigation measures. This includes reviewing Key Risk Indicators (KRIs) and assessing risk results against PASA Council-approved risk appetite and tolerance levels to ensure effective response strategies.

PASA as a legal entity

Risk management governance structures

PASA's risk governance structure, in its capacity as a legal entity, includes the following committees, which support risk identification, assessment, and reporting in a manner that promotes risk-based decision-making.

PASA Council
PASA Council is accountable for achieving PASA's objectives and ensuring that PASA's vision, mission and values are implemented and upheld. PASA Council oversees that the risk management principles implemented in PASA align with this ultimate goal and that there is a consistent approach to risk management throughout the functions performed within the organisation.

Audit Committee
The Audit Committee has oversight over financial and tax risks.

Remuneration Committee
The Remuneration Committee has oversight over people risk and ethics.

Council Risk Committee
The Council Risk Committee assists in overseeing significant risks to the execution of PASA's strategic objectives, PASA's appetite for risk and the means to maintain sound risk management and internal controls.

Information Technology (IT) Risk Subcommittee
The IT Risk Subcommittee is constituted as a subcommittee of the PASA Council Risk Committee. The primary role of the Committee is to provide technical and strategic oversight to PASA for its IT data management and connectivity management, including overseeing prioritisation processes informing capacity allocation and IT risk management practices.

PASA Review Committee
The PASA Review Committee is a temporary Council committee tasked with guiding PASA's response to the ongoing regulatory changes and overseeing those areas of the transition to the PIB which are not overseen in the permanent Council committee.

PASA ExCo
The ExCo is responsible for PASA's day-to-day business and operations, which includes managing risk and ensuring improved risk management.

Top PASA risks as a legal entity in 2024, treatment, opportunities, trend, and outlook

The following are the key risks related to PASA's organisational activities.

Explanation of Risk legends: RR (Residual Risk)

Catastrophic | Very High | High | Moderate | Low | No Change | Risk Increase | Risk Decrease

Risk	Description of risk	PASA response	Opportunities (where applicable)	Outlook	Capitals impacted	Stakeholders impacted	Material matters
1 2024 Trend	**People risk** PASA faces a high dependency on key individuals, compounded by resource overstretch. The potential loss of critical employees could lead to a skills gap, hindering PASA's ability to achieve strategic objectives. In addition, the PIB transition poses risks related to PASA's capacity to implement changes effectively, given its reliance on key personnel.	PASA has implemented succession planning, retention strategies, and a talent management approach to address employee dependency risks. During the PIB transition, PASA actively monitors planning and execution risks to ensure capacity is maintained and mitigates unintended consequences. Effective change management processes ensure clear communication and resilience. Employees are co-designing the PIB TOM to align with the future structure. The PIB legal entity approach has been adjusted to reduce resource intensity. PASA is sourcing external capacity where needed and strengthening prioritisation processes for ongoing projects. To address critical skills shortages, PASA focuses on talent management, succession planning, and external talent pools, while supporting leadership resilience through coaching and promoting employee engagement via well-being and culture programmes.	Ensuring the optimal prioritisation of work and resourcing, including strong performance management practices, PASA cultivates a supportive, empowering, and performance-driven environment, strengthening its position as an employer of choice. PASA is working on a recognition programme to further support its performance-based approach to reward. PASA is planning on working with employees to define its purpose through a mission statement, laying the foundation for a meaningful Employee Value Proposition (EVP).	Employee training aligned with development plans will continue to support skill growth. Temporary resources will address capacity gaps. The SARB's updated regulatory position introduces a degree of uncertainty that may affect PASA's future structure and roles. As the industry adjusts to the new regulatory direction, several scenarios could emerge. To help mitigate anxiety and support change resilience, PASA will prioritise open communication and provide regular updates and support through structured change management initiatives. Succession planning, key person risk monitoring, and coaching interventions will enhance engagement and retention.	**Strategic focus areas impacted** 1 2 3 4		

Risk	Description of risk	PASA response	Opportunities (where applicable)	Outlook	Capitals impacted	Stakeholders impacted	Material matters
2 2024 Trend	**Cyber risk** PASA is exposed to the threat of unauthorised access, disclosure, disruption, or destruction of its information and communication technologies through cyber incidents or attacks.	A PASA Council IT Risk Subcommittee has been established to ensure that critical IT and cybersecurity risks are identified, understood, mitigated, and reported in a timely and relevant manner. PASA's commitment to enhancing its digital capabilities and security has continued to progress. Key initiatives, including patch management, anti-virus monitoring, penetration testing, and phishing simulations, are now fully integrated into PASA's cybersecurity framework. A comprehensive cyber incidents response plan is in place, and a recent cyber readiness assessment highlighted areas for improvement. To further strengthen PASA's cyber resilience, a dedicated service provider has been onboarded to assist in the event of a cyberattack.	By proactively ensuring that the organisation is adequately protected against cyber risks, PASA has an opportunity to enhance its resilience and preparedness in the face of potential cyber events or attacks.	PASA will continue to monitor, refine, and enhance its cybersecurity and response measures. These efforts demonstrate PASA's ongoing commitment to strengthening its digital infrastructure and ensuring a proactive, effective response to emerging cybersecurity threats.	**Strategic focus areas impacted** 1		

PASA as a PSMB

Risk management governance structures

Risk governance structures and Council Committees oversee identification, assessment and reporting to promote risk-based decision-making.

PASA Council
PASA Council is accountable for achieving PASA's objectives and ensuring that PASA's vision, mission and values are implemented and upheld. PASA Council oversees that the risk management principles implemented in the NPS align with this ultimate goal and that there is a consistent approach to risk management throughout the payments ecosystem.

Council Risk Committee
The Risk Committee assists in overseeing significant risks to the execution of PASA's strategic objectives, PASA's appetite for risk and the means to maintain sound risk management and internal controls.

PASA NPS Crisis Response Co-ordination Committee
Established by the PASA Council, this committee provides guidance to PASA structures during crises affecting the NPS. It ensures a coordinated response from a central point during events such as systems or connectivity outages.

PASA NPS Operational Resilience Forum
This forum monitors operational resilience risks and measures, contributing significantly to advancing resilience planning. While it does not have decision-making authority, it escalates critical matters to the appropriate PASA committees or structures for resolution.

PASA Structures: NPS Risk Committee
The NPS Risk Committee has been established to support Council and the Council Risk Committee to discharge oversight responsibilities in relation to the assessment and management of risk as identified by the PASA Structures.

PASA Structures include PCH PGs, the SSPG, Strategy Committees, Advisory Committees (including, for example, Legal, Competition and NPS Risk Committees) and Project Steering Committees.

The Structures are responsible and accountable for identifying, assessing and managing risks in line with their respective mandates.

- **Card Risk Subcommittee**
- **Low-Value Electronic Payments Risk Subcommittee**
- **High-Value Electronic Risk Subcommittee**

Top National Payment System (PASA as a PSMB) risks in 2024, treatment, opportunities, trend, and outlook

The top risks illustrated below relate to PASA as a PSMB.

Explanation of Risk legends: RR (Residual Risk)
Catastrophic | Very High | High | Moderate | Low | No Change | Risk Increase | Risk Decrease

Risk	Description of risk	PASA response	Opportunities (where applicable)	Outlook	Capitals impacted	Stakeholders impacted	Material matters
1 2024 Trend	**People and capacity risk** The payments industry faces the risk of a decline in the specialist skills essential for executing key NPS initiatives. This risk is exacerbated by increased competition for a limited talent pool, making it challenging to meet the demands of the sector's complex initiatives. There is also a risk the specialist resources in the industry might not have capacity to adequately complete the required deliverables, due to increased demands from multiple and concurrent initiatives.	PASA builds partnerships, develops targeted training, encourages members' skill development and talent pathways to mitigate risks and drive progress in the payments sector. The PASA Academy plays a key role in addressing the skills gap by offering programmes to enhance expertise and prepare the next generation of talent. All PASA certification programmes have been digitised and are recommended to Member representatives. The "People in Payments" video series highlights professionals shaping the South African payments industry, inspiring future talent by showcasing diverse career paths and the sector's economic value. PASA is collaborating with industry stakeholders to unpack and address specialised skills challenges. PASA engages with the global payments community to understand complex payment structures and identify industry challenges.	PASA's certification programme provides a foundation to develop payment systems knowledge, which can be enhanced with on-the-job skills transfer.	PASA is committed to implementing long-term solutions to address the skills shortage and bolster industry capacity, while prioritising industry-wide collaboration to reduce demands on capacity and ensure sustained progress.			

Strategic focus areas impacted: 2, 4

Risk	Description of risk	PASA response	Opportunities (where applicable)	Outlook	Capitals impacted	Stakeholders impacted	Material matters
2 2024 Trend	**Fraud and cyber risk** Ensuring the security of South Africa's payment systems is critical to maintaining financial stability and public trust. In an increasingly digital ecosystem, cybercrime and fraud, including the rising prevalence of credit push payment fraud, Business Email Compromise (BEC), and social engineering scams, pose significant threats. These risks expose the industry and consumers to information breaches, financial losses, potentially undermining confidence in the broader NPS.	PASA actively collaborates with key stakeholders, including the SARB, BASA, BSA, and SABRIC, to combat cybercrime and fraud within the NPS. Through its robust risk management processes, PASA identifies areas of concern and supports the development of industry-wide initiatives to enhance cybersecurity measures and fraud prevention strategies. The SARB Cyber Resilience Subcommittee is addressing cyber risks and advocating for industry-wide co-ordinated response measures. The finalisation of the NPSD Directive on cybersecurity supports the creation of a Cyber Security Response Team (CSRT) to enhance resilience in payment systems.	Strengthened partnerships with the SARB, BASA, BSA, and SABRIC enable the development of advanced, shared fraud prevention tools. Adoption of ISO 20022 provides richer transactional data to enhance real-time fraud detection and management.	The payments industry is actively exploring collaborative initiatives to address fraud risks, with PASA providing payment systems expertise. A key focus is the development of a fraud prevention model that allows for faster detection and containment of evolving cybercrime tactics.			

Strategic focus areas impacted: 4, 1

Risk	Description of risk	PASA response	Opportunities (where applicable)	Outlook	Capitals impacted	Stakeholders impacted	Material matters
3 2024 Trend	**Resilience of the NPS** The resilience of the NPS is crucial in the face of rising global risks, such as extreme weather and natural disasters, which threaten electricity and network connectivity essential for digital payments. Ensuring resilience requires robust controls across people, processes, systems, and an integrated approach to risk management and contingency planning.	PASA has consistently collaborated with key stakeholders to develop contingency plans that enable a coordinated response in the event of disasters impacting payment systems. Collaborated initiatives underway aim at maintaining some levels of NPS activity even during extreme events. Building on this foundation, PASA has intensified its focus on enhancing NPS resilience with several new initiatives: • Establishment of the NPS Crisis Response Coordination Committee to provide guidance to PASA structures during crises that affect the NPS. • Establishment of the NPS Operational Resilience Forum to monitor operational resilience risks and serve as a platform for discussing and recommending improvements in resilience measures. • Participation in the industry initiatives to modernise resilience against risks associated with connectivity outages.	Enhancing collaboration among PASA members and key stakeholders can help to improve the resilience and stability of the NPS.	Connectivity resilience and the implementation of alternative contingency plans remain strategic priorities. PASA will guide and monitor initiatives to address resilience gaps across the NPS, ensuring stability and preparedness in the face of potential disruptions.			

Strategic focus areas impacted: 1, 4

In September 2023, a judgment was issued in the Clientele vs PASA (and Others) case, resulting in additional respondents being ordered to join. Clientele seeks changes to debit order rules to prevent the immediate return of disputed funds.

At the time of writing this report, the litigation was subject to a moratorium. The moratorium may need to be extended further, and Clientele is engaging with all respondents via external legal counsel for further consideration.

MATERIAL MATTERS

PASA identifies and manages the key issues that significantly influence its ability to deliver on its strategy and create value over the short, medium, and long-term. These material matters are critical to PASA's performance and sustainability, as they address areas that could impact its operational efficiency, strategic goals, and broader contributions to the South African payments ecosystem.

By effectively responding to these material matters, PASA aims to mitigate risks, seize opportunities for innovation and efficiencies, and continue enhancing its role in shaping the payments landscape.

Material matters are reviewed annually to ensure they remain accurate, comprehensive, and aligned with PASA's evolving operating context. This review process involves PASA's ExCo and Council and includes prioritising matters based on their potential impact.

Following the 2024 review, it was confirmed that PASA's 2023 material matters remain largely relevant, with minor amendments to reflect the dynamic changes in the operating environment. The most notable adjustments include updates related to the regulator's evolving role in PEM and the introduction of a new matter addressing the geopolitical impact on the complexity of the payments landscape.

1. CHANGES TO THE REGULATORY ENVIRONMENT

What it means to PASA

Significant amendments to payments regulations and the evolving management of the NPS continue to drive material change in South Africa's payment landscape. These reforms focus on an economic developmental agenda and advancing financial inclusion through enhancing access to payment systems.

Regulatory changes and PIB repositioning
A significant regulatory development emerged just before the publication of this report, with the SARB's NPSD formally withdrawing its prior "no objection" to the original PIB Design. This decision stems from the SARB's evolving approach to regulation, as outlined in the PEM programme. As a result, the PIB will no longer serve as a licensed rulemaking body, and PASA's anticipated transition to the PIB governance model is no longer aligned with regulatory expectations.

FATF compliance
PASA plays a pivotal role in supporting South Africa's compliance with FATF standards, particularly regarding AML frameworks. FATF's growing focus on ensuring that payment systems meet international financial crime prevention standards has placed significant pressure on the payments sector. PASA's ongoing input into proposed changes to FATF Recommendation 16, as well as the application of Recommendation in 16 in South Africa, is essential to the country's alignment with global standards and to mitigating financial crime risks within South Africa and across the CMA.

SARB's role in payments modernisation
A major development in South Africa's payments regulatory landscape is the SARB's acquisition of a 50% stake in BankservAfrica. This move aligns with SARB's goal of establishing an NPU to provide South Africa with fast, simply, affordable and secure digital payments through the PEM programme.

Strategic response

Repositioning of the PIB and PASA's evolving role
While the formal establishment of the PIB as a rulemaking entity is no longer viable, PASA remains committed to effectively fulfilling its current duties and ensuring a safe and managed transition to the future operating model. The amendments to the NPS Act — previously part of the Conduct of Financial Institutions (CoFI) Bill — remain a key legislative development and are currently under consultation.

SARB's procurement of PASA's services for PEM
As part of the SARB's PEM programme, the SARB is procuring PASA's services to support the development and modernisation of South Africa's digital payment infrastructure. PASA has been appointed to provide consulting services for the PEM programme and is engaging with SARB processes to be onboarded as a vendor.

Strengthening compliance with FATF
PASA has proactively engaged with regulators and industry stakeholders to align with FATF standards, particularly regarding Recommendation 16. Collaborating with both the banking and non-banking sectors, PASA has consolidated a joint response to the FATF's proposed amendments, which simulates the future PIB role. This collaboration focuses on protecting South African financial inclusion progress while improving transaction-level sanction screening and enhancing payer/beneficiary information to support robust FATF compliance. PASA has also advocated for balanced FATF interpretations, ensuring that the domestic application is effective, balancing risk mitigation with system efficiency.

ISO 20022 adoption
PASA continues to lead the adoption of the ISO 20022 standard for low-value payments. This standard enriches transaction messaging, enhances transparency, and bolsters compliance with FATF requirements. It improves tracking and monitoring capabilities, which are crucial in the fight against financial crime and promoting secure financial systems.

Cross-border payments
PASA has, at the request of the SARB, coordinated changes to the management of CMA low-value credits and debits. It continues to offer support to regulators and members on matters relating to CMA where required.

Debit order system updates
The South African debit order system continues to be a focus with significant updates planned for 2025 to ensure an equitable balance between the rights of debit order collectors and payers. Key changes include the transition from RMS to RM, which is expected to be completed in the first half of 2025. This transition also includes a shift to evening collection windows for RM collections.

RISKS

- **The SARB's PEM programme has resulted in a revised governance framework for the South African payments ecosystem, which has materially impacted the original PIB Design and invalidated its rulemaking function. The future model to which PASA must transition is currently unclear.**
- **Ongoing uncertainty regarding the timing and finalisation of the NPS Act amendments complicates planning and implementation of PASA's evolving role in the future regulatory framework.**

OPPORTUNITIES

- **The SARB's PEM programme and the creation of the NPU present a significant opportunity to modernise South Africa's payments ecosystem and improve financial inclusion.**
- **The adoption of ISO 20022 and the shift to digital payments enhance compliance with FATF regulations and improve transparency, enabling better management of fraud, and tracking of illicit financial activity.**

OUTLOOK

- **Following the SARB's decision, PASA has been granted six months to reassess the PIB Design. This process is being undertaken collaboratively, with active engagement of Members and broader stakeholders to unpack the implications and determine the most appropriate way forward.**
- **SARB's leadership in the PEM programme, including its acquisition of BankservAfrica, will play a critical role in shaping the future of South Africa's digital payments infrastructure.**
- **FATF Recommendation 16 is currently under review by the FATF, therefore changes to Directive 1/2022 are anticipated in due course.**

2. PAYMENT SYSTEM MODERNISATION

What it means to PASA

The ability to move money safely and efficiently through digital systems is fundamental to a modern economy. As a key partner in the PEM programme led by the SARB, PASA plays a crucial role in supporting SARB by providing technical expertise for the broader modernisation efforts.

This collaborative approach aims to enhance interoperability, strengthen security measures, and improve the efficiency of payment systems. Through this work, PASA contributes to the creation of a more efficient, secure, and inclusive digital payment ecosystem, while maintaining a balance between innovation and regulatory compliance.

Strategic response

In 2024, PASA established two dedicated task teams to develop principles that would shape both high-value and retail credit payment systems. Working closely with BASA, BankservAfrica, and other stakeholders, these task teams held multiple workshops throughout the year to formulate a strategic approach.

These efforts culminated in a comprehensive set of modernisation principles and a clear roadmap, which gained strong support from PASA Structures and Forums. This framework was subsequently handed over to the SARB-led PEM initiative, ensuring alignment with broader transformation objectives for low-value and high-value payment systems.

For high-value payments, PASA supported the migration of the SADC-RTGS system to ISO 20022, a global messaging standard that enhances cross-border payment processing, automation, and reconciliation within SADC. PASA also facilitated updates to local messaging standards and participant guidelines, enabling smoother integration and interoperability.

RISKS

- The scarcity of skilled resources required to implement modernisation at the necessary pace. While the central delivery may be well capacitated by the PEM Programme, adoption will depend on broader industry capacity.
- Financial pressures impacting the pace of modernisation efforts.

OPPORTUNITIES

- The development of modernised payment systems will allow the decommissioning and perhaps rationalisation of legacy functionality.
- Modernisation will improve consumer access to and use of digital payments, further driving financial inclusion.
- Modern message formats allow for richer content, supporting automation and efficiencies in corporate payment users.

OUTLOOK

- PASA will continue leading the modernisation of South Africa's card and debit systems, collaborating closely with industry stakeholders to ensure alignment with global standards and best practice.
- As part of the SARB-led PEM initiative, PASA will continue to provide strategic support and technical expertise, assisting with the alignment of industry efforts, to promote the development of a secure and accessible digital payment ecosystem.

3. CYBERCRIME AND FRAUD PREVENTION

What it means to PASA

Ensuring the security of South Africa's payment systems is crucial for maintaining financial stability and public trust. In an increasingly digital ecosystem, cybercrime and fraud pose significant threats that can undermine confidence in financial institutions and the broader NPS.

Strategic response

PASA actively collaborates with key stakeholders, including SARB PEM, BASA, BSA and SABRIC, to address cybercrime and fraud within the NPS. Through its risk management processes, PASA identifies areas of concern and contributes to industry-wide initiatives aimed at enhancing cybersecurity measures and fraud prevention strategies.

RISKS

- Significant cyber events have the potential to undermine trust in payment systems, eroding confidence among users and stakeholders.
- Failure to proactively manage vulnerabilities can lead to regulatory interventions and additional compliance burden for payment system participants.
- The roll out of cheap and accessible real time payment systems has led to massive increases in Authorised Push Payment (APP) related fraud in other jurisdictions.

OPPORTUNITIES

- Centralised leadership of credits modernisation through the PEM programme enables new opportunities for collating and managing fraud-related data from a central point.
- The adoption of ISO 20022 enables richer transactional data, providing opportunities to enhance real-time fraud management and detection capabilities.
- Strengthening partnerships between PASA, BASA, BSA and SABRIC facilitates the development of advanced, shared fraud prevention tools and strategies.

OUTLOOK

- The PEM programme has identified fraud management as a top priority deliverable. PASA is engaging with the PEM team to determine how best it can assist.

4. SKILLS SHORTAGE AND INDUSTRY CAPACITY

What it means to PASA

The payments industry, including PASA, relies heavily on specialised expertise to implement NPS initiatives effectively. The demand for technical, business, legal, and regulatory knowledge specific to the payments sector remains high. However, the industry faces a persistent shortage of these niche skills, compounded by increased competition for talent. These challenges make it difficult to meet the capacity required for driving innovation and executing significant sector-wide changes.

Strategic response

PASA continues to address the critical skills shortage through both internal and industry-wide initiatives. Internally, efforts are focused on:

- **Employee development and retention:** Initiatives include leadership resilience training, structured talent management, and succession planning for key roles. Proactive strategies have reduced time-to-fill vacancies while strengthening employee engagement and retention.
- **Learning and development:** An annual training plan emphasises leadership development, technical skills enhancement, and online learning opportunities.

Externally, PASA collaborates with industry stakeholders to build sector-wide capacity:

- **PASA Academy:** Since its inception in 2012, the Academy has graduated 2 852 students through its certification courses. In 2024, the Academy awarded 533 certificates for successful completion of either the Introduction to Payments, Foundational, Advanced Electronic or Advanced High-value programmes. These programmes address the growing demand for specialised payments expertise.
- **People in Payments video series:** This initiative profiles professionals in the payments industry, inspiring future talent by showcasing diverse career paths.

RISKS

- **Inability to retain key skills.**
- **Delayed or compromised delivery of critical NPS initiatives.**

OPPORTUNITIES

- **Enhance industry capacity through training and skills development initiatives.**
- **Strengthen collaboration to address shared resource challenges.**

OUTLOOK

- **PASA is committed to a long-term strategy to address the sector's capacity challenges.**
- **PASA is also committed to and advocates for an agreed set of achievable deliverables for the broader payment industry.**
- **These efforts highlight PASA's proactive approach to equipping the payments ecosystem to meet current and future demands.**

5. RESILIENCE OF THE NATIONAL PAYMENT SYSTEM

What it means to PASA

The resilience and stability of the NPS remain critical focus areas for PASA, particularly in the context of increasing global risks such as extreme weather events, natural disasters, and systemic challenges such as power grid failures. These risks threaten electricity and connectivity, both of which underpin digital payments. Maintaining resilience requires a robust control environment encompassing people, processes, systems, and an integrated risk management and contingency planning approach.

Strategic response

PASA has collaborated with key stakeholders to develop contingency plans that would enable a co-ordinated response in the event of a disaster that negatively impacts the payment system.
PASA has intensified its efforts to enhance the resilience of the NPS through the establishment of support structures, steering and participating in industry initiatives to enhance resilience measures.

RISKS

- **Possible system unavailability due to extreme systemic events including severe weather.**

OPPORTUNITIES

- **Strengthened collaboration with PASA Members, key stakeholders, and Mobile Network Operators to improve resilience and stability.**
- **Leveraging the Alternative Connectivity Project to bolster Financial Sector Contingency Forum members' ability to withstand crises.**

OUTLOOK

- **Connectivity resilience and the implementation of fail-resistant systems remain strategic priorities.**
- **PASA's operational resilience initiatives, including contingency plans and policies, continue to evolve to address emerging risks.**
- **The establishment of the NPS Crisis Response Coordination Committee and the recent formation of the NPS Operational Resilience Forum further strengthen PASA's ability to respond effectively to crises.**

6. INCREASING COMPLEXITY OF THE PAYMENT ECOSYSTEM

What it means to PASA

The growing complexity of the payments ecosystem presents both challenges and opportunities for PASA. As PASA transitions to the PIB, the diversity of its membership and stakeholder base is expected to increase significantly. This shift will require more sophisticated consensus-building efforts as PASA continues to serve as a pivotal platform for collaboration among industry stakeholders, including the SARB and other key players in payments modernisation.

Effective management of this complexity is vital to PASA's ability to deliver on its mandate, maintain interoperability, and advance key strategic projects. The increasing number of stakeholders, including both members and third-party service providers, presents the risk of extended delivery timelines and the challenge of managing diverse expectations. PASA recognises that building alignment with a broader group of stakeholders could slow the decision-making process, potentially impacting project speed and outcomes.

Strategic response

PASA's Strategy Centre of Excellence (SCE) is at the core of its ability to address the increasing complexity within the payment ecosystem. By leveraging agile methodologies and promoting collaboration across diverse stakeholders, the SCE has enabled PASA to rapidly build consensus and develop effective solutions.

The SCE has proven to be highly effective in attracting participation from top industry expertise, elevating the quality of strategic initiatives such as the Debit Order systems and the PIB Design process. PASA's leadership in facilitating industry-wide dialogue has been further validated through its involvement in the SARB PEM programme. PASA's methodologies in consensus building and solution development have sparked significant interest from the SARB PEM team, which has expressed intent to procure PASA's services to support ongoing modernisation efforts.

PASA has also prioritised building internal capabilities through targeted coaching interventions, aimed at enhancing individual resilience, aligning team mindsets, and developing leadership capacity. This approach has enabled PASA to effectively navigate increasing complexity, aligning personal and collective team strengths to work constructively with stakeholders.

RISKS

- **Delays in project execution due to extended consensus-building processes and the growing complexity of stakeholder relationships.**
- **Maintaining agility and efficiency while accommodating a broader, more diverse stakeholder base.**

OPPORTUNITIES

- **Upskilling PASA employees to enhance resilience and leadership, enabling them to manage complex stakeholder relationships effectively.**
- **Positioning PASA as a key player in payments modernisation, with opportunities for consulting work, particularly with SARB.**
- **Institutionalising the SCE's capabilities to address complex industry challenges in the future.**

OUTLOOK

- **PASA's coaching and consensus-building methodologies are proving effective in managing complexity and ensuring agility.**
- **The early success of the PIB Design process and continued alignment with SARB PEM strengthen PASA's role in payments modernisation.**
- **Moving forward, PASA will continue to refine these capabilities to support its transition to the PIB and maintain leadership in the payments ecosystem.**

7. THE EMERGENCE OF NEW PAYMENT MODELS AND TYPES OF CURRENCY

What it means to PASA

The emergence of new payment models, alongside the rise of Central Bank Digital Currencies (CBDCs), cryptocurrencies, and other digital payment methods, may reshape global financial infrastructures.

Technologies such as Distributed Ledger Technology (DLT) and tokenisation are providing alternative ways to clear and settle payments, while also presenting challenges for traditional financial intermediaries. This disruption has the potential to change the role of various financial market players, pushing for more decentralised and efficient models.

The SARB's Project Khokha, specifically Project Khokha 2, is a key example of such developments. This initiative, focused on the tokenisation of traditional financial assets such as government bonds, aims to enhance the efficiency of financial markets by leveraging DLT to streamline the clearing, settlement, and issuance of tokenised securities. This could significantly reduce costs, enhance liquidity, and streamline the transaction process in South Africa's financial markets.

Strategic response

PASA continually seeks to support the SARB's Fintech and CBDC initiatives and further attempts to upskill itself in understanding these new emerging models.

RISKS

- **Limited PASA capacity to actively engage in all emerging sandboxes and proof of concept initiatives in the fintech space, particularly related to CBDCs and tokenised assets.**

OPPORTUNITIES

- **Improvements in the efficiencies, security and costs of trading in digital assets, as well as reducing the liquidity requirements for delays between purchase and settlement.**

OUTLOOK

- **The SARB's current focus is on an efficient, free in the hands of consumer, real time payment system. It remains to be seen whether a retail CBDC would be required if the objectives of the faster payment system are achieved.**

8. GLOBAL HARMONISATION AND REGIONAL INTEGRATION

What it means to PASA

The global payments landscape is increasingly driven by the standardisation of payment messaging formats, the regional integration of payment systems, and linking up faster payments systems cross-border. This trend is focused on improving efficiency, security, and the cost-effectiveness of payment infrastructures globally. For PASA, staying aligned with these global advancements is essential to ensure that South Africa's payment systems are competitive and integrated with regional and international payment networks.

In addition, the convergence of card systems and real-time payment systems demonstrates the need for local systems to offer similar real-time credit payment solutions to enhance efficiency and streamline integration.

Strategic response

Although PASA does not have a formal role beyond South African borders, staying abreast of global developments in payment system standardisation will be crucial, particularly as PASA adapts its domestic operations to align with these trends.

While migrant remittances significantly impact domestic economies, PASA does not currently play a role in the G20 initiative aimed at improving the efficiency and affordability of cross-border remittances. However, the broader trend toward regional integration and standardisation remains a priority for PASA's ongoing strategic work.

PASA supports CMA and SADC regional payment initiatives in various ways, in response to requests for assistance from Members and other industry associations.

RISKS

- **Capacity constraints and lack of international payment skills.**

OPPORTUNITIES

- **Create additional value for PASA Members.**
- **Drive regional and domestic efficiencies.**

OUTLOOK

- **While PASA already plays a role in ensuring domestic standards are aligned to global standards, the PIB Design requires the new entity to become a standards authority.**

9. GEOPOLITICAL IMPACT ON THE COMPLEXITY OF THE PAYMENTS LANDSCAPE

What it means to PASA

The global payments landscape is undergoing significant transformation due to geopolitical developments.

Notably, the increasing development and adoption of domestic payment systems by countries worldwide (through the proliferation of national payment systems) reflects efforts to reduce reliance on global networks such as Visa, Mastercard, and SWIFT. This trend is fuelled by geopolitical tensions, economic considerations, and a desire for greater financial independence.

In South Africa, the dominance of U.S.-based card schemes such as Visa and Mastercard illustrates potential vulnerabilities in the face of changing geopolitical dynamics. These developments underscore the importance of building resilient and sovereign domestic payment capabilities to mitigate risks and ensure the stability and security of South Africa's payment systems.

Strategic response

PASA supports initiatives to develop domestic payment schemes to reduce reliance on foreign systems, enhance national financial sovereignty, and improve the resilience of South Africa's payments ecosystem.

PASA is closely monitoring international sanctions, trade policies, and geopolitical shifts to understand their impact on the domestic and global payments landscape.

Drawing insights from global payment innovations, such as India's digital payments revolution and Europe's initiatives such as the European Payment Initiative (EPI), PASA aims to support the PEM work.

RISKS

- **Over time, South African payment service providers may need to connect to multiple global systems that lack interoperability, resulting in increased inefficiencies and higher service costs.**
- **Implementing domestic schemes requires significant investment and alignment across numerous stakeholders, including financial institutions, regulatory bodies, and payment providers, making this transition complex and time-consuming.**

OPPORTUNITIES

- **Strengthening South Africa's domestic payment systems can boost financial sovereignty, align with global standards, and enhance resilience.**
- **Learning from global examples, such as India's success in democratising digital payments and Europe's EPI initiative, provides a roadmap for innovation.**

OUTLOOK

- **As global geopolitical uncertainties continue to reshape the payments landscape, South Africa's push for greater financial sovereignty through a locally governed, real-time, electronic payment system and domestic processing of low-value payments will be critical. This effort will not only reduce reliance on foreign payment systems but also increase the country's resilience to international disruptions.**
- **PASA's strategy must remain adaptable to evolving geopolitical dynamics, technological innovations, and the increasing demand for financial inclusion, ensuring that South Africa's payment systems stay aligned with global best practices and remain secure, efficient, and accessible.**

HOW PASA CREATES VALUE

STRATEGIC VISION

PASA's strategy is not merely a roadmap; it is a shared ambition, framed by the metaphor of building a grand cathedral. This vision signifies that each initiative, project, and partnership is not a standalone task, but a vital component of a larger, enduring framework designed to benefit future generations. This collective effort unites diverse stakeholders around a common purpose, creating a sense of ownership and pride within the payments industry.

At the heart of this vision are PASA's six aspirational Cathedral Statements. These statements go beyond being strategic objectives—they are powerful expressions of PASA's identity, its long-term aspirations, and the legacy it seeks to establish. Together, they define PASA's path forward, guiding the organisation and its stakeholders toward a modern, secure, and inclusive payments ecosystem.

PASA's Cathedral Statements

1. **PASA is the go-to trusted thought leader for payments domestically and internationally.**
2. **We are an inclusive, member-driven payments organisation. The need for our existence is unquestioned and funding us is an easy decision.**
3. **All our stakeholders experience us as a force for good. We set clear direction, create capacity, and drive policy objectives for the payments industry.**
4. **Our people are desired worldwide. The best want to work for us – we grow careers in a happy and healthy culture.**
5. **We drive innovation through creative collaboration and partnerships. We build consensus and mobilise a broad range of stakeholders.**
6. **We support and promote modern, safe, and efficient payment systems which enable economic growth and meaningful financial inclusion in South Africa.**

The PASA scorecard reflects both PASA's strategy for its own organisational future and its role in advancing the strategy for the NPS.

PASA's strategy work largely involves translating the SARB Vision 2025 goals, supporting the PEM programme (NPS-level strategy), and incorporating the strategic guidance from its Members into a comprehensive and actionable NPS strategy. This process requires close collaboration with stakeholders from the SARB, FSCA, BSA, other PCH Operators, and PASA's members to align objectives, extract insights, and promote collective ownership of initiatives. This alignment ensures that PASA's strategy is both relevant and achievable, with a clear path forward for all stakeholders.

Beyond developing strategic plans, PASA plays a critical role in executing or supporting the execution of initiatives derived from this process. This hands-on involvement is key to transforming strategy into tangible results, ensuring that the payments ecosystem remains resilient, innovative, and aligned with the evolving needs of the industry.

The Strategy Centre of Excellence

Over the past year, PASA has advanced its strategy-development approach, refining key processes and methodologies. Continuing to develop the strategy practice and to institutionalise the SCE remains a priority.

Through its strategic vision, collaborative approach, and commitment to continuous improvement, PASA delivers lasting value to the payments industry and the broader South African economy.

STRATEGY AT A GLANCE

PASA's PURPOSE

PASA exists to manage payment systems in the interest of economic and social development of South Africa.

The PASA scorecard encapsulates both PASA's strategy for its own organisational future and that of the strategy for the NPS, encompassing strategic focus areas and the set of strategic initiatives that guided strategic execution during 2024.

SARB VISION 2025 GOALS

Promoting competition and innovation	Transparency and public accountability	A clear and transparent regulatory and governance framework
Financial inclusion	Cost-effectiveness	Financial stability and security
Regional integration	Interoperability	Flexibility and adaptability

STRATEGIC FOCUS AREAS	WEIGHTING OF KPIs	STRATEGIC INITIATIVES
1. Risk and compliance	20%	• NPS risk management • PASA organisational risk management and compliance • PASA digitalisation • Cybersecurity
2. Modernisation	35%	• PASA, BASA, BSA and SARB modernisation alignment • Strategy centre of excellence development • Debit order modernisation • Credits modernisation, FATF and financial crime prevention
3. PIB transition	20%	• Regulatory transition to the PIB • Logistical and organisation transition to the PIB
4. Running of PASA	25%	• Stakeholder management • Sound legal rules and policies • Financial management • Organisational health and culture change

PERFORMANCE AGAINST STRATEGY

IV 4 IV 5 IV 11

Council actively engages with management to oversee strategy execution and ensure that PASA maintains effective and transparent risk management and internal control systems.

Performance against strategic objectives is rigorously evaluated through the organisational scorecard, incorporating defined key performance indicators (KPIs). PASA regularly assesses its performance against these objectives and KPIs, with the overall scorecard performance directly influencing annual decisions. The evaluation scale allows for the recognition of overperformance.

PASA's management conducted a self-review to evaluate performance against the 2024 PASA scorecard. The biannual review process assesses PASA's performance against the KPIs outlined in the PASA scorecard. PASA has delivered a very strong performance, with an overall score of 74.9% (FY23: 71.56%). PASA Remuneration Committee and Council approved rounding up the rating to 75%, an outcome that achieves the minimum threshold for an "Exceeds Key Performance Indicator" (outperform) rating.

Progress and activities undertaken in 2024 against each strategic initiative are outlined below.

STRATEGIC FOCUS AREA 1 **Risk and compliance**

STRATEGIC OBJECTIVES	PROGRESS ACHIEVED IN 2024	SARB VISION 2025 GOALS
Enhancement and application of effective risk management models to manage NPS risks.	• Provided Risk Management Framework training to new champions and PCH PG chairpersons. • Ongoing risk assessment reviews, quarterly Risk Subcommittee discussions, and PCH PG reporting. • Conducted risk assessments for key PASA NPS projects. • Monitored risks outside tolerance limits with defined path-to-green actions. • Quarterly risk management updates provided to SARB NPSD. • Developed and implemented a risk acceptance model. • Integrated risk management into the rules change request process.	
Maintain an effective internal risk management and compliance capability.	• Ongoing risk culture entrenchment through awareness training. • Risk, compliance, and information security included in employee performance contracts. • Quarterly PASA office risk assessments and monthly risk event reporting. • Continuous monitoring of risk indicators with ongoing improvements. • Risk assessment reviews and reporting for PIB transition and key projects. • Updated policy training to address gaps, with the policy repository launched on PASA's internal Learner Management System (LMS), used to roll out training in a structured manner. • Compliance universe review in progress. • Completed vendor procurement onboarding for PASA cyber response planning. • Cyber readiness assessment report and incident response plan concluded.	
Successful digitalisation of PASA.	• Significant progress in delivering the Member Portal planned for completion in 2025. • IT Prioritisation Committee established. • Ongoing assessment of IT run model. • Keyman dependency testing plan developed to refine PASA's IT operating model. • IT Risk Subcommittee constituted.	
Address cybersecurity risks at PASA.	• Cyber recovery plan developed. Cyber attack readiness independently assessed. • Successful patch management, anti-virus monitoring, and ongoing phishing tests. • Disaster Recovery simulation and backup testing successful. • Penetration test findings mostly addressed; reduced vulnerabilities in 2024 test. • Network vulnerabilities being addressed with firmware updates and physical separation. • Ongoing phishing test simulations to strengthen employee awareness and reduce risk.	

STRATEGIC FOCUS AREA 2 **Modernisation**

STRATEGIC OBJECTIVES	PROGRESS ACHIEVED IN 2024	SARB VISION 2025 GOALS
Obtain a clear and aligned view on the modernisation end-states for all payment systems, based on agreed principles and success criteria.	• Established two task teams with PASA, BASA, BSA, and Members to define modernisation principles for low-value and high-value credits. • Completed multiple workshops to identify modernisation principles and common focus areas. • Deployed a novel process to articulate the ideal attributes of a modern high-value and low-value payment system. • Outcomes submitted to the SARB PEM team, with PASA member support. • Extensive engagement with the SARB PEM team on both the process and content outcomes.	
Develop, test, and implement best-in-class methodologies for managing industry strategy setting and solutions across diverse stakeholders, ensuring quick and desirable evidence-based outcomes, while streamlining consultation and consensus building.	• Focus increased from industry alignment (PASA, BASA, BSA) to alignment with the SARB PEM programme. • PASA provided a comprehensive view of its book-of-work to the SARB PEM team. • SARB PEM team expressed interest in PASA's modernisation methodologies, PIB design, and transition work, and decided to procure services from PASA. • Ongoing application of the SCE methodologies allows PASA to entrench and further develop the capabilities within both the SARB PEM and PASA teams.	
Drive key debit order initiatives with highest returns on effort and investment for the industry without unnecessarily impacting capacity and resources required elsewhere.	• Agreement reached with PASA Members and obtained regulator's no-objection for debit order dispute rule changes across all three systems. • Progressed the separation of RMS from AC	
Define, prioritise and implement initiatives that address credit modernisation, FATF compliance enablement and financial crime prevention objectives.	• Conducted data-driven analysis on payment system messages per Directive 1/2022 with BankservAfrica, Visa, and MasterCard; results presented to industry. • Collaborated with the RP PCH PG to standardise PayShap data elements, reducing manual processes and setting implementation timelines. • Consolidated bank and non-bank responses to proposed FATF Recommendation 16 amendments, showcasing a key PIB function; outcomes shared with Members via a three-part webinar series, and with regulators and the FATF itself. • Engaged with regulators to align local FATF regulations with global standards, addressing areas such as domestic sanction screening and payer information inclusion. • The work is influencing domestic interpretations of FATF requirements, promoting regulatory balance.	

STRATEGIC FOCUS AREA 3 PIB transition

STRATEGIC OBJECTIVES	PROGRESS ACHIEVED IN 2024	SARB VISION 2025 GOALS
Ensure the regulatory transition to the PIB is managed efficiently, according to plan, and without introducing undue NPS risk.	**Regulatory transition to the PIB** • Productive engagements and common direction agreed with the PSMB Transition Committee. • PIB transition plan aligned with regulatory milestones and socialised with key stakeholders. • Despite regulatory pace constraints, PASA has delivered strong outcomes through thought leadership and practical working models.	

Ensure that the logistical and organisational transition to the PIB is managed according to plans and without introducing undue NPS risk in as efficient a manner as possible and without negatively impacting the regulatory reform timelines.	**Logistical and organisational transition to the PIB**
	• Project simplified and de-risked by retaining the same legal entity.
	• PMO cost and capacity scaled to match project adjustments.
	• Resource-efficient ways of working agreed, considering timing uncertainties.
	• Strong progress on critical path transition streams:
	  • Constitution task team work nearly complete.
	  • Member target operating model (TOM) defining future participation structures completed, presented, and signed off.
	  • Functional TOM work initiated, extending into 2025.
	• Brand, name, and corporate identity narrowed to three options, with stakeholder input guiding the final decision; and subsequently approved by Council.
	• PIB internal change management actively keeps employees engaged and informed.
	• Industry workshops enhance understanding of PIB's intent and transition progress.	

STRATEGIC FOCUS AREA 4 Running of PASA

STRATEGIC OBJECTIVES	PROGRESS ACHIEVED IN 2024	SARB VISION 2025 GOALS

Ensure that PASA is experienced as effective in its function and remains relevant to stakeholders through regular communication, engagements and monitoring.	• The stakeholder plan has been implemented, incorporating new stakeholders as they emerge, including the non-bank Association of South African Payment Providers (ASAPP).
	• The annual stakeholder survey indicates that PASA effectively fulfills its role, highlighting maturing relationships and providing valuable insights for improvement.
	  • 57% of respondents strongly agree and 29% agree that PASA meets its responsibilities within the NPS.
	  • 64% of respondents strongly agree and 21% agree that PASA's engagement approaches are effective.
	• PASA has successfully navigated the complexities of the changing environment, positioning itself to support the PEM programme and broader community efforts.
	• Increased trust in PASA is evident, as stakeholders have requested additional support, including work on FATF, coordination of industry fraud initiatives, and PEM consulting services.	

Ensure that PASA rules are aligned to sound legal principles that are consistently applied across all PASA rules.	• Confirmation received from the Payment Clearing Houses (PCHs) and Legal Committee that 50% of the rules reviewed since 2022 meet the review process requirements. • The PASA Legal Prioritisation Committee has requested that all PCHs and their chairpersons assess the priority of remaining rule sets and plan for their review, with a viable plan compiled for completion within two years.	
Obtain a clean financial audit for PASA based on robust financial management processes, controls and governance, while ensuring that spend of member funds is aligned to agreed strategic focus areas.	• Obtained a clean PASA financial audit with one minor finding. • Audit committee meetings are more concise, reflecting improved reporting and issue resolution, with legacy issues resolved. • Enhanced finance processes and procedures, now more rigorous and automated for greater efficiency. • Professionalised the finance function with strict adherence to newly approved policies (procurement, finance, investment). • Conducted employee training on improved procurement policies and processes, integrating them with contract management.	
An engaged and resilient workforce who subscribe to a common purpose and values, supported by an efficient and effective HR function.	• Exceeded KPIs for organisational health and culture, driven by change management, resilience building, coaching for ManCo, and ExCo leadership evaluations. • The internal brand survey shows a significant turnaround in employee engagement and culture sentiment. • Tangible culture shifts include more robust debate and increased employee willingness to raise concerns. • Met KPIs for HR administration, with reduced time to hire and structured talent management. • Fewer HR-related risk events and successful rollout of a wellness programme.	

With a vision as enduring as the structure by which it is inspired, PASA's strategy unites industry players to co-create a payments ecosystem adequately serving ALL in South Africa.

FINANCIAL CAPITAL

WHAT FINANCIAL CAPITAL MEANS TO PASA

Financial capital is a fundamental component of PASA, representing the monetary resources essential for supporting the NPS and delivering value to its members. PASA is dedicated to prudently managing these resources, ensuring that all investments align with the best interests of the NPS while fostering long-term sustainability.

By strategically investing in critical initiatives, PASA enhances its core functions and effectively responds to directives from the SARB and evolving industry demands. This approach maximises the value of member investments and enables execution of PASA's objectives. Ultimately, financial capital strengthens PASA's operational stability and reflects its commitment to safeguarding member interests and contributing to the broader financial ecosystem.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

"The professionalisation of PASA is key to our success, enabling us to effectively manage financial capital while delivering value to our Members. Through the strengthening of financial controls and enhanced reporting practices, we have significantly improved our operations. Our commitment to continuous learning has led to better budgeting and forecasting, culminating in a clean audit that underscores our transparency and accountability. By implementing robust policies and standardised procedures, we have increased efficiency and built a solid foundation for future growth and adaptability in the evolving payments landscape."

Cosmore Pariola
Chief Financial Officer

PASA's financial capital is primarily based on the funding received from Members and is used to take the payments industry forward. PASA's other income streams are ring fenced for specific uses such as:

- Conferences - of note is the PIPC which is held every second year;
- Industry training which comprises Certificate in Foundational Payments, Introduction to Payments, Advanced Certificate in Electronic Payments and Advanced Certificate in High-Value Payments;
- Capacity building, education, and training, including the appointment of interns to undergo payments training; and
- Execute projects that contribute to the advancement of the NPS.

COMMITMENT TO EXCELLENCE IN FINANCIAL MANAGEMENT AND GOVERNANCE

The Finance function has evolved into a well-functioning and efficient unit dedicated to promoting the organisation's financial health. Through the diligent adoption of learnings and the implementation of robust policies and improved procedures, we have significantly enhanced our financial reporting, budgeting, and forecasting disciplines.

This report highlights the notable advancements made, emphasising our commitment to excellence and continuous improvement in financial management, financial reporting and governance.

SUCCESSFUL ADOPTION OF POLICIES AND PROCESSES

The Finance function has demonstrated a strong commitment to incorporating best practices into its operations. The successful adoption of approved policies and processes has resulted in a transformative effect on financial management, reporting and budgeting disciplines. Our enhanced Council meeting packs and reports have significantly improved the quality and efficiency of Audit Committee discussions.

A key achievement is the timely delivery of the 2025 annual budget with minimal adjustments, which was recommended for approval by the Audit Committee to Council and approved by Council.

IMPLEMENTATION OF POLICIES AND CONTINUOUS IMPROVEMENT

In 2023, PASA implemented finance standard operating procedures and stringent finance policies, specifically the Procurement, Finance, Debt Recovery and Investment Policies, which are now closely adhered to. This professionalisation of the Finance function has set a high standard, as we better align to best practices and further strengthened our financial management capabilities.

PASA achieved a clean audit for PASA's financials, showcasing our commitment to transparency and accountability.

STRENGTHENING GOVERNANCE AND FINANCIAL CONTROLS

To support continuous improvement, we have enhanced our processes, building greater rigour into our financial operations. This includes entrenching procedures and implementing automation where possible to increase efficiency. Our commitment to standardised operating procedures has resulted in more rigorous monitoring of payments, ensuring that all transactions are conducted with the utmost care and accuracy.

Training sessions were held for employees to familiarise them with the improved Procurement Policy and processes, effectively integrating these policies with the contract management process for an end-to-end procurement process.

PASA has successfully extended the lease with GrowthPoint for another year. This was recommended to the Council and subsequently approved by Council.

ADDRESSING FINANCIAL AND TAX MATTERS

The transition to the PIB has brought about essential discussions regarding financial and tax matters. By securing industry sign-off to reuse PASA's legal entity for the PIB, we have effectively contained costs, positively impacting our overall financial standing. This strategic move has streamlined our operations and minimised expenditures.

IMPLEMENTATION OF THE FINANCIAL RISK RECOVERY PLAN

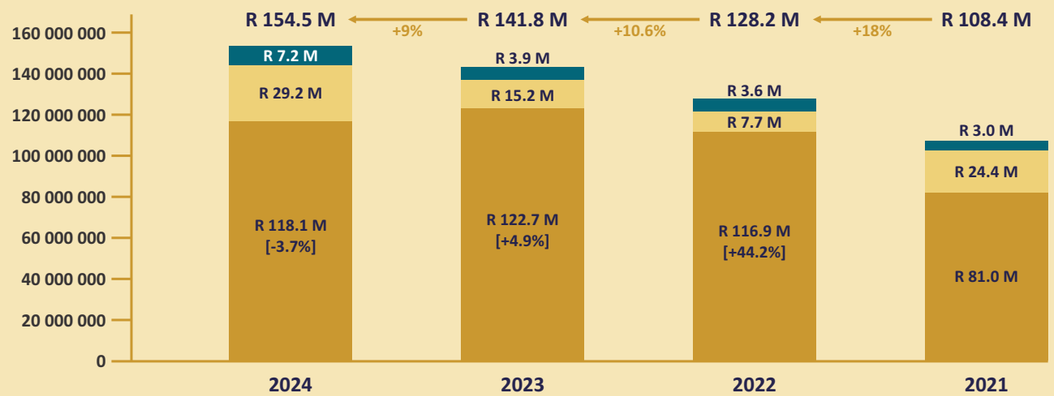
To further better manage potential financial risks, we recommended the Financial Risk Recovery Plan (FRRP) to the Council for approval. This plan provides a comprehensive framework for responding to various financial risk events following consultation with relevant stakeholders.

The FRRP addresses multiple risk events; taking into account the human impact of incidents; and integrates considerations from our Business Continuity Plan (BCP) and Cyber Incident Recovery Plan as we build a resilient financial governance framework that prioritises both organisational and individual wellbeing.

UNPACKING OUR FINANCIAL PERFORMANCE

Membership contributions, other income versus expenses

In 2024, PASA had 31 members compared to 32 in the previous year. The number of PCHs remained steady at 17, and SOs 87 compared to 88 in 2023. Deferred income*, which is essential for self-funding projects, encompasses various initiatives such as Industry Training, Compliance charges, and the highly anticipated PASA PIPC, reflecting PASA's commitment to fostering industry growth and compliance. These projects not only enhance the skills and capabilities within the sector but also indicate PASA's proactive approach to adapting to challenges and opportunities in the evolving payments ecosystem.



- Other Income (interest and PCH+SO fees)
- Deferred Income +prior years surplus utilised
- Members Contribution

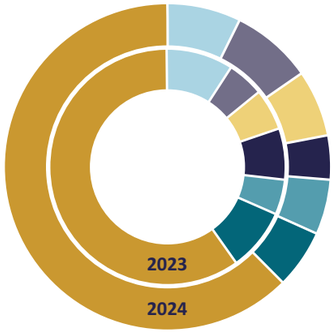
Annual membership contributions
Member fee contribution totalled R118.1 million (FY2023: R122.7 million) representing a 3.7% decrease from 2023.

Phase one of the remediation of membership invoicing process with improved data accountability
Incorporating feedback from our stakeholders and recognising the importance of smooth financial operations, we have commenced with the remediation, enhancement and automation of the annual membership invoicing process. Phase one of the enhanced member invoicing process has been established and implemented, along with clear accountabilities to enhance efficiency and accuracy. This initiative reflects our ongoing commitment to refining our financial practices to better serve our various stakeholders.

The graph below depicts the percentage contribution of each main category of expenses to the total actual expenditure of R141.8 million in 2024 (comprising R138.4 million for normal operations and R3.4 million for special projects/deferred income). In comparison, the total actual expenditure in 2023 was R128.4 million (comprising R117.9 million for normal operations and R10.8 million for special projects/deferred income).

PASA'S 2024 expenses

	2024	2023
Human Capital (Employee costs excluding consultants)	63%	60%
Consultants	5%	9%
PIB	6%	4%
Special projects (ring-fenced costs)	2%	8%
Other expenses (MyStandards platform, recruitment)	7%	6%
Information technology	9%	4%
Remaining expenses (premises, professional fees, governance)	8%	9%



The proportional allocation of expenses mirrors that of the prior year apart from a decrease in:
- Consultants expense due to slower progress on some projects where consultants are used.
- Special projects expenses decreased due to material PIPC expenses not being incurred as 2024 was the alternate year in which PIPC was not held. Only incidental PIPC expenses were incurred in preparation for 2025 PIPC.

Conversely, the proportional allocation for human capital, PIB, and information technology expenditures increased. The information technology spend is mainly attributed to the new member portal build which is expected to be completed in 2025.

In 2024, PASA experienced an overall underspend compared to budget due to various factors:
- A reduction in expenses compounded by higher interest rates which generated an additional R1 million in interest income.
- Delayed hiring resulting in a R5.6 million underspend.
- The new member portal build postponement led to R4.9 million underspend, deferred to 2025.
- Other areas of underspending included governance, legal, and compliance (R0.9 million), training and seminars (R0.2 million), travel expenses (R0.3 million), and subscriptions/publications (R0.5 million) compounded by the EMVCo subscription downgrade saving of R0.2 million.

In contrast, PASA faced some overspending relative to budget in the following specific areas:
- Recruitment fees resulted from repurposing roles for more senior hires who come with a higher recruitment cost.
- Professional fees rose by R1.5 million due to additional coaching sessions necessitated by employee survey findings.
- The Project Future Architecture Review, initially meant to conclude in 2023, was extended into 2024, resulting in additional expenses.

R2.4 million in deferred income approved for spend on PIB initiatives was not used in 2024, as R4.3 million in savings were achieved, mainly from the industry's agreement to modify the PIB legal entity design.

In terms of self-funding projects, PASA successfully implemented various industry training programmes, including the Certificate in Foundational Payments (with four intakes), the Introduction to Payments course, and Advanced Certificates in Electronic Payments and High-Value Payments (each with three intakes).

LOOKING AHEAD

The Finance function at PASA has made significant strides in improving financial management practices, demonstrating a commitment to transparency, accountability, and efficiency. With the successful implementation of robust policies, enhanced processes, and strategic financial planning, we are well-positioned to navigate future challenges and opportunities. Our ongoing focus on continuous improvement ensures that we remain adaptable in a rapidly changing financial landscape, ultimately contributing to the overall success of PASA.

APPRECIATION OF OUR STAKEHOLDERS

I would like to express my heartfelt gratitude to our Members for their unwavering support and partnership. Your collaboration is crucial to our achievements. Thank you to the PASA Council, Council Committees, our Executive team and broader PASA community for your invaluable guidance, support and cooperation. Working together has enabled us to effectively serve the broader payment ecosystem.

To the Finance team, your commitment and resilience are greatly appreciated. The outstanding work you have done to professionalise our operations and strengthen our financial controls is noteworthy. Your excellence in navigating the evolving landscape and dedication to our goals are commendable. As we look forward to an evolving PIB, we are confident in our collective ability to adapt and thrive together.

HUMAN CAPITAL

WHAT HUMAN CAPITAL MEANS TO PASA

Human capital lies at the heart of PASA's ability to add value to the payments industry, encompassing the collective skills, knowledge, and expertise of its people, as well as the broader industry's talent pool and payment skills development initiatives.

PASA recognises that a strong, aligned culture is essential for driving success. Emphasising the importance of culture in shaping organisational outcomes, PASA has focused on building a resilient, high-performing, and future-fit workforce. This is reflected in the strides made in redefining roles, recruiting top talent, and embedding a culture that aligns with PASA's core values.

A snapshot of PASA's employees on 31 December 2024

54 [1]
Permanent employees
(2023: 51)

16.8% [2]
Employee turnover
(2023: 14.3%)

42 years
Average employee age
(2023: 42.9 years)

77.8% [3]
Black employees - 42
(2023: 72.5%/37)

62.9% [3]
Female employees - 34
(2023: 56.8%/29)

4.0 years
Average employee tenure
(2023: 5.1 years)

A CULTURE ANCHORED IN INTEGRITY AND EXCELLENCE

PASA's culture revolves around trust, respect, and openness, creating an environment where employees are empowered to speak up, challenge the status quo, and collaborate for the greater good. Anchored in key values such as integrity, respect, collaboration, leadership, and excellence, PASA aims to create a space where employees can grow personally and professionally while contributing meaningfully to the NPS.

Empowering employees

Recent initiatives, such as resilience coaching and change management workshops, have enhanced organisational health and improved employee engagement. Feedback from employee engagement surveys and a brand perception survey confirms a significant positive shift, underlining PASA's commitment to becoming an employer of choice.

KEY OUTCOMES

Enhanced employee engagement
Cultural sentiment surveys show measurable improvement in trust and collaboration.

Effective communication
Weekly CEO updates, regular townhalls, and LinkedIn posts keep employees informed and engaged during the PIB transition.

Wellbeing support
A robust total well-being plan has already rolled out five interventions, focusing on mental, financial, and physical health.

Change resilience and agility

In an era of rapid technological and economic transformation, PASA has prioritised equipping employees with the tools and mindset to adapt and thrive. Change management interventions, including resilience coaching for management teams, have prepared employees to navigate the transition to the PIB. Regular workshops and open forums have ensured transparency and alignment throughout the journey.

PASA requires specialist skills to successfully execute its strategy and projects, including specialised technical, business, legal and regulatory skills relating to the payments industry.

1. *The workforce of 54 employees comprises six executives, 32 employees who are professionally qualified, and 16 who are skilled. The total approved headcount for 2024 is 60 permanent employees. Efforts are ongoing to promptly fill the vacancies, though this remains challenging due to the limited availability of specialised payment skills, as highlighted under People Risk and Material Matters. The primary factor contributing to extended time-to-fill periods is the demand for niche payment industry expertise and relevant technical competencies.*

2. *The employee turnover includes 3.7% due to retirements, contributing to the decrease in average employee tenure from 5.1 years to 4 years. Reducing employee turnover continues to be an area of focus. Thirteen new hires were made in 2024. PASA continues to focus on the establishment and incorporation of an identified talent pool process into its regular activities. In addition, outsourcing of certain functions is regularly evaluated, along with cross-skilling of identified roles.*

3. *There is a notable improvement in the diversity, inclusion and employment equity of the workforce. The year ended with 42 [77.8%] (2023: 37 [72.5%]) black employees. The female population is well represented at 34 [62.9%] (2023: 29 [56.8%])*

Performance and learning as pillars of growth

PASA continues the journey to a high-performance culture where delivering results and driving impact take centre stage. This performance culture emphasises measurable outcomes while cultivating a learning mindset. Employees are encouraged to view challenges as opportunities for growth, with mistakes seen as catalysts for continuous improvement.

PASA's learning culture prioritises structured development, on-the-job coaching, and training to ensure employees are equipped to meet the demands of a fast-changing payments ecosystem. This has been pivotal in preparing PASA for its future as the PIB.

KEY INITIATIVES

Learning and development plan rollout
The training plan, which continues to be rolled out according to schedule, aims to upskill employees through a combination of skills development, online learning, and formal leadership training.

Skills development and succession planning
PASA has identified critical skills shortages and developed a plan to address them, ensuring that there are no critical skill vacancies at year-end. Succession planning (of both internal and external resources) is a key focus, with strategic roles being identified for cross-skilling, particularly in governance, legal, and compliance areas.

Outsourcing and operational continuity
The outsourcing of key run-PASA operational functions is being explored to ensure optimal operational continuity, with payroll successfully outsourced in 2024.

Industry payment skills development

Beyond employee growth, PASA is deeply committed to addressing the broader skills shortage in the payments industry. This includes both formal and informal initiatives that strengthen the development of a skilled, knowledgeable workforce across the entire sector.

Central to PASA's strategy is the PASA Academy, which plays a pivotal role in addressing the payments industry's skills gap. The Academy offers formal programmes to enhance the expertise of payment professionals and prepare the next generation of talent.

Read more under intellectual capital on page 47.

Talent acquisition and retention

PASA has made significant progress in recruiting top talent for niche roles, achieving a reduction in time-to-hire despite the technical complexity of the payments industry. PASA actively engages with specialised recruitment agencies and maintains an external talent pool, ensuring readiness for future demands.

Retention efforts include ensuring competitive benchmarking of salaries, recognition initiatives, and improved employee engagement. PASA's structured talent management approach ensures employees feel valued and supported, contributing to PASA's mission and its Members' success.

Embracing diversity and inclusion

PASA's commitment to fostering a diverse and inclusive workplace reflects its belief in the power of varied perspectives. Diversity is not only celebrated but also integrated into recruitment, leadership development, and talent strategies to ensure fair opportunities for all.

When hiring, preference continues to be given to Employment Equity (EE) candidates. A comparison of PASA's headcount against National Economic Empowerment targets highlights the need to prioritise the recruitment of under-represented groups, particularly African males and females.

In 2024, a total of seven African females and two Indian females were successfully hired. There is a notable improvement in PASA's EE workforce. The year ended with 42 (77.8%) Black employees (2023: 37 [72.5%]).

COLOUR
- 2 African
- 0 Coloured
- 1 Indian
- 2 White
- 1 Foreign National

GENDER
- 1 Male
- 5 Female

COLOUR
- 11 African
- 2 Coloured
- 10 Indian
- 8 White
- 1 Foreign National

GENDER
- 14 Male
- 18 Female

COLOUR
- 14 African
- 2 Coloured
- 0 Indian
- 0 White
- 0 Foreign National

GENDER
- 3 Male
- 13 Female

Looking ahead: Becoming an employer of choice

PASA's vision is clear: to create a workplace where employees feel empowered, inspired, and equipped to excel. Through ongoing investments in talent development, culture, and employee well-being, PASA is not only building a workforce fit for the future but also ensuring it remains a benchmark for excellence in the NPS.

Managing employee concerns and creating certainty regarding roles in the context of changes brought about by the SARB's 3 April 2025 communication is a priority.

MANUFACTURED CAPITAL

WHAT MANUFACTURED CAPITAL MEANS TO PASA

PASA's manufactured capital forms the backbone of its ability to manage and modernise payment systems effectively. Built on a strong regulatory, legal, and contractual foundation, PASA leverages key components—its SCE, premises, and well-established processes and procedures—to drive sustainable value creation within the NPS.

Central to this is the ongoing digitalisation of PASA, which includes the planned implementation of a user-friendly and easy-to-administrate replacement member portal. Once established, this portal will significantly enhance accessibility and streamline operations, providing Members with a more efficient and seamless experience. In addition, PASA is still developing an IT operations model that mitigates keyman and other risks, ensuring operational continuity. PASA is entrenching processes and governance structures to prioritise and deliver PASA's digital transformation journey. Early implementation of the governance structures has highlighted the need to find innovative ways to grow PASA's internal digitalisation capacity.

ESTABLISHING A STRATEGY CENTRE OF EXCELLENCE (SCE)

PASA's SCE is a critical initiative within PASA, designed to enhance the organisation's capacity to address the increasing complexity of the NPS. Based on PASA's commitment to continuous improvement, the SCE brings together a collection of proven methodologies, tools, and expert knowledge to enable PASA to make sense of complex aspects of the payments ecosystem and then, based on a deeper understanding these complexities to design, facilitate, and implement strategies effectively across the payments ecosystem.

At its core, the SCE aims to formalise and institutionalise a rapid solutioning and consensus-building capability that can engage multiple stakeholders across the payments industry. By applying agile methodologies and promoting collaboration, the SCE enables PASA to efficiently address complex challenges and drive alignment within the evolving NPS.

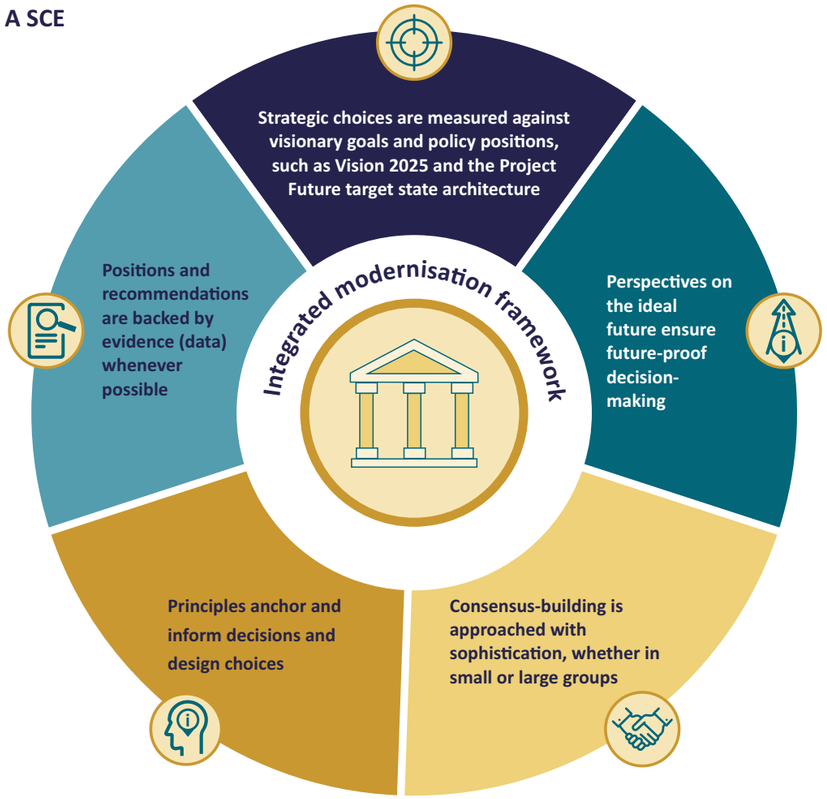
KEY FEATURES OF THE SCE INCLUDE

Principle-based design
The SCE relies on a principle-driven approach that guides the design of modernisation solutions. This methodology, built through experiences like the PIB Design process, ensures that solutions meet the needs of a diverse range of stakeholders, often with competing interests.

Collaboration across stakeholders
By using small, expert-led task teams to develop initial designs and then expanding to broader industry consultation, the SCE ensures that high quality solutions are quickly articulated, speeding up consensus building, and ultimately enabling efficient decision-making and solution adoption.

Repeatable and scalable
The SCE's processes are designed to be repeatable, scalable, and adaptable, allowing PASA to handle a wide range of strategic initiatives and tactical challenges across the payments sector.

ESTABLISHING A SCE



Supporting the SARB in the PEM programme
With the SARB PEM programme driving significant changes within the NPS, the SCE is uniquely positioned to support the SARB in navigating this transformation. PASA's deep expertise in payments, technical strategy, and industry collaboration has already proven invaluable in past initiatives, and we expect that the SCE will play a key role in continuing to shape the future of South Africa's payment systems.

PASA has entered into a service provision agreement with SARB to offer its support through the following areas:

- **Payments industry expertise:** PASA's wealth of knowledge in payment systems design and operations can inform strategic decision-making within the PEM programme.
- **Coordination and facilitation:** PASA can provide workshop facilitation, principle setting, scoping, and project management to ensure the successful delivery of key initiatives under PEM.
- **Industry engagement and consultation:** PASA's established relationships and access to a wide range of payments industry participants can help the SARB engage stakeholders effectively, ensuring broad participation in the modernisation process.

Proven success in industry collaboration

The effectiveness of the SCE's approach is already demonstrated by PASA's success in past projects:

- **Debit order dispute rules:** In a historically challenging area, PASA successfully facilitated alignment and consensus across various debit order structures, including non-banks, bringing together multiple stakeholders to agree on key dispute rules.
- **PayShap limits:** Using the SCE's methodologies, PASA facilitated industry consensus on increasing PayShap transaction limits, demonstrating the power of principle-based, collaborative tactical decision making.

As the NPS evolves under the modernisation imperatives and updates to the NPS Act, PASA's SCE expects to continue to provide vital support. By leveraging PASA's expertise in payments systems and strategic collaboration, the SCE can play a key role in driving the successful implementation of the PEM programme.

Premises

PASA's physical infrastructure serves as a critical enabler of its operational and strategic goals. The organisation is currently exploring sustainable approaches to office utilisation, balancing the need for in-person collaboration with the efficiencies of remote work.

The renewal of PASA's current lease offers an opportunity to evaluate alternatives, including agile workspaces that combine smaller office setups with access to larger meeting facilities. Such an approach could address the need for knowledge transfer, relationship-building, and collaboration while reducing environmental impacts associated with travel. The goal is to ensure that PASA's premises remain aligned with its operational needs and broader sustainability objectives. It is anticipated that this review of the PASA premises will be concluded in the second quarter of 2025.

PASA's digitalisation journey

Digitalisation of PASA enables PASA's to fulfil its Member and stakeholder responsibilities. Oversight for the digitalisation journey is anchored in the PASA Council IT Risk Subcommittee, which reports to the PASA Council Risk Committee, ensuring strategic alignment and robust governance for IT, data, and connectivity initiatives.

Key initiatives have enhanced PASA's digital capabilities and security, including:

- **Cybersecurity framework:** Integration of patch management, anti-virus monitoring, penetration testing, and phishing simulations.
- **Cyber-response plan:** A comprehensive plan in place, with a recent cyber effectiveness assessment supporting strengthening security though highlighting areas for improvement.

In support of its digitalisation journey, PASA has prioritised:

- **Member Portal replacement:** The phased rollout of a new portal is actively managed by a dedicated Steering Committee with completion projected for 2025.
- **PASA Council IT Risk Subcommittee:** Established in 2024, this subcommittee provides critical oversight for prioritising and delivering PASA's digitalisation roadmap.
- **IT Run Model:** Ongoing efforts address keyman dependencies through collaboration with the contracted managed service provider, ensuring operational visibility and sustainability.
- **IT Prioritisation Committee:** An internal management tool has been established to define and oversee PASA's digitalisation journey while aligning with the end-state enterprise architecture.

Processes and procedures

Strong, standardised processes are integral to PASA's manufactured capital, ensuring consistent and effective operations. A key focus has been the development of a process-mapping capability to document end-to-end workflows, reducing reliance on institutional knowledge and facilitating smooth transitions between roles.

These standardised processes enhance compliance, improve training for new resources, and create clarity around responsibilities across functions. This is particularly critical in the context of PASA's PMO, which relies on these processes to operationalise policies, ensure seamless project execution, and support the implementation of the NPS modernisation agenda.

PASA's commitment to continuously refining its processes ensures that the organisation remains agile and resilient in the face of evolving industry demands, ultimately supporting its mission of modernising and managing South Africa's payment systems effectively.

With these initiatives, PASA is laying a solid foundation for a secure, user-friendly, and adaptable digital environment, ensuring its continued ability to modernise payment systems and meet stakeholder needs effectively.

INTELLECTUAL CAPITAL

WHAT INTELLECTUAL CAPITAL MEANS TO PASA

PASA's intellectual capital is a strategic asset rooted in deep, end-to-end knowledge of payment systems, protocols, and procedures. It extends beyond technical expertise to include the organisation's ability to build industry consensus, coordinate diverse stakeholders, and drive collaboration across the payments ecosystem, jointly devising solutions to complex challenges. At its core is PASA's unique pool of experts, combining technical and procedural expertise.

PASA's Council, leadership, and employees bring significant depth of knowledge and years of collective experience, positioning the organisation as a trusted leader in the payments industry.

PASA strengthens the sector's intellectual capital through initiatives like the PASA Academy, bridging skills gaps, elevating technical expertise, and preparing the next generation of payment professionals for future challenges.

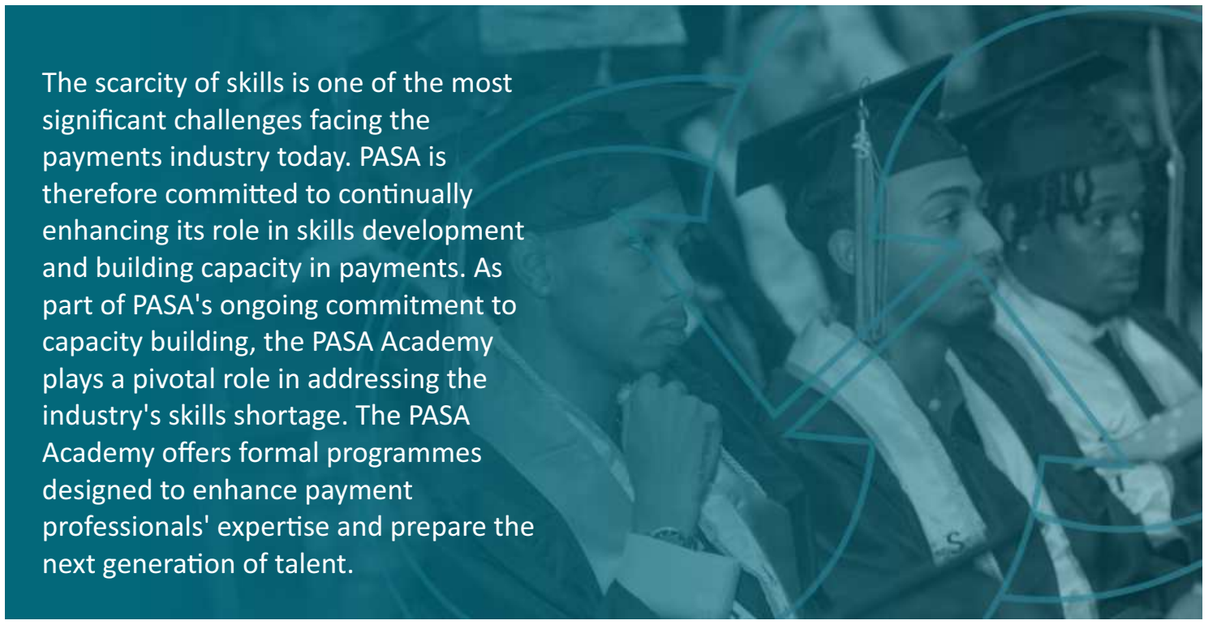
The PASA Industry Awards play a vital role in reinforcing intellectual capital by recognising and celebrating individuals and organisations that contribute to the excellence of the payments sector. These awards highlight achievements that inspire the sharing of best practices across the industry.

The PASA International Payments Conference (PIPC) 2025 serves as a dynamic platform for expanding intellectual capital. It promotes thought leadership, facilitates knowledge exchange, and encourages dialogue on emerging trends, regulatory developments, and transformative ideas that shape the future of payments both locally and globally.

KEY INITIATIVES THAT UNDERPIN INTELLECTUAL CAPITAL

The following initiatives align with the PASA cathedral statement: driving innovation through creative collaboration and partnerships, building consensus, and mobilising a broad range of stakeholders.

PASA Academy



The scarcity of skills is one of the most significant challenges facing the payments industry today. PASA is therefore committed to continually enhancing its role in skills development and building capacity in payments. As part of PASA's ongoing commitment to capacity building, the PASA Academy plays a pivotal role in addressing the industry's skills shortage. The PASA Academy offers formal programmes designed to enhance payment professionals' expertise and prepare the next generation of talent.

PASA Academy proudly celebrates 533 graduates for 2024, acknowledging their hard work, dedication, and commitment to excellence!

PASA Academy graduation

The graduation ceremony for 2024 graduates was held in January 2025 recognising the culmination of months of hard work and dedication by the graduates. The collective value derived from this programme will undoubtedly contribute to enhancing capacity in the payments industry and hopefully lead to more fulfilling work assignments for many.

Honouring excellence at the PASA Industry Awards. Proud award recipients display their certificates, acknowledging their exceptional contributions to the payments sector. An evening devoted to achievement, collaboration, and shaping the future of payments.

People in Payments video series

PASA recognises the importance of building a skilled workforce and sharing knowledge within the payments industry. As part of this commitment, the People in Payments video series showcases the careers of professionals who have made meaningful contributions to South Africa's payments sector.

This series provides an in-depth look at the personal and professional journeys of industry experts, highlighting the value they bring to the payments ecosystem and the broader economy. By sharing their experiences, these professionals offer insight into the diverse career paths within the sector, inspiring the next generation of payments leaders.

Beyond illustrating the dynamic nature of the industry, People in Payments highlights the passion, challenges, and impact of those shaping the future of payments. Subject matter experts and professionals, all of whom are key contributors to the PASA Academy programmes, have generously shared their invaluable experiences, showcasing how innovation and leadership drive progress in the payments sector.

PASA is honoured to feature these industry voices and remains committed to amplifying the stories of those making a difference in the payments space.

Visit the PASA website to view all the videos

PASA extends its gratitude to these professionals for sharing their insights and inspiring others to explore the vast opportunities within the payments landscape.

PASA Industry Awards

The annual PASA Industry Awards celebrate the outstanding contributions of individuals and teams across the South African payments industry. These awards provide a platform to recognise excellence, with members of the payments community invited to nominate peers for their exceptional achievements. Nominations are reviewed by the PASA Executive Committee and key Management Committee members involved in industry projects.

The 2024 theme, “Celebrating Our Brightest Stars in the Payments Galaxy,” honoured individuals and teams whose dedication and talent have significantly impacted the payments industry.

CEO Ghita Erling emphasised the importance of these awards in recognising the vital role of collaboration within the NPS. She explained that for the NPS to work safely and efficiently, competitors must come together and collaborate. Various experts and specialists from different disciplines within the PASA environment contribute to this effort. The PASA Industry Awards create the opportunity to acknowledge these specialists for their contributions to the South African payments industry.

Awards were made across the following categories.

Rising Star Award

Recognised individuals with less than five years of experience in the payments industry who made notable contributions.

Excellence Award

Honoured individuals who demonstrated outstanding performance and delivery in PASA structures or projects.

Leadership Award

This category acknowledged individuals who provided guidance, strategic direction, and thought leadership in PASA structures or projects. Nominees were recognised as industry leaders and role models who shared their expertise and inspired others.

Anchor Award

The Anchor Award celebrated individuals who demonstrated outstanding dedication to the payments industry for over ten years. It recognised their long-term commitment, leadership, and lasting impact on South Africa's payments sector.

Innovation and Excellence Team Award

This award honoured teams that introduced forward-thinking, innovative products, solutions, and processes within the payments industry. The recipients demonstrated excellence in execution, subject matter expertise, and resilience in driving projects that have a lasting industry impact.

The EMV Fleet project team received this award for their groundbreaking work on the EMV Fleet Migration Project, which has enabled cross-border fleet card acceptance through the introduction of a secure Chip and PIN standard. This innovation is set to significantly reduce magnetic stripe card fraud and save the fleet industry millions of rands.

The CMA & PSD-9 project team received this award for their outstanding efforts in aligning cross-border payments within the Common Monetary Area (CMA) with regulatory requirements. Launched by PASA in October 2023, the CMA PSD-9 project focused on transitioning EFT Credits to the SADC RTGS system and localising debit orders. Despite the timeline extension from April to September 2024, PASA and industry participants sustained strong momentum, achieving a critical milestone with the CMA threshold dispensation. This enabled straight-through processing, reducing costs and enhancing the customer experience, ultimately leading to a successful go-live on 9 September 2024.

Golden Sunset Award

This category acknowledged retired or retiring individuals for their invaluable contributions and service to the South African payments industry. It honoured those who left a lasting legacy in the field.

Lifetime Achievement Award

The Lifetime Achievement Award recognises individuals with a long-standing commitment to the payments industry. This prestigious award honours individuals whose careers have significantly shaped and advanced the sector.

Recipient
Sydney Gericke
Before his retirement from Nedbank, Sydney was a prominent leader in the South African payments industry, serving as PASA Councillor while leading Nedbank's card division. Known as a 'voice of reason,' he was appointed as an independent Councillor in August 2018 and became Chair of PASA Council in March 2019. As Chair, Sydney guided PASA through significant challenges, including the critical discussions that led to establishing a PIB to advance South Africa's payments landscape. Sydney exemplifies effective self-regulation, bringing deep expertise, calm leadership, and practical insight to drive consensus on complex matters in the payments sector.

For more information, visit the PASA Industry Awards page.

PASA International Payments Conference: Forging ahead together

PIPC 2025 will take place from 16-17 October 2025 offering a premier platform for thought leadership, collaboration, and networking. Building on the success of previous conferences, PIPC 2025 will provide fresh insights, valuable connections, and opportunities to explore innovative ideas that will shape the future of the South African payments industry.

Delegates and sponsors will engage with industry experts, share knowledge, and explore forward-thinking solutions to drive growth and modernisation in payments. The conference theme, 'Forging Ahead Together,' reflects the collective effort required to address current and future challenges in the payments landscape.

Both seasoned professionals and newcomers to the payments industry are encouraged to participate in this pivotal event. Industry stakeholders can stay informed by following PASA's social media channels and engaging with discussions using #PIPC2025 across platforms.

Feedback from the 2023 PIPC was encouraging, with participants praising the conference for its professionalism, insightful discussions, and exceptional organisation. Many attendees expressed appreciation for the opportunity to connect with industry peers and gain valuable insights into the evolving payments landscape.

These testimonials reinforce PIPC's reputation as a leading platform for thought leadership and collaboration in the payments industry.

"The PIPC revealed some of the most important trends in the payment industry and highlighted the key inflection points for businesses. From new payment systems to innovative technologies, the conference showcased the rapidly evolving landscape of the industry. Well done PASA on delivering an incredible event!"

"I would like to congratulate PASA on the 2023 PIPC event. My experience, as a participant representing both the Association for Savings and Investment South Africa (ASISA) and the Payment System Stakeholder Forum (PSSF), was that it was exceptionally well-organised, illustrated by the following:
- ***A highly respected panel of speakers and panellists, further elevated by the inclusion of international experts.***
- ***Thought-provoking and highly relevant topics.***
- ***A well-designed layout ensuring seamless access to all areas.***
- ***Well attended, which provided opportunities for engagement with various individuals within the payment's environment.***
- ***Overall, an excellent experience—one attendee even described it as a "mini SIBOS".***

SOCIAL AND RELATIONSHIP CAPITAL

WHAT SOCIAL AND RELATIONSHIP CAPITAL MEANS TO PASA

Social and relationship capital for PASA is defined by the strength of its connections with members, regulators, banks, fintechs, businesses, and consumers. PASA leverages these relationships through ongoing collaborative dialogues and strategic industry discussions, which form the foundation of its value proposition. By offering platforms for co-designing solutions, PASA actively contributes to the growth and evolution of the payments ecosystem, delivering tangible benefits to its stakeholders.

Despite its regulatory mandate, PASA is fundamentally stakeholder-centric. The organisation dedicates significant time and resources to supporting its diverse stakeholders, ensuring that every interaction adds measurable value. While adhering to prescribed processes and governance standards, PASA still prioritises a responsive and service-oriented approach that meets stakeholders' needs and upholds its duty to the National Payment System.

Moreover, PASA continuously seeks and values stakeholder feedback—recognising it as essential for driving progress, addressing challenges, and seizing opportunities. This feedback helps refine services and fosters an inclusive ecosystem, reinforcing PASA's role in shaping a dynamic and forward-thinking payments landscape.

HOW PASA ENHANCES VALUE FOR KEY STAKEHOLDERS

PASA's commitment to collaboration and stakeholder engagement is central to its role as a PSMB. By cultivating and maintaining high-quality relationships with regulators, Members, banks, fintechs, businesses, and consumers, PASA builds the foundation of its value proposition.

HOW PASA ENGAGES WITH ITS STAKEHOLDERS

PASA employs a comprehensive approach that combines both formal and informal interactions. Regular dialogue is maintained through structured operational, strategic, and project committee meetings, ensuring that stakeholders' voices are heard and their concerns addressed. Direct engagement is further prioritised through a dedicated CEO diary plan, which schedules meetings with select key stakeholders throughout the year.

In addition, PASA leverages its structures, stakeholder forums, and the PIB community platform to engage with a wide range of stakeholders, ensuring regular interactions and promoting a collaborative environment. To maintain momentum and continuity during the PIB transition, PASA organises PIB industry workshops and information sessions with stakeholders to ensure a broad understanding of the PIB's objectives, progress, and the way forward. Internal change management efforts are consciously managed to keep employees engaged and well-informed.

ASSESSING THE QUALITY OF STAKEHOLDER RELATIONSHIPS

PASA continuously gathers feedback from key stakeholders—such as BASA, BSA, the FSCA, the SARB, and other industry participants—through surveys and direct engagements. This comprehensive feedback process evaluates the strength and effectiveness of its relationships and informs ongoing improvements. The annual stakeholder survey conducted in 2024 indicates that PASA is effectively fulfilling its role, with most respondents rating its performance highly.

Respondents agree that PASA meets its responsibilities within the NPS	**57% STRONGLY AGREE**	**29% AGREE**
Respondents agree that PASA's engagement approaches are effective	**64% STRONGLY AGREE**	**21% AGREE**

Stakeholders have commended PASA for its knowledgeable, skilled, and professional team, strong leadership, and efficient communication. They value its ability to facilitate member collaboration, navigate challenging conversations, and enhance the inclusiveness and effectiveness of the payments ecosystem.

PASA's ongoing commitment to stakeholder engagement emphasises its dedication to building robust relationships and maintaining its continued relevance and impact in the payments landscape.

In the execution of its governance role and responsibilities, PASA Council adopts a stakeholder-inclusive approach that seeks to balance the needs, interests and expectations of material stakeholders with the best interests of the NPS.

IV 16

MEMBERS

Material matters

Strategic focus areas

1 2 3 4

PASA commitment
PASA aims to support and act in the best interests of the NPS and its Members, whose contributions fund PASA's activities.

Material concerns and expectations

Members expect ongoing management of the NPS, compliance with rules and risk management, and ensuring that the NPS remains fit for purpose by prioritising appropriate modernisation projects. This includes supporting and enabling payment system enhancements innovation.

PASA is expected to provide adequate administrative and governance processes for Member structures, as well as to ensure regulatory support and alignment.

PASA should ensure it creates a platform for payments participants to compete equally while providing value for money from Member funding contributions.

PASA is expected to transition to the PIB while maintaining legal certainty and ensuring no adverse effects on PASA Members or their activities in the NPS.

Resilience and stability of the NPS.

PASA's response and value-adding role (opportunities)

- Create platforms for Members to manage payment systems and ensure Member activities are effectively administrated and conducted in line with sound legal and regulatory frameworks.
- Maintain industry-wide relationships and support collaboration between Members on payments matters.
- Ensure interoperability of payment systems between Members and manage new projects on behalf of Members.
- As a key partner in the PEM programme led by the SARB, PASA plays a crucial role in supporting SARB by providing technical expertise for the broader modernisation efforts.
- PASA will continue leading, where appropriate, the modernisation of South Africa's card and debit systems, collaborating closely with industry stakeholders to ensure alignment with global standards and best practice.
- Manage risk effectively to ensure a safe and sound NPS.
- Support Members with consumer awareness content for their use.
- Support capacity building in payments through PASA's training programmes.
- Support regulatory initiatives aimed at equal regulation for all payment service providers.
- Despite legislative uncertainties, PASA has maintained PIB transition momentum through regular communications, stakeholder engagement, and inclusion of non-PASA Members in the PEM co-design. PASA also continues participation in the PSMB Transition Committee and collaborates with SARB to ensure legal clarity during the transition.
- Collaboration with key stakeholders to develop contingency plans to enable a co-ordinated response in the event of a disaster impacting the payment system.

PAYMENT SERVICE PROVIDERS WHO ARE NOT PASA MEMBERS

Material matters

Strategic focus areas 2 3 4

PASA commitment
To ensure the NPS remains effective, PASA must ensure it understands and considers the perspectives of all payment service providers, including non-banks, who also contribute both to the NPS and to modernisation.

Material concerns and expectations

For payment service providers who are not Members, PASA must promote payment system modernisation and inclusion by strengthening collaboration within the payment system.

Payment service providers expect clarity on the impact of PASA's rules on their commercial activities, as well as visibility and input into changes to PASA that could impact their businesses.

Payment service providers continue to find value in ongoing training and development opportunities to improve capacity.

The payments community expects PASA to design and implement the PIB in a fair, credible, inclusive and transparent manner.

PASA's response and value-adding role (opportunities)

- Be proactive in stakeholder management, awareness and communication.
- Provide a consultive platform to ensure all perspectives and views are understood and considered on NPS-related matters.
- Engage and consult a broader stakeholder community on new payments developments.
- Support non-bank payment service providers with education and awareness of payments.
- Support non-bank payment service providers' capacity building in payments through PASA's training programmes.
- Involve all stakeholders in the PIB process and ensure regular updates and communication.
- Improved engagement with the non-bank sector recognising the need for deeper understanding. Experienced professionals from non-banks could enhance inclusivity, broaden perspectives, and strengthen stakeholder value.

PAYMENT CLEARING HOUSE SYSTEM OPERATORS

Material matters

Strategic focus areas 1 2 3 4

PASA commitment
PSOs play a critical role in the NPS by processing and clearing payment instructions. PASA must therefore provide PSOs with certainty regarding their ability to operate and manage their systems and products.

Material concerns and expectations

PSOs expect PASA to maintain close working relationships among industry players and ensure the efficiency, effectiveness and interoperability of the NPS. Oversight of risk management and assistance with incident management are material concerns and expectations.

PSOs expect PASA to manage their annual reauthorisation process transparently, efficiently and fairly

PSOs have similar expectations of the PASA transition to the PIB as other stakeholders.

PASA's response and value-adding role (opportunities)

- Collaboratively define target states and transition paths for payment systems.
- Align on payment system risk and ensure that appropriate risk mitigation measures are identified and implemented.
- Coordinate incident and crisis alleviation activities.
- The PASA NPS Crisis Response Coordination Committee, directs and guides PASA structures during NPS crises, ensuring a centralised response.
- The PASA NPS Operational Resilience Forum monitors resilience risks and measures, escalating critical issues for resolution.
- Engagements with the SARB Crisis Preparedness Committee and NPSD to align efforts and emphasise the need for a fail-resistant, rather than fail-safe, system.
- Guide required service level agreements and PCH objectives to operate a payment system effectively.
- Engage and consult on new payments developments.

REGULATORS

Material matters

Strategic focus areas 1 2 3 4

PASA commitment
South Africa's financial services industry is highly regulated. Ongoing collaboration and engagement with relevant regulatory authorities is critical to PASA fulfilling its PSMB role.

Material concerns and expectations

Regulators, especially the SARB, expect that PASA will fulfil its responsibilities as PSMB diligently, efficiently and without fear or favour (fairly).

For regulators, PASA plays a critical role in supporting public policy objectives and the rollout of payments modernisation. This includes facilitating the achievement of the goals and objectives articulated in Vision 2025 and the PEM programme. To do this, regulators require PASA to ensure risk mitigation and a competitively equal environment while maintaining the stability, efficiency, effectiveness, and interoperability of the NPS.

Regulators expect that the PIB transition will result in a new entity that can continue to coordinate member activities and ensure the interoperability of the NPS.

PASA's response and value-adding role (opportunities)

The SARB
- PASA continues to fulfil the PSMB role effectively and efficiently.
- The PIB will continue to facilitate industry alignment and regulatory engagement, as the SARB considers leveraging PASA expertise for broader industry consultations on the PEM programme.
- With modernisation following a regulator-led approach until core infrastructure is established, PASA—and later the PIB—will support the PEM programme rather than leading independent modernisation efforts.
- Support the SARB with the execution of the Payments Policy and provide input in support of policy formulation.
- Align payments initiatives and industry strategy to Vision 2025.
- Drive initiatives that will support interoperability and ensure a safe and sound NPS.
- Support consumer awareness of payments and contribute to the national knowledge base in payments through PASA's training programmes.
- Ensure adherence of Members to PASA rules.

Other regulators with payments-related jurisdiction
- Provide regulators with a valuable platform to promote their policy goals and objectives.
- Act as a single point of contact to a vital industry base to solicit policy input and drive policy objectives and initiatives.
- Provide payments training where required.
- Manage regulatory-driven projects with payments impact where required.

BANK AND NON-BANK INDUSTRY BODIES

Material matters

Strategic focus areas 1 2 3 4

PASA commitment
Facilitating strong working relationships between bank and non-bank industry bodies is critical to ensure South Africa's financial services industry can respond to the rapid evolution of the payments landscape.

Material concerns and expectations

PASA continues to respond to commercial concerns around the commercial viability of debit order rules. Bank and non-bank industry bodies further expect PASA to promote inclusion among payment system participants by strengthening collaboration within the payment system.

Industry bodies expect to be consulted and included in modernisation efforts and changes to rules which impact them.

Industry bodies expect to be consulted and included in PASA's transition to the PIB.

PASA's response and value-adding role (opportunities)

- Provide a platform to ensure all perspectives and views are understood and considered in NPS-related matters.
- Secured industry agreement and regulatory acceptance for new debit order dispute rules, balancing collector certainty with consumer rights. The dispute period has been revised from one year to 60 days, enhancing efficiency while maintaining consumer protection.
- Engage and consult a broader stakeholder community in new payments developments.
- Support providers of payment services with consumer education and awareness of payments.
- Support non-bank payment service providers' capacity building in payments through PASA's training.

CONSUMERS

Material matters

Strategic focus areas 2 4 3

PASA commitment
Millions of payments are made by South African citizens and businesses daily. It is essential that the NPS provides consumer protection and enables a competitive, safe, and efficient payment system.

Material concerns and expectations

As the country's PSMB, PASA is expected to drive fraud mitigation to ensure that consumers have access to a stable, cost-effective and transparent payment system that promotes financial inclusion.

PASA's response and value-adding role (opportunities)

- Ensure safe and sound payment systems.
- Awareness of specific payment matters.
- Ensure that the rights of consumers are balanced with those of other users of payment systems.
- The payments industry, led by BSA and SABRIC, is collaborating on fraud risk mitigation, with PASA providing technical and strategic input.
- Developing a fraud prevention model for faster detection and containment of evolving cyber threats, has been prioritised.
- Authorised Push Payment (APP) scams are rising worldwide. To combat this, a task team is exploring a Confirmation of Payee (CoP) solution, which verifies account names when adding new beneficiaries, enhancing payment security.

INTERNATIONAL INDUSTRY BODIES

Material matters

Strategic focus areas 1 2 3 4

PASA commitment
To strengthen collaboration and capacity within the regional and global payment systems, PASA engages and maintains close working relationships with international industry bodies.

Material concerns and expectations

PASA participates in various knowledge and experience sharing forums with sister organisations in other jurisdictions.

PASA is expected to drive alignment with global industry standards to ensure regional and global integration of payment systems. This should be supported by engagement and collaboration with regional and global industry players and the sharing of knowledge and best practice.

PASA's response and value-adding role (opportunities)

- Contribute to knowledge sharing among the international payments community.
- Gain insights from other jurisdictions to share with local stakeholders.
- Support of CMA and SADC regional payment initiatives in various ways, in response to Members and other industry associations requests.

GOVERNMENT

Material matters

Strategic focus areas 2 4

PASA commitment
Strong working relationships between the government and the financial services industry help improve the resilience of the NPS.

Material concerns and expectations

The government expects a safe and sound NPS to support its activities and objectives, including the payment of social grants and government employee salaries.

PASA's response and value-adding role (opportunities)

- Support government-to-person payment needs.
- Mobilise industry support for government needs.

EMPLOYEES

Material matters

Strategic focus areas 3 4

PASA commitment
PASA's 54 employees are essential to fulfilling its role. As the transition to the PIB continues, the workforce is the driving force behind achieving strategic objectives, navigating change, and promoting innovation.

Material concerns and expectations

PASA is focused on being an employer of choice, underpinned by access to training, ensuring a high-performance culture and recognising the importance of employee wellness.

Employees continue to value transparency and communication across all levels of the organisation. This is particularly important to manage any uncertainty about job security due to the PIB transition.

As ways of working continue to evolve, it is important that PASA balances employee needs by managing a viable hybrid working model.

PASA's response and value-adding role (opportunities)

- A unique collection of payments experts in relevant payment areas, who can demonstrate their expertise on national and international platforms.
- Tapped into and part of a strong and vibrant national and global network of payments professionals.
- Opportunity to participate in and share and gain insight from local and global seminars.
- Development of payments technical and specialist skills in alignment with organisational requirements.
- Ensure knowledge transfer for new employees.
- Rollout of a holistic employee well-being plan, addressing mental, financial and physical health.
- Change management interventions, including resilience coaching for management teams.
- Increasing HR capacity, including a focus on career projection.
- High levels of transparency and communication regarding the PIB and other developments.
- Employee collaboration to identify PASA's purpose through a cause statement, aimed at building an emotive and sensible foundation for the employee value proposition.
- Comprehensive succession planning.
- Targeted capacity building programme to equip employees for key roles.
- Development of a reward and recognition programme.

TRAINING PROVIDERS AND OTHER LEARNING INSTITUTIONS

Material matters

Strategic focus areas 4

PASA commitment
PASA engages with other providers of payment training.

PASA has also, on an annual basis, supported the Georgetown University Masters in Finance degree by providing, supporting and overseeing topics for students.

Material concerns and expectations

Increasingly, other training institutions engage with PASA to partner in providing meaningful and comprehensive training. Their expectation is that PASA is a source of technical expertise and will act in the interests of the broader community, rather than as a competitor.

Georgetown University expects PASA to present meaningful, topical, real-world problems for their students to engage and learn from, and to generate value for the organisation.

PASA's response and value-adding role (opportunities)

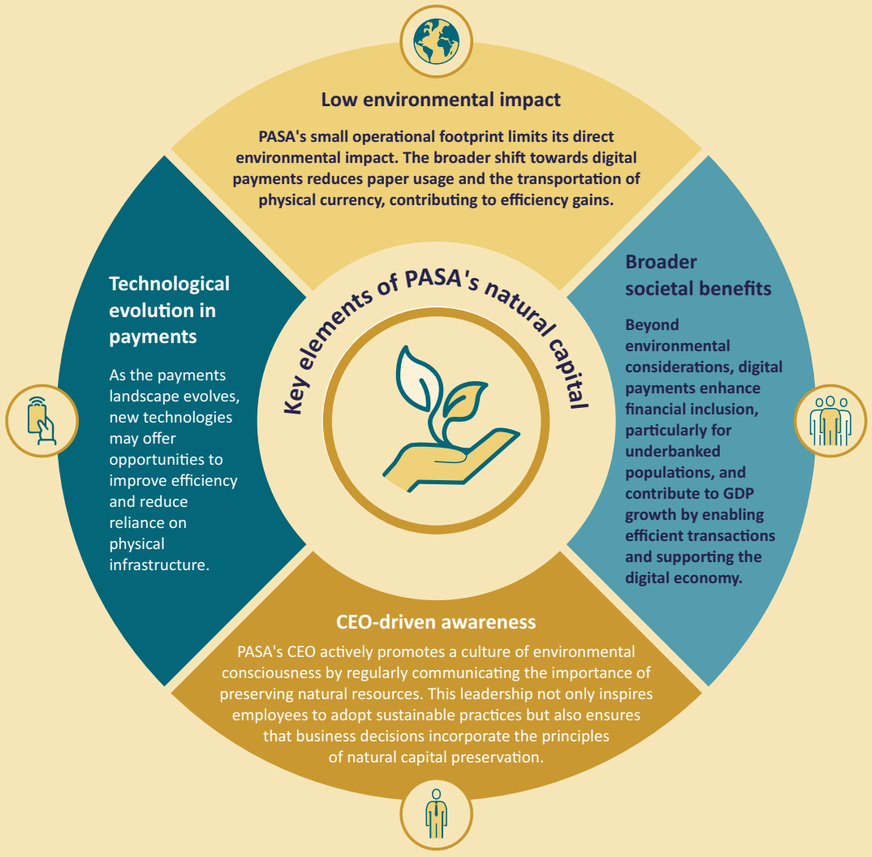
- PASA does not believe that it should be the sole providers of payments-related training and sees the opportunity to engage and ultimately partner with other training providers.
- PASA believes that there is an opportunity to engage with other institutions of higher learning to support their students with exposure to the payments industry.

NATURAL CAPITAL

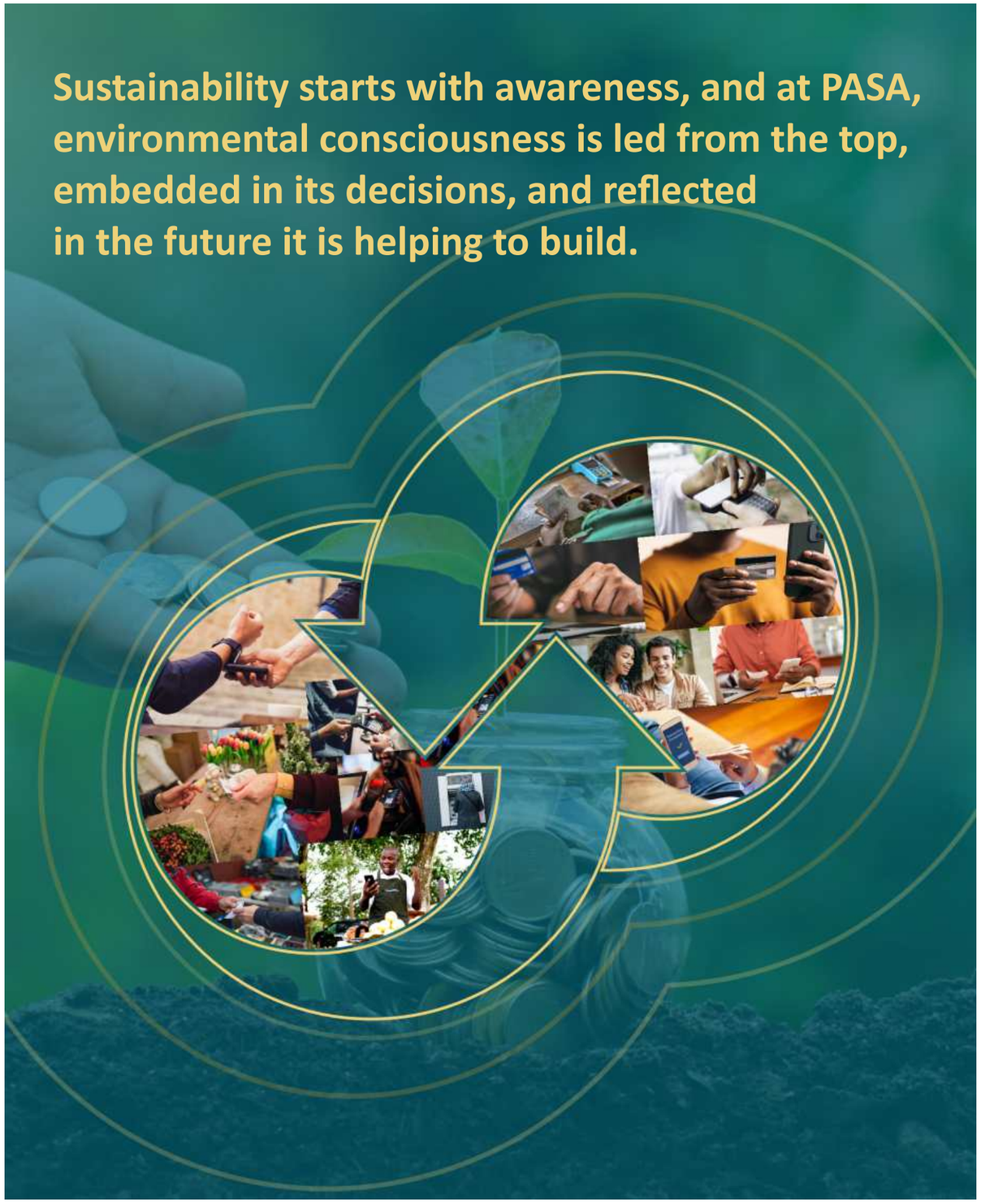
WHAT NATURAL CAPITAL MEANS TO PASA

PASA's natural capital reflects its commitment to minimising environmental impact while contributing to broader societal benefits through the modernisation of the NPS. With only 54 employees, PASA's direct environmental footprint is inherently low. However, its role in facilitating payment system modernisation means it operates within a broader ecosystem where sustainability considerations are increasingly relevant.

While the transition from paper-based and cash payments to digital alternatives has the potential to reduce resource consumption and emissions, PASA acknowledges that some digital payments rely on energy-intensive infrastructure. As such, it remains important for the payments industry to consider both the benefits and the environmental costs associated with digitalisation.



Sustainability starts with awareness, and at PASA, environmental consciousness is led from the top, embedded in its decisions, and reflected in the future it is helping to build.



RESPONSIBLE LEADERSHIP AND GOVERNANCE EXCELLENCE

DELIVERING GOOD GOVERNANCE THROUGH ETHICAL LEADERSHIP

The backbone of effective corporate governance within PASA is the Council's unwavering commitment to ethical leadership, strategic foresight, and vigilant oversight. This triad drives four essential governance outcomes: fostering good performance, ensuring effective control, maintaining legitimacy, and cultivating an ethical culture.

GOVERNANCE PHILOSOPHY

PASA Council aims to safeguard the NPS and promote industry unity through ethics, integrity, and strong governance practices. The goal is to drive positive change within the industry and position governance efforts as essential for achieving organisational objectives, not just meeting compliance requirements.

GOVERNANCE APPROACH

At the core of PASA's mission is a fiduciary duty upheld by the Council and its Councillors. They champion the interests of the NPS and PASA while balancing the diverse interests of Members. Embracing the King IV framework's principles and best practices, PASA operates with integrity and transparency.

GOOD PERFORMANCE: CHARTING THE COURSE FOR SUCCESS

- **Strategic direction:** The Council plays a key role in shaping PASA's strategic direction, ensuring that every objective aligns with the best interests of the NPS.
  Read more Strategy
- **Performance oversight:** To ensure accountability, the Council meticulously monitors performance against strategic objectives through regular reporting on key focus areas, promoting a culture of transparency.
  Read more Performance Against Strategy
- **Self-assessment:** Biennial evaluations of the Council, its committees, and individual Councillors ensure a continuous cycle of reflection and performance improvement, ensuring accountability and alignment with their responsibilities.
  See KIV 9
- **Investment in talent:** Recognising that people are at the heart of PASA's success, the Council actively invests in human capital, creating a nurturing environment where expertise flourishes, driving the successful execution of PASA's strategic goals.
  Read more Human Capital

EFFECTIVE CONTROL: SAFEGUARDING STABILITY AND COMPLIANCE

- **Risk management:** The Council ensures that robust risk management policies and frameworks are not only established but also continuously monitored and refined to mitigate potential threats effectively.
  Read more Risk and Opportunity Management Risk Committee Report
- **Regulatory compliance:** Adhering to regulatory requirements is paramount, and the Council remains vigilant in overseeing compliance in all operations. PASA strives to be a unifying force, aligning industry interests with societal goals while prioritising community wellbeing. Regulatory compliance is viewed not just as an obligation but as an opportunity to enhance business practices and drive positive impact.
  See KIV 13
- **Financial integrity:** Sound financial management and transparent reporting are upheld through the rigorous oversight of the PASA Council Audit Committee and external audits, reinforcing trust and accountability.
  Read more Financial Capital Audit Committee Report

LEGITIMACY: BUILDING TRUST THROUGH TRANSPARENCY

- **Council composition:** The composition of the PASA Council and its committees is continuously optimised, ensuring diverse perspectives while mandating the full disclosure of outside interests. Councillors are held to the highest fiduciary standards, prioritising the collective benefit of PASA and the NPS at all times.
  Read more PASA Council
  See KIV 6
- **Delegation of power:** Responsibilities are strategically delegated to PASA structures and Council Committees, enhancing engagement and participation from Members and stakeholders alike.
  See KIV 8
  See KIV 10
- **Stakeholder engagement:** The financial landscape is undergoing rapid transformation, propelled by technological advancements and the rise of new players in the industry. In this dynamic environment, PASA remains focused on fostering collaboration, transparency, and stakeholder engagement to create a cohesive and efficient payments ecosystem. Comprehensive policies and plans are implemented to facilitate meaningful engagement, ensuring the voices of all stakeholders are heard and valued.
  Read more Stakeholder Engagement
  See KIV 16

ETHICAL CULTURE: EMBODYING VALUES IN PRACTICE

- **Living the values:** Council prioritises an executive emphasis on embedding PASA's values, cultivating an environment where ethical behaviour is not just encouraged, but expected.
- **Performance evaluation:** Employee performance is measured on dual fronts—not only on the outcomes achieved but also on the way they are accomplished, reinforcing alignment with PASA's core values.
  Read more Performance Against Strategy
- **Fair remuneration:** A commitment to transparency and fairness underpins PASA's remuneration practices, ensuring all employees are rewarded justly for their contributions.
  Read more Governance of Remuneration

As PASA continues to navigate the complexities of the ever-evolving landscape, its governance framework stands as a robust pillar, guiding the organisation toward its vision while safeguarding the interests of its Members and the broader NPS. Together, through ethical leadership and transparent practices, PASA embodies a governance approach that is both responsible and innovative, setting the stage for sustainable success.

GOVERNANCE STRUCTURES

PASA takes pride in its governance framework, which is meticulously designed to uphold excellence and accountability in all its operations. Here is how PASA's governance structures work seamlessly together:

Strategic leadership by the PASA Council

The PASA Council serves as the cornerstone of governance, responsible for steering the organisation toward achieving its vision, mission, and values. By providing focused oversight, the Council ensures that objectives are met with the highest standards of integrity.

Empowered Council Committees

To streamline decision-making and enhance effectiveness, the Council delegates specific powers to specialised committees. These committees play a vital role in supporting the Council, enabling it to fulfill its responsibilities with agility and precision.

CEO

PASA Council delegates some of its authority to the CEO, who oversees PASA's daily operations, ensuring efficient execution of strategic goals and management of resources.

Day-to-day management by the Executive Committee (ExCo)

The ExCo is responsible for the daily operations of PASA, executing strategic goals and managing associated risks. This dedicated team ensures that initiatives align with overarching objectives while responding promptly to challenges.

PCHs

PASA Council has delegated some of its authority to PCHs, which handle rules for the clearing and settlement of payments.

Strategy Forums

Strategy forums provide a platform for PASA Members to engage in discussions on key strategic issues and contribute to decision-making.

Collaborative project oversight

PASA's Constitution empowers the CEO to establish project steering committees, which are instrumental in the effective management and implementation of projects. This structured approach facilitates focused oversight and successful project delivery.

Inclusive stakeholder engagement

Recognising the power of collaboration, PASA conducts regular stakeholder forums that provide a platform for non-member parties to engage meaningfully with the organisation. This practice ensures that diverse perspectives are incorporated and promotes a culture of inclusivity.

Supported legal framework

The payments industry acknowledges the importance of utilising PASA's legal entity structure—a voluntary association—for the PIB. This reinforces a collective commitment to shared governance and adherence to industry standards.

For a more comprehensive view of how PASA's governance structure operates, please refer to the detailed structure chart in the "About PASA" section on page 16.

HEIGHTENED COUNCIL FOCUS AREAS

- Changes to the regulatory environment. See material matter 1.
- Payment system modernisation. See material matter 2.
- PIB transition planning and execution. Read more here and see material matter 1 here.
- People skills and capacity. Read more here and see material matter 4 here.
- NPS resilience – including payment systems resilience, electricity resilience, connectivity resilience, and impacts of major weather events. See material matter 5.
- Appointment of the Chairperson and Deputy Chairperson post the term end of outgoing Chairperson, Sydney Gericke.

KEY GOVERNANCE ACTIONS IN 2024

Approved changes in leadership - Appointment of Ingrid Goodspeed as the Independent Chair of Council and appointment of Herman Singh as the Independent Deputy Chair of Council.

IT Risk Subcommittee - Council provided some guidance on the Constitution and noted the members of the IT Risk Subcommittee which began to operate from November 2024 following Council Risk Committee approval.

See the IT Risk Subcommittee report.

SARB's procurement of PASA's services for PEM - A proposal in response to SARB's request for support, with PASA's expertise playing a crucial role in the realisation of PEM's objectives.

Approved reformatted Councillor training

IV 7 See KIV 7 on page 60.

Approved the postponement in the biannual evaluation process from 2024 to 2025, given the extent of changes in Councillor leadership roles in 2024 following changes to Chairs and resultant Committee composition, as well as the appointment of a new Company Secretary.

Enhanced declaration of interest documentation - Allows for disclosure of any work conducted in an advisory role for PASA in informal working groups, decided in 2024 and implemented in 2025.

CORPORATE GOVERNANCE ALIGNED TO KING IV™ PRINCIPLES

PRINCIPLES 1-3: LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

IV 1 IV 2 IV 3

Fostering an ethical culture at PASA

At PASA, ethical leadership and effective management go hand in hand. Council members set a strong example by embodying PASA's core values, showing their commitment to ethical conduct in their decisions and actions.

The PASA Constitution clearly outlines what is expected from Councillors, including guidelines on best practices, fiduciary duties, and how to handle conflicts of interest. It also details the obligations and responsibilities of Members, ensuring that everyone aligns with PASA's policy objectives.

While the PASA Council has the overall responsibility for upholding ethical standards, they also hold executive management accountable for putting these ethical principles into practice. This dual accountability ensures that governance, risk management, and compliance are managed effectively, providing confidence that PASA carries out its mission with integrity.

PASA has implemented a range of policies, including a specific Ethics Policy, that all employees must follow. This commitment to ethical behaviour promotes a culture of transparency and fairness within the organisation, reinforcing PASA's dedication to ethical excellence.

PASA's commitment to corporate citizenship

PASA is dedicated to being a fair, responsible, and transparent organisation. It promotes sustainable business practices, tries to care for the environment, and invests in employee development.

Through these actions, PASA demonstrates its commitment to being a responsible corporate citizen, making a positive impact on society and the environment.

Focus area	Response
Social and economic development	• **Fighting corruption:** PASA's code of conduct emphasises integrity, honesty, fairness, and trustworthiness in all activities. • **Employment equity:** The Remuneration Committee actively monitors diversity and inclusion, ensuring fair opportunities for everyone and promoting skills development. • **Advocating for digital payments:** increasing digital payments and thereby reducing the usage of cash can increase GDP growth and alleviate extreme poverty.
Good corporate citizenship	• **Promoting equality:** PASA tackles unfair discrimination through its Ethics Policy, Employee Relations Policy, and Employment Equity Policy. • **Contribution to the development of communities:** Corporate Social Responsibility (CSR) forms part of the HR well-being strategy which includes charitable giving as part of the CSR initiatives.
Ethical leadership	• PASA Council members have a fiduciary duty to act in the best interest of the NPS and represent their Members fairly. PASA follows King IV guidelines to maintain ethical and effective governance. • Good governance is supported by PASA Council's commitment to leadership that drives an ethical culture, good performance, effective control, and legitimacy.
Environment, health, and public safety	• PASA's operations have a low environmental impact, and on a broader societal level. PASA has a positive environmental impact through driving digital payments. This involves leveraging technology for modernising the NPS and moving the NPS from paper payments to more electronic payment means.
Labour and employment matters	• PASA's Employee Relations Policy covers all aspects of labour and employment, ensuring compliance with labour laws. • The HR team is responsible for managing labour and employment issues internally, ensuring compliance and effective handling of all related matters.

PRINCIPLES 4-5: STRATEGY, PERFORMANCE AND REPORTING

IV 4 IV 5

PASA Council is responsible for setting PASA's strategy and delivering long-term value to its Members, the SARB NPSD and other stakeholders. In addition, it provides constructive challenge to management in the execution of strategy and ensures PASA maintains effective and transparent risk management and internal control systems.

The strategy is aligned to SARB's Vision 2025 which provides the roadmap to building a world-class NPS that serves the economy and people of South Africa.

PASA evaluates its strategic initiatives against the objectives articulated in Vision 2025 and has initiated several strategic projects on behalf of its Members.

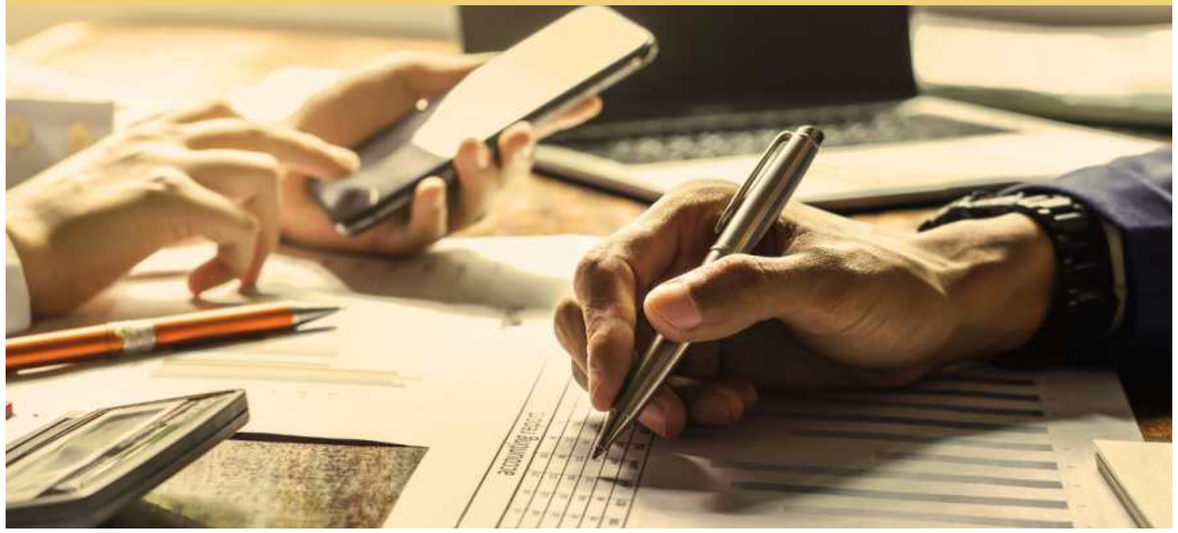
Strategy execution continues to be measured through a scorecard, and performance is assessed against weighted key performance indicators (KPIs). PASA Council critically considers PASA's performance against the objectives and KPIs.

The PASA 2024 scorecard changed from a “bottom-up” detailed scorecard to a “top down” strategic approach, focusing only on strategic Council priorities and focus areas. It is supported by a more detailed iteration of the Council key performance areas and a separate operational management scorecard to track performance on areas not covered in the strategic scorecard. To address operational issues more effectively, PASA introduced the separate operational scorecard, ensuring all employees align their activities with PASA's deliverables.

The internal strategy process of the organisation's strategy function helps to create strategic positions that align with the industry's needs. This ensures that PASA remains a significant and valuable role-player in the NPS.

For details on our strategy see page 38 and for performance against strategy see page 39.

PASA publishes an annual Integrated Report and Annual Financial Statements, both of which are approved by PASA Council and are published on the PASA website. The financial aspects of the annual reporting documents are reviewed by the Audit Committee and recommended to Council for approval. A PASA Council task team, comprising four Councillors, was established by PASA Council to review this draft Integrated Report for 2024 and to recommend it to Council for approval.



PRINCIPLES 6 - 7: PASA COUNCIL

IV 6 IV 7

Councillors are the guardians of governance at PASA. They bring diverse perspectives to Council discussions and add value by constructively questioning the executive management's strategies and risk management efforts.

Sydney Gericke (66)

Independent Outgoing Chair (Until 30 July 2024)

Joined Council: August 2018

Qualifications: BCom (Hons); MCom; Advanced Management Programme (INSEAD, France); Executive Management Programme (Duke University, USA)

Ingrid Goodspeed (71)

Independent Chair from 1 August 2024
Independent Deputy Chair until 30 July 2024

Joined Council: February 2017

Qualifications: CD(SA); LLB; MBL (Cum Laude); BCom (Hons) (Economics); BCom (Accounting and Economics)

Herman Singh (64)

Independent Deputy Chair from 1 August 2024

Joined Council: May 2021

Qualifications: BSc (Engineering) Wits; GDE (Industrial Engineering) (Wits); MBA (Wits Business School)

Fay Mukaddam (53)

Independent Councillor

Joined Council: June 2023

Qualifications: LLB University of Durban Westville; BA University of Natal – Durban Campus; Advocate of the High Court of SA

Thami Moatshe (49)

Independent Councillor

Joined Council: June 2023

Qualifications: MBA; MMFI; PMP; BCom (Hons)

Ghita Erling (52)

Ex Officio Councillor - Chief Executive Officer

Joined Council: November 2020

Qualifications: MSC (Eng); BSc (Cum Laude); Executive Development Programme (Wits); Dip (ABRSM)

Tim Masela (64)

SARB Ex Officio Councillor

Joined Council: August 2012

Qualifications: MCom; Bcom; Graduate Diploma in Computer Audit; Senior Executive Programme (Harvard)

Shaun Rayfield (55)

SARB Ex Officio Alternate Councillor

Joined Council: October 2018

Qualifications: BCom Money and Banking

Richard Stocken (54)

Absa Bank appointed Councillor

Joined Council: December 2023

Qualifications: BSC Chemical Engineering (UKZN); MSC Industrial Engineering (Wits)

Gabriella Teixeira (58)

Absa Bank appointed Alternate Councillor

Joined Council: May 2018

Qualifications: BCom (Distinction); Green Belt Lean Six Sigma; Financial Market Instruments; Executive Leadership Diploma (Gibs)

Jill Murtagh (64)

Bidvest Bank appointed Councillor

Joined Council: March 2015

Qualifications: Associate Diploma in Banking; Advanced Diploma in Banking; Project Management Diploma

Busi Radebe (50)

Capitec Bank appointed Councillor

Joined Council: May 2022

Qualifications: Postgraduate certificate in AI and Machine Learning; MBA; BSc Electro-Mechanical Engineering; National Diploma Metalliferous Mining

Marthinus Janse Van Rensburg (56)

Capitec Bank appointed Alternate Councillor

Joined Council: April 2009

Qualifications: BCom; LLB

Megan Brown (50)

***FirstRand Bank appointed Councillor**

Joined Council: February 2017

Qualifications: CA(SA); CFA; Postgraduate Diploma in Accounting (UCT); BA Business Science (Finance) (Hons) (UCT)

***Until 31 October 2024**

Lauren Breetzke (36)

FirstRand Bank appointed Councillor

Joined Council: November 2024

Qualifications: BCom, LLB (University of Pretoria); Attorney and Conveyancer of the High Court of SA

Boitumelo Legabe (43)

FirstRand Bank appointed Alternate Councillor

Joined Council: February 2024

Qualifications: BCom (Hons) - BM (Unisa)

John Elliott (46)

Investec Bank appointed Councillor

Joined Council: October 2018

Qualifications: BBusSc (Hons)

Gerald Byleveld (47)

Investec Bank appointed Alternate Councillor

Joined Council: September 2022

Qualifications: Fellow – Association of Chartered Certified Accountants (UK); Certified Anti-Money Laundering Specialist (ACAMS); MBA (Cum Laude); Certified Internal Auditor (Institute of Internal Auditors)

Ian Carter (57)

Nedbank appointed Councillor

Joined Council: February 2014

Qualifications: BCom Financial Management (UKZN); Asset and Liability Management (INSEAD); International Executive Development Programme (Wits Business School)

Marijke Guest (54)

Nedbank appointed Alternate Councillor

Joined Council: October 2018

Qualifications: MBA

John Anderson (57)

Standard Bank appointed Councillor

Joined Council: October 2018

Qualifications: BCom; Master of Business Administration (MBA)(Henley Business School)

Rufaida Hamilton (50)

Standard Bank appointed Alternate Councillor

Joined Council: September 2009

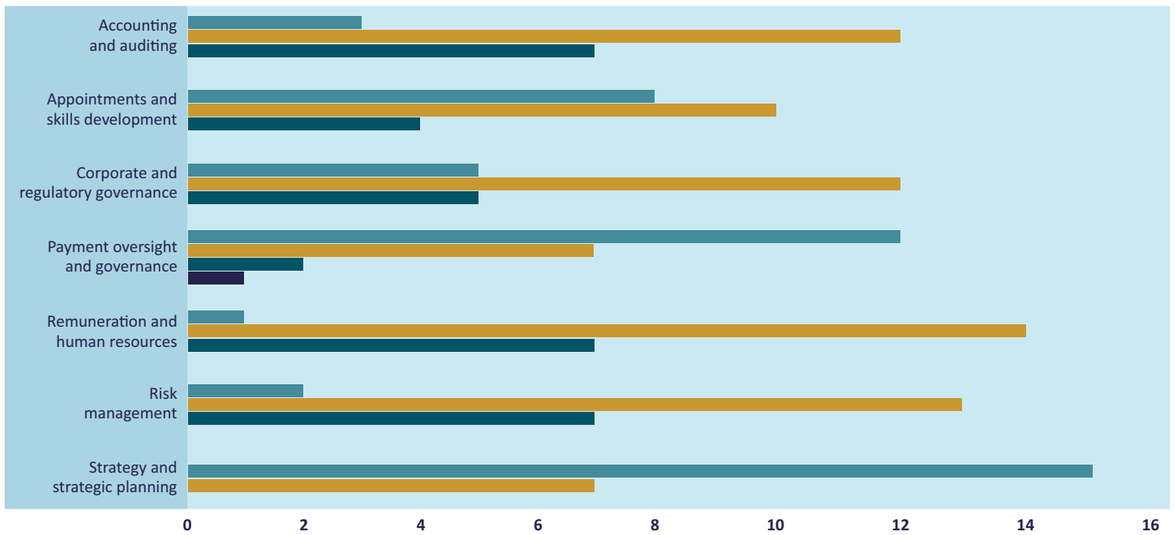
Qualifications: BCom (Hons); LLB; BA; Harvard Business School Alumna

PASA Council as at 31 December 2024

Independent Chair Ingrid Goodspeed	**Independent Deputy Chair** Herman Singh	**Independent Councillor** Fay Mukaddam
Independent Councillor Thami Moatshe	**Ex Officio Councillor (voting)** Ghita Erling	

Ex Officio (non-voting) SA Reserve Bank	Councillor	Tim Masela
	Alternate	Shaun Rayfield
Absa Bank	Councillor	Richard Stocken
	Alternate	Gabriella Teixeira
Bidvest Bank	Councillor	Jill Murtagh
	Alternate	–
Capitec Bank	Councillor	Busi Radebe
	Alternate	Marthinus Janse van Rensburg
FirstRand Bank	Councillor	Lauren Breetzke
	Alternate	Boitumelo Legabe
Investec Bank	Councillor	John Elliott
	Alternate	Gerald Byleveld
Nedbank	Councillor	Ian Carter
	Alternate	Marijke Guest
Standard Bank	Councillor	John Anderson
	Alternate	Rufaida Hamilton

Council Skills Matrix



Information presented is as at 31 December 2024

Changes to PASA Council during the year

Changes announced and implemented during 2024, include:

Appointments

- Ingrid Goodspeed was appointed as the Independent Council Chair from 1 August 2024.
- Herman Singh was appointed as the Independent Deputy Chair of Council from 1 August 2024.
- Boitumelo Legabe - appointed to Council as FirstRand's appointed Alternate Councillor from February 2024.
- Lauren Breetzke - joined Council as FirstRand's appointed Councillor from November 2024.

Resignations

- Sydney Gericke completed a six-year term as a PASA Councillor, most of which was served as Chairperson, on 30 July 2024.

A knowledgeable, skilled, experienced, diverse and independent Council

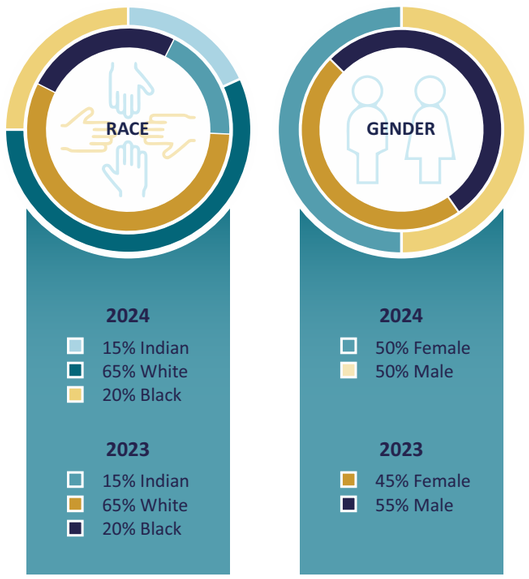
PASA believes that creating and sustaining lasting value depends on having strong and ethical leaders who are skilled, knowledgeable, and experienced. The quality of leadership at PASA is reflected in the diverse backgrounds and deep commitment of its Councillors and Members.

To enhance this diversity, the Nomination and Induction Committee (NIC) offers guidance on how to build a well-rounded PASA Council with a variety of skills, experiences, and perspectives.

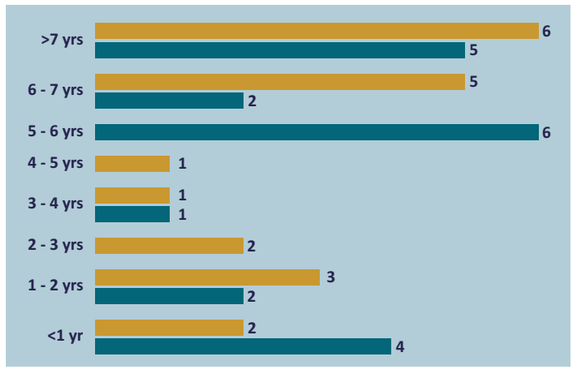
PASA Council feels confident that it has the right mix of expertise and independence needed to effectively fulfill its duties and uphold governance standards. The NIC regularly assesses the independence of Council members and takes action when necessary to maintain that balance.

There is a broad range of specialisations across individual PASA Councillors, ensuring that the Council has a broad knowledge base. The skills of the Councillors are reviewed at least once a year to keep track of the Council's strengths and identify where improvements can be made. This ongoing focus on diversity and expertise helps PASA lead effectively in the payments landscape.

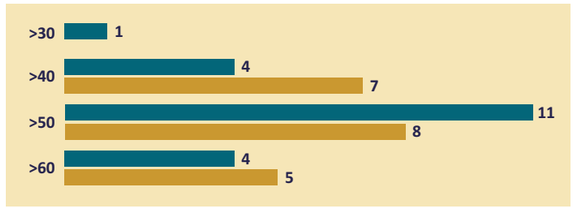
Council Diversity



Tenure



Age



Succession planning

The NIC plays a key role in selecting, orienting, and training all PASA Councillors.

Additionally, the committee is responsible for appointing the CEO and planning for their succession. Members who have the right to appoint Councillors make sure that suitable replacements are brought in whenever necessary. This proactive approach ensures that PASA remains strong and effective for the long term.

Onboarding, induction and training for Councillors

When new Councillors join PASA, they undergo a comprehensive induction process that includes introductions to members of ExCo and the chairs of the committees they will serve on, fostering early connections within the organisation.

	Appointed to Council	Completed induction
Richard Stocken	End of 2023	2024
Boitumelo Legabe	February 2024	2024
Lauren Breetzke	November 2024	2025

To equip Councillors who may lack current exposure to developing payments trends, PASA offers an ongoing series of thought leadership sessions on topical payments matters. Further, on an annual basis, NIC considers training for all PASA Councillors. For 2024/2025 this training plan includes crypto asset regulation, cybercrime regulations and progress towards remediating the FATF grey listing. This demonstrates PASA's commitment to continuous learning and equips Councillors to fulfil their roles with confidence and competence.

PASA requires all Councillors to attend all four modules of the Institute of Directors "Being A Director" (BaD 1-4) training. PASA acknowledges any previously completed training by Councillors in this respect. Monitoring of the two-year timeline for BaD 1-4 training has been implemented.

As South Africa's payments ecosystem enters a new era, PASA's collaborative leadership is shaping a future that is faster, fairer, and more inclusive.

PASA Council meetings and attendance

PASA's Council meets between four and eight times a year, averaging around 10 meetings in total, including special, strategy, and annual general meetings (AGMs). To make decisions, at least 80% of voting Councillors need to be present, ensuring a strong representation. Alternate Councillors can join these meetings, but their attendance is optional. It is important to note that the SARB, which is a non-voting member, does not participate in strategy sessions.

During the 2024 financial year, PASA's Council convened eight times. The NIC keeps track of attendance at these meetings. Overall, the Council is pleased with the attendance levels, as they help ensure that the governing body meets its responsibilities as outlined in its Constitution. Whenever attendance by a Councillor is low, the Council takes steps to address the issue. This commitment to active participation helps PASA effectively fulfill its mission.

Meeting attendance for 2024
Meeting dates (22/02, 16/05, 20/05, 25/07 x2, 17/10, 11/11, 21/11)

Principle Councillors		Alternate Councillors	
S Gericke	3/5		
I Goodspeed (Chair)	8/8		
H Singh	6/8		
F Mukaddam	7/8		
T Moatshe	7/8		
T Masela	0/8	S Rayfield	7/8
G Erling	8/8		
J Anderson	7/8	R Hamilton	8/8
M Brown (resigned 14/10)	6/6	B Legabe (joined 03/2024)	7/7
L Breetzke (replaced M Brown from 4/11)	2/2		
I Carter	7/8	M Guest	1/8
J Elliot	6/8	G Byleveld	1/8
J Murtagh	8/8		
B Radebe	7/8	M Janse van Rensburg	6/8
R Stocken	6/8	G Teixeira	5/8

PRINCIPLE 8: COMMITTEES OF PASA COUNCIL

IV 8

Until November 2024, PASA Council operated with four permanent committees, each made up of experienced Councillors who oversee important responsibilities. A fifth temporary committee, the PASA Review Committee, was initially constituted in response to a review of the PASA function initiated by the SARB in 2015. It has now been repurposed to primarily focus on the regulatory elements of the transition to the PIB.

This structure of supporting committees has ensured that the Council had adequate capacity to guide the organisation effectively.

A new addition to this structure is the IT Risk Subcommittee, formed by the Council Risk Committee in 2024. This committee held its first meeting in November 2024 to focus on critical areas such as cybersecurity and resilience, IT risk management, key technology projects and PASA's digital transformation journey. Under the leadership of Professor Herman Singh, this committee plays a crucial role in ensuring that PASA's approach to IT aligns with its overall goals while effectively managing risks to protect everyone's interests.

Council Committees

Audit Committee See page 62	**Council Risk Committee** See page 63	**Nomination and Induction Committee** See page 65
Remuneration Committee See page 66	**PASA Review Committee** (temporary) See page 67	**IT Risk Subcommittee** See page 64

Each Council Committee has its own formal constitution, which clearly outlines its responsibilities and authority to assist the Council in fulfilling its governance obligations.

PASA Council actively reviews the makeup of its committees to ensure they are effective. In 2024, several changes were implemented, including:
- Jill Murtagh joined the Audit Committee.
- John Anderson became a member of the Nomination and Induction Committee.
- Ingrid Goodspeed joined the Council Risk Committee.
- Richard Stocken became part of the PASA Review Committee.
- Fay Mukaddam joined the Remuneration Committee.

To ensure accountability and progress tracking, PASA Council and all committees - except for the PASA Review Committee as an ad-hoc committee - have clear work plans that list their tasks according to their constitutions. This assists each committee in evaluating its progress and ensuring they are meeting their goals.

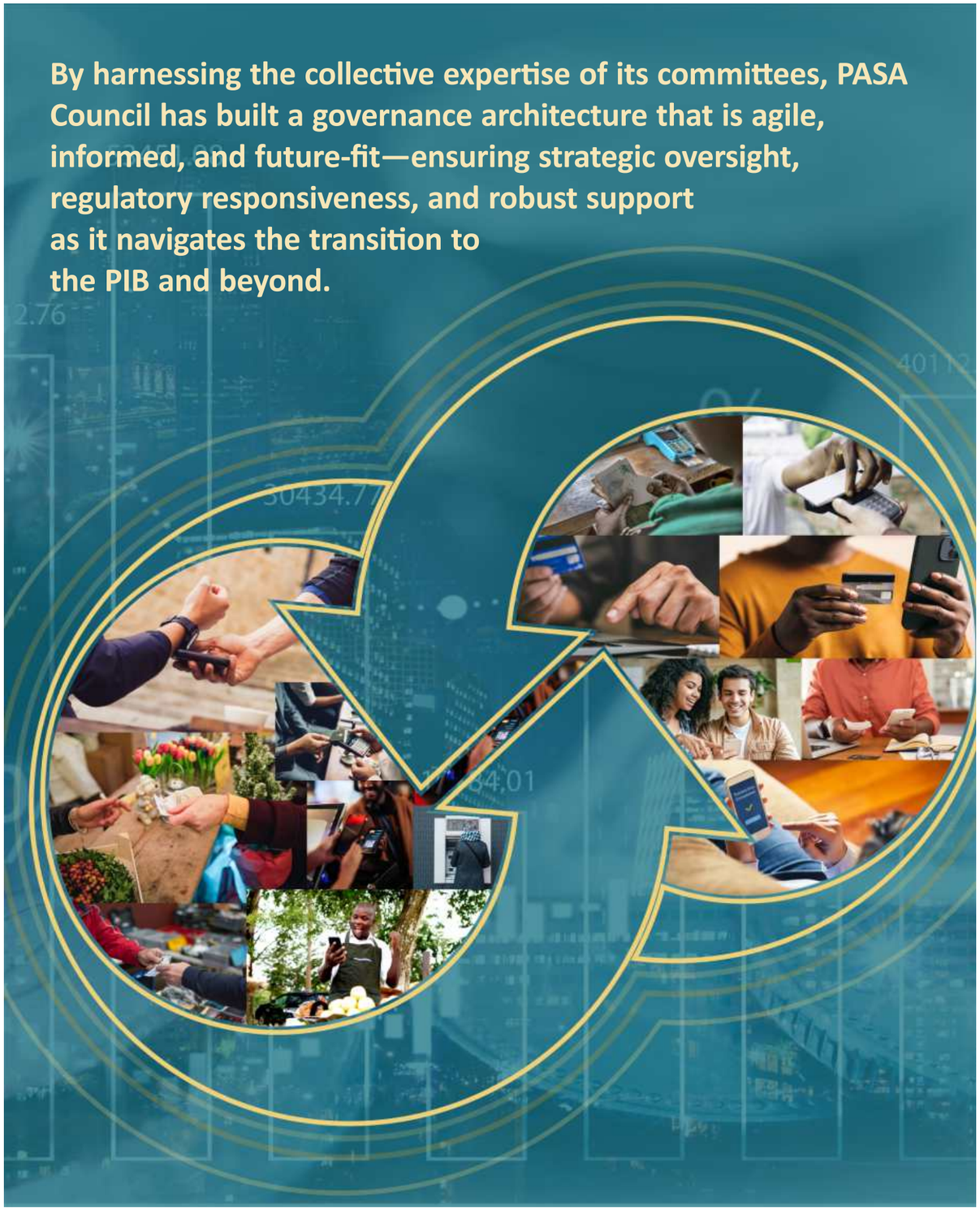
Each committee also reports on its activities at every Council meeting, making sure everyone is informed about their ongoing efforts and contributions.

The committees remain fully committed to supporting the PASA Council and executive management in the oversight and strategic planning required to reassess the PIB Design and define PASA's future role, given the SARB's revised regulatory framework under the PEM programme.

Council Committee reports

The detailed committee reports presented below provide valuable insights, including the names of Council members serving on the committees, their focus areas for the period under review, the contributions of each committee to the advancement of PASA and effective governance, as well as the strategic priorities for 2025.

By harnessing the collective expertise of its committees, PASA Council has built a governance architecture that is agile, informed, and future-fit—ensuring strategic oversight, regulatory responsiveness, and robust support as it navigates the transition to the PIB and beyond.



AUDIT COMMITTEE

"The year under review has underscored the successful integration of key learnings and the implementation of policies, resulting in a highly efficient and well-functioning Finance function. The achievement of a clean PASA financial audit, alongside streamlined Audit Committee reports and meetings, demonstrates significant progress in addressing legacy issues and improving operational efficiency. Through strict adherence to finance policies, comprehensive employee training, and enhanced processes, the Finance function has been professionalised. Notable accomplishments include the successful implementation of an improved invoicing system and the timely approval of the 2025 budget. These outcomes reflect PASA's unwavering commitment to continuous improvement and operational excellence, establishing a solid financial foundation that positions the organisation to effectively navigate the complexities of the transition to the PIB."

Thami Moatshe, Audit Committee Chair

Audit Committee Report

Committee purpose and how it contributes to value creation

The Audit Committee oversees the integrity and appropriateness of financial reporting, ensures robust financial risk management, and provides strategic guidance to enhance governance and operational excellence. Key responsibilities include:
- Recommending external auditors while evaluating their independence and effectiveness.
- Reviewing and endorsing the annual budget for PASA Council approval.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
T Moatshe (Chair - appointed July 2024)	7/7
I Goodspeed (Chair - resigned July 2024)	4/4
M Brown (resigned Oct 2024)	3/5
G Byleveld	0/7
J Murtagh (appointed July 2024)	2/4
H Singh	7/7

Management attendees

G Erling
C Pariola
N Ramabi
N Bham

Declaration
For the year ending 31 December 2024, the Audit Committee confirms that it has fulfilled its responsibilities in alignment with the PASA Constitution, the Audit Committee Constitution, King IV™ guidelines, and applicable standards.

Risks the committee oversees

Financial and tax risks
- Ongoing mitigation strategies and proactive planning ensure resilience and compliance.

King IV™ principle focus

IV 5 IV 15

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved Yes ✓ No ✗ Partial —
Oversaw the financial reporting, budgeting, and forecasting disciplines.	• Notable demonstration of the successful adoption of learnings and implementation of policies and processes, leading to a well-functioning and efficient Finance function. • Effective meeting packs and reports enhanced the quality of the Audit Committee discussions, ensuring that meetings are both efficient and productive. • The 2025 annual budget was delivered on time and recommended to Council and was subsequently approved. • Notable improvement in budgeting and forecasting disciplines.	✓
Oversight of the implementation of approved policies, procedures and the continuous improvement of the external audit process and outcomes.	• Professionalised the Finance function with strict adherence to the finance policies approved in 2023 (Procurement, Finance and Investment Policies). • Successfully implemented standard operating procedures to improve financial management. • Obtained a clean PASA financial audit. • Approved the external audit fees and recommended the reappointment of the External auditors.	✓
Provided strategic oversight of governance and financial controls while driving continuous improvement.	• Enhanced processes that build more rigour in the finance procedures. • Entrenched procedures and automated workflows where possible, resulting in greater efficiency. • Implemented standard operating procedures to improve financial management which include more rigorous monitoring of payments. • Trained employees on the updated Procurement Policy and processes in collaboration with the contract management process (end-to-end procurement process). • PASA lease renewal - resolved that a one-year lease extension with GrowthPoint be entered into and recommended to Council who subsequently approved.	✓
Oversight of the financial and tax matters arising as a result of the transition to the PIB.	• Reusing PASA's legal entity for the PIB results in reduced spend. • Continued oversight of the PIB transition budget.	✓
Oversight and guidance of the implementation of the Financial Risk Recovery Plan (FRRP).	• Recommended the FRRP, which outlines guidance on addressing various financial risk events, for approval by the Council. Consulted with the SARB, who endorsed the plan and committed to offering the required support. Ensured that the FRRP fully considered the human impact in the BCP and the Cyber Incident Recovery Plan as well as multiple risk events.	✓
Guided remediation of the annual membership invoicing process.	• Established and implemented phase-one of the improved member invoicing process and accountabilities.	—

Future focus areas 2025

The committee will:
- Continue to oversee the financial reporting, budgeting, and forecasting disciplines.
- Continue to strengthen the implementation of approved policies, procedures and the continuous improvement of the external audit process and outcomes.
- Continue to oversee and guide continuous improvement of governance and financial controls.
- Continue oversight of financial matters related to the reassessment of the PIB Design and associated transition. Oversee and guide further decisions relating to the lease.
- Oversee and guide further automation and enhancement of the annual membership invoicing process (phase-two).

COUNCIL RISK COMMITTEE

"In 2024, PASA enhanced its risk management framework through key initiatives: enhancing governance structures to define clear risk thresholds, operationalising a robust risk acceptance model, and integrating risk management with rules changes. Our focus on the organisational IT and cyber risks, along with operational resilience in crisis scenarios, reflects our proactive approach towards the internal control environment. The establishment of dedicated committees ensures strategic oversight and effective governance, enabling timely responses and reinforcing our dedication to safeguarding the NPS. Ultimately, through rigorous reporting and assessment, we aim to navigate emerging risks with confidence and clarity."

Herman Singh, Risk Committee Chair

Council Risk Committee Report

Committee purpose and how it contributes to value creation

- Reviews and oversees the management of the organisation's principal and emerging risks, risk appetite and tolerance limits, and the effectiveness of the risk management systems and frameworks.
- Oversees the principal and emerging risks within the NPS as articulated and managed by PASA management and Members, with input from payments regulators.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
H Singh (Chair)	6/6
I Goodspeed (from July 2024)	2/2
G Byleveld	1/6
S Gericke (until July 2024)	3/4
R Hamilton	6/6
M Janse van Rensburg	5/6
T Moatshe	6/6

Management attendees

G Erling
C Pariola
N Ramabi
N Bham

Declaration

The committee reports that for the year ended 31 December 2024, it is satisfied that it has fulfilled its responsibilities in accordance with the PASA Constitution, the Risk Committee Constitution, King IV™ and other applicable standards and codes.

Risks the committee oversees

The committee oversees all risks, noting the key focus on people risks by the Remuneration Committee and financial and tax risks by the Audit Committee.

King IV™ principle focus

IV 11

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved
Established an Information Technology Risk Committee.	• The PASA IT Risk Subcommittee established, and members appointed.	Yes
Monitored the enhancement and application of effective risk management models to manage NPS risks.	• Monitored risks with residual ratings outside of tolerance limits and actions plans to mitigate them. See Risk and Opportunity Management on page 28 for details. • PASA NPS Risk Acceptance Model approved and published on the Rulebook. • Council Risk Committee Constitution reviewed and recommended to Council; subsequently approved. • The dissolution of the Business Continuity Committee was approved and the Operational Resilience Forum was established through the NPS Risk Committee.	Yes
Oversaw the payment systems contingency planning and connectivity resilience modernisation.	• PASA NPS Crisis Response Co-ordination Committee established. • Discussed the NPS response plan with a focus on resilience and contingency planning for potential disasters and system outages.	Yes
Monitored the maintenance of an effective PASA organisational risk management and compliance capability.	• Risk, compliance and information security responsibilities included in employee performance contracts. • Ongoing risk culture entrenched through awareness training security simulations. • Policy awareness training updated, and the policy repository rolled out on the learning management system. • Changes to people risk tolerance levels for PASA as a legal entity approved. • The PASA Organisational Risk Acceptance Model approved and published internally for PASA employees. • The organisational cyber incidents response and power blackout plans developed and approved. • Organisational risk assessment review outcomes monitored.	Yes
Oversight of the implementation of the industry fraud risk management initiatives within PASA's mandate.	• The industry is actively exploring collaborative initiatives to address fraud risks, with PASA providing the payment systems expertise, though not assuming a leadership role.	No
Monitored the management of the risks associated with the transition of PASA's operational functions to the PIB.	• The committee considered the PIB transition risks. • Considered the new risk relating to SARB's PEM programme impact on PASA and the PIB initiative.	Yes

Future focus areas 2025

The committee will:

- Monitor, oversee and guide PASA organisational risk management and compliance to maintain an effective internal risk management and compliance capability, with a focus on:
  - Ongoing work to embed, operationalise and enhance risk management frameworks and policies, including management of thresholds, risk appetite, reporting, risk events and risk acceptance.
  - An approved multi-year policies compliance audit plan.
  - A further enhanced risk and compliance culture including ongoing policy training
- Monitor and guide NPS risk management enhancement and application of effective risk management models to manage NPS risks, with a focus on:
  - Ongoing work to embed and enhance risk management frameworks and policies, including management of thresholds, risk appetite, reporting and risk acceptance.
  - Reviewing the NPS Risk Committee Constitutions.
  - Systemic risk events and mitigations.
  - Continuously identifying, tracking, and advocating for improved connectivity resilience.
  - Third party/critical service providers risk management.
- Oversee the review of governance and risk-related documents in anticipation of changes arising from the reassessment of the PIB Design and PASA's evolving role within the SARB's revised regulatory framework.

IT RISK SUBCOMMITTEE

"The IT Risk Subcommittee convened its inaugural meeting in November 2024 to oversee PASA's digitalisation journey, focusing on cybersecurity, IT risk management practices, and priority IT projects. Key initiatives include the launch of a new Member Portal and the formation of an IT Prioritisation Committee to guide strategy and ensure alignment with the PASA enterprise architecture. PASA places a strong emphasis on cybersecurity, implementing a robust recovery response plan and effective technical change management. Recent penetration testing revealed significantly reduced vulnerabilities, demonstrating the success of PASA's enhancements and strengthening its resilience against future cyber threats."

Herman Singh, IT Risk Subcommittee Chair

IT Risk Subcommittee Report

Committee purpose and how it contributes to value creation

- The committee's primary responsibility is to provide strategic oversight for PASA's Information Technology (IT), data management, and connectivity, ensuring alignment with organisational goals.
- The committee:
  - Makes recommendations to the PASA Council Risk Committee and focuses solely on internal issues rather than industry-wide matters.
  - Governs IT risk management practices, ensuring that critical IT and cyber risks are identified, understood, and reported in a timely manner.
  - Guides IT budget planning, vendor management, and IT related training, while also overseeing the implementation of PASA's IT and data strategy.
  - Reviews high-priority IT projects that significantly impact cybersecurity, compliance, and user experience, while regularly reporting its findings to the PASA Council Risk Committee.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
H Singh (Chair)	1/1
M Guest	1/1
R Stocken	1/1
T Moatshe	1/1

Management attendees

G Erling
C Pariola
N Ramabi

Declaration

The IT Risk Subcommittee was established during the year as a new subcommittee of the broader Risk Committee. This development reflects PASA's emphasis on the critical importance of IT and cyber risk.

The committee reports that for the year ended 31 December 2024, it is satisfied that it has fulfilled its responsibilities in accordance with the PASA Constitution, the IT Council Risk Committee Constitution, King IV™ and other applicable standards and codes.

Risks the committee oversees

Cyber Risk

King IV™ principle focus

IV 11

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved
Considered ongoing efforts to improve PASA organisational IT risk management measures.	• The committee, equipped with a formal Constitution and skilled Councillors, oversees IT governance and risk management and ensures alignment with PASA's IT architecture.	Yes
Oversaw and guided initiatives to deliver PASA's digitalisation objectives.	• The new Member Portal build is in progress. • Evaluation of a feasible IT operating model is in progress, focusing on reducing dependency on key personnel.	Partial
Oversaw and guided next steps/phases of the enterprise architecture roadmap.	• Efforts are underway to assess the required resources, funding, and expertise, which have been factored into the 2025 budget for the PIB digitalisation requirements.	Partial
Oversaw how PASA is addressing cybersecurity risks at PASA.	• A comprehensive cyber recovery response plan is in place. • A dedicated service provider has been onboarded to assist in the event of a cyberattack. • Effective patch management, anti-virus monitoring, and employee training have been implemented. • Regular phishing simulation tests are conducted. • The penetration test revealed a significant reduction in vulnerabilities with no critical external risks identified.	Yes
Monitored the PASA organisational business continuity and disaster recovery measures, including actions to enable responses to system outages and cyber incidents.	• Data encryption is effectively implemented and maintained. • A comprehensive data backup plan is in place. • DR testing takes place annually. • Backup monitoring and weekly testing successfully implemented. • Updated DR and backup policies reflect the new IT landscape. • The archival strategy has been successfully planned. • Data classification policy is being updated.	Yes
Oversaw and guided considerations for key IT performance metrics.	• The committee identified key focus areas. • Recommended the establishment and implementation of strategy and efficiency digitalised tracking metrics. • Tracking metrics were advocated across four critical areas: running, building/changing, planning, and security.	Partial

Future focus areas 2025

- Oversee and guide the PASA digitalisation journey phase two.
- Monitor PASA's ongoing efforts to strengthening its digital infrastructure and ensuring a proactive, effective response to emerging cybersecurity threats/risks.
- Monitor key IT performance metrics.
- Oversee the importance of PIB work as a key enabler of digitalisation and PASA's readiness for the future.

NOMINATION AND INDUCTION COMMITTEE

"In 2024, key actions centred on reconstituting Council committees following the appointment of a new Council Chairperson as well as reviewing and enhancing conflict of interest disclosure requirements and procedures. The committee introduced thought leadership sessions for Council as part of Councillor training and continued its work around independent Councillor and CEO succession planning. Given the changes in governance and executive appointments the committee postponed the biennial Council effectiveness assessment until 2025."

Ingrid Goodspeed, Nomination and Induction Committee Chair

Nomination and Induction Committee Report

Committee purpose and how it contributes to value creation

- Oversees the nomination, induction and training requirements of PASA Councillors and is responsible for the succession of the Independent Councillors.
- Oversees the CEO's appointment and succession planning.
- Oversees and recommends the composition of Council Committees to PASA Council.
- Manages Councillors' conflicts of interest.
- Oversees the biennial assessment of the effectiveness of PASA Council and the Council Committees and the performance of Councillors.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
I Goodspeed (Chair – appointed Aug 2024)	4/4
S Gericke (Chair - resigned July 2024)	1/2
J Anderson (appointed July 2024)	2/2
T Masela (S Rayfield)	2/4(SR)
F Mukaddam	4/4
B Radebe	4/4
G Teixeira (Resigned May 2024)	

Management attendees

G Erling
N Bham

Declaration

The committee reports that for the year ended 31 December 2024, it is satisfied that it has fulfilled its responsibilities in accordance with the Companies Act, the PASA Constitution, the Nomination and Induction Committee Constitution, King IV™ and other applicable standards and codes.

Risks the committee oversees

The Committee oversees the establishment and maintenance of stable and robust risk governance structures

King IV™ principle focus

IV 6 | IV 7 | IV 8 | IV 9 | IV 10

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved
Biennial review of PASA Council, the Council Committees, the Chairperson, the CEO and the Company Secretariat to ensure the appropriate execution of their mandates.	• The biennial review was postponed to 2025 to allow new appointments in governance structures to bed down.	Partial
Oversaw the composition of Council Committees and any changes thereto.	• Revised Council Committee membership following resignations and re-appointments.	Yes
Oversaw the nomination, induction and training of all PASA Councillors.	• Approved the enhanced training plan and curriculum for Councillors, including thought leadership sessions.	Yes
Oversaw the corporate governance provisions for Councillors.	• Augmented Councillor declarations of interest: - Enhancement of the declaration form. - Require disclosure of involvement, including in an advisory role, in any PASA informal structures (e.g, Task Teams, working groups). Such involvement was encouraged to ensure the expertise and experience of Councillors was made available to PASA structures.	Yes
Oversaw the appointment of a successor for the outgoing Chairperson of Council and considered Councillor succession.	• Agreed and executed the process for appointing the new Council Chairperson - Ingrid Goodspeed was appointed to succeed Sydney Gericke from 1 August 2024. • Retained the role of a Deputy Chairperson. • Agreed to maintain the current number of Independent Councillors, a composition anticipated to remain consistent for the PIB. • Approved the appointment and succession for Independent Councillors. • Approved contracts for the Chairperson, Deputy Chairperson and Independent Councillors.	Yes
Reviewed and considered the CEO succession plan as part of the annual evaluation process.	• Considered both emergency and long-term CEO succession options. The committee is satisfied that there are adequate plans in place.	Yes

Future focus areas 2025

The committee will continue to provide oversight of:

- The biennial review of PASA Council, the Council Committees, the Chairperson, the CEO and the Company Secretary to ensure the appropriate execution of their mandates after consideration of management's proposal on how the assessment will be conducted.
- The composition of Council Committees.
- The nomination, induction and training of PASA Councillors.
- The corporate governance provisions for Councillors.

REMUNERATION COMMITTEE

"In 2024 the focus on building a performance-driven organisation that rewards team excellence was realised and evident in the performance scores. In addition, change management and resilience coaching backed by effective communication and a comprehensive well-being plan significantly improved organisational health and culture at PASA. Recent surveys indicate positive shifts in cultural sentiment. PASA also takes pride in its diversity and has improved talent management and recruitment strategies, reducing hiring times and strengthening its workforce. As it refines its skills plan and enhances employee benefits, PASA remains dedicated to fostering a positive workplace culture and achieving employer of choice status."

John Anderson, Remuneration Committee Chair

Remuneration Committee Report

Committee purpose and how it contributes to value creation

- Oversees remuneration policies and practices to ensure that these collectively support PASA's strategic objectives and positive outcomes in the short, medium and long-term.
- Oversees the overall headcount and that the approval of remuneration and incentives at all levels is fair, transparent and promotes the achievement of sustainable value creation.
- Oversees the succession, appointment and retention of appropriately skilled, experienced and diverse executives and senior personnel.
- Oversees all HR-related aspects, including labour practices, people and performance management policies, employee composition and equity, and fringe benefits.
- Oversees the remuneration of the Independent Councillors to ensure that the remuneration is fair, responsible and transparently disclosed.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
J Anderson (Chair)	6/6
I Carter	6/6
S Gericke (resigned July 2024)	2/3
I Goodspeed	6/6
F Mukaddam (appointed July 2024)	3/3
B Radebe	4/5

Management attendees

G Erling
C Pariola
N Ramabi

Declaration

The committee reports that for the year ended 31 December 2024, it is satisfied that it has fulfilled its responsibilities in accordance with the PASA Constitution, the Committee Constitution, King IV™ and other applicable statutory, legislations and regulations.

Risks the committee oversees

People Risk

King IV™ principle focus

IV 14

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved Yes ✓ No ✗ Partial —
Continued to guide and review succession and key man risks, initiatives to enhance employee engagement and retention, including identifying and executing appropriate culture, well-being, and resilience initiatives.	• Ongoing change management and resilience coaching. • Evidence of more robust debates and meaningful employee discussions. • Significant improvements in survey results for employee engagement and culture sentiment. • Effective rollout of the total well-being plan, addressing mental, financial, and physical health. • Employees value the Flexible Working Practices Policy. • Pleasing growth in the headcount through improved recruitment.	✓
Continued to monitor learning and development for PASA employees.	• Effective rollout and establishment of the training plan. • Increased employee learning via skills development, online learning and formal leadership training.	✓
Continued to ensure robust change management to ensure a smooth transition of PASA employees to the new PIB.	• Regular communication with employees regarding the PIB transition. • Employees actively involved in organisation design and change management efforts.	✓
Continued to guide and review the executive management and key man succession planning.	• Successful implementation of structured talent management and emergency stand-ins. • Improved hiring channels; noted reduction in time to hire. • A skills plan that addresses critical skill shortages. Formalised practices for managing Independent Contractors.	✓
Guided and reviewed the 2024 EE targets and the implementation of the EE plan.	• Development of an Equity Action Plan that prioritises workforce diversification. • EE candidates and under-represented groups are prioritised. • EE consultants engaged to enhance compliance with EE standards, providing planning, guidance, best practices, and reporting.	✓
Continued to monitor the development of the PASA Employee Value Proposition to ensure PASA is an employer of choice.	• Employees collaborating on building the EVP. • Positive feedback from a recent brand survey. • Formalised the nature and frequency of employee engagement surveys. • A reward and recognition programme is currently in development. • Efforts were focused on enhancing employee benefits, particularly concerning pensions and long-term incentives.	—
Continued to guide and review remuneration policies and practices to ensure employees are paid fairly and that pay is aligned to the value they create.	• Annual remuneration benchmarking is conducted. • HR policy reviews and updates are underway. • Approved the Retirement Policy and Remuneration Policy.	—

Future focus areas 2025

- Continue to monitor the development of the PASA EVP.
- Guide and review the 2025 EE targets and the implementation of the EE plan.
- Continue to guide and review remuneration policies.
- Oversee remuneration practices to ensure fairness and alignment to value contribution.
- Continue to ensure robust change management in support of PASA's evolving role and the reassessment of the PIB Design in response to the SARB's revised regulatory direction. Continue to oversee and evaluate succession planning and key person risks, along with learning and development initiatives. This includes executing relevant culture, well-being, and resilience programmes.

PASA REVIEW COMMITTEE

"In overseeing a smooth regulatory and logistical transition to the PIB we deliberated on our engagement with the PSMB Transition Committee, SARB and National Treasury particularly regarding legal clarity and tax exemption. Significant progress was made achieving key project milestone, reflecting successful collaborative efforts with stakeholders. Outcomes included a shared understanding that clearing rules will evolve into interoperability rules, a simplified legal entity and transparent, robust communication and change management. The work done has resulted in a solid foundation for the successful future implementation of the PIB."

Ingrid Goodspeed, PASA Review Committee Chair

PASA Review Committee Report

Committee purpose and how it contributes to value creation

- This ad-hoc committee assists PASA Council in considering all legal and/or regulatory matters related to the establishment and transition of PASA to the PIB.
- It further assists PASA Council in consulting on and responding to any draft policy, consultation, regulatory paper, bill or the like on the PASA and/or the NPS Act review, issued by the SARB NPSD, National Treasury, FSCA or any other regulator, potentially having an impact on the mandate of PASA.

Members of the committee during the period 1 January to 31 December 2024 and attendance

Councillors	
I Goodspeed Chair (from August 2024)	3/3
S Gericke (Chair until resigned July 2024)	1/2
F Mukaddam	2/3
J Anderson	3/3
H Singh	3/3
M Brown (resigned 14 Oct 2024)	3/3
M Janse van Rensburg	3/3
R Stocken (appointed July 2024)	1/1

Management attendees

G Erling
C Pariola
N Ramabi
M Pretorius
L Chauke-Motshwane
N Bham

Declaration

The committee reports that for the year ended 31 December 2024, it is satisfied that it has fulfilled its responsibilities in accordance with the PASA Constitution, the PASA Review Committee Constitution, King IV™ and other applicable statutory, legislations and regulations.

Risks the committee oversees

Legal and regulatory risks relating to the transition to the PIB

King IV™ principle focus

IV 13

Capitals

Stakeholders

Key focus areas and value-creating activities for the period under review

2024 priority actions	Key actions and outcomes	Achieved
Oversaw progress with the PIB transition plan, with respect to the legal and regulatory transition requirements.	Good progress has been made on critical path transition streams: • PIB participation structures signed off. • PIB Constitution - proposal drafted and reviewed. • Repurposed the current PASA voluntary association for the PIB. • Final selection of a name for the PIB was approved at the November 2024 Council meeting. • Organisational design of the PIB commenced. • PIB internal change management kept employees involved and informed. • Four industry workshops and information sessions facilitated understanding of PIB intent, transition progress and any changes to PIB design. • Continued work on the PIB in alignment with PASA's strategic direction, recognising that the PIB role extends beyond that of PEM.	Yes
Provided guidance and oversight of engagements with the SARB relating to the regulatory reforms.	• Engagement with SARB regarding the contents of the draft CoFI and Omnibus Bills. • Consideration of various scenarios relating to PASA's response to changes within SARB, particularly a transition away from self-regulation.	Yes
Provided ongoing oversight and monitoring of PIB legal and regulatory transition risks, including the reduction in overall risk due to the PIB community approval of the reuse of the PASA legal entity for the PIB.	• Participation and support for the PSMB Transition Committee. • Collaboration with the SARB to ensure adequate transitionary arrangements and continuation of legal certainty. • Engagement with National Treasury to implement amendments to the Income Tax Act that support the PIB tax exemption. • Agreement to repurpose the current PASA voluntary association for the PIB. • Confirmation of the need to clarify first and second lines of defence in terms of NPS risk management; noting that first line resides with Member structure terms of reference would clarify roles of committees in relation to risk management.	Yes
Monitored other legal and regulatory changes that could impact on the mandate of PASA or the PIB.	• Engaged NPSD was engaged to stay informed of changes. • Engaged the regulation teams of the FSCA were engaged to remain abreast of legislative changes from a payments perspective.	Yes
Monitored and guided PASA decisions regarding the PEM.	• Considered the proposed designs and principles for the PEM and the PASA operating model. • Agreed to, where applicable, to second or contract PASA resources to the PEM by way of a services agreement.	Yes

Future focus areas 2025

- Guide and oversee discussions between SARB, National Treasury, SARB NPSD, and PASA to clarify PASA's role in the evolving regulatory landscape and the reassessment of the PIB Design.
- Continue oversight of the work to transition PASA to the new model, ensuring alignment with PASA's strategic direction and the evolving regulatory framework.
- Oversee the decisions to second or contract PASA resources to the PEM programme and finalise service agreements timeously.

PRINCIPLE 9: EVALUATION AND PERFORMANCE OF THE COUNCIL

IV 9

Evaluations are a critical component of effective governance at PASA, conducted every two years to ensure that the organisation continuously adheres to best practices and maintains high standards of performance. The last evaluation took place in 2022, with the next assessment originally planned for 2024. However, considering anticipated changes in Company Secretary, Chairmanship and membership within various committees throughout 2024, it was strategically decided to defer these assessments to 2025. This decision reflects a commitment to conducting evaluations at a time when the leadership structure is stable, thereby providing a more accurate representation of the organisation's effectiveness.

To facilitate this process, assessments for the 2025 evaluations have been drafted, ensuring a proactive approach to governance. Notably, the Council effectiveness assessment questionnaire incorporates specific questions related to the transition to the PIB, recognising the importance of this change in shaping the organisation's future direction.

Oversight of these evaluations will rest with the NIC, which is tasked with reviewing the performance of the PASA Council, its committees, the Chairperson, the CEO, and the Company Secretary. This comprehensive review will encompass an analysis of how effectively these entities fulfill their mandates.

This approach not only enhances accountability but also ensures that all governance structures are aligned with the organisation's strategic objectives and operational imperatives. Ultimately, these evaluations will play a crucial role in guiding the ongoing development of PASA's leadership and governance framework, positioning the organisation for continued success in an ever-evolving landscape.

PRINCIPLE 10: APPOINTMENT OF AND DELEGATION TO MANAGEMENT

IV 10

PASA Council delegates authority to the executive management team through a formal Schedule of Delegated Authority (SODA).

The SODA from Council articulates those matters which are reserved for PASA Council, those that are delegated to Council Committees, PCHs, strategy forums and those that are delegated to the CEO.

Council acknowledges that delegating responsibility does not absolve it of its responsibilities or ultimate accountability. The PASA Constitution and PASA Council-approved policies create a common understanding of the expected behaviour and procedures towards ethical and effective leadership.

All Councillors and Members are required to comply with the provisions of the PASA Constitution, the PASA Regulatory Framework and PASA policies, which are binding and against which Councillors and Members are held accountable.

The PASA Constitution is available here.

PASA's Executive Committee

Ghita Erling
(52)

Chief Executive Officer

Joined Council:
November 2020

Qualifications:
MSC (Eng);
BSc (Cum Laude); Executive Development Programme (Wits); Dip (ABRSM)

Cosmore Pariola
(44)

Chief Financial Officer

Joined PASA:
September 2021

Qualifications:
Chartered Accountant - South African Institute of Chartered Accountants (SAICA) and Chartered Accountants Australia and New Zealand CAANZ); Master of Business Leadership (Curtin University); Bachelor of Accounting Science (Hons) (Unisa)

Lesego Chauke-Motshwane
(43)

Chief Payments Officer

Joined PASA:
October 2020 - June 2021 and September 2022

Qualifications:
B.Eng (Cum Laude);
B.Eng (Hons) (Cum Laude);
M.Eng (Cum Laude); Master of Business Administration; Executive Development Programme (GIBS)

Nadine Bham
(42)

Executive: Governance, Legal and Compliance (CoSec)

Joined PASA:
December 2023

Qualifications:
LLB (Wits); Admitted Attorney South Africa; International Executive Development Programme (London Business School and Wits)

Naniki Ramabi
(46)

Chief Risk Officer

Joined PASA:
August 2019

Qualifications:
BCom; MBL (Unisa SBL); CISA; CISM; CRISC ISACA); CRM Practitioner IRMSA); Senior Management Programme (UP)

PASA's Executive Committee members who retired in 2024

Maurits Pretorius
(65)

Chief Strategy Officer

Joined PASA:
January 2016
Retired on 31 August 2024*

Qualifications:
BLC (Law) (UP); Advanced Diploma in Labour Law (Unisa); MPsych (Cum Laude) (NWU); Diploma in Clinical Organisational Psychology (Cum Laude) (INSEAD); Strategic Banking Programme (INSEAD); Executive Master's Degree (CCC) (INSEAD)

*Now serves in capacity of Executive Advisor, responsible for specific focus areas such as the PIB implementation, collaboration with the SARB PEM team and expanding the PASA and Industry Strategy Centre of Excellence.

Pierre Coetzee
(64)

Chief Legal Officer

Joined PASA:
May 1999 – July 2007; April 2008
Retired on 31 January 2024

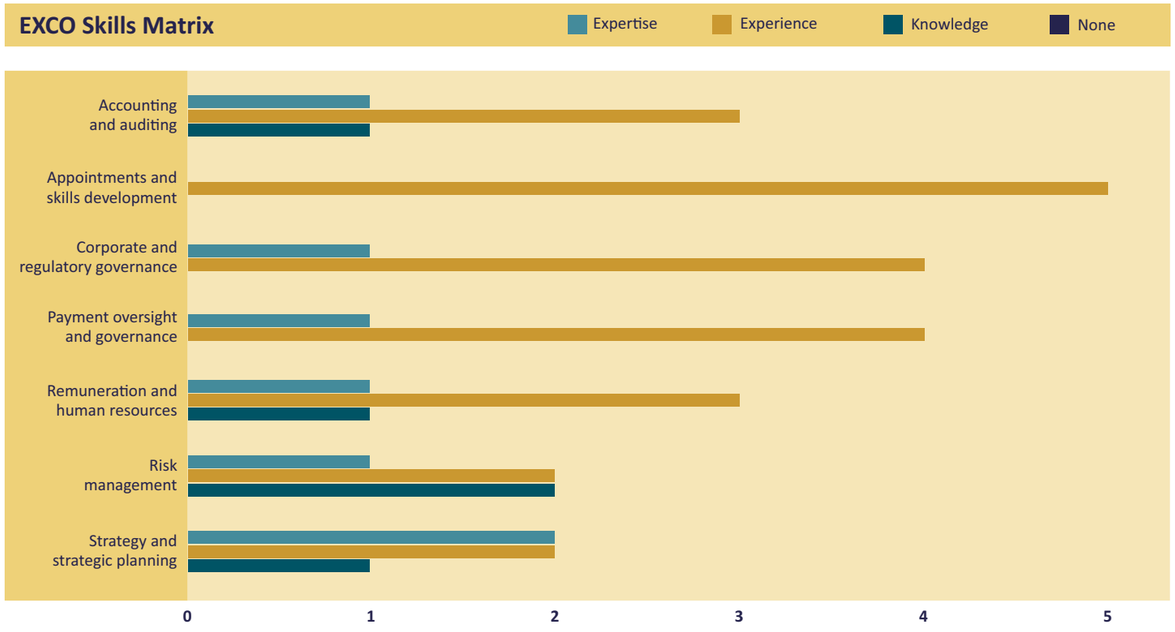
Qualifications:
B. Iuris Law (PU for CHE); LLB (Unisa); Advanced Diploma in Banking; Certificate in Compliance Management

Company Secretary

Nadine Bham, the Company Secretary and a member of ExCo, holds an important role in ensuring that exemplary governance standards are upheld within PASA. Her responsibilities encompass governance, legal, and compliance matters, with a focus on ensuring that sound procedures are rigorously followed and maintained across the organisation.

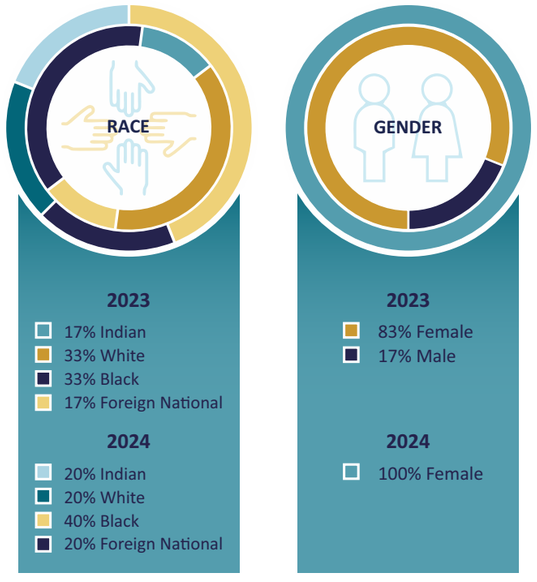
Nadine provides the Council with comprehensive reports detailing all statutory duties and Council-related functions performed, thereby promoting transparency and accountability. Importantly, despite her administrative reporting line to the CEO, Nadine's objectivity and independence are preserved. This distinctive blend of oversight and collaboration allows her to serve as a vital steward of governance, continually enhancing PASA's integrity and operational effectiveness.

EXCO Skills Matrix

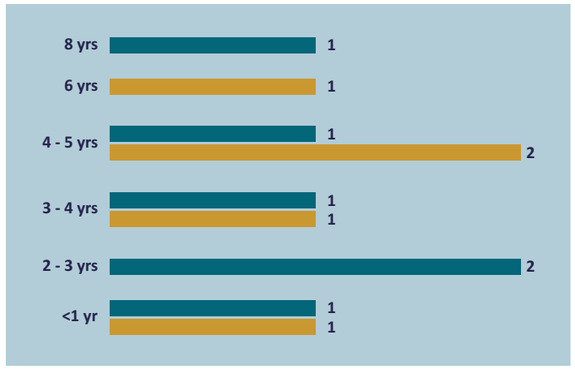


Information presented is as at 31 December 2024

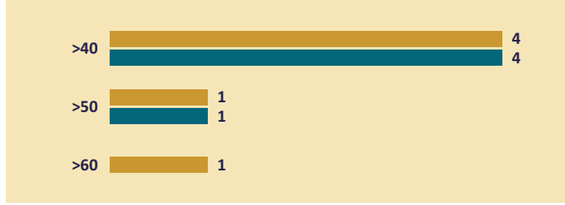
Diversity



Tenure



Age



PRINCIPLES 11-14: GOVERNANCE OF FUNCTIONAL AREAS

IV 11 IV 12 IV 13 IV 14

GOVERNANCE OF RISK

IV 11

PASA places a strong emphasis on optimal risk management, a commitment fully supported by its Council and driven by effective leadership. Council ensures that risk management principles and practices promote a consistent and proactive approach throughout the payments ecosystem.

The Risk Management Framework is seamlessly woven into the organisation's structures, projects, and activities, providing a clear roadmap for identifying, assessing, and managing risks. This framework empowers informed decision-making and enforces uniform reporting standards, including detailed risk profiles and a structured risk event reporting process.

Strong risk governance structures enable effective communication, with the Council assuming responsibility for overall risk governance. Quarterly updates on key risks and corresponding mitigation strategies are delivered to the Council Risk Committee, further solidifying PASA's dedication to cultivating a resilient risk management culture.

In 2024, PASA advanced its Risk Management Framework through a series of strategic initiatives designed to enhance governance, operational resilience, and compliance. Recognising the importance of risk oversight, PASA's Council and ExCo have established clear risk thresholds and operationalised a robust risk acceptance model. Special attention was given to IT and cyber risks, reinforcing PASA's commitment to safeguarding a secure and resilient NPS.

The Risk Committee, chaired by Professor Herman Singh, plays an important role in overseeing the principal and emerging risks, as well as ensuring effective risk management systems and frameworks are in place. Throughout 2024, the committee was engaged in a variety of activities including the establishment of the IT Risk Subcommittee, which was created to align IT governance and risk management processes with PASA's broader IT architecture.

PASA's commitment to operational resilience was evident through robust contingency planning discussions, particularly regarding cyber risks and alternative connectivity solutions. The introduction of the Operational Resilience Forum reinforced business continuity and disaster recovery efforts, enhancing PASA's ability to respond with agility to potential disruptions. Additionally, a strong focus on entrenching a risk-aware culture within the organisation included integrating risk responsibilities into employee performance contracts and conducting regular risk assessments.

Overall, these actions solidified PASA's proactive approach to effective risk governance, positioning the organisation as a leader in maintaining the integrity and security of the NPS.

See details of risk and opportunity management on page 28.
See the Risk Committee report on page 63.

GOVERNANCE OF TECHNOLOGY AND INFORMATION

IV 12

The IT Risk Subcommittee was established in 2024 to oversee IT governance and risk management at PASA, ensuring alignment of IT decisions with the organisation's architectural framework. Operating under a formal Constitution, the committee comprises skilled Councillors selected for their expertise in IT and business management. Its inaugural meeting took place in November, initiating a focused effort to enhance IT practices at PASA.

Additionally, the formation of management's PASA IT Prioritisation Committee aims to manage the digitalisation journey and improve strategic decision-making regarding IT investments. The IT Prioritisation Committee has defined terms of reference to oversee application architecture and internal IT projects. An ongoing assessment of the IT operating model is also in progress, focusing on reducing reliance on key personnel and enhancing management visibility through service providers. These initiatives are crucial for ensuring that PASA's IT capabilities align with strategic goals, as reflected in the resource assessments incorporated into the budget planning for 2025.

Cybersecurity and resilience is a top priority. A comprehensive cyber recovery plan is in place, supported by a dedicated service provider to manage potential cyber threats.

The committee is actively involved in overseeing business continuity and disaster recovery (DR) strategies to ensure readiness in the face of disruptions.

A key focus for the committee is the implementation of a new Member Portal. This project is progressing on schedule, with essential features nearing completion. In parallel, information security responsibilities have been included in employees' performance contracts. The Committee aims to strengthen the organisation's risk culture through awareness training, analysis of risk events, and case study engagements.

To enhance IT performance, metrics linked to strategic objectives are being established, identifying key areas for improvement, and emphasising outcome tracking to evaluate the effectiveness of initiatives. Overall, these efforts reflect a disciplined approach to enhancing IT governance and resilience within PASA, positioning the organisation favourably for successful digital transformation in 2025 and beyond.

See the IT Risk Subcommittee report on page 64.
Refer to the Manufactured Capital report on page 45.

GOVERNING COMPLIANCE

IV 13

PASA aims to be a collaborative force that aligns industry interests with societal goals, prioritising the well-being of the communities it serves while viewing regulatory compliance as an opportunity to enhance business practices rather than a mere obligation. By encouraging a culture that values compliance, PASA seeks to integrate ethical considerations into its strategic vision.

Managing PASA's regulatory universe

The regulatory landscape applies to two distinct areas within PASA.	**PASA as a separate legal entity:** Subject to general laws of South Africa. **PASA as a PSMB:** Organising, managing, and regulating the participation of its Members in the NPS per the NPSA.

PASA as a PSMB
The SARB Act, 90 of 1989 mandates the SARB to regulate, supervise and oversee payments and payment systems in South Africa. The NPSA reaffirms and broadens such mandate by empowering the SARB to recognise a PSMB, designate non-bank participants, issue directives, and effectively regulate, supervise, and oversee the NPS. The Act also prescribes the objects of the PSMB and the requirements for recognition of a PSMB. PASA, as the recognised PSMB, is directly impacted by the Act.

PASA's Members are directly impacted by all the instruments listed in the following diagrams:

Key legislation that is principally applicable to payments in South Africa

PRIMARY PAYMENTS REGULATION			
South African Reserve Bank Act, 90 of 1989	**NPS Act, 78 of 1998 Financial Sector Regulation**	**Financial Sector Regulation Act, 9 of 2017**	
The SARB as regulator	**The SARB as regulator**	**SARB** (macro-prudential regulation)	**The FSCA** (market conduct regulation)
Monetary policy, financial stability (including payment systems)	Payment systems, participants and the PSMB	Ensuring financial stability and systemic resilience within payment systems	Financial markets, consumers, financial institutions, market conduct, financial institutions in payment systems and services

All the instruments in PASA's Regulatory Framework apply to Members. Policies dealing with data, information and competition apply to PASA in its capacity as a legal entity and as a PSMB that is responsible for issuing rules and policies. PASA performs its mandated role in terms of the NPSA, including issuing rules and policies which may impact Members and stakeholders.

A PASA Regulatory Framework process mapping exercise was concluded in 2022. A comprehensive review of the Regulatory Framework was started in 2024.

OTHER REGULATION			
Protection of Personal Information Act, 4 of 2013	**Promotion of Access to Information Act, 2 of 2000**	**Competition Act, 89 of 1998**	**Financial Intelligence Centre Act, 38 of 2001**
Information Regulator	**Information Regulator**	**Competition Commission**	**Financial Intelligence Centre**
Gives effect to the constitutional right to privacy by regulating the way in which personal information must be processed, balancing the right to privacy against other rights, and establishing an Information Regulator to ensure that the rights protected by POPIA are respected.	It aims to promote transparency and accountability by allowing individuals to access information held by both public and private bodies. The Information Regulator oversees compliance and handles complaints.	Promotes fair competition and prevents unfair business practices that could harm consumers. It prohibits certain actions that might restrict competition, such as tying agreements, predatory pricing, and mergers that could lessen competition.	Identifying the proceeds of unlawful activities, combating money laundering and financing of terrorist and related activities through payments.

Pending regulation and its impact on PASA
The amendments to the NPS Act, which were previously part of the CoFI Bill, have now been separated to simplify the CoFI Bill. The draft NPS Bill has been circulated to the payments industry for limited consultation and is set to be tabled in Parliament during 2025. The CoFI and NPS Bills will be introduced concurrently, ensuring alignment and coherence in the legislative framework.

Compliance management and enforcement
PASA is responsible for promoting good practice by all its Members. It does this by ensuring observance of the terms of the PASA Constitution, PASA Member policies and the Regulatory Framework of the NPS. PASA's compliance enforcement is based on the core principles of risk alignment and independence.

The PASA Compliance Manager is tasked with investigating matters of alleged non-compliance and referring such matters to the independent Compliance Enforcement Panel, where appropriate. This panel comprises only independent, external legal experts and assesses matters of alleged non-compliance referred to it.

The Compliance Enforcement Panel makes a finding on whether a particular Member has transgressed the PASA rules. It can also impose a suitable sanction in respect of any non-compliance. The PASA Compliance Enforcement Policy details the appeal process for any Member aggrieved with the findings of the panel.

Compliance enforcement in PASA in 2024	2024	2023	2022
Number of matters of alleged non-compliance investigated	0	1	5
Number of non-financial sanctions	0	0	1
Number of matters referred to the Compliance Enforcement Panel	0	1	5
Number of combined sanctions	0	0	0
Alleged non-compliance under investigation	2	1	5
Number of financial sanctions	0	1	4

There were no financial penalties imposed in 2024 (2023: R0.5 million, 2022: R2.4 million)

PASA as a legal entity

Compliance by PASA
In 2024, regulatory compliance remained a priority for PASA, despite the departure of the Compliance Manager.

Compliance is incorporated into employee performance contracts alongside risk management and information security responsibilities. This alignment reflects PASA's commitment to embedding a culture of compliance across all levels.

To enhance the compliance framework, PASA updated policy training to address identified gaps and successfully rolled out a comprehensive policy repository on its learning management system. Training on the improved Procurement policy was conducted in collaboration with the contract management process, focusing on an end-to-end procurement approach.

PASA took steps to professionalise its Finance function, ensuring strict adherence to the finance policies approved in 2023.

The review of the compliance universe is still a work in progress and no compliance audits were commissioned in 2024.

See the Risk Committee report on page 63.

GOVERNANCE OF REMUNERATION

IV 14

The Remuneration Committee is integral to the governance of remuneration at PASA, ensuring that compensation practices align with the organisation's strategic objectives. The committee has recently approved key policies, including the Retirement Policy and the Remuneration Policy, as part of a broader effort to enhance governance and operational standards. Ongoing reviews and updates of other HR policies are planned to ensure they remain relevant and effective.

In its advisory capacity, the committee plays a critical role in identifying and executing various employee interventions. This includes strategies for retention, health and well-being, culture change, change resilience, succession planning, and promoting diversity and inclusion. The committee also emphasises appropriate reward and recognition frameworks to ensure that employees feel valued for their contributions.

PASA has established a well-entrenched performance scorecard system that cascades throughout the organisation, providing a structured approach to performance management that aligns individual performance with organisational goals. This framework is essential in fostering accountability and driving performance across all employee levels.

In addition to remuneration governance, the committee's efforts are directed toward enhancing employee benefits, particularly in the areas of pensions and investment performance (long-term incentives (LTIs)). A thorough assessment of existing gaps in employee risk benefits has been concluded, with actionable strategies scheduled for implementation in 2025.

To ensure equitable compensation, remuneration benchmarking is integrated into the annual salary review process. This approach guarantees that employees are compensated fairly in relation to their contributions, reinforcing PASA's commitment to fair and competitive remuneration strategies. Overall, the committee's strategic oversight is essential in creating a workplace culture that supports engagement, retention, and organisational effectiveness.

For details of the oversight of remuneration in 2024 see the Remuneration Committee report on page 66 and the Human Capital Report on page 43.

PRINCIPLE 15: ASSURANCE

IV 15

PASA is committed to maintaining an effective control environment by leveraging a comprehensive framework of assurance services that support both internal decision-making and external reporting. This framework is designed to instil confidence in the organisation's operational integrity and transparency.

At the core of PASA's assurance strategy is a Four Lines of Defence model, which is vital to its risk management approach.

1	The first line of defence focuses on the foundational structures within the organisation, including the Payment Clearing House (PCH) Project Groups, Strategy and Legal Committees, Risk Subcommittees, Stakeholder Forums, and Project Steering Committees. This initial layer is further fortified by PASA's Risk Champions, the Chairpersons of its various structures, as well as dedicated Members and employees who actively contribute to risk management. For legal entity risks, the first line of defence is represented by PASA's line management and its employees, ensuring that risks are identified and managed at the operational level. This empowers all team members to take ownership of risk and compliance within their respective roles.
2	The second line of defence includes PASA's Risk Function, the NPS Risk Committee, and the Council Risk Committee, which collectively provide oversight and guidance in strategic risk management practices. Their collaborative efforts enhance the organisation's ability to navigate potential risks effectively.
3	Independent assurance providers, such as external auditors, make up the third line of defence. Their objective assessments add another layer of credibility to PASA's risk management processes, ensuring that practices are not only effective but also aligned with best practices and regulatory standards.
4	Finally, the fourth line of defence encompasses the NPS regulatory bodies, which serve as essential external overseers.

Through this rigorous Four Lines of Defence model, PASA not only safeguards its operations but also builds a resilient framework that supports informed decision-making and fosters stakeholder confidence in its external reporting.

PRINCIPLE 16: STAKEHOLDERS

IV 16

Council adopts a stakeholder-inclusive governance approach that aims to harmonise the needs and interests of various stakeholders with the objectives of the NPS. This commitment is evident in the strong relationships PASA has cultivated, which facilitate robust discussions and collaborative support among all parties. The leadership's advocacy and consensus-building skills are particularly highlighted during critical initiatives, such as the PIB Design phase, as well as through ongoing engagement with non-bank stakeholders, ensuring decision-making incorporates diverse perspectives.

PASA recognises the urgency of coordinating efforts to address fragmentation in the payments ecosystem, which can lead to inefficiencies and increased costs. By prioritising the public good over individual interests, PASA promotes collaborative solutions that enhance transaction efficiency.

PASA's sound relationships with Members, regulators, banks, fintechs, businesses, and consumers establish the foundation of its social and relationship capital. Despite its regulatory mandate, PASA is fundamentally stakeholder-centric. The organisation dedicates significant time and resources to supporting its diverse stakeholders, ensuring that every interaction adds measurable value. While adhering to prescribed processes and governance standards, PASA still prioritises a responsive and service-oriented approach that meets stakeholders' needs and upholds its duty to the National Payment System.

Actively collecting feedback from stakeholders is vital to PASA's operations, enabling the organisation to refine its services and effectively tackle challenges.

The stakeholder plan has been implemented, incorporating new stakeholders as they emerge. Through various engagement initiatives, including PIB workshops and regular meetings, PASA ensures stakeholders' voices are heard. The results of the 2024 annual stakeholder survey indicate high satisfaction levels, as stakeholders commend PASA for its knowledgeable team and effective communication.

For full details on stakeholder engagement see page 50.

2024 INTEGRATED REPORT

PAYMENTS ASSOCIATION OF SOUTH AFRICA

Country of incorporation and domicile
South Africa

Nature of business and principal activities
The Payments Association of South Africa (PASA) was established with the objective to organise, manage, and regulate all matters affecting interbank payments and payments clearing and settlement of interbank obligations within the payments system, and operates in South Africa.

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Postal address
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Marshalltown
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Bankers
First National Bank Ltd
Investec Bank Ltd

Auditors
Moore Infinity Incorporated
Chartered Accountants (SA)
Registered Auditors
Partner: Peter Dickson CA(SA) RA

Company Secretary
Nadine Bham

Level of assurance
The annual financial statements have been audited in compliance with the applicable requirements of the PASA Constitution. All financial data presented in the integrated report is derived from the annual financial statements, which were duly audited by PASA's auditors.

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