



PAYMENTS ASSOCIATION OF SOUTH AFRICA INTEGRATED REPORT

For three decades, PASA has provided disciplined coordination that strengthens the National Payment System.

As the ecosystem modernises and moves towards a new equilibrium, PASA continues to serve as a stabilising force.



2025



REPORT OVERVIEW AND LEADERSHIP INSIGHTS

This chapter outlines the basis on which PASA's 2025 integrated report has been prepared, including the reporting scope, frameworks applied and processes used to identify material matters and ensure balanced disclosures. It provides context on PASA's approach to value creation and integrated thinking, together with guidance on navigating the report, key industry structures, and the report approval process.

Leadership messages from the South African Reserve Bank (SARB), the PASA Council Chair and the Chief Executive Officer are included to frame the reporting period within its broader ecosystem, governance and strategic context.

- Reporting theme
- About this report
- Reporting scope, boundary and alignment with reporting frameworks
- Materiality
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- Report from the Council Chair
- Message from the Chief Executive Officer

ABOUT PASA

PASA operates at the centre of South Africa's payments ecosystem, supporting the safe, efficient and interoperable functioning of the National Payment System (NPS) in collaboration with the SARB, its Members and a broad range of industry stakeholders and regulators.

During the reporting period, PASA continued to fulfil its recognised role within the NPS while navigating a period of significant institutional change. Regulatory reform, evolving governance constructs and the execution of the Payments Ecosystem Modernisation (PEM) programme shaped both the operating environment and PASA's future positioning. Despite this uncertainty, PASA's mandate, responsibilities and accountability remained fully in force throughout the year.

This section outlines PASA's role, how the organisation sustained system stability, delivered on its responsibilities and supported national priorities through change. It also reflects on PASA's legacy and enduring value, together with the considerations informing its potential future role within a modernised payments ecosystem.

- PASA's role in South Africa's payments ecosystem
- PASA's role during the reporting period
- The SARB NPSD's regulatory role and vision
- PASA's role in support of the SARB
- Legal framework and regulatory structure for the NPS
- PASA's constitution and structures
- Purpose, vision, mission and values
- Celebrating the PASA brand, history and legacy
- The road ahead: Transitioning towards a new equilibrium
- Operating context: Global and local trends shaping the payments landscape
- Response to the changing payments landscape
- Business model
- Trade-offs
- Risk and opportunity management
- Material matters

HOW PASA CREATES VALUE

PASA creates value by enabling coordinated progress across a complex and evolving payments ecosystem. This chapter outlines PASA's strategic direction, scorecard performance and stakeholder engagement, and shows how PASA supports SARB Vision 2025 and the PEM programme through disciplined coordination, capacity management and risk reduction. The focus remains clear in sustaining NPS stability during transition while supporting modernisation that strengthens resilience, interoperability and trust.

- Strategic vision and approach
- Strategy at a glance
- Performance against strategy

MAXIMISING VALUE ACROSS THE CAPITALS

Value at PASA is not generated through a single activity, but through the combined strength of six capitals: financial, manufactured, intellectual, human, social and relationship, and natural. This chapter provides a view of how PASA invests in, protects and leverages these capitals to deliver outcomes for Members, regulators and the broader payments ecosystem.

- Financial capital
- Human capital
- Manufactured capital
- Intellectual capital
- Social and relationship capital
- Natural capital

RESPONSIBLE LEADERSHIP AND GOVERNANCE EXCELLENCE

PASA's ability to deliver on its mandate depends on governance that is both principled and practical: setting direction, overseeing performance, managing risk and ensuring accountability across a complex ecosystem. During 2025, PASA Council's focus intensified as institutional arrangements evolved. This chapter outlines how responsible leadership and governance excellence were applied in practice through PASA Council composition and delegation, functional governance, ethical standards and stakeholder-inclusive oversight that protected the integrity and resilience of the NPS.

- Effective governance through ethical leadership
- Governance philosophy
- Governance approach
- Governance structure
- Corporate governance aligned to King IV principles



OVERVIEW AND LEADERSHIP INSIGHTS

REPORTING THEME

Forging ahead together towards a new equilibrium: continuing to deliver while supporting regulator efforts to modernise the payments ecosystem

South Africa's payments landscape is undergoing significant modernisation and institutional evolution. Regulatory reform, shifting governance constructs and the continued rollout of the Payments Ecosystem Modernisation (PEM) programme are reshaping how the National Payment System (NPS) operates. In this dynamic environment, the industry is moving towards a new equilibrium, one that balances ongoing delivery with transformation, supports alignment with national priorities, and advances a more consistent and transparent regulatory framework. This includes supporting the application of the principle of same activity, same risk, same regulation, to enable fair participation across the NPS.

In this period of change, PASA has remained focused on organising, managing and regulating the participation of its members in the payment system, contributing to the safety, efficiency and interoperability in the NPS. While the future design of industry representation is still under discussion and yet to be finalised, PASA continues supporting system stability and maintaining trusted expertise.

As stakeholders consider the potential value proposition and design of a future Payments Industry Body (PIB), PASA continues to facilitate constructive engagement across the ecosystem. This includes supporting industry consultation processes, gathering diverse perspectives and helping articulate the collective needs, capabilities and coordination mechanisms that will strengthen a modernised payments environment. This role ensures that any future institutional model is informed by broad input, guided by shared interests and aligned with the public good.

The theme 'Towards a new equilibrium' reflects PASA's focus on:

- Strengthening capability across PASA, members and the wider ecosystem.
- Deepening collaboration, transparency and industry dialogue on PASA-related matters during a period of change.
- Maintaining strong PASA performance and reliability.
- Supporting modernisation by contributing expertise to PEM and broader ecosystem reforms.

Throughout this period of evolution, PASA strives to serve as a stabilising force, a technical centre of excellence and a trusted platform for industry engagement. Ultimately, this transition is about strengthening the NPS for the benefit of South Africa, supporting economic growth, advancing financial inclusion and ensuring that all South Africans can participate confidently in a modern, secure and efficient payments ecosystem.

ABOUT THIS REPORT

The primary objective of this integrated report is to provide a comprehensive and balanced account of PASA's strategy, performance, governance and outlook.

It explains how PASA creates, preserves and protects value with reference to the six capitals: financial, manufactured, intellectual, human, social and relationship, and natural.

The report is intended to provide stakeholders with a transparent view of PASA's role, activities and impact within the NPS, including the policies, practices and controls that support responsible decision-making and delivery against PASA's mandate.

This year's report is prepared in the context of significant change within South Africa's payments ecosystem and uncertainty regarding PASA's future institutional role. Accordingly, it reflects both PASA's performance during the reporting period and how the organisation has exercised stewardship, maintained continuity and prepared responsibly for a range of possible outcomes.

REPORTING SCOPE, BOUNDARY, AND ALIGNMENT WITH REPORTING FRAMEWORKS

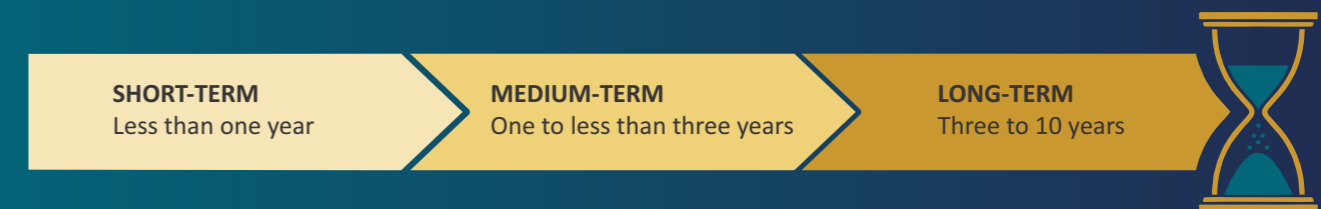
This integrated report primarily covers PASA's operations for the period from 1 January 2025 to 31 December 2025. Where relevant, material developments arising after the reporting period and prior to the date of publication have been included to provide an accurate and up-to-date view of PASA's position, performance and outlook.

Prepared in alignment with the Integrated Reporting Framework, the report presents a holistic view of PASA's approach to value creation, preservation and erosion across the six capitals. The principles of the King Report on Corporate Governance™ for South Africa, 2016 (King IV™), together with its supplement for non-profit organisations, are applied and reflected throughout the report.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), using the guidelines applicable to 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:



For further details of how PASA defines materiality, and the specific issues identified as material, refer to page 49.

The determination of material matters reflects PASA's assessment at the time of reporting and is not intended to represent an exhaustive list. Matters not disclosed may still be relevant but were not considered material in the current context.

Information included in this report is deemed material, signifying its potential to influence PASA's strategic execution and value generation. Materiality therefore serves as a guiding principle to ensure that the report provides stakeholders with key insights to assess PASA's performance and outlook.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to PASA's anticipated future performance, strategic priorities and the broader outlook for the payments ecosystem. These statements are based on information available and assumptions considered reasonable at the time of preparation.

Actual outcomes may differ from these expectations due to a range of factors, including changes in the regulatory environment, in particular the SARB's certain and imminent withdrawal of PASA's PSMB status, market conditions, technological developments and other uncertainties inherent in the operating context. As such, forward-looking statements should be interpreted with appropriate caution, recognising that they reflect PASA's perspective at a specific point in time.



APPROACH TO VALUE CREATION, PRESERVATION AND EROSION



VALUE CREATION

PASA operates as a non-profit organisation funded by its Members, with a mandate to organise, manage and regulate Members' participation in payment systems in support of a safe, efficient and interoperable NPS. Through this role, PASA has contributed to the effective functioning of the payments ecosystem and to South Africa's broader economic development.

Value is created through the coordinated deployment of financial, human and manufactured/technology resources to enable collaboration, resolve complex industry challenges and translate policy intent into operational outcomes. While the SARB, through the PEM programme, now leads the strategic direction and modernisation of payment infrastructure, PASA continues to play an active role in areas such as debit order modernisation.

PASA's accumulated knowledge of payment systems, governance frameworks and stakeholder engagement has positioned it as a trusted platform for problem-solving and industry collaboration. By facilitating cooperation across banks, trade associations and other participants, PASA has supported innovation while maintaining system stability, thereby delivering value to Members, regulators and the wider economy.



VALUE PRESERVATION

PASA preserves value by supporting the integrity, resilience and reliability of the NPS during a period of heightened change. A stable and well-governed payments system underpins financial stability, market confidence and financial inclusion, all of which are critical to South Africa's economic and social outcomes.

Governance oversight by the PASA Council plays a central role in value preservation. The PASA Council provides strategic direction, oversees risk management and ensures responsible stewardship of resources, enabling PASA to fulfil its mandate effectively and ethically. This governance framework supports disciplined decision-making, accountability and alignment with regulatory expectations.

Beyond operational performance, PASA's approach to value preservation encompasses a strong ethical culture, adherence to effective controls and compliance with applicable legal and regulatory requirements. Through active stakeholder engagement and transparent consultation processes, PASA ensures that diverse perspectives are considered and that decisions are informed by both industry insight and public-interest considerations.



VALUE EROSION

PASA's approach to limiting value erosion focuses on safeguarding the integrity, resilience and trustworthiness of the NPS. In an increasingly complex and digitised payments environment, any erosion of system stability or confidence would have broader implications for financial stability and economic activity.

To mitigate these risks, PASA applies a proactive risk management framework that identifies and monitors potential areas of concern within the NPS. This is supported by strong governance, structured escalation processes and close collaboration with regulators and industry stakeholders. PASA places particular emphasis on operational resilience, supported by robust policies, contingency planning and response mechanisms that adapt to an evolving threat landscape.

INTEGRATED THINKING

PASA applies integrated thinking by considering the interdependencies between regulation, industry capability and operational delivery across the payments ecosystem. Decision-making is informed by ongoing engagement with banks, trade associations, regulators, fintechs and other ecosystem participants, ensuring that diverse perspectives are considered alongside system-wide impacts.

In a period of heightened transition and institutional change, this integrated approach supports sound judgement and governance, enabling PASA to balance continuity of delivery with preparation for the future. It also ensures alignment with the objectives of key authorities such as the SARB and FSCA, while reinforcing PASA's contribution to a resilient, inclusive and well-functioning NPS.

NAVIGATING THE REPORT

Working together and separately, the capitals, stakeholders, material matters and strategic focus areas have the potential to impact (positively and negatively) PASA's ability to create value. 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 value.



Financial

PASA's financial capital is predominantly based on the funding received from Members. PASA also generates income from other sources 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 strategy and modernisation through PEM, PASA continues to support these efforts. In addition, PASA leads and oversees key areas such as debit order modernisation.



Intellectual

PASA's intellectual capital is represented by its extensive 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, trade associations, fintechs, other 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. As payments move toward more interoperable and digitally accessible models, the system can reduce reliance on paper, branch-based processing and the transport and handling of physical currency.

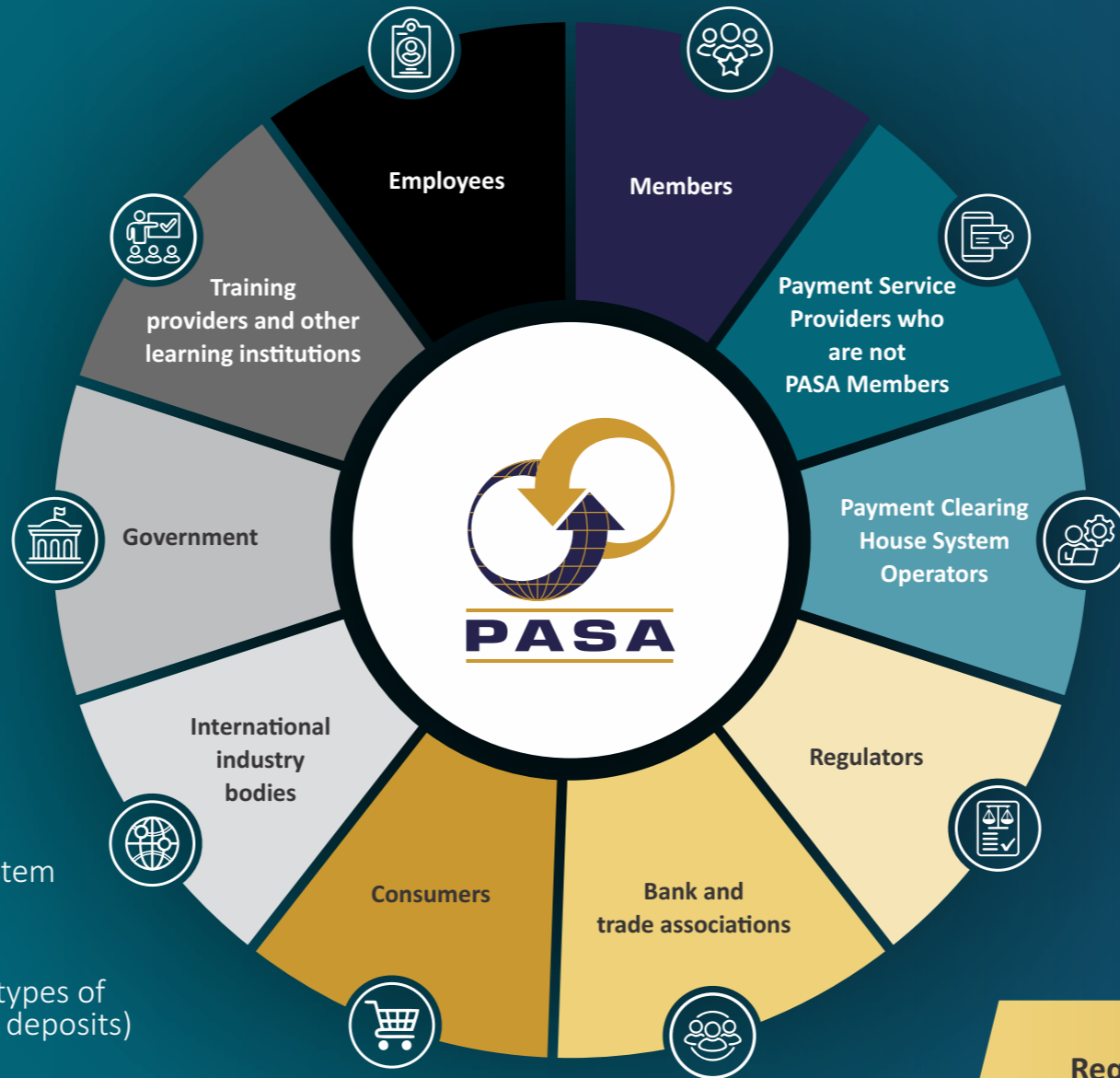


NAVIGATING THE REPORT

Material matters

-  Changes to the regulatory environment
-  Systemic change execution
-  Payment system modernisation
-  Cybercrime and fraud prevention
-  Skills shortage and industry capacity
-  Resilience of the National Payment System
-  Increasing complexity of the payments ecosystem
-  The emergence of new payment models and types of currency (including stablecoins and tokenised deposits)
-  Global harmonisation and regional integration
-  Geopolitical impact on the complexity of the payments landscape

Stakeholders



Strategic focus areas

-  Stakeholder engagement
-  Modernisation
-  PASA transition
-  Running of PASA
-  King IV™ principles

Other

-  VIDEO
-  READ MORE
-  WEB

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

IMPORTANT INDUSTRY ROLE PLAYERS AND STRUCTURES

BASA	The Banking Association South Africa is a voluntary membership association of banks. It engages with regulators, legislators, and stakeholders to advance the collective interests of its members, but does not exercise any regulatory, supervisory, or rule-making authority.
BSA	BankservAfrica was the name used by South Africa's automated clearing house, historically owned by select participating banks, and a central component of the NPS. Rebranded as PayInc, it continues to provide switching and clearing services across multiple payment streams, operating as an authorised Payment Clearing House (PCH) System Operator (PSO). During the reporting period, the SARB acquired a 50% shareholding in PayInc, marking a significant institutional shift. This acquisition positions PayInc to evolve into South Africa's National Payments Utility (NPU) in support of an inclusive and modernised payments ecosystem.
CMA	Common Monetary Area Common Monetary Area made up of South Africa, Namibia, Eswatini and Lesotho whose currencies are pegged to the South African Rand (ZAR).
DCSP	Designated Clearing System Participants are 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 is a non-regulatory intergovernmental body that develops and promotes global standards to combat money laundering, terrorist financing, and proliferation financing, and assesses countries' implementation of those standards.
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 SADC-RTGS (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 (see PayInc).
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.
PayInc	PayInc , formerly BankservAfrica, is South Africa's NPU following the SARB's acquisition of a 50% shareholding. As a publicly anchored utility, PayInc is intended to provide shared digital payment infrastructure that expands access for banks and others, reduces fragmentation, lowers barriers to participation and supports the implementation of the PEM programme.
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 potential future industry coordination entity intended to support collaboration across the South African payments ecosystem. Unlike PASA's historic role, the PIB would not hold regulatory authority, scheme ownership, or rule-making powers. Its envisaged purpose is to provide a credible and representative platform for industry coordination, consultation and technical input on payment system matters, operating in the interests of the National Payment System and aligned with public policy objectives. PASA has been tasked by its Members to explore and articulate this potential future role, informed by international benchmarking and extensive stakeholder engagement, without presupposing a single institutional outcome.
PSMB	A Payment System Management Body is an entity recognised by the SARB to organise, manage and oversee the participation of its Members in the NPS, including the development, administration and enforcement of payment system rules within the scope of its mandate. In terms of the NPS Act, the SARB has the authority to recognise a PSMB. PASA is currently recognised by the SARB as a PSMB, however, this recognition will be withdrawn as part of the ongoing regulatory reform, institutional realignment and implementation of the PEM programme.
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 provides services to two or more persons in respect of payment instructions, including the delivery to and/or receipt of payment instructions from a bank and/or a PSO.
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 receives money for onward payment to the actual beneficiary to whom the money is due.
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, mobile wallets, and cryptocurrencies. The primary goal of UPP is to enhance the efficiency, speed, and security of financial transactions for businesses and consumers alike.
Visa	Visa Inc. is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions, and government entities across more than 200 countries and territories. Its mission is to connect the world through the most innovative, reliable, and secure payment network, enabling individuals, businesses, and economies to thrive.





PAYMENTS INDUSTRY PRODUCTS, SOLUTIONS, PROCESSES AND TERMS

<p>AC</p> <p>Authenticated Collections 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.</p>	<p>PayShap™</p> <p>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.</p>
<p>API</p> <p>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.</p>	<p>PCFP</p> <p>PASA Certificate in Foundational Payments.</p>
<p>APP</p> <p>Authorised Push Payment fraud occurs when a fraudster deceives a payer into willingly making a payment to an account controlled by the fraudster, under the false belief that they are paying a legitimate recipient. The fraud relies on social engineering and manipulation rather than unauthorised access to the payer's account — that is, the victim authorises the transfer themselves, but under false pretences.</p>	<p>PEM</p> <p>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.</p>
<p>CBDC</p> <p>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.</p>	<p>PIPC</p> <p>The PASA International Payment Conference is a premier event for industry leaders, experts, and policymakers, providing a platform for insights, technology discussions, and networking.</p>
<p>CLS</p> <p>Continuous Linked Settlement is a multi-currency settlement system for the settlement of foreign exchange transactions on a payment-versus-payment basis via a private bank (CLS Bank International; located in New York), which acts as a settlement institution and with which settlement members hold multi-currency accounts.</p>	<p>QR Code</p> <p>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.</p>
<p>DebiCheck</p> <p>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.</p>	<p>RM</p> <p>During the reporting period, RMS was separated from AC to function as a standalone debit order system (RM) and moved to the evening collections window. RM will be managed by the Registered Mandate PCH.</p>
<p>EDO</p> <p>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.</p>	<p>RMS</p> <p>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).</p>
<p>EFT</p> <p>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.</p>	<p>RP</p> <p>Rapid Payments are the Faster Payments processed through and managed by the RP PCH PG.</p>
<p>FPS</p> <p>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.</p>	<p>RTC</p> <p>Real-Time Clearing is South Africa's legacy (first) FPS. It will ultimately be replaced by PayShap and discontinued.</p>
<p>ISO 20022</p> <p>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.</p>	<p>RTGS</p> <p>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.</p>
<p>MyStandards</p> <p>Swift's MyStandards simplifies global financial messaging, offering a collaborative platform for easy creation, sharing and testing of message specifications.</p>	<p>SADC-RTGS</p> <p>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.</p>
<p>NPS Act</p> <p>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.</p>	<p>SAMOS</p> <p>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.</p>



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 documents 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 members of 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 material issues. PASA Council formally approved this report on [xx] May 2026.

Ingrid Goodspeed
Chairperson

Ghita Erling
Chief Executive Officer





MESSAGE FROM THE HEAD OF THE SARB NATIONAL PAYMENT SYSTEM DEPARTMENT

"South Africa's payment system is transitioning, moving from its stable roots toward greater openness, inclusion, and digital infrastructure. The SARB's role now includes guiding the modernisation of payments, focusing on fast, affordable, and interoperable digital solutions for all South Africans. Achieving this requires decisive leadership, coordination, and a unified purpose to create a payments ecosystem that promotes growth and opportunity."

*Arif Ismail
Head: National Payment System Department, SARB*



Reaching this new state calls for intentional leadership focus and sustained ecosystem coordination.

Three priorities have guided our work this year in support of fast, affordable and interoperable digital payments for all South Africans:

- Modernising the regulatory framework;
- Reshaping institutional arrangements; and
- Driving the PEM programme.

PRIORITY 1 REGULATORY REFORM

Regulation remains the foundation of a safe, competitive and inclusive payment system. South Africa's traditional bank-focused approach into inner core clearing and settlement has provided stability but now restricts access and hampers innovation. The SARB is updating its regulatory and licensing system using the new SARB Authorisation Framework.

The SARB Authorisation Framework defines seven regulated payment activities, each with proportionate licensing, operational, prudential and conduct requirements:

- 1. E-money issuance**
Licensing entities including non-banks to issue e-money under proportionate requirements.
- 2. Non-bank merchant acquiring**
Broadening digital acceptance infrastructure through fintech entrants.
- 3. Scheme authorisation**
Positioning schemes as licensed operators responsible for rules and governance.
- 4. Payment exchange services**
Licensing entities involved in switching, routing or clearing-related functions.
- 5. Third-party payment provider oversight**
Enhancing regulations for over 500 third-party providers through strengthened AML/CFT and resilience controls.
- 6. Domestic money transfer services**
Enabling non-bank innovation in low-value transfers and remittances.
- 7. Payment initiation services**
Enabling licensed entities to initiate payments without holding a store of value, expanding safe digital payment experiences.

This framework is consistent with activity-based approaches used by other central banks. The framework is expected to be approved by the SARB Governors and issued in 2026, supported by the new NPS Act. This development does not constitute deregulation; rather, it represents a deliberate and measured approach to regulation that maintains system integrity while expanding participation and fostering innovation. It supports the consistency principle: same activity, same risk, same rules. This is the most substantial regulatory transformation in over twenty years.



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

PRIORITY 2 INSTITUTIONAL REALIGNMENT

Institutional reform is crucial for establishing a new balance in South Africa's payment system. The SARB made a major governance change this year by signaling its intention to withdraw PASA's authority to set payment scheme rules and manage the PCH system, signaling a shift away from the previous Payments Industry Body design.

Under the future model, rule-making and scheme governance will transition from PASA to licensed operators, aligning South Africa with international practice and clarifying accountability across the payments landscape. PASA's existing mandate, including the management of PCHs and scheme rulebooks, will therefore evolve, and a carefully managed transition will be required.

Managing the transition

To ensure continuity and protect institutional knowledge, the SARB has established an Integrated Transition Committee comprising representatives from SARB, PASA, and PayInc. This committee will steward the transition, oversee the reallocation of roles and responsibilities, align with the forthcoming NPS Act, and support a move toward the new governance steady state.

A key aspect of this process is to provide the industry with clear information, open communication, and confidence. Skills and expertise currently housed in PASA will not be lost; rather, they will transition into the appropriate institutions, whether that is SARB, PayInc, or a re-scoped PIB operating under a different mandate. The aim is to retain capability while ensuring alignment to the modernised model.

Why this shift is needed

Historically, SARB issued high-level directives and policy frameworks, while day-to-day scheme operation, rule-making and ecosystem coordination were handled by industry bodies. While this structure served a stable, bank-centric environment, it is no longer suited to an era where digital payments must reach all South Africans, particularly those who remain underserved or unserved and rely heavily on cash.

This shift is not about eliminating cash. SARB's vision is a cash-smart society, where cash remains available but is no longer the primary instrument for daily transactions. Heavy cash usage is costly, inefficient and limits inclusion. Widespread digital adoption has the potential to increase GDP by 0.5%, a material impact in a low-growth economy.

This is why the Governor has placed payment system modernisation on SARB's strategic map, alongside inflation targeting and the stability of financial market infrastructure. PayShap, while an important step forward, is expected to evolve from its current scale into a system capable of processing billions of transactions annually. The "PayShap gap hit squad", established in 2025, has identified adoption barriers and practical improvement pathways.

Although South Africa's payment systems are technologically comparable to G20 peers, digital adoption remains low, and cash continues to dominate retail transactions. To achieve Vision 2025 and PEM goals, SARB should be more directly involved in digital payment infrastructure, and product development.

The role of PayInc as the National Payments Utility

In line with the strategy mentioned above, SARB has acquired a 50% stake in PayInc (formerly BankservAfrica), making it South Africa's future National Payments Utility (NPU). This publicly anchored utility will:

- Expand access for banks and non-banks
- Reduce fragmentation
- Lower barriers to infrastructure participation
- Provide shared digital public infrastructure
- Support PEM implementation and fast-payment adoption

This establishes the institutional foundation for a stable, modern and inclusive payments ecosystem. The transition needs clear communication, transparency, and teamwork. Roles must shift effectively, with a defined future mandate for a potential payments industry body. Success will depend on a unified commitment across SARB, PASA, PayInc, operators and industry participants to reach a stable but elevated new equilibrium.





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

PRIORITY 3 PAYMENTS ECOSYSTEM MODERNISATION (PEM)

The PEM programme is the SARB's flagship, multi-year strategic initiative designed to transition the NPS from a good to a great state, comparable to leading emerging markets such as Brazil, India, Singapore and Thailand. The objective is simple but profound: to make digital payments accessible to all South Africans. Digital payments should be a right, not a privilege, and accessible to all.

PEM reflects the global concept championed by the World Bank and the International Monetary Fund (IMF): digital public infrastructure. It is the SARB's long-term effort to redesign the foundations of the NPS so that the entire ecosystem, including banks, fintechs, non-bank participants, businesses, governments and consumers, have access to efficient, affordable, interoperable and inclusive digital payment capabilities.

Central to this shift is SARB's view that South Africa must move from privately operated, bank-owned infrastructure to public digital infrastructure that serves the whole economy. This is why SARB acquired a 50% shareholding in PayInc, positioning it as the country's NPU. This change is not about incremental reform; it is about building the national digital rails needed for the next generation of payments and financial inclusion.

The establishment of an NPU is at the heart of modernising South Africa's NPS. By providing a central low-cost and interoperable infrastructure, the NPU can drive the next generation of digital payments and financial inclusion. The experiences of other countries demonstrate that a central bank-led approach can lead to quicker decision-making, faster adoption, lower costs and greater inclusion.

Backbone of digital public infrastructure

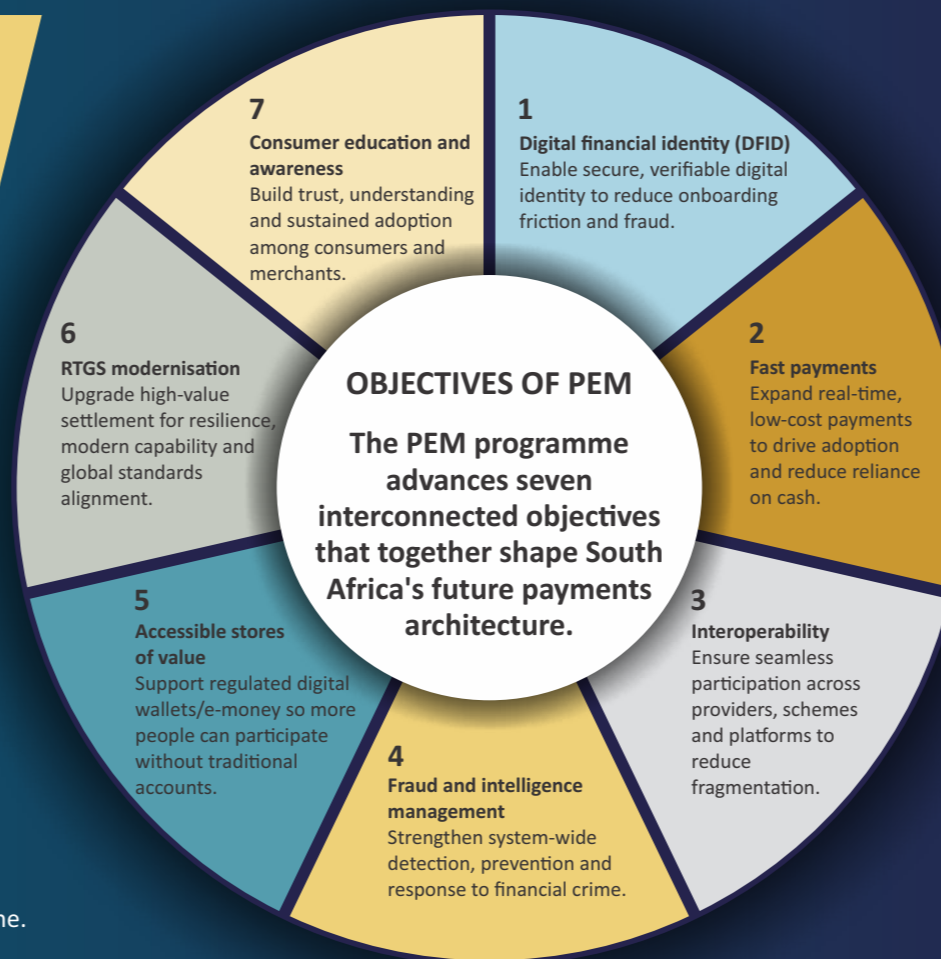
While all seven objectives are interdependent, three pillars underpin the future payments architecture and have the most immediate system-wide impact: **Digital Financial Identity, Fast Payments and RTGS Modernisation** - enabling trusted participation, high-volume real-time transactions and resilient high-value settlement.

SARB is taking a more active leadership role, ensuring the infrastructure and institutional landscape are fit for South Africa's future.

Key achievements for PEM during the reporting period

- SARB acquired a 50% shareholding in PayInc, establishing the foundation for the National Payments Utility.
- Publication of the PEM Position Paper, setting out the rationale and objectives for the programme.
- Significant progress on DFID, with vendors appointed and three proofs of concept completed.
- A dedicated "PayShap gap hit squad" delivered insights to strengthen adoption and responsiveness.
- Finalisation of QR interoperability standards.
- The fraud hit squad is operational, supporting coordinated industry action against financial crime.

Read more about the PEM programme.





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

TRENDS SHAPING VISION 2030+ AND THE NEXT PHASE OF MODERNISATION

As we progress Priority 1, Priority 2 and Priority 3, several emerging developments will influence regulatory design, institutional arrangements and the PEM roadmap. Vision 2030+ is being developed with industry input on timing, priorities and global alignment. While staying focused on delivering Vision 2025 remains essential, these trends will shape the next decade and remain central to our strategic horizon.

Cryptocurrency and digital assets

The industry must remain attuned to global developments in crypto-asset regulation, stablecoins and digital asset frameworks. These innovations may influence interoperability, settlement, liquidity and cross-border payments.

Cross-border payments and regional integration

The commitment to improving regional payments remains strong.

The Transactions Cleared on an Immediate Basis (TCIB) scheme is progressing, with work underway to migrate low-value cross-border electronic funds transfers within the Common Monetary Area (CMA) to this real-time regional retail payments system.

SADC real-time gross settlement (RTGS) upgrades are required to align with the modernised domestic RTGS, improving interoperability and efficiency.

The long-term goal is a unified regional payments platform that enhances trade, lowers remittance costs and supports economic integration.

Tokenisation of liabilities and assets

Global developments in tokenised deposits and tokenised financial and non-financial assets are expected to reshape settlement efficiency, collateral mobility and financial market infrastructure.

CLOSING THOUGHTS AND APPRECIATION

As we move into the next phase of the transition, our focus is on ensuring that these reforms deliver a truly transformative outcome. This shift is not optional; it is a national imperative, fully supported by SARB leadership, and aligned with the SARB's mandate of price stability, financial stability and the smooth functioning of the NPS.

Looking at payments more broadly, it's time to make real progress. Updating the payments ecosystem benefits society, strengthens the economy, and is key to achieving inclusive growth. However, significant improvements can only happen when everyone works together. Achieving success requires prompt, well-informed decisions, clear priorities, and disciplined action from all stakeholders. No single institution can deliver this alone; collaboration is essential.

PASA's technical expertise has been instrumental in supporting the PEM programme, as have the contributions of bank specialists and industry volunteers; a partnership the SARB values deeply. Ongoing alignment and joint ownership remain key to building a stable, future-ready ecosystem. We acknowledge the SARB Executive for strategic leadership; the PEM programme team for driving one of the most ambitious reforms in our payment system's history; PASA for its longstanding partnership; BASA, operators, fintech participants and all ecosystem contributors; and new entrants whose innovation will shape the future.



“Together, we are building a modern, inclusive and future-ready payment system, one that moves South Africa from a good equilibrium to a great equilibrium.”



REPORT FROM THE COUNCIL CHAIR

“South Africa's payments ecosystem is going through a profound institutional reset as the industry modernises and new governance constructs develop. In a year defined by uncertainty about PASA's future, the organisation continued to perform with discipline, professionalism and resilience, delivering on its mandate while helping the industry navigate a complex transition. One of PASA's enduring contributions has been its ability to convene, align and build consensus in the public interest. This capability will be pivotal for the payments industry as it navigates this time of change.”

Ingrid Goodspeed
Council Chair



THE YEAR IN PERSPECTIVE

The past year has been one of the most consequential in PASA's history. The modernisation of South Africa's payments ecosystem accelerated, institutional roles began to shift, and the industry entered a period of heightened transition. In this context, the future of PASA became increasingly uncertain. Given the evolving institutional context, PASA Council's role required a dual focus: maintaining business-as-usual delivery and assurance, while supporting structured engagement on the future institutional model for the payments ecosystem.

In circumstances like these, leadership is tested by steadiness of purpose. Throughout 2025, PASA Council maintained an anchor of calm and continuity: protecting the integrity of governance, maintaining the operational reliability of the NPS, and ensuring that PASA continued to execute its responsibilities while preparing for transition.

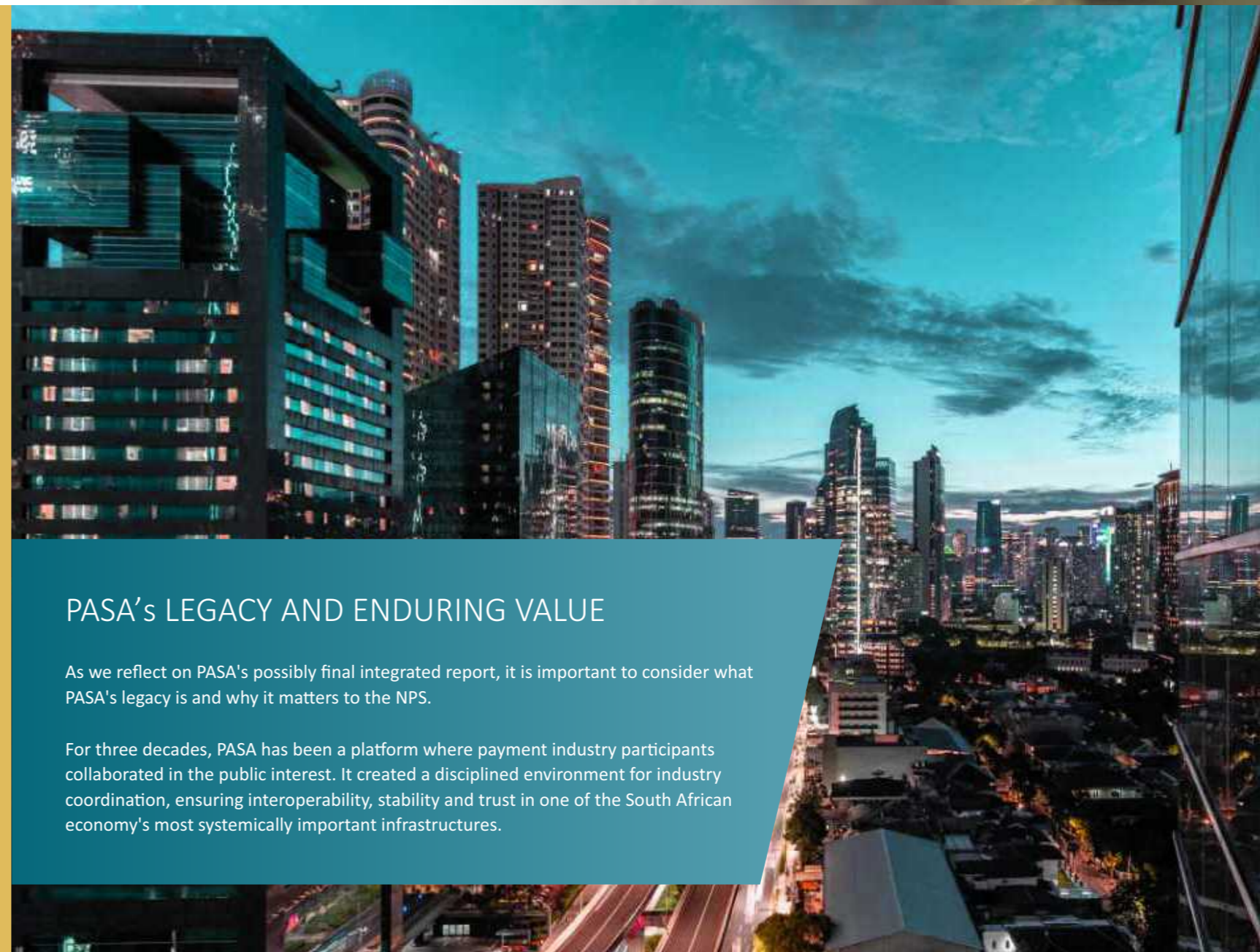
Exceptional leadership was shown by Councillors during this period. In addition to technical oversight, they paid close attention to the human dimension of transition, supporting employee retention and well-being initiatives, organisational stability, and change management, while ensuring PASA continued to deliver against its mandate, commitments, and performance indicators.

PASA Council with assistance of the Audit Committee maintained oversight of PASA's financial position.

The organisation remained financially stable, with no solvency or liquidity concerns identified during the year. Prudent financial and cash flow management ensured that PASA continued to meet its obligations while sustaining delivery against its mandate.

The performance of PASA in 2025 stands out not only because delivery was strong, but because it was achieved under conditions that demanded a near-total pivot. PASA continued to deliver to its purpose, despite the disruption and uncertainty that unfolded during the year. This accentuates the professionalism of the executive team, and the capability embedded across PASA.

PASA Council recognises that in a year where many organisations would have pushed pause, PASA continued to deliver. This resilience under pressure is part of PASA's legacy.



PASA'S LEGACY AND ENDURING VALUE

As we reflect on PASA's possibly final integrated report, it is important to consider what PASA's legacy is and why it matters to the NPS.

For three decades, PASA has been a platform where payment industry participants collaborated in the public interest. It created a disciplined environment for industry coordination, ensuring interoperability, stability and trust in one of the South African economy's most systemically important infrastructures.



REPORT FROM THE COUNCIL CHAIR, *Cont*

PASA's legacy is visible across multiple dimensions

Industry collaboration and alignment

PASA has the ability to convene diverse participants, facilitate “meeting of the minds” outcomes, and build common understanding. As such, PASA has consistently brought ecosystem participants, including stakeholders historically excluded or under-represented, into constructive engagement.

Debit order reform and consumer protection

PASA has played a meaningful role in strengthening consumer outcomes through reforms such as DebiCheck. Addressing debit order abuse and improving the integrity of collections has contributed significantly to treating customers fairly in the payments ecosystem.

Stronger rules framework

PASA has strengthened its rules frameworks, consultation mechanisms and governance disciplines, including intensive work to ensure that rules and related arrangements are modernised, understood by stakeholders, and structured in a way that supports continuity as institutional responsibilities shift.

Modernisation

PASA has contributed to the industry alignment and coordination required to progress major modernisation initiatives, including real-time retail payments - PayShap. These initiatives matter because they are not only technical upgrades; they underpin national outcomes such as financial inclusion and economic participation. Achieving industry alignment is difficult and PASA has consistently demonstrated the capability to do it.

Industry capacity building

PASA has built a depth of specialist expertise that the payments industry relies on, and has contributed to skills development through structured learning and capacity-building initiatives, including the PASA Academy and industry training programmes.

Consulting on the combating of money laundering, terrorist financing and proliferation financing in payments

PASA's contributions to Financial Action Task Force (FATF) processes further demonstrate the depth, credibility and relevance of its expertise. Through its leadership in payments-specific consultations and engagement on Recommendation 16, PASA provided technically rigorous, practical input that supported South Africa's broader efforts to strengthen its framework to combat money laundering, terrorism financing and proliferation financing.

This work formed part of the collective national response to exiting the FATF greylist and highlighted PASA's ability to engage credibly at both domestic and international levels. It also emphasised the organisation's capacity to translate complex regulatory expectations into operationally workable outcomes for the payments industry.

Thought leadership and structured industry strategy development

PASA's role as a trusted platform for industry dialogue is reflected in its forums, structured engagement mechanisms and flagship convenings such as the PASA International Payments Conference (PIPC). These provide critical spaces for sense-making, alignment and collective problem-solving during a period of heightened change.

PASA's Strategy Centre of Excellence (SCE) has become a distinctive capability within the payments ecosystem. The SCE provides a disciplined, evidence-based approach to industry strategy development, consultation and sequencing, enabling diverse participants to move beyond positional debate towards shared understanding and actionable outcomes.

Through the SCE, PASA has helped the industry navigate complex, system-wide issues by applying structured methodologies, inclusive engagement and rigorous analysis. This capability will be particularly valuable during transition, where clarity, prioritisation and collective ownership are essential to maintaining momentum without destabilising the system.

TRANSITION AND THE FUTURE-FACING ROLE OF INDUSTRY COORDINATION

The payments ecosystem is facing regulatory reform, institutional realignment and the PEM programme reshaping how roles will be defined in the future. While PASA's future remains uncertain, Council's guiding principle is to retain the capability, coordination and expertise required to sustain a safe, efficient and inclusive NPS.

In future, the need for a credible platform for industry coordination, technical engagement and thought leadership is likely to increase. Whatever construct is adopted, the ecosystem will still require:

- Structured consultation and industry alignment to support interoperability across an expanding and diverse participant base.
- Strong technical and advisory capability to engage constructively with regulators, operators and other system participants.
- Capacity-building to address persistent skills constraints and deepen payment system capability.

CLOSING THOUGHTS

This year demanded steadiness, professionalism and courage from many people. I would like to extend my sincere thanks to:

- PASA's executive team and employees for delivering under prolonged uncertainty. Your ability to remain focused, adaptable and committed has been exceptional. The strength of PASA's performance this year is a direct reflection of your professionalism and resilience.
- My fellow Councillors for their judgement, independent thought and principled oversight. Your leadership helped ensure that PASA remained anchored and governed with maturity during a period of complexity and change.
- PASA Members and broader stakeholders for their ongoing engagement, collaboration and support. The outcomes the ecosystem needs, including modernisation, inclusion and interoperability, will require ongoing and sustained collective effort.
- The SARB and the National Payment System Department for continued engagement during a period of institutional transition, and for supporting the shared focus on system integrity and national outcomes.

PASA's history is one of service to the NPS through capability, collaboration and trust. The organisation has repeatedly adapted to meet the needs of a changing ecosystem, and in 2025 it demonstrated that resilience once again by delivering strongly through disruption.

As South Africa's payments ecosystem transitions, PASA Council remains focused on safeguarding what matters most: continuity, capability, interoperability and confidence in the NPS. Whatever the future holds, the expertise, relationships and coordination capacity that PASA has built over decades will be indispensable in service of a modern, inclusive and trusted payments system for all South Africans.





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

“The South African payments ecosystem is undergoing profound and far-reaching change. Regulatory reform, institutional realignment and the continued execution of the PEM programme are reshaping how the NPS will operate in the years ahead. For PASA, the past year has been defined by transition under unrelenting uncertainty, yet it has also been a year of strong performance, organisational resilience and continued delivery.”

Ghita Erling
Chief Executive Officer



The theme of this year's integrated report, **“Towards a new equilibrium: continuing to deliver while supporting regulator efforts to modernise the payments ecosystem”**, reflects both the external forces reshaping the payments landscape and the discipline with which PASA has responded. While the future institutional positioning of PASA itself remains under active consideration, the organisation has remained firmly focused on its core mandate: maintaining system stability, delivering on commitments, and supporting the industry through a period of significant transition.

CONTINUITY OF MANDATE AND DELIVERY

The past year has been one of the most disruptive in PASA's history. In April, the SARB withdrew its “no objection” to the original PIB design, introducing material uncertainty regarding PASA's future role, mandate and institutional form. This uncertainty has influenced every aspect of the organisation, from strategic planning and budgeting to workforce planning and long-term operational commitments.

Importantly, however, the existing regulatory framework continues to apply, and PASA's responsibilities within the NPS have remained unchanged throughout the reporting period. Against this backdrop, our priority has been twofold: to continue delivering on all current obligations while preparing responsibly for a range of possible transition outcomes.

This dual focus has shaped how PASA has approached governance, financial management and operational planning. Every decision has been taken with prudence, flexibility and contingency in mind. While the future roadmap remains fluid, PASA has ensured that it remains a stable, reliable and trusted institution for as long as it is mandated to operate.

ORGANISATIONAL RESILIENCE

Despite sustained uncertainty, PASA delivered an exceptionally strong year of performance. All material commitments were met, and in several areas, delivery exceeded expectations.

One of the most meaningful indicators of resilience has been the engagement and commitment of our people. Over the past three years, PASA has achieved a remarkable turnaround in employee engagement, moving from a negative net promoter score to a strongly positive result. Achieving this level of engagement in an environment characterised by uncertainty around institutional continuity is a significant achievement and speaks to the quality of leadership across the organisation, as well as the professionalism and adaptability of PASA's people.

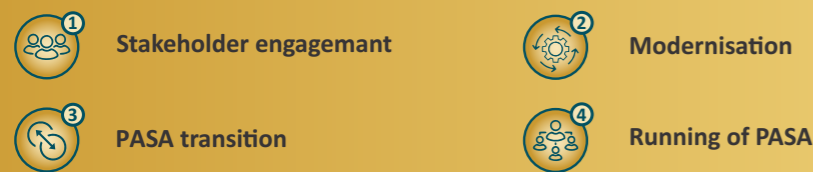
This resilience translated directly into delivery outcomes. Through disciplined execution, improved ways of working and a maturing performance management culture, PASA demonstrated that it remains a capable and dependable institution, even under strain.





MESSAGE FROM THE CHIEF EXECUTIVE OFFICER, *Cont* PERFORMANCE HIGHLIGHTS

In 2025, PASA's activities were structured across four pillars:



Key achievements in 2025 include:

Stakeholder engagement

Stakeholder confidence

Stakeholder feedback remained strongly positive throughout the year. Administrator feedback scores were particularly high, reflecting confidence in PASA's operational reliability, responsiveness and professionalism during a period of significant change.

PASA International Payments Conference (PIPC)

The PIPC was delivered to an exceptionally high standard, both in logistics and content. The quality of discussion, relevance of topics and depth of engagement reflected the maturity of the industry and PASA's role in enabling informed, constructive dialogue at a critical time for the payments ecosystem.

Modernisation

PEM programme support

PASA's contribution to the PEM programme continued to deepen during the year. Under a formal services arrangement, PASA resources supported PEM delivery across multiple workstreams. Feedback from the SARB PEM team rated PASA's contribution highly, reflecting both strong technical capability and effective collaboration. This recognition reinforces PASA's role as a trusted delivery partner in one of the most significant national reform programmes currently underway.

FATF and financial crime expertise

PASA's work in the FATF domain represents a significant organisational capability milestone. Over the reporting period, PASA developed deep, credible expertise that enabled it to lead South Africa's private-sector consultation on FATF Recommendation 16 and related payments-specific reforms.

The quality of PASA's input resulted in one of our team members being invited to participate in a closed FATF working group responsible for drafting guidance notes, a notable achievement. Both regulators and FATF counterparts formally acknowledged the quality of PASA's contributions, with National Treasury commending the value of the input provided. This recognition highlights the credibility PASA has built in a highly complex and sensitive regulatory domain.

PASA transition

Managing change responsibly

A substantial portion of leadership effort during the year was devoted to managing the implications of institutional transition. This included extensive engagement with the SARB, the Banking Association of South Africa (BASA) and broader industry stakeholders to clarify expectations, preserve institutional knowledge and protect continuity within the NPS.

A key stabilising intervention early in the year was the in-principle support received from the banking industry to maintain PASA's operational stability.

Within the current regulatory regime, continuity of PASA operations requires that funding support mechanisms remain in place, and the industry's commitment provided essential assurance to sustain delivery. This support included commitments to protect the employment of PASA's people, providing critical stability for the organisation and reinforcing continuity.

Ongoing engagement clarified the SARB's intention to reallocate rule-making and scheme-related responsibilities under a revised institutional model. In response, PASA sought and obtained mandates from its Members to engage constructively on the transfer of intellectual property and functions. This work has been approached with a strong emphasis on transparency, governance integrity and alignment with the broader interests of the NPS.

In parallel, PASA has articulated the potential value proposition of a future payments association operating without regulatory authority. Drawing on international benchmarking and extensive local engagement, this work is intended to support informed industry decision-making rather than prescribe outcomes. While the final institutional configuration remains unresolved, PASA remains committed to supporting a solution that preserves expertise, strengthens coordination and aligns with public policy objectives.

Running of PASA

Rules throughput and operational delivery

A major operational achievement during the year was the turnaround in rule development and approval processes. Fourteen sets of rules were signed off during the reporting period, a level of throughput equivalent to the previous five years combined. This reflects improved ways of working, restored trust among stakeholders and more effective consultation and decision-making processes.

Technical delivery and systems

Several complex technical projects were successfully delivered during the year. These included the separation of Registered Mandates (RM) from Authenticated Collections (AC), a highly complex initiative that was strongly appreciated by the SARB National Payment System Department (NPSD).

The new Member Portal became operational during the year. This initiative provided important learning for the organisation, particularly around data migration and operationalisation complexity. While the experience has been inconsistent at times and PASA has assessed its performance in this area as broadly on par, the project represents an important step forward in modernising Member engagement capabilities.

Taken together, these outcomes reinforce the overarching message of the year: despite the significant disruption experienced in April 2025 and the absence of clarity regarding the future institutional model, PASA delivered on its commitments.

Capacity and financial stewardship

The year also highlighted important capacity and financial considerations. Transition-related work placed additional demands on leadership time and organisational bandwidth. In response, PASA proactively budgeted for targeted capacity support to ensure delivery standards were maintained.

From a financial perspective, PASA continued to manage Member funds responsibly. Decisions taken in prior years to reduce balance-sheet exposure positioned the organisation conservatively ahead of transition. However, inflationary pressures, additional transition workload and the need to backfill critical roles have placed upward pressure on costs. These matters are being managed transparently, with a strong emphasis on sustainability, fairness and clear communication with Members. PASA confirms that it has adequate financial resources to continue meeting its obligations.




MESSAGE FROM THE CHIEF EXECUTIVE OFFICER, *Cont*

LOOKING AHEAD

The period ahead will require disciplined execution, continued stabilisation and focused engagement across the ecosystem. PASA's priorities remain clear: maintaining system integrity, supporting modernisation initiatives and managing transition in a way that safeguards people, capability and industry confidence.

While uncertainty remains regarding PASA's long-term institutional form, our commitment does not waver. PASA will continue to fulfil its responsibilities for as long as it is mandated to do so and will work constructively with all stakeholders to support a smooth transition to whatever future model is ultimately adopted.

At the time of final review of this report, it has become apparent that the PASA transition will likely take place during 2026. Coincidentally, 2026 also marks 30 years since PASA's founding. As this is likely to be the last PASA Integrated Report, it is therefore important to recognise the pioneering, pivotal and effective role that PASA has played over the last three decades.

 PASA's evolution is outlined on page 23.

We close this chapter as an effective and efficient organisation which can be proud of its impact on the development, management and modernisation of the NPS. PASA's track record in building industry capacity and fostering deeper comprehension of payments systems, translating into better NPS outcomes, will stand the South African payments industry in good stead as we move to the new equilibrium.

APPRECIATION

I would like to express my sincere appreciation to those who have supported PASA through an exceptionally demanding year.

To the SARB, thank you for continued engagement and for recognising the importance of stability, capability and effective transition within the payments ecosystem. To the SARB NPSD and the PEM programme team, we value the trust placed in PASA and the opportunity to contribute meaningfully to one of the most ambitious reform programmes in South Africa's financial system.

To PASA's Council and executive team, thank you for your leadership, judgement and steady guidance during a period of complexity and change. Your commitment to principled decision-making has been critical.

To our Members and industry stakeholders, thank you for your confidence, collaboration and support. Your engagement continues to shape outcomes that serve the broader interests of the NPS.

Finally, to PASA's employees: your professionalism, resilience and commitment have been extraordinary. Delivering strong performance while navigating uncertainty is no small achievement. You have demonstrated leadership at every level, and the organisation's achievements this year are a direct reflection of your dedication. No matter where you land up in the local payments industry, I have no doubt you will continue to impact materially and positively in the interests of South Africa.



CLOSING REFLECTION

As the payments ecosystem moves towards a new equilibrium, PASA remains focused on strengthening capability, enabling collaboration and delivering on our commitments to support a safe, efficient and inclusive NPS for South Africa.



ABOUT PASA

PASA'S ROLE IN SOUTH AFRICA'S PAYMENTS ECOSYSTEM

PASA plays a critical coordinating and stewardship role within South Africa's payments ecosystem. Recognised by the SARB as the Payment System Management Body (PSMB), PASA has historically been responsible for organising, managing and overseeing Members' participation in payment systems, ensuring that the NPS operates in a safe, orderly and interoperable manner.

During the reporting period, PASA continued to perform this role while the payments landscape underwent accelerated modernisation and institutional reform. Although the future configuration of industry arrangements is evolving, PASA's responsibilities remained unchanged, requiring the organisation to maintain operational continuity while engaging constructively in transition discussions.

PASA's role is not limited to operational oversight. It serves as a platform through which diverse participants, including banks, fintechs and other businesses, operators and regulators, can align on standards, resolve complex system-wide issues and advance solutions in the public interest. This convening and coordination capability is particularly important in periods of change, where fragmentation, uncertainty or misalignment could otherwise undermine confidence in the NPS.



PASA'S ROLE DURING THE REPORTING PERIOD

During the reporting period, PASA continued to provide a stabilising influence within a payments ecosystem undergoing significant modernisation and institutional change. While regulatory reform and the execution of the PEM programme are reshaping future roles and responsibilities, PASA remained a central point of coordination, operational continuity and governance alignment for the industry.

This stabilising role manifested in three key ways:



Industry coordination

PASA continued to convene diverse stakeholders, maintain common standards and facilitate alignment across payment systems, helping ensure that its modernisation efforts strengthened the ecosystem as a whole rather than creating fragmentation.



Operational continuity

PASA fulfilled its recognised responsibilities within the NPS, preserving confidence in the day-to-day functioning of critical payment systems during a period of uncertainty.



Governance assurance

PASA's governance structures provided discipline, clarity and accountability, supporting responsible decision-making and effective risk oversight as institutional arrangements evolved.

By maintaining focus on its mandate and responsibilities, PASA helped ensure that its modernisation efforts were experienced by the ecosystem as strengthening and evolution, rather than institutional disruption.

THE SARB NPSD'S REGULATORY ROLE AND VISION

The SARB NPSD is entrusted with regulation, supervision and oversight of the NPS, with a statutory mandate to ensure its safety, efficiency, integrity and contribution to financial stability. In exercising this role, the SARB sets the strategic direction for the payments ecosystem and establishes the regulatory, institutional and infrastructural conditions under which payment systems operate and evolve.

The SARB's strategic intent for the NPS is articulated through its Vision 2025 framework, which sets out nine interrelated goals aimed at strengthening the resilience, inclusivity and effectiveness of the payments ecosystem. These goals include establishing a clear and transparent regulatory and governance framework; promoting financial stability and security; enabling competition and innovation; improving cost-effectiveness and interoperability; enhancing flexibility and adaptability; supporting regional integration; and advancing financial inclusion and public accountability.

Historically, the SARB's approach combined strong regulatory oversight with delegated industry responsibility for operational coordination and governance. This model provided stability and trust in a predominantly bank-centric environment and supported the development of a robust payment infrastructure over time. However, as the payments landscape becomes more digital, open and diverse, the SARB has recognised the need for a more direct and proactive role in shaping the future architecture of the NPS.

This evolution is reflected in the SARB's increasing emphasis on treating payment systems as digital public infrastructure, foundational rails that enable broad participation, interoperability and innovation while preserving resilience, consumer protection and trust. The development of Vision 2030+, together with the conceptualisation and execution of the PEM programme, represents a deliberate shift towards a more inclusive, interoperable and future-ready payments ecosystem aligned with both global best practice and South Africa's developmental priorities.

Central to the SARB's vision is the alignment of payments reform with national development objectives, including economic growth, financial inclusion and reduced reliance on cash. By modernising the regulatory framework, broadening participation to non-banks through proportionate licensing, strengthening AML/CFT compliance and consumer protection, and enabling shared digital infrastructure, the SARB seeks to ensure that the NPS supports inclusive economic participation and promotes greater trust in digital payment mechanisms.

In pursuing this vision, the SARB has assumed a more active leadership role in institutional realignment and infrastructure outcomes. This includes the evolution of PayInc to South Africa's future National Payments Utility, the clarification of accountability for scheme governance and infrastructure operation, and the reallocation of rule-making responsibilities. Together, these reforms aim to position the NPS to meet the evolving needs of South Africans while maintaining the safety, efficiency and integrity that underpin confidence in the financial system.



PASA's ROLE IN SUPPORT OF THE SARB

During the 2025 reporting period, PASA continued to play a support role to the SARB, both in its support to the SARB NPSD and in the project and advisory support of the PEM programme.

PASA's support to the PEM programme was deliberately structured to complement SARB-led reform, rather than to operate in parallel. Where PASA's modernisation and other initiatives overlapped with PEM priorities, work was stopped within the PASA environment and, in some instances, resources were allocated to the PEM programme, ensuring optimal use of industry capacity.

A service agreement was concluded between PASA and PEM programme resulted in PASA working on the following the initiatives:

- Facilitation support and workshop design for the "Faster Payment System (FPS) hit squad", which looked at key drivers of adoption of faster payment systems and ways to close current gaps in South Africa.
- Analytical and strategic work in support in the Fraud workstream, which is seen as one of the foundational enablers of a safe and effective payments ecosystem.
- Project support for the optimisation of the current SAMOS system to prolong its lifespan and sustain its effective operation. (SAMOS versions 8 and 9).
- Business analyst support to determine stakeholders needs, develop a gap analysis from what is currently available and crystallise functional requirements for a new insights platform, an envisaged common resource to address payments related data requirements of various stakeholders.
- Programme support for several foundational enablers (non-transactional capabilities) that will support and enable an effective, safe, and modern new payments ecosystem. Among these are the QR plus standard, the new Insights Platform, the above-mentioned fraud management capabilities and some of the legal and policy development that is required for a modern, inclusive payment system.

Feedback from SARB PEM leadership confirmed the value of PASA's contribution, particularly in relation to collaboration, responsiveness, subject matter expertise and delivery quality. While capacity constraints were acknowledged given the breadth of concurrent change, PASA's overall contribution was assessed as exceeding expectations.

The SARB is considering the development of NPS Vision 2030. To facilitate broad industry consultation, the SARB established a Payments Council Advisory Subcommittee, and requested PASA CEO Ghita Erling to chair the committee. In this role, PASA has facilitated structured engagements with private sector stakeholders, enabling the SARB to gather collective industry input to inform the future direction of South Africa's NPS.

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 can evolve to meet these needs while addressing the country's challenges and structural deficiencies.

The relevant legal framework and constructs are provided below.

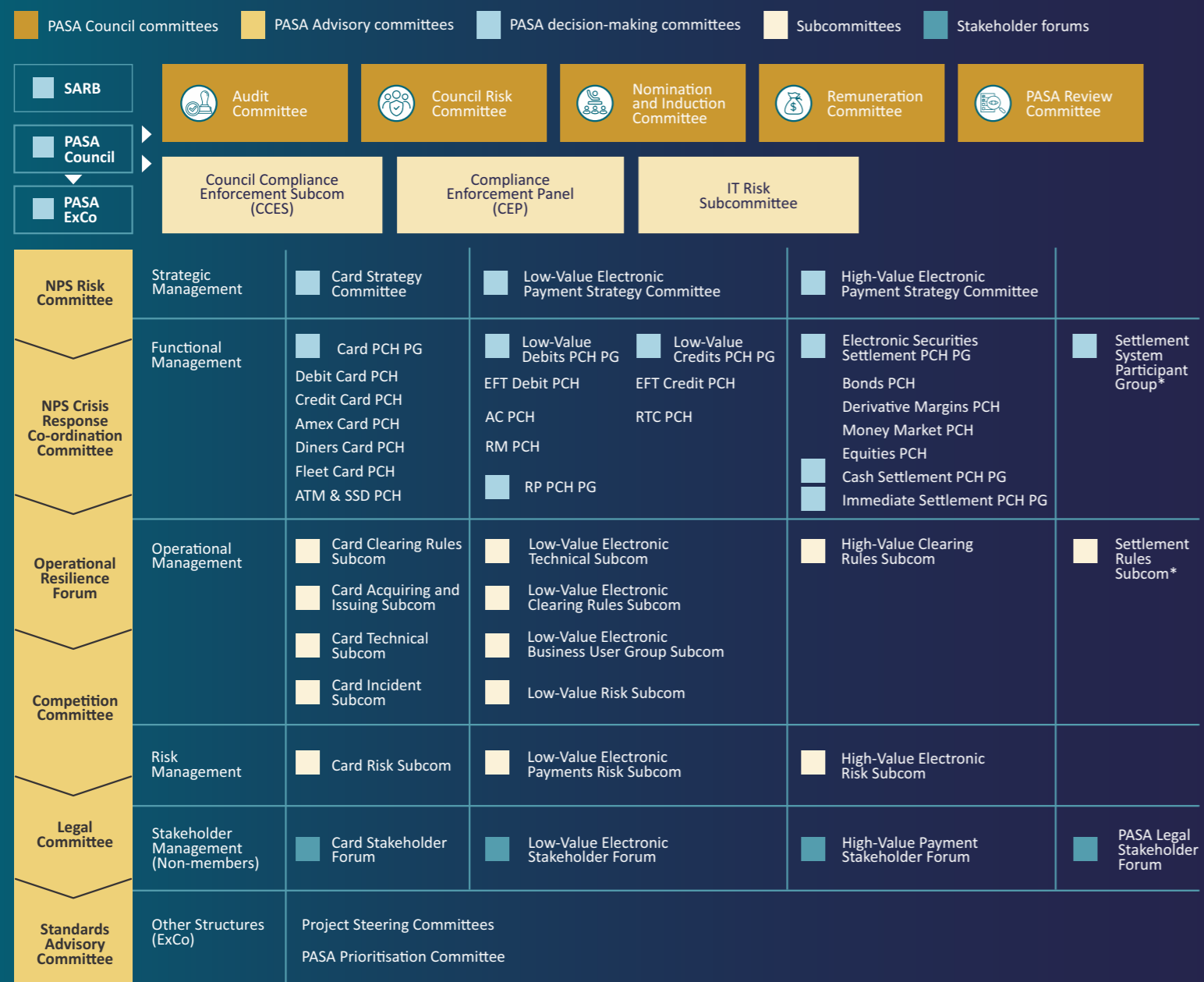
SARB Act 90 of 1989	Mandates the SARB to regulate and oversee the NPS, ensuring its integrity, safety, and efficiency.
NPS Act 72 of 1998 (currently being updated)	Provides the regulatory foundation for the NPS and empowers the SARB to recognise a PSMB. PASA currently fulfils this role, organising, managing, 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 are required to follow. These rules ensure uniformity and mitigate systemic risks within the NPS.
Service Level Agreements (SLAs)	SLAs formalise the relationships between Payment Clearing House participants (Members) and Payment Clearing House System Operators (PSOs). SLAs 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	PASA's OPERATIONAL PRINCIPLES	GOVERNING BODY: PASA COUNCIL	PASA COUNCIL DELEGATES AUTHORITY TO PASA STRUCTURES
<p>Voluntary association</p> <p>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.</p>	<p>Member obligations</p> <p>All PASA Members adhere to the constitution and its rules, which include the PASA Regulatory Framework and payment clearing rules.</p>	<p>Strategic direction</p> <p>PASA Council sets the strategic direction for PASA, ensuring alignment with the evolving needs of the payment system.</p>	<p>PCH PGs</p> <p>PASA Council has delegated some of its authority to PCH PGs, which handle the rules for the clearing and settlement of payments.</p>
<p>Separate legal personality</p> <p>PASA has its own distinct legal identity, separate from its Members and officers, ensuring its autonomy and ability to act independently.</p>	<p>Rights and obligations</p> <p>The constitution outlines the rights and obligations of Members, ensuring a framework for fair and equitable participation.</p>	<p>Oversight and execution</p> <p>Council oversees the implementation and execution of strategic decisions, ensuring the effective functioning of PASA.</p>	<p>Strategy forums</p> <p>Strategy forums provide a platform for PASA Members to engage in discussions on key strategic issues and contribute to decision-making.</p>
			<p>CEO</p> <p>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.</p>



PASA STRUCTURES



* The Settlement System PG and Settlement Rules Subcommittee was effectively migrated to the SARB in November 2025.

In 2025, PASA had:

<h1>7</h1> <p>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.</p>	<h1>3</h1> <p>Strategy committees, covering card payments, electronic payments and high-value (HV) payments.</p>	<h1>6</h1> <p>Advisory committees (Legal, Competition, Risk, Crisis co-ordination, Operational resilience and Standards advisory).</p>	<h1>4</h1> <p>Stakeholder forums (legal, low-value electronic payments, high-value electronic payments and card), ensuring regular engagements with impacted parties who are not PASA Members.</p>
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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 2025

Members

<h1>31</h1> <p>Members (2024: 31)</p>	<h1>18</h1> <p>PCHs (2024: 17)</p>	<h1>7</h1> <p>PCH PGs (2024: 7)</p>	<h1>240</h1> <p>PCH Memberships (2024: 218)</p>
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PSOs, SOs and TPPPs

<h1>4</h1> <p>Authorised PSOs (2024: 4)</p>	<h1>105</h1> <p>Authorised SOs (2024: 89)</p>	<h1>518</h1> <p>TPPP registrations (2024: 444)</p>	<h1>373</h1> <p>TPPP legal entities (2024: 338)</p>
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PASA MEMBERS

- Absa Bank Ltd
- Access Bank Ltd
- African Bank Ltd
- Albaraka Bank Ltd
- Bank of China, Johannesburg Branch
- Bank Zero Mutual Bank
- Bidvest Bank Ltd
- Capitec Bank Ltd
- China Construction Bank
- Citibank N.A. South Africa
- Diners Club SA - Designated Participant
- Discovery Bank Ltd
- Efficacy Payments (Pty) Ltd - Designated Participant
- eNL Mutual Bank
- Finbond Mutual Bank
- FirstRand Bank Ltd
- HBZ Bank Ltd
- HSBC Bank PLC- Johannesburg Branch
- Investec Bank Ltd
- JPMorgan Chase Bank N.V Johannesburg Branch
- OM Bank Ltd
- Nedbank Ltd
- Paycorp Group (Pty) Ltd - Designated Participant
- South African Postbank SOC Ltd (SAPO) - Designated Participant
- Retail Assist (Pty) Ltd - Designated Participant
- South African Reserve Bank
- Standard Bank of South Africa Ltd
- Standard Chartered Bank Johannesburg Branch
- State Bank of India South Africa
- 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 participation of the participants in 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

CELEBRATING THE PASA BRAND, HISTORY AND LEGACY

For three decades, PASA has operated at the heartbeat of South Africa's NPS. Established in the wake of the SARB's NPS reform framework in 1996, PASA was created to serve a singular purpose: to ensure that the country's payments infrastructure is safe, efficient, interoperable and trusted.

Recognised by the SARB as the PSMB, PASA has become the central platform through which banks, payment service providers and other industry participants could collaborate in the public interest. In this role, PASA organised, managed and regulated its Members' activities within the NPS, providing the governance, coordination and discipline required to support one of the most systemically important components of the financial system.

PASA worked in close collaboration with the SARB, contributing directly to the regulation, oversight and management of clearing and settlement systems. This partnership was fundamental to ensuring the safety, stability and efficiency of the NPS, and to translating regulatory intent into practical, operational outcomes that could be implemented consistently across the industry.

In a complex environment shaped by competing commercial interests, rapid technological change and evolving regulatory expectations, PASA provided neutral coordination, technical depth and disciplined governance. It enabled cooperation where competition was natural, supported innovation without compromising system integrity, and ensured that interoperability remained a cornerstone of the South African payments ecosystem.

Over time, PASA helped guide the industry through successive waves of change. From early ATM and card interoperability to the development of clearing house agreements, debit order reform, real-time payments, payments modernisation and financial crime engagement, PASA consistently adapted its role to meet the needs of a changing ecosystem. Its contribution was not defined by any single project or reform, but by sustained stewardship of trust, continuity and progress within the NPS.



As the payments landscape now enters a period of profound institutional transition, PASA's 30-year legacy stands as a record of industry leadership, resilience and service to the public good.



PASA's HISTORY AND LEGACY

The timeline that follows reflects PASA's evolution, impact and legacy, from its foundational role in establishing a modern payments system to its leadership through modernisation and transition.

Foundations (1996–2004)

Establishing the institutional foundations of a safe, coordinated and regulated National Payment System following post-1994 financial sector reform.



Mike Lear

1996

- PASA was formally established following the SARB's NPS reform framework, commonly referred to as the "Blue Book" which was published in 1995. This framework set out the foundational principles and institutional arrangements for a modern, safe and efficient payments system.
- Several payment system associations (PSAs) were established under the umbrella of PASA.
- Mike Lear was appointed as PASA's first Chief Executive Officer.

1998

- The first PASA Constitution was adopted, and the NPS Act was promulgated.
- SAMOS went live.

1999

- PASA was formally recognised by the SARB as the PSMB in terms of the NPS Act.

2000

- A number of large non-bank payments participants entered the payments space. ATM Solutions (Pty) Ltd emerged as a new payments player, signalling the beginning of increased participation and competition within the payments ecosystem.

2001

- The first Payment Clearing House (PCH) agreements were finalised and signed, establishing structured clearing arrangements across the industry.
- Mike Lear retired, and Hendrik Pelsler was appointed Chief Operating Officer of PASA.



Hendrik Pelsler



Johnny Pienaar

2007

- The Real-Time Clearing (RTC) PCH agreement was signed, enabling South Africa's first interbank real-time clearing transactions.
- Hendrik Pelsler resigned, and Johnny Pienaar was appointed Acting COO.

2005

- The Early Debit Order (EDO) PCH Participant Group (PCH PG) was established, supporting the growth of debit order payments.
- BankservAfrica was appointed as a PCH System Operator, strengthening clearing infrastructure.
- The Mzansi Money Transfer (MMT) PCH was established, initially including four Members, expanding access to low-cost money transfers.
- Smartphone functionality began gaining acceptance in the payments market, signalling early digital disruption.

2006

- The SARB launched Vision 2010 for the NPS. Updated in 2011 as Vision 2015 and in 2018 as Vision 2025.
- Heightened focus by the Competition Commission on anti-competitive behaviour reinforced the need to balance competition with collaboration within the PASA environment.



Expansion and innovation (2005–2014)

Responding to increasing transaction volumes, new payment instruments and heightened competition through system expansion, structured innovation and stronger industry coordination.

2004

- Visa and Mastercard were authorised as PCH System Operators (PSOs).
- The NuPay PCH Agreement was established, further expanding the clearing framework.

2008

- The payments strategy function was formally established.
- Strategic forums were launched, including the Card Strategy Forum (formerly known as Association of Bank Card Issuers), the Card Payment Stakeholder Forum, and the Electronic, Paper and Cash Strategy Forum, deepening structured industry engagement.
- PASA implemented its own Project Management Office.
- The ATM-related SASWITCH PCH agreement was renamed the ATM and Self-Service Devices (SSD) PCH Agreement.
- An executive overview of the Competition Commission Enquiry Panel's report was released to the public.
- Walter Volker was appointed Chief Executive Officer of PASA.



Walter Volker

2009

- The Cash Settlement PCH agreement was finalised and signed, strengthening settlement discipline.
- Amendments to the PASA Constitution were introduced to reflect King III governance principles.
- PASA implemented a compliance management capability.

2010

- A new PASA Constitution was formally adopted.
- PASA launched its first public website, improving transparency and stakeholder access.

2011

- The Electronic, Paper and Cash (EPC) Stakeholder Forum was established to support broader engagement across payment instruments.
- The Consumer Protection Act came into effect, influencing payment system governance and consumer safeguards.

2012

- The PASA Certificate in Foundational Payments (PCFP) was launched, building industry capability and professional development.
- The first PASA / Strate / GIBS Conference was held, The Derivatives Margins PCH agreement was finalised.
- Europay, Mastercard, and Visa (EMV) adoption gained significant momentum following its initial rollout in 2007.



Alewyn Burger

2015

- The PASA website was revamped to improve accessibility and stakeholder engagement.
- The PASA Course in Foundations of Payments was introduced in Lesotho.
- Harmonisation of the card environment was initiated and approved.
- Card security through PCI-DSS and 3D secure became a strong focus area.
- The SARB conducted a formal review of the effectiveness of PASA and publishes their findings in 2016. Implementation of the 19 recommendations was postponed pending imminent regulatory changes.
- Alewyn Burger, PASA's first Independent Councillor, was appointed as Council Chairperson.



Modernisation and Governance (2015–2020)

Strengthening governance, risk management and operational resilience while modernising payments infrastructure and industry standards in a rapidly evolving environment.

2013

- The first PIPC was launched, positioning South Africa within global payments discourse.
- A comprehensive review of card-related transactions was undertaken, which resulted in all card-related transactions being managed under a single Card PCH PG.

2014

- A revised interchange rate framework for ATM and card transactions was implemented (2014/2015).
- The Compliance function was strengthened.
- PASA introduced a formal Project Management Framework and Methodology.
- A dedicated risk management function was established.
- The PCFP course was offered in Cape Town and Namibia for the first time, extending regional reach.

2016

- The first industry change intervention was introduced under the DebiCheck project.
- Increased focus was placed on consumer education initiatives.

2017

- Enhanced emphasis on consumer awareness and protection.
- High-Value Payments Course pilot was initiated.
- The Financial Sector Regulation (FSR) Act was signed into law on 21 August, marking an important milestone on the journey towards a Twin Peaks model and introducing activity-based regulation as opposed to entity-based regulation.
- SA's first ISO 20022 system, Authenticated Collections core system went into production in 2017 with enhanced functionality released in 2018.
- Ingrid Goodspeed was appointed as PASA's second Independent Councillor.



Ingrid Goodspeed

2018

- The PCFP course was offered in Durban for the first time.
- The first High-Value Payments programme was formally launched.
- National Treasury's Policy Paper entitled "Review of the National Payment System Act 78 of 1998" proposed a withdrawal of the PSMB concept from the NPS Act.
- Two new regulators came into operation – the Prudential Authority (PA) and the FSCA.
- Project Future set a target state architecture for electronic low-value credits in the NPS and sets high-level requirements for a new ISO 20022 based real-time retail payment system.
- Cognisant that more change will come, PASA reviewed its operating model, implemented a number of no-regret actions and rationalised PCH Participation Groups.
- Sydney Gericke was appointed as PASA's third Independent Councillor.



Sydney Gericke



PASA's HISTORY AND LEGACY, *Cont.*

2019

- The PASA Cross-Border Payments and Reporting Group (CBPR) was established for ISO 20022 CBPR+ participation.
- The PASA SWIFT MyStandards subgroup was launched, enabling Member access to up-to-date messaging standards.
- A Council Risk Committee was established to oversee risks to PASA and the NPS.
- The Project Future Case-for-Change Committee was established.
- PASA, BankservAfrica and PwC led a study tour to India, Thailand, China and Singapore to look at faster payment system implementation models and use cases. The case for change for a new real-time retail payment system was established with implementation based on a social contract rather than compliance.
- Sydney Gericke was appointed as PASA Council's second Independent Chair.
- A Chief Risk Officer was appointed, completing PASA's risk management function.

2020

- The operating model was adapted to support virtual operations and ensure NPS continuity during COVID-19 lockdowns.
- PASA courses were converted to e-learning formats.
- PASA participated in rapid solutions proposals to support the distribution of COVID-19 relief grants.
- The detailed design for a new ISO 20022 real-time retail payment system, based on the proposed target state architecture of the Project Future, was completed.
- The PASA Risk Management Framework and Policies were updated to support suitable approaches for the management of risks related to the PASA legal entity and PASA NPS.
- The Line-of-Defence model for risk management was formally adopted.
- Ghita Erling was appointed as PASA Chief Executive Officer.



Ghita Erling



Transformation and Transition (2021–2025)

Navigating structural reform, ecosystem modernisation and institutional transition while continuing to deliver stability and trusted industry coordination.



Fay Mukaddam



Thami Moatshe

2023

- The SARB provided a “no objection” to the PIB design.
- PayShap real-time payments were launched into the market.
- A comprehensive implementation plan was developed for the transition of PASA to the PIB.
- PIPC 2023 was hosted in an in-person format.
- The PASA Industry Awards nomination and selection process was formalised to recognise outstanding contributions across the payments ecosystem.
- Fay Mukaddam and Thami Moatshe were appointed as new Independent Councillors.

2022

- The PIB design was completed and submitted to the SARB for review.
- Modernisation of the High-Value Payments system was completed, including the SAMOS Version 8 upgrade. South Africa successfully implemented the ISO 20022 message standard on SAMOS and in high-value payments.
- The Authenticated Early Debit Order (AEDO) and Non-Authenticated Early Debit Order (NAEDO) debit order systems were decommissioned and fully replaced by DebiCheck.
- BankservAfrica assumed operational responsibility for Debit Order Abuse manual processes.



Herman Singh

2021

- The SARB requested PASA to facilitate the development of a new Payments Industry Body (PIB), marking the start of a significant industry reform initiative.
- The PASA PIPC was hosted virtually for the first time.
- Internal and external communications were strengthened to enhance PASA's visibility, credibility and thought leadership role within the payments ecosystem.
- A project was launched to ensure PASA's legal and rules framework aligned with POPIA and other current legislation.
- PASA revised its risk management model to incorporate cybersecurity considerations.
- Contingency plans were initiated to strengthen NPS resilience against severe outage events.
- Risk appetite and tolerance limits were established to help prioritise actions aimed at addressing principal risks.
- All PCH PG Constitutions were revised and updated to improve consistency and governance.
- The PASA Constitution was amended to improve Conflict of Interest and Councillor Conduct provisions.
- DebiCheck became the only accepted early electronic debit order collection system in South Africa.
- Herman Singh was appointed as an Independent Councillor.

2024

- PASA bade farewell to Sydney Gericke as Chairperson, recognising his significant contribution and leadership.
- Momentum on the PIB transition was maintained despite uncertainty surrounding amendments to the NPS Act.
- Industry participants signed off on the reuse of PASA's legal entity for the PIB to simplify the transition process.
- The first draft of the PIB Constitution was presented, and the process for finalisation was agreed.
- The PIB Target Operating Model (TOM) proposal was signed off.
- The final PIB name was approved by PASA Council and presented to the broader PIB community.
- Cybersecurity capabilities were strengthened, a cyber-response plan was drafted, and a cyber-event response partner was onboarded.
- The PASA Council IT Risk Subcommittee was established.

- The PASA NPS Operational Resilience Forum was created, and an Operational Resilience Policy was adopted.
- The PASA NPS Crisis Response Coordination Committee was established.
- PASA entered a service provider agreement with the PEM programme.
- PASA developed internal expertise to support FATF compliance and financial crime initiatives.
- The annual stakeholder survey reflected overwhelmingly positive feedback on PASA's continued delivery of value.
- By December 2024, most major banks offered PayShap, with broader adoption anticipated in 2025.
- PASA task teams produced comprehensive principles and a roadmap for EFT modernisation.
- Ingrid Goodspeed was appointed as Chairperson, and Herman Singh as Deputy Chairperson of PASA Council.

2025

- In April 2025, the SARB withdrew its “no objection” to the PIB design, citing misalignment with evolving regulatory intent.
- In October 2025, the SARB provided specific guidance on the future management of current self-regulatory functions.
- The new PASA Member Portal operationalisation was completed to strengthen Member access management.
- RMS was separated from AC to become a standalone system, renamed as RM, and processed in the evening processing window, ahead of EFT debits.



Read more in Characteristics and developments of individual payment systems in 2025 on page 30.





THE ROAD AHEAD: TRANSITIONING TOWARDS A NEW EQUILIBRIUM

South Africa's payments ecosystem is entering a decisive phase of institutional and structural reform. Regulatory modernisation, the evolution of governance arrangements and the rollout of the PEM programme are reshaping how the NPS will be regulated, operated and coordinated in the years ahead.

Within this context, PASA's future is no longer assured. What is assured, however, is PASA's continued commitment to stability, professionalism and delivery throughout the transition.

REGULATORY CLARITY AND INSTITUTIONAL REALIGNMENT

In October 2025, the SARB provided PASA with formal guidance on the future management of self-regulatory functions within the NPS. This guidance reaffirmed the SARB's strategic intent to strengthen its regulatory, supervisory, operator and catalyst role, while reshaping the institutional architecture that has historically supported the payments system.

Key elements of this guidance included:

- Confirmation that regulatory rule-making authority will not reside in PASA or a future PIB.
- The reallocation of Payment clearing house (PCH) and rule-making responsibilities to licensed scheme operators.
- The issuing of interoperability and cross-cutting rules directly by the SARB's NPSD.
- The intention to withdraw PASA's recognition as a PSMB

This direction reflects an international shift aligned with the SARB's vision for a modern, inclusive and resilient payments ecosystem.

MANAGING TRANSITION RESPONSIBLY

The SARB has emphasised that the transition must be managed carefully to protect system stability, institutional knowledge and people. In this regard, PASA is working closely with the SARB, BASA, PayInc and industry stakeholders to prepare for a phased and responsible transition.

Importantly:

- PASA has received in-principle support from the Banking Association of South Africa, representing the majority of its Members to transfer intellectual property and people in line with regulatory guidance.
- Commitments have been made to protect PASA employees during the transition, recognising the critical skills and experience housed within the organisation.
- Transitional arrangements are being designed to minimise disruption to the NPS, irrespective of the final institutional outcome.

These measures reflect a shared recognition that continuity of capability is essential as the ecosystem moves towards a new equilibrium.

THE FUTURE ROLE OF INDUSTRY COORDINATION

While regulatory authority will sit with the SARB and licensed operators under the future framework, the SARB has reiterated its support for an industry coordination and consultation body, provided it meets defined criteria.

If established, such a body would operate without regulatory authority but could play a critical role in:

- Providing strategic insight and advised based on evidence-based analysis, technical insight and impact assessments.
- Coordinating industry input on payments policy, standards and reform and acting as a structured consultation channel for the SARB.
- Capacity building, training, education and awareness.
- Cross-operator and scheme change implementation.
- Coordinating the development and maintenance of industry- and regulator- mandated standards and frameworks, including playbooks dealing with crisis management, among other initiatives.

Any such body would need to be adequately representative, appropriately capacitated and clearly governed. PASA was tasked by its Members to explore this future role, drawing on international benchmarking and extensive stakeholder engagement, without presupposing a single outcome.

SCENARIOS UNDER CONSIDERATION

In line with SARB guidance and industry engagement, several potential institutional pathways for delivering the above functions are under consideration, including:

- A standalone, private-sector payments association.
- Integration of payments coordination into an expanded financial-sector association model.
- A more fragmented representative landscape, with multiple bodies serving different constituencies.
- Closer institutional alignment with PayInc, recognising its emerging role as the National Payments Utility.

Each scenario presents different trade-offs in terms of speed, representation, independence and long-term balance between public and private sector roles. The industry is actively engaging to identify a path that best supports South Africa's payments objectives, while preserving capability and trust.

LOOKING FORWARD WITH PURPOSE

Throughout this period of transition, PASA continues to operate under the existing regulatory framework and remains fully committed to delivering on its responsibilities, to the best of its ability, for as long as it is mandated to do so.

Operational planning, financial stewardship and governance decisions are being taken with a strong emphasis on:

- Prudence and transparency.
- Contingency planning.
- Responsible management of Member funds.
- Protection of institutional knowledge and people.

This approach reflects PASA's long-standing role as a stabilising force in the NPS, even as the institutional landscape evolves.

The transition now underway marks the end of one chapter in South Africa's payments history and the beginning of another. Whatever institutional model ultimately emerges, it will be built on foundations shaped by PASA's three decades of service, expertise and collaboration.

As the ecosystem moves towards a new equilibrium, PASA's focus remains clear: to support system stability, enable constructive engagement, and ensure that risks associated with the transition are consciously managed.

Change is inevitable. How it is managed will define its success.





OPERATING CONTEXT: GLOBAL AND LOCAL TRENDS SHAPING THE PAYMENTS LANDSCAPE

GLOBAL PAYMENT TRENDS ACCELERATING TOWARD 2030+

The global payments industry is moving into a high-volume, always-on environment where operational resilience, fraud control and regulatory readiness are becoming decisive competitive capabilities. The 2025 McKinsey Global Payments Report points to a multi-rail reality, with rapid growth in account-to-account and wallet-based payments in high-adoption markets such as India and Brazil, alongside accelerating innovation in data, artificial intelligence (AI) and forms of digital money where regulation enables it.

In this context, the global picture is no longer a single story of “instant payments rollout”. It is shaped by domestic infrastructure choices, payment sovereignty priorities and differing trust foundations. Cross-border progress is increasingly driven through interoperability between domestic schemes and regional linkages, while AI is reshaping fraud detection, routing and reconciliation. Competitiveness is therefore defined by the ability to orchestrate multiple rails securely and reliably at scale, not only by launching faster payments.¹

Note: All superscript references include hyperlinks to the underlying source documents, which are listed on page 29.

LOCAL TRENDS SHAPING PAYMENTS IN SOUTH AFRICA

South Africa is experiencing the same pressures, but the local trajectory is being shaped most strongly by regulatory reform and the need to scale safe digital adoption. The SARB is consulting on an activity-based authorisation approach for payment activities, with proportionate requirements intended to broaden participation while strengthening accountability, resilience and market conduct.²

PayShap volumes increased from 159 million in 2024 to 502 million in 2025 (+216%).³ Much of this growth appears to be driven by migration from legacy low-value credit payment stream (particularly Real Time Clearing) to the modernised, and cheaper, PayShap channel. The aspirational move of material volumes of cash to digital (PayShap) reinforces the need to scale participation and volumes without increasing risk, while ensuring interoperability, fraud controls and operational resilience keep pace with adoption and regulatory timelines.

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

MATERIAL MATTER



As South Africa's payments ecosystem modernises, cash continues to play an important role, particularly in the informal economy and in low-value, everyday transactions. For many micro-entrepreneurs, informal traders and small businesses, cash remains immediate, widely accepted and easy to manage, while also providing real-time visibility of earnings and liquidity. Studies of township and informal enterprises show that cash remains the primary transaction method and that a large majority of informal businesses still rely on it for daily transactions.⁴

This continued reliance is also reflected in the SARB's 2025 retail Central Bank Digital Currency Position Paper, which notes that cash payments are valued for their immediacy — a critical feature in parts of the informal economy where recipients depend on instant access to funds.⁵

Together, these dynamics reflect South Africa's “two-economy” reality: even as digital payment options expand, cash remains central for many consumers and businesses. The SARB has continued to emphasise that cash is still widely used, while also noting that growth in cash demand has slowed in recent years. SARB's long-term objective is a “cash-smart” society, where cash remains available but becomes less dominant in everyday transactions.⁶

The economic and social context reinforces why modernisation must be inclusive: Stats SA's Quarterly Labour Force survey shows the official unemployment rate eased to 31.9% in Q3 2025 (from 33.2% in Q2 2025), while the combined rate of unemployment and the potential labour force was 42.4%, emphasising how vital affordable, accessible payments are for households and livelihoods supported by informal trade.⁷

Weak growth over the past decade has further heightened the value of reforms that expand participation and reduce the cost of transacting, while protecting trust in day-to-day payment methods. The aim is not “cash versus digital”. It is building a cash-smart system that keeps cash accessible where it remains necessary, while scaling low-cost, secure digital options that work for micro-merchants and consumers at volume.





BARRIERS AND OPPORTUNITIES TO FINANCIAL INCLUSION IN SOUTH AFRICA

MATERIAL MATTERS



South Africa's payments policy focus has shifted towards the South African Reserve Bank's PEM programme, which seeks to modernise the national payment system through a more inclusive, competitive and interoperable digital payments ecosystem. PEM is explicitly aimed at expanding financial inclusion by making digital payments simple, fast, affordable and secure, while reducing reliance on cash among underserved segments.⁶

Significant barriers to inclusion remain. Although South Africa has high levels of bank account penetration, digital payments per capita remain relatively low, with many consumers still using their accounts mainly to receive funds that are then withdrawn as cash. PEM notes that this pattern is reinforced by both demand-side and supply-side constraints. On the demand side, irregular incomes, limited access to smartphones and affordable internet, mistrust of digital systems and concerns about fraud or device theft continue to reduce digital adoption. On the supply side, limited merchant acceptance, perceived high transaction costs, fragmented payment ecosystems and weak infrastructure in rural and underserved areas continue to restrict everyday digital usage.⁶

These barriers also point to clear opportunities. PEM identifies broader access points, improved affordability, stronger interoperability and greater digital and financial literacy as critical success factors for wider adoption. In particular, the programme envisages a payments ecosystem in which both banks and non-banks help expand access into informal economies; real-time, low-cost payments operate at scale; interoperable mechanisms such as shared QR and proxy-based payments reduce friction; and education and awareness initiatives build trust and confidence among consumers and small businesses.⁶

A key enabler of this shift is regulatory reform. PEM's activity-based regulatory approach is designed to create a more level playing field by enabling broader participation in payment activities, including by non-banks, while maintaining appropriate safeguards. This policy direction has now been given practical effect through the SARB's 2025 Authorisation Framework for specific payment activities. The framework states that it aims to promote competition, innovation and financial inclusion in the national payment system and enables authorised payment institutions, including non-banks, to offer specified payment activities provided they meet the applicable authorisation requirements.²

HOW SOUTH AFRICA FINTECH GROWTH IS TRANSFORMING FINANCIAL INCLUSION

MATERIAL MATTER



South Africa's fintech ecosystem is expanding rapidly, supported by a combination of structural demand and enabling conditions. Key drivers include a large underbanked population, high mobile penetration and improving internet access, increasing investor appetite, and a regulatory stance that is broadly open to innovation while emphasising consumer protection.⁹

Fintech growth is translating into inclusion by reducing barriers to access and lowering the cost and friction of everyday financial services, particularly for underserved consumers and informal and micro enterprises that may lack traditional banking touchpoints.

Practical inclusion pathways highlighted include:⁹

- Digital wallets and mobile payments, with QR code payment initiation enabling people to pay and receive money using a phone.
- Micro-lending and alternative credit scoring, using non-traditional data to extend credit to people and entrepreneurs without conventional credit histories.
- Insurtech, expanding affordable, on-demand cover to communities historically excluded from formal insurance.
- Savings and investment apps, widening access to savings tools and investment opportunities previously out of reach for many households.

Fintech scale and inclusion impact is increasingly accelerated through partnership and ecosystem collaboration, including bank-fintech collaboration, investor support and industry coordination. Traditional banks are increasingly partnering with fintechs to leverage technology and reach new customers.

A notable 2025 signal of this maturity was Nedbank's binding agreement to acquire 100% of iKhokha, described as a move to deepen support for SMEs through digital innovation and inclusive financial services, while allowing iKhokha to continue operating under its own brand and leadership.¹⁰ In December 2025, Capitec announced a binding agreement to acquire Walletdoc, positioning the deal as a way to expand secure payment acceptance for business clients and simpler, more affordable e-commerce solutions for consumers.¹¹

South Africa's fintech ecosystem is also reflected in the participation of non-bank innovators within the payments system through PASA membership. PASA's fintech Designated Clearing System Participants (DCSP) include organisations such as Efficacy Payments, Paycorp Group and Retail Assist which contribute specialised payment services, clearing and processing capabilities, and payment infrastructure that support the reach and accessibility of digital financial services.

Looking ahead, sustaining fintech-enabled inclusion depends on continued focus on talent development, cybersecurity and data privacy, infrastructure and digital literacy, and product innovation designed for underserved segments, alongside opportunities for responsible cross-border expansion.⁹





STRENGTHENING CONSUMER PROTECTION IN DIGITAL PAYMENTS

MATERIAL MATTER



Cyber-enabled fraud is increasingly shaped by social engineering and AI-assisted impersonation, with criminals exploiting stolen personal data alongside faster digital adoption and human vulnerability. SABRIC's Annual Crime Statistics for 2024 show that total banking crime losses declined (from R3.3bn in 2023 to R2.7bn in 2024), but digital banking fraud remained the dominant channel, accounting for 65.3% of reported incidents, with cases rising sharply from 31,612 (2023) to 64,000 (2024) and losses increasing from R1.0bn to over R1.4bn. Most incidents stemmed from social engineering rather than technical breaches, often informed by prior data theft. SABRIC has warned of a growing threat from AI-enabled fraud (including increasingly convincing phishing, WhatsApp scams and voice-cloned deepfakes), with expectations that real-time deepfake tactics could become more common.¹²

Key developments strengthening consumer protection and capability include:

- **Fraud-risk awareness and industry coordination:** SABRIC continues to support fraud-risk awareness and industry coordination through information sharing, collaboration and public awareness efforts, alongside partnerships with banks, law enforcement, regulators and other stakeholders.¹²
- **Raising the baseline for financial education quality:** The FSCA has reinforced its financial education mandate and published Conduct Standard 1 of 2025 (General), setting baseline expectations for governance, oversight and appropriateness where financial institutions provide financial education initiatives.¹³
- **Accessible consumer recourse and education through the Ombud system:** The National Financial Ombud Scheme (NFO) continues to link dispute-resolution insights with consumer education, including fraud prevention messaging and targeted support for vulnerable consumers.¹⁴

GEOPOLITICAL ALIGNMENT AND PAYMENT SOVEREIGNTY

MATERIAL MATTER



As geopolitical tensions rise, countries are increasingly using financial channels to advance policy objectives, increasing the risk of the global financial system fragmenting into competing blocs. In response, many jurisdictions are placing greater emphasis on resilience and sovereignty in payments infrastructure, while global standard-setters continue to push interoperability as a practical way to reduce inefficiencies and prevent fragmentation.¹⁵

Recent developments in 2025 and early 2026 illustrate this shift:

- **Regional and bloc-led payment linkages:** The Common Market for Eastern and Southern Africa (COMESA) launched a Digital Retail Payments Platform to support cross-border trade using local currencies and reduce reliance on the United States dollar in regional settlement flows.¹⁶ The Pan-African Payment and Settlement System (PAPSS) has continued expanding its network across multiple African regions, connecting central banks, commercial banks and switches to enable intra-African cross-border payments.¹⁷
- **Parallel messaging and settlement infrastructures:** The United States Department of the Treasury's Office of Foreign Assets Control (OFAC) issued an alert highlighting sanctions risks for foreign institutions joining Russia's System for Transfer of Financial Messages (SPFS), describing it as an alternative to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) used to maintain connectivity and support settlements in national currencies.¹⁸ China has also continued strengthening cross-border renminbi settlement infrastructure, including updates to the Cross-Border Interbank Payment System (CIPS) and measures to encourage broader use of the renminbi in cross-border trade and payments.¹⁹
- **Geopolitical alignment and payment sovereignty:** A more immediate signal of South Africa's evolving position in cross-border payments is Standard Bank's move to join China's Cross-Border Interbank Payment System (CIPS). In 2025, CIPS accredited The Standard Bank of South Africa Limited, and Standard Bank later announced that it had gone live as the first African bank to offer CIPS transactions, enabling interbank payments between Africa and China using renminbi. The development points to growing interest in diversifying cross-border payment channels, strengthening direct settlement options and reducing reliance on traditional correspondent banking routes in selected trade corridors.²⁰
- **Domestic payment scheme development anchored in local infrastructure:** South Africa's payments ecosystem is strengthening domestic capability through initiatives such as PayShap, the country's real-time payment scheme designed to support fast, low-cost digital payments between consumers and businesses. PayShap represents a significant step in expanding domestic payment infrastructure and reducing friction in everyday transactions.

Alongside this, card payment processing in South Africa continues to operate largely through global schemes such as Visa and Mastercard, which dominate the domestic card scheme landscape and are widely accepted by merchants. These schemes have invested in local infrastructure to support domestic transaction processing and align with South Africa's payment system modernisation agenda. Domestic card transactions must also be issued and acquired through local participants in the NPS, ensuring they remain subject to South African oversight and clearing arrangements.²¹





SKILLS SHORTAGE AND INDUSTRY CAPACITY

MATERIAL MATTER



South Africa's payments ecosystem depends on scarce specialist capability across technical delivery, operations, legal, compliance and regulatory engagement. Persistent skills constraints, combined with high change demand, increase delivery risk and can create key man dependencies where outcomes rely disproportionately on a small number of individuals, their institutional knowledge and networks.

These pressures are compounded by the rapid digitalisation of financial services. Banks are increasing investment in data, cybersecurity and AI capabilities to support digital banking, fraud detection and regulatory compliance, driving strong demand for Information and Communication Technology (ICT) specialists, data scientists and cybersecurity professionals across the sector.²²

Capacity constraints are expected to remain a critical factor through ongoing modernisation, reinforcing the importance of sustained talent pipeline development, retention of specialist expertise, and practical collaboration to reduce duplication and make best use of limited resources.

ADVANCEMENTS IN DIGITAL ASSETS AND PAYMENT INNOVATION

MATERIAL MATTER



South Africa's digital-asset ecosystem continues to expand, with increasing participation on licensed crypto- and virtual-asset service provider platforms. The SARB reported that registration across the country's three largest licensed crypto-asset service providers (reached almost 7.8 million by end-July 2025, alongside rising custody balances.²³ Some banks are enabling customers to access crypto-asset markets through their digital channels. For example, Discovery Bank announced plans to integrate crypto trading into its banking app via a partnership with Luno. These services function similarly to share-trading platforms, enabling customers to buy and sell digital assets as speculative investments rather than as payment instruments.²⁴

A distinct and potentially more transformative development relates to stablecoins and tokenised digital assets designed for payment and settlement use cases. Unlike cryptocurrencies such as Bitcoin, which are often used primarily for trading and investment, stablecoins are typically designed to maintain a stable value by being pegged to a fiat currency and can support blockchain-based payments with faster and lower-cost settlement.²⁵

In South Africa, financial institutions have begun exploring these payment-oriented digital asset models. One example is ZARU, a rand-backed stablecoin designed to enable faster payments and transfers using blockchain infrastructure. The initiative involves several financial institutions and uses Standard Bank as the custodian of the underlying rand-denominated reserves, with each token backed by liquid rand assets such as cash, bank deposits and government bonds.²⁶

Regulatory oversight is tightening, while exchange-control treatment remains contested and is likely to evolve. The SARB has added crypto assets and stablecoins to a new financial-stability risk category after custody balances at the country's three largest licensed crypto asset service providers (CASPs) rose to more than R25 billion.

The SARB and National Treasury are preparing a framework for overseeing cross-border crypto-asset transactions and updating the country's exchange-control rules to address gaps exposed by the rapid growth of digital-asset activity.²⁷

Alongside this regulatory work, authorities are reinforcing the resilience of domestic payments infrastructure. In 2025, the SARB acquired a 50% shareholding in PayInc, strengthening oversight of the NPS' core clearing infrastructure as digital payments and emerging settlement models continue to evolve.

The Financial Intelligence Centre has also expanded safeguards through Directive 9, which came into effect on 30 April 2025, increasing transparency requirements for crypto-asset service providers.²⁸



- 1 The 2025 McKinsey Global Payments Report
- 2 SARB Directive in Respect of Specific Payment Activities within the National Payment System
- 3 Statistics Provided by PayInc
- 4 Standard Bank Township Informal Economy Report
- 5 SARB Retail CBDC Position Paper
- 6 PEM Position Paper
- 7 Stats SA: Quarterly Labour Force Survey
- 8 SARB Authorisation Framework
- 9 Fintech Association South Africa: Why Fintech is Thriving in South Africa
- 10 Nedbank Acquires iKhokha to Accelerate SME Customer Growth
- 11 Capitec Buys SA Payments Group for R400m
- 12 SABRIC Annual Crime statistics
- 13 FSCA Integrated Report 2024/2025
- 14 National Financial Ombud Scheme
- 15 World Economic Forum: Navigating Global Financial System Fragmentation

- 16 Reuters: African Trade Bloc Comes Launched Digital Payments System
- 17 Bank of Algeria Joins PAPSS Network, Accelerating Financial Integration in Africa
- 18 Sanctions Risk for Foreign Financial Institutions that Join Russian Financial Messaging System, System for Transfer of Financial Messages
- 19 China Revises Rules for Cross-border RMB Payment System
- 20 CIPS Participants Announcement No. 108
- 21 Mastercard Spearheads South Africa's Digital Payments Evolution with New Local Investments in Technology Infrastructure
- 22 BusinessTech: Capitec, Nedbank, and Other Banks are Hunting for South Africans with these Skills
- 23 SARB Financial Stability Review
- 24 Discovery Partners with Luno to Offer First Bank App Crypto Trading in South Africa
- 25 Stablecoins vs Bitcoin in 2026: The key Differences for Business Payments
- 26 South Africa's First Institutional Rand Stablecoin, ZARU, Launches
- 27 SARB Adds Crypto and Stablecoins to New Financial-stability Risk Category
- 28 Financial Intelligence Centre Issues Travel Rule Directive to Enhance Transparency in Crypto Asset Transactions



RESPONSE TO THE CHANGING PAYMENTS LANDSCAPE

SARB'S PAYMENTS ECOSYSTEM MODERNISATION

The SARB has formally launched the PEM programme as a strategic push to enable fast, inclusive, affordable and secure digital payments, with an explicit focus on innovation, competition, efficiency and financial inclusion. The programme's current emphasis is practical and infrastructure-led: upgrading the high-value Real-Time Gross Settlement system, expanding and modernising faster payment capability (including real-time clearing and PayShap), and introducing a universal digital financial identity as an enabling layer for the digital economy.

Importantly, this modernisation agenda is not positioned as a move to eliminate cash, but to progress toward a "cash-smart society" where consumers retain choice and where digital options become lower cost, faster and easier to use as adoption scales. The SARB has also linked higher digital adoption to improved velocity of money and broader economic benefit, with the aspiration that digital payments should feel simple and accessible for everyday users.

Ecosystem readiness is also advancing alongside PEM. The rebranding of BankservAfrica to PayInc in August 2025 signals an industry-wide shift toward faster, more digitally enabled payments and stronger ecosystem connectivity, reinforcing the importance of shared infrastructure and broad participation as the payments landscape evolves.

Read more on page 10: Message from the Head of the SARB NPSD.

PASA'S TRANSITION TO A FUTURE OPERATING MODEL

South Africa's payments ecosystem is also entering a decisive phase of institutional realignment. Under the emerging framework, regulatory rule-making will be transferred from the current self-regulatory model toward accountability located with the SARB and licensed operators, consistent with South Africa's developmental priorities. A carefully managed transition is required to protect continuity, capability and confidence in the NPS as roles and responsibilities are reallocated.

In addition to delivery continuity, the industry has been engaging on what a future coordination and consultation capability could look like without regulatory authority, to preserve scarce expertise, strengthen sequencing and support inclusive engagement across an expanding participant base.

Read more about PASA's transition on page 25.

CHARACTERISTICS AND DEVELOPMENTS OF INDIVIDUAL PAYMENT SYSTEMS IN 2025

South Africa's payment systems continued to evolve across both low-value and high-value environments. EFT Credits, EFT Debits and card payments remained essential for high-volume everyday transactions, while PayShap continued to scale real-time payments. The high-value RTGS environment remained critical to settlement finality and interbank risk management, alongside ongoing modernisation.

This section compares the key characteristics and performance of individual systems and summarises the main developments for 2025, including regulatory changes, ISO 20022 progress, and modernisation roadmaps.

LOW-VALUE PAYMENT SYSTEMS

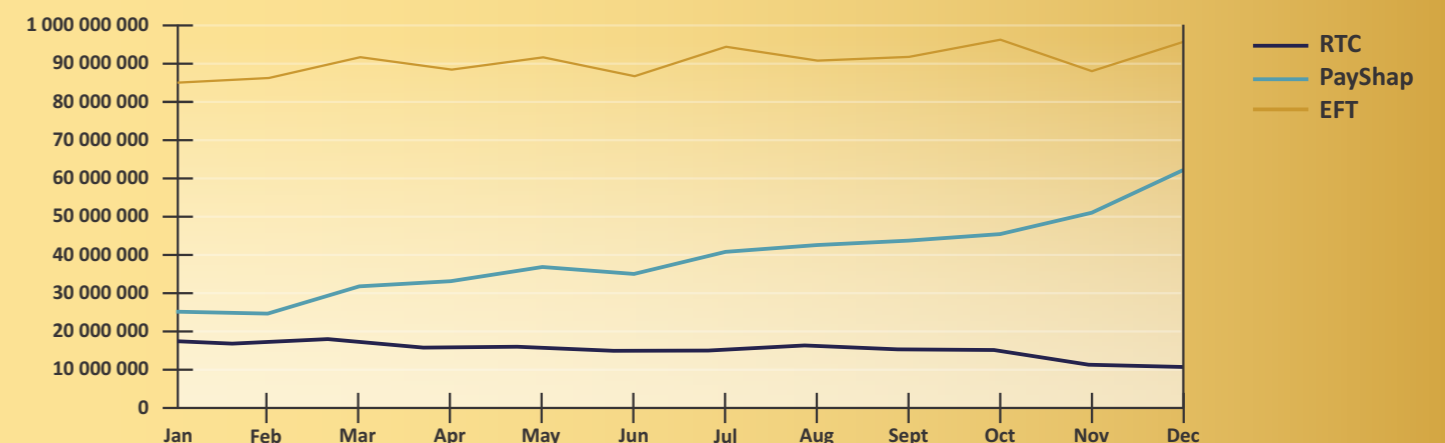
Credit push systems

Credit push payments, also referred to as credit transfers, enable funds to move between bank accounts within the same institution or across banks. South Africa's retail (low value) credit transfer landscape includes three established rails: the EFT Credit system and the Real-Time Clearing (RTC) system and Rapid Payment (RP) system, also known as PayShap.

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 (10 seconds).
Transaction volume	High volume, including bulk payments such as SASSA grants and salaries.	Smaller volume compared to EFT Credits.	Since surpassing RTC volumes in October 2024, there has been a continued growth in RP, seemingly driven by the migration of RTC transactions.
Transaction size	R5m transaction limit.	R5m transaction limit (250 000 during non-business hours).	Transaction limit R50 000 (R5m transaction limit from March 2026).
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.

The graph below illustrates comparative monthly transaction volumes for EFT, RTC, and PayShap for 2025.



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 three key debit order systems; namely: the EFT Debit system, RM, and AC.

During 2025, RMS was separated from AC to become a standalone system, renamed as RM, and processed in the evening processing window, ahead of EFT debits.

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 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.	Availability of funds can be tracked for up to 10 days to facilitate collection.	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. <small>See page 32</small>	Exceptional cases for up to 60 days. Cases involving fraud indefinitely.	Instant reversal for 60 days. Cases involving fraud indefinitely.	Instant reversal for 60 days. Cases involving fraud indefinitely.
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 with a due diligence completed. In the event of suspicious activity, collectors are removed from the system.		





Key developments for low-value credits and debits in 2025



EFT Credits and Debits

Cross-border transactions and compliance

Following the successful completion of CMA Payment System Directive 9 (CMA PSD-9) in September 2024, which focused on transitioning EFT Credits to the Southern African Development Community Real-Time Gross Settlement (SADC RTGS) system and localising debit orders to strengthen cross-border compliance and operational alignment, a subsequent regulatory shift intends to redirect the processing route for low-value cross-border EFT transactions within the CMA.

The SARB NPSD Directive 1 of 2025 mandates migration from SADC RTGS to the Transactions Cleared on an Immediate Basis (TCIB) payment scheme, with an emphasis on efficient, transparent and cost-effective processing that does not negatively affect consumers and businesses. The migration must be completed by 1 April 2027.

To support implementation, the SARB NPSD has established a cross-country CMA Task Team, with PASA formally represented. PASA is coordinating South African participant delivery, aligning local readiness activities with CMA governance processes and the implementation timeline.

Modernising South Africa's debit order system

Key initiatives in the collections space focused on AC mandate authorisation delivery and introducing a revised dispute regime across the debit order ecosystem.

Separation of the Registered Mandate Service (RMS)

- During 2025, the RMS was successfully decoupled from AC to operate as a standalone debit order system. As part of this transition, RMS collections were moved to the evening collections processing window, where they are prioritised ahead of EFT debit collections.
- All required governance approvals were obtained through PASA structures and the SARB NPSD. Post-implementation monitoring confirmed that the system is stable and fully operational.

Improving mandate authorisation delivery in Authenticated Collections

Industry work continued to address persistent technical challenges affecting the successful delivery of non-face-to-face debit order mandate authorisation requests within the AC system.

To strengthen reliability and accountability in the authorisation process, PASA is implementing minimum delivery thresholds that participants must meet when sending real-time mandate authorisation requests to debit order payers. These thresholds aim to ensure that authorisation requests are consistently delivered and that payers are able to approve or decline mandate authorisation requests.

During 2025, the technical documentation and specifications supporting the mandate threshold framework were finalised and implemented by participating banks in production environments. A pilot phase was initiated to test delivery success rates and inform the finalisation of the rule framework. The pilot was not fully completed during the fourth quarter of 2025 and a revised implementation plan has been compiled for 2026 delivery.

Alongside thresholds, alternative authorisation methods were explored, including a proof of concept for an Authentication Consent Authority model to enable biometric-based approval or decline of authorisations. Following review by the Authenticated Collections Steering Committee, participating Members concluded that the approach fell outside their risk appetite and the project was put on hold.

Debit order dispute enhancements

PASA Members have also approved enhancements to the dispute framework governing debit order systems to improve consistency across the low-value debit ecosystem.

The revised rules introduce a standardised 60-day dispute window across all three debit order systems, replacing the previous 365-day dispute period. In addition, the existing post-40-day dispute process within the EFT Debit system will be removed, enabling all valid reversal requests submitted within 60 days of the payment action date to be processed immediately without further challenge.

Implementation is underway following “no objection” confirmation from the SARB NPSD and the Financial Sector Conduct Authority (FSCA). Technical documentation and specifications were finalised during 2025, with industry implementation planned for 2026. A consumer awareness programme will accompany implementation to ensure that debit order payers are appropriately informed of the revised dispute framework.



PayShap

PayShap, South Africa's real-time digital payment platform, continues to demonstrate strong growth and increasing adoption across the financial ecosystem. Since its launch in 2023, more than 600 million transactions have been processed, with significant growth recorded during 2025 as consumers and businesses increasingly adopt real-time payment capabilities for everyday transactions.

To further strengthen the resilience and consumer protection features of the rapid payments ecosystem, PASA and industry participants are developing a Return of Funds functionality for Rapid Payments. This capability will enable the systematic and automated return of funds in cases where transactions need to be reversed due to technical errors, system failures or erroneous payments.

Implementation of this functionality will require coordinated changes across the clearing and settlement environment, including updates to Payment Clearing House (PCH) rules and supporting technical standards. Once implemented, the enhancement will further strengthen trust and reliability in South Africa's real-time payments ecosystem.





Overview of low-value credit and debit transaction trends

The table on the right provides a summary of transaction volumes and values across the payment systems for 2025, highlighting key growth trends and changes compared to the previous year.

* RMS was separated from AC to become a standalone system, renamed as RM in May 2025.
 ** Average transaction size reflects May–December 2025 only.

TRANSACTION TYPE	VOLUME	CHANGE	VALUE	VALUE GROWTH	AVERAGE TRANSACTION SIZE
EFT CREDIT	1.1 billion	0%	R13.332 trillion	3.2%	R12 295
RTC TRANSACTIONS	182 million	-43.7%	R2.095 trillion	4.5%	R11 474
PAYSHAP	502 million	21.6%	R476.757 billion	284.8%	R950
EFT DEBITS	434 million	-1.6%	R1.156 trillion	2.5%	R2 660
AC	208 million	-14.6%	R360 billion	3%	R1 470
RM*	28 million		R28 billion		R1 014**

Modernising credits

The primary objective of the work completed in 2025 was to gather the evidence and requirements needed to sunset RTC and to formulate a case for change supporting the first milestone of the high-level roadmap and priority areas for credit modernisation developed in 2024. Work to define the RTC sunset requirements was developed in collaboration with the Banking Association of South Africa (BASA), supported by both the Low-Value Credits and the RP PCH PG, and presented to the SARB NPSD.

The modernisation approach is centred on migrating legacy low-value credit rails toward the RP platform, while ensuring that change is sequenced in a way that does not introduce additional risk into the NPS. The key strategic questions remaining are how and when the EFT Credit system should be modernised, and the considerations to do so. PASA will continue to work closely with PayInc and BASA to define the future of batch modernisation in 2026.

Work is also progressing to enable broader low-value credit services on the RP platform, including batch capabilities for corporates and government. PayInc has mapped the relevant low-value credit services required for this expansion, with design work expected to be the next priority from Q2 2026, subject to governance approval and sequencing.

Modernising low-value debits

During 2025, and at the request of PASA Members, PASA undertook a review of the low-value debits strategy (agreed in 2023 and signed off in 2024) to confirm whether the approach remains fit for purpose and aligned to intended outcomes. Following strategic engagements with Members, the strategy was reaffirmed as appropriate. It was also agreed that no additional debit modernisation initiatives will be launched in the near term, and that existing initiatives underway will be completed. Focus and resources will shift toward modernising the low-value credit environment.

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

Low-Value Debit (covering the EFT Debit, RM 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, originally created to support the 'AC' volume ramp-up which now 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

Insights from the High-Value Strategy Committee's task team on high-value payments modernisation were also submitted to the SARB to inform its ongoing RTGS replacement and upgrade work.

During 2025, PASA's project management and technical support contributed to key modernisation deliverables, including development of QR+ specifications, drafting of the Fraud Management Framework, SAMOS V9 readiness support and work linked to the SARB Authorisation Framework.

The transfer of settlement function and artifacts to the SARB was completed on 17 November 2025.

Operational management of electronic high-value payments 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. It 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. The SSPG was moved to the SARB on 17 November 2025.

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 cashless transactions across in-person, remote and online channels. Debit, credit, business and fleet cards are issued and accepted in South Africa and internationally through the global card schemes currently operating in the market (currently Visa, MasterCard, American Express and Diners Club). Card transactions are supported by established security standards and controls, including chip-and-PIN, 3D Secure three-factor authentication, tokenisation and the Payment Card Industry Data Security Standard (PCI DSS). The card ecosystem also provides consumers with a dispute resolution mechanism, commonly referred to as a 'chargeback', in cases of fraud or non-delivery of goods or services.

The Card Payment Clearing House Participant Group (PCH PG) completed a comprehensive review of the interoperable clearing rules in 2024/2025. Ongoing maintenance is required to keep the rule set aligned with evolving technology, security practices and operational capabilities. Amendments, updates and new rules will therefore be implemented on a continuing basis to maintain relevance and support safe, efficient interoperability.

Securing fleet payments through modernisation

In 2024 and 2025, South Africa's fleet card payment system underwent significant modernisation to enhance functionality and security, broaden acceptance, and improve efficiency. Rising fraud and abuse, limited cross-border acceptance, and isolation from advances in mainstream payment technologies and standards signalled that magnetic stripe fleet cards had reached the end of their useful life for modern fleet issuers.

Led by PASA and supported by industry stakeholders, the modernisation programme was designed to mitigate the legacy magnetic stripe three-party fuel card construct to an EMV chip-based four-party model. This aligns fleet payments with globally trusted chip-and-PIN security and relevant international specifications, strengthening fraud controls and interoperability while preserving fleet-specific controls, budgets and enhanced fleet data.

The EMV Fleet migration introduced a transition period during which EMV and magnetic stripe cards coexist. The solution design was delivered in Q1 2025 and handed to the Card PCH PG for industry rollout in Q1 2026. Full adoption of EMV fleet cards was scheduled for March 2026, with industry participants having requested an implementation extension for later in 2026 to address readiness requirements for a successful rollout.

Strengthening domestic card capability and resilience

Recognising the pace of innovation and growing resilience expectations in the card ecosystem, PASA also established a Domestic Processing Task Team. During 2025, the task team specified requirements for a fit-for-purpose domestic card processing capability, including robust business continuity, for use by domestic issuers and acquirers.







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.

THE EMV FLEET CHIP CARD BRINGS ADVANCED PROTECTION, REAL-TIME MONITORING, AND GLOBAL READINESS, ALL IN ONE MODERN PAYMENT SOLUTION.

-  **Stronger security**
Chip-based controls to reduce fraud, skimming and counterfeit risk.
-  **Controlled spend**
Improved controls for authorised use, limits and fleet expense management.
-  **Wider acceptance and interoperability**
Better alignment with mainstream card acceptance to simplify merchant enablement.
-  **Cross-border readiness**
Improved compatibility for cross-border transacting where supported.
-  **Better data and information management**
More reliable transaction data to strengthen monitoring, reconciliation and reporting.
-  **Alignment to international standards**
Migration to an EMV-based approach consistent with modern card security practices.



EMV
Fleet
Migration
driven by PASA



BUSINESS MODEL

PASA's business model is centred on sustaining a safe, efficient and interoperable NPS by convening and coordinating stakeholders, stewarding industry rules and standards, and supporting the execution of modernisation priorities. Value is created, preserved and protected through the disciplined management of the six capitals, enabling PASA to maintain operational continuity, reduce systemic risk, and support inclusive payments innovation in line with regulator-led reform and Member needs.



HUMAN CAPITAL

- The diverse capabilities of PASA's 54 (FY24: 54) employees.
- Strong focus on ethical culture and values.
- R107.7 million in employment costs (FY24: R90.1 million). The increase from the prior year was compounded by retention incentives awarded.
- R1.6 million investment in training and development (FY24: R1.5 million).
- On-the-job capacity-building programme.
- Focussed efforts on employee well-being and retention.
- Continued development of industry payment skills.
- Employee wellness focus - rollout of a comprehensive wellbeing plan, addressing mental, financial, and physical health.
- Performance-based culture.
- Ongoing targeted coaching (focusing on culture and the transition).
- Change management and ongoing communication to support employees through the transition.



INTELLECTUAL CAPITAL

- Competent, effective and committed PASA Council and employees.
- Supporting agreed payment system modernisation and roadmaps.
- Active collaboration and involvement 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.
- PEM modernisation support.



SOCIAL AND RELATIONSHIP CAPITAL

- Industry-wide collaboration.
- Supporting regulators and their objectives.
- Supporting Members to manage the payment streams.
- Ensuring optimal payment system 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 R12.5 million (FY24: R13.2 million)
- Leading the modernisation of South Africa's debit and fleet card payment systems.
- Institutionalise best in class methodologies through the SCE for managing industry strategy setting and solutioning across multiple diverse stakeholders.



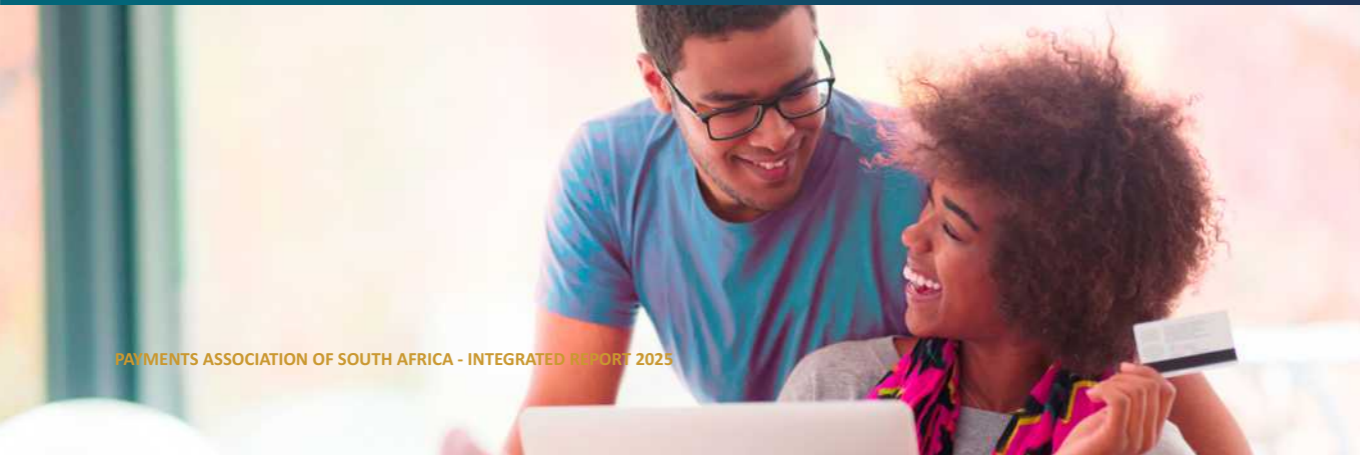
NATURAL CAPITAL

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



FINANCIAL CAPITAL

- 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.
- R127.2 million (FY24: R118.1 million) in membership fees.
- Managing tax considerations linked to the transition of PASA assets, noting heightened financial exposure if SARB withdraws PSMB recognition (as the exemption is contingent on that status).
- Maintaining sufficient operating reserves to sustain PASA operations while avoiding excessive surplus accumulation that could increase tax exposure.
- Continued prudent stewardship of Member funds through disciplined budgeting, cost control and transparent financial management.





VALUE-ADDING ACTIVITIES

Supporting national payments modernisation

PASA supports the SARB's PEM programme by contributing technical expertise, industry insight and coordination capability.

Enabling coordinated modernisation outcomes

Rather than driving modernisation unilaterally, PASA plays a convening and enabling role, facilitating alignment across participants on complex initiatives such as debit order reform, card system evolution and real-time retail payments. This coordination reduces fragmentation risk by helping to sequence change across interdependent participants, improving interoperability and limiting the operational and systemic risk that can arise when reforms are implemented inconsistently, duplicated, or misaligned. By leveraging its SCE, PASA serves as a central hub for strategic thinking, consensus-building and solution development.

Management of system-critical knowledge during transition

During a period of institutional realignment, PASA has focused on maintaining continuity of system knowledge, documentation and industry understanding. Although the future configuration of industry arrangements is evolving, PASA's responsibilities remained unchanged during the reporting period, requiring sustained operational continuity alongside constructive participation in transition discussions. Low employee turnover was material to maintaining this continuity, helping preserve institutional memory and reducing key-person dependency risk during transition. PASA also supported sector-wide capacity and reduced fragmentation risk by reinforcing prioritisation and alignment across stakeholders, helping to avoid duplication of effort and delivery dependency risk during a period of constrained capacity.

Strengthening NPS resilience and continuity

PASA contributes to the resilience of the NPS through structured contingency planning, coordinated industry forums and escalation mechanisms that support system stability. Key activities include convening the PASA NPS Operational Resilience Forum, supporting crisis coordination arrangements and facilitating industry dialogue on emerging operational and systemic risks.

Facilitating trusted industry collaboration

PASA continues to act as a neutral platform through which competitors can collaborate in public interest. By enabling disciplined consultation, structured engagement and consensus-building, PASA helps resolve complex industry issues, align priorities and reduce the risk of fragmentation, particularly as participation in the payments ecosystem broadens. PASA's social and relationship capital is centred on its connections with regulators, banks, sector-specific industry bodies (including fintechs), businesses and consumers, reinforced through thought leadership and knowledge-sharing that builds ecosystem capability and confidence.

Building capability and thought leadership

PASA invests in strengthening industry capability through training, structured learning and knowledge-sharing initiatives, including the PASA Academy and the PIPC. These platforms support skills development, shared understanding and informed leadership across the ecosystem during a period of accelerated change. This capability-building helps reduce dependency risk by enabling knowledge transfer and strengthening the sector's capacity to deliver modernisation sustainably.

Supporting regulatory alignment and financial integrity

While regulatory authority is transitioning, PASA continues to support alignment with regulatory expectations by engaging constructively with the SARB and other authorities. PASA's contributions to FATF processes, including payments-specific consultations and engagement on Recommendation 16, demonstrate the depth, credibility and relevance of its expertise, translating complex regulatory expectations into operationally workable outcomes for the payments industry and supporting South Africa's broader efforts to strengthen its AML/CFT framework.

VALUE-ADDING OUTPUTS

A stable and coordinated NPS during transition

PASA's activities contribute to continuity, stability and confidence in the NPS at a time of significant institutional change, ensuring that delivery, coordination and system stewardship are maintained.

Continuity was required during transition to avoid systemic disruption, and PASA's sustained coordination role helped protect the integrity of the NPS while the institutional model evolved.

Industry-aligned modernisation progress

Through facilitation and technical engagement, PASA supports industry alignment on its modernisation initiatives, helping ensure that change is sequenced, interoperable and capable of delivering real economic and inclusion outcomes. This sequencing and alignment reduces fragmentation risk and lowers implementation risk across interdependent participants.

Preserved institutional knowledge and capability

PASA's focus on documentation, skills, rules understanding and shared system knowledge helps ensure that critical expertise is retained and transferred responsibly as roles and structures evolve. Low employee turnover supported knowledge preservation, reducing dependency risk and sustaining delivery confidence during the transition.

Strengthened operational resilience

By supporting coordinated contingency planning and resilience forums, PASA contributes to the NPS's ability to anticipate, withstand and respond to operational disruptions and systemic risks.

Enhanced industry capability and confidence

Training, thought leadership and convening platforms strengthen the payments sector's collective capability, support informed decision-making and build confidence among participants navigating complexity and change.

Capability-building also strengthens longer-term delivery capacity by developing pipeline and shared competence, reducing reliance on scarce specialist expertise.

Constructive contribution to public-interest outcomes

PASA's engagement on issues such as financial inclusion, debit order reform, real-time payments and AML/CFT alignment supports broader national objectives, reinforcing trust in the payments system and its governance.

PASA's FATF-related technical contributions further evidence its ability to engage credibly at both domestic and international levels, strengthening confidence in sector integrity and readiness.



Inputs across the capitals are responsibly managed and transformed through value-adding activities into outputs and outcomes, ultimately supporting the creation of value over the short, medium and long term.



RESPONSIBLE MANAGEMENT TO CREATE VALUE-ADDING ACTIVITIES

- ▶ Supporting national payments modernisation
- ▶ Enabling coordinated modernisation outcomes
- ▶ Management of system-critical knowledge during transition
- ▶ Strengthening NPS resilience and continuity
- ▶ Facilitating trusted industry collaboration
- ▶ Building capability and thought leadership
- ▶ Supporting regulatory alignment and financial integrity



MANAGING RISKS

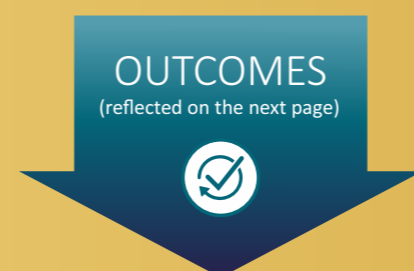


SAFEGUARDING PAYMENTS



VALUE-ADDING OUTPUTS

- ▶ A stable and coordinated NPS during transition
- ▶ Industry-aligned modernisation progress
- ▶ Preserved institutional knowledge and capability
- ▶ Strengthened operational resilience
- ▶ Enhanced industry capability and confidence
- ▶ Constructive contribution to public-interest outcomes





BUSINESS MODEL

↑ Value Creation ↓ Value Erosion → Value Preservation



HUMAN CAPITAL

- ↑ In-principle banking industry support to protect PASA employees helped stabilise the organisation early in the year, sustaining morale and delivery continuity through the transition.
- ↑ Employee turnover 7.3% (FY24: 16.8%).
- Continued strong female representation across the workforce (64.8% female employees; FY24: 62.9%).
- Transforming workforce demographic 77.8% black employees (FY24: 77.8%).
- ↑ Recognition and reward aligned to performance.
- ↑ Enhanced personal resilience and leadership capacity through targeted coaching programmes.
- ↑ Improved employee wellbeing.
- ↑ An engaged, resilient and high performing workforce.
- ↑ Employee NPS score 23.7 (FY22: -23.1).



INTELLECTUAL CAPITAL

- ↑ Thought leadership in modernising payment systems.
- ↑ Increasingly mature risk management practices.
- ↑ Collaboration with key stakeholders to improve NPS resilience.
- ↑ SARB PEM programme rated PASA's contribution 4/5, noting performance exceeded expectations and commending PASA's professionalism.
- ↑ Strengthened industry payments expertise through the PASA Academy, with 653 graduates in 2025 (FY24: 533) and more than 4,500 graduates supported to date.
- ↑ Continued the PASA Industry Awards to recognise outstanding contributions and showcase talent, driving innovation in the payments ecosystem.
- ↑ Proactively monitored transition risks to protect system stability and stakeholder trust.



SOCIAL AND RELATIONSHIP CAPITAL

- ↑ Strong relationships and collaboration with industry and regulators - positive stakeholder feedback:
 - Total positive sentiment: 81.25% (43.75% strongly agree and 37.5% agree) that PASA effectively fulfils its responsibilities within the NPS.
 - Total positive sentiment: 93.75% (43.75% strongly agree and 50% agree) that engagement approaches are effective.
- ↑ Promoting competition and financial inclusion.



MANUFACTURED CAPITAL

- ↑ Successful execution of agreed initiatives.
- ↑ Closer alignment of payment systems to international best practices and standards.
- No known cybersecurity breaches.
- ↑ Comprehensive cyber response plan in place.
- ↑ Strengthened the cyber control environment, with independent validation confirming improved controls, reduced high/very high-risk ratings, and compliance with cyber insurance requirements.
- ↑ Robust governance structures to prioritise and deliver PASA's digitalisation objectives through the IT Risk Committee and internal Prioritisation Committee management tool.
- ↑ Used SCE methodologies in support of additional initiatives.
- ↑ Completed the new PASA Member Portal operationalisation to strengthen Member access management.



NATURAL CAPITAL

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



FINANCIAL CAPITAL

- Rigour in finance and procurement procedures.
- ↑ Professionalised the finance function with strict adherence to the finance policies and robust financial management.
- ↑ Expenditure tracked closely to the approved budget, evidencing robust forecasting, disciplined spend aligned to industry priorities, and flexibility in repurposing resources in line with transition requirements.
- ↑ Responsible and purpose-led use of funding, underpinned by extensive engagement with Members, which ensures ongoing funding support.
- ↑ Payroll spend exceeded budget as retention incentives were expanded in a highly competitive talent market, with funding partially redirected from PIB-related allocations in response to transition uncertainty.
- Clean financial audit.
- ↑ 7.7% increase in membership fees for 2025 (FY24: 3.7% decrease).



During the reporting period, PASA operated in a complex and evolving environment characterised by institutional transition, capacity constraints and overlapping industry initiatives. In this context, deliberate trade-offs were required to ensure that resources were directed toward areas of greatest system-wide value while preserving stability, coordination and long-term sustainability.

TRADE-OFFS

DIRECT LEADERSHIP ON AUTHORISED PUSH PAYMENT (APP) FRAUD INITIATIVES VS FOCUSED COORDINATION AND SYSTEM STEWARDSHIP

Context and decision

Cybercrime, scams and APP fraud remain material risks to trust and confidence in the NPS. During the reporting period, PASA assessed its potential role in leading industry work in this area.





At the same time, substantial initiatives were already underway through the PEM programme, SABRIC and the FSCA, including the establishment of a centralised scam and fraud capability. In this context, PASA determined that attempting direct leadership would risk duplicating effort and diluting accountability across the ecosystem.

PASA therefore made a deliberate decision not to initiate parallel fraud workstreams, particularly given the organisation's finite leadership capacity during a period of institutional transition.

Outcome and value preserved

By exercising disciplined prioritisation, PASA reinforced its role as a stabilising force within the NPS, supporting effective collaboration among capable partners while maintaining focus on core system stewardship and transition responsibilities.

Capital impacts

-  Preserved trust by supporting coordinated industry responses rather than fragmented interventions.
-  Focused PASA's specialist expertise on areas where it could add distinct system-wide value.
-  Avoided overstressing executive and specialist capacity during a period of heightened organisational demand.
-  Ensured responsible use of Member funds by avoiding duplicative initiatives with limited marginal benefit.

ADVANCING CROSS-BORDER AND EMERGING PAYMENTS WORKSTREAMS VS PRESERVING CAPACITY DURING INSTITUTIONAL TRANSITION

Context and decision

PASA had originally anticipated expanding its work in cross-border payments, including emerging areas such as stablecoins and regional payment integration. Budgetary provision existed to support exploratory work through external expertise. However, as the year progressed, it became clear that leadership capacity was significantly constrained by the demands of institutional transition, regulatory uncertainty and the continued execution of PASA's existing mandate.





At the same time, evolving guidance indicated that a future industry association operating without regulatory or rule-making authority would be better positioned to engage flexibly in adjacent and emerging payment domains.

In this context, PASA, with the support of its stakeholders, elected to defer direct involvement on cross-border and adjacent innovation workstreams, recognising that clearer institutional positioning would be required to engage effectively and sustainably.

Outcome and value preserved

This decision positioned PASA to engage more meaningfully in cross-border and emerging payments in the future, once institutional roles are clarified, while ensuring that current responsibilities were fulfilled without compromising delivery or governance integrity.

Capital impacts

-  Deferred exploratory work to ensure future contributions are made from a position of clarity and relevance.
-  Preserved leadership bandwidth for core delivery, transition management and institutional stability.
-  Avoided incurring advisory and project costs without the governance certainty needed to sustain outcomes.
-  Maintained credibility with stakeholders by aligning ambition with realistic execution capacity.

PRIORITISING NO-REGRET INITIATIVES AMID INSTITUTIONAL UNCERTAINTY

Context and decision

During the reporting period, PASA operated under heightened uncertainty regarding its future institutional form and mandate. In this context, PASA management and Council applied a strict "no-regret" lens to discretionary initiatives, prioritising activities that were essential for regulatory compliance, system integrity and transition readiness.

As a result, several initiatives that would ordinarily form part of normal organisational evolution were deliberately deferred or de-prioritised. These included enhancements to the employee value proposition, selected annual policy reviews that were non-critical, and elements of PASA's longer-term digitalisation and user-experience roadmap.

This approach reflected a conscious decision to avoid irreversible investment or structural commitments that could prove misaligned with an as-yet undefined future operating model.

Outcome and value preserved





While some initiatives were deferred, PASA ensured that critical risks were actively addressed. In particular, new workstreams were initiated to strengthen data governance and information security, including the reassessment of data storage, classification and retention across platforms.

PASA thus prioritised foundational data management activities, including data migration, classification, retention decision-making and security categorisation, to ensure that sensitive information remains protected and appropriately governed and is well-positioned for migration to other organisations as required.

The decision to contract specialist technology and data architecture expertise reflects PASA's commitment to preserving long-term value by strengthening core information assets, even as broader digital transformation initiatives were paused.

This disciplined approach enabled PASA to remain operationally sound, transition-ready and risk-aware, while preserving flexibility to accelerate deferred initiatives once greater clarity on the future institutional model is achieved.

Capital impacts

-  Preserved by avoiding discretionary spend that could not be justified under multiple future scenarios.
-  Protected by maintaining organisational stability and avoiding change fatigue during a period of uncertainty.
-  Safeguarded by focusing on initiatives that strengthened transition readiness rather than speculative development.
-  Prioritised toward foundational data integrity and security over front-end enhancements.



RISK AND OPPORTUNITY MANAGEMENT

ROLE OF RISK IN VALUE CREATION

Risk management is not only about limiting downside, it also enables value creation by supporting better decisions under uncertainty. Value is realised when PASA's strategies and objectives balance opportunity and risk, and resources are directed to the areas of greatest impact. PASA therefore embeds risk management across strategic planning and day-to-day operations.

During the year, PASA strengthened its risk governance and reporting practices to improve consistency, accountability and Council-level oversight. Principal risks continued to be escalated to PASA Council, supported by targeted reporting to the relevant Council committees. Oversight was strengthened across key risk themes, including financial and tax risk, people risk, transition and institutional risk, payment system risk and critical third-party dependencies, ensuring that mitigation actions were supported by appropriate decision-making authority.

TRANSITION AND INSTITUTIONAL RISK MANAGEMENT

In response to evolving regulatory direction, PASA adapted its transition risk management approach. This included improving contingency planning for potential changes to PASA's PSMB recognition and reinforcing governance focus on avoiding disorderly transition outcomes that could undermine system stability, institutional knowledge and stakeholder confidence.

OPERATIONAL RESILIENCE, CONNECTIVITY RESILIENCE AND END-TO-END NPS READINESS

Operational resilience remained a priority, supported by increased cross-ecosystem engagement to strengthen the NPS's preparedness for severe disruption scenarios, including power and connectivity interruptions. Connectivity resilience initiatives progressed through shared connectivity and data-centre approaches (including "peering hub" concepts) and expanded stakeholder participation.

PASA's focus also extended beyond individual payment streams toward collaboration that supported an understanding of contingency planning across the payments value chain, recognising that continuity depends not only on banks and operators, but also on ongoing modernisation by retailers and telecommunications providers.

STRENGTHENING CROSS-CUTTING RISK IDENTIFICATION, COORDINATION AND ESCALATION

During the year, PASA strengthened how cross-cutting risks were identified, coordinated, and escalated where multiple parties were active on the same themes. This helped prevent duplication, reduce inconsistent engagement with Members, and improve accountability for mitigation actions across the NPS.

A related focus was clarifying roles across regulators, operators and industry bodies so that mitigation actions are efficient, coordinated and supported by appropriate oversight.



AML/CFT compliance and FATF requirements

PASA continued to play a key role in supporting industry alignment with FATF Recommendation 16, both locally and globally. Throughout the year, PASA facilitated ongoing monitoring on the PayShap rail and coordinated a high-value payment-message analysis, enabling Members to identify and address data-quality issues more consistently.

PASA also coordinated the industry's submission to FATF's second round of public consultation on the revised Recommendation 16. PASA's contribution to the amendment process was further recognised through its invitation to join the global public-private project team developing detailed FATF guidance, expected in 2026.



Systemic change execution and broader industry change risk

The need for cross-cutting coordination was also heightened around systemic change execution and broader industry change risk. With multiple reforms unfolding at once, PASA reinforced that the NPS operates as a complex, interdependent system where poorly sequenced interventions can create unintended consequences.

PASA Council commissioned a dedicated change-risk paper that was shared with the SARB PEM team, highlighting execution risks, the need for aligned priorities and sequencing, and the practical impacts of overlapping initiatives across multiple entities engaging the same banks.



Geopolitical risk, infrastructure concentration and settlement dependencies

Geopolitical risk continued to be progressed through SARB-level discussions, with attention on contingency planning for foreign-operated infrastructures. This included exploration of local messaging options and engagement with stakeholders on settlement dependency considerations related to the rand's continuous linked settlement (CLS) participation.


 Read more in material matters on page 57.



Cyber risk, cyber-enabled fraud and systemic resilience

Cyber risk was also elevated as a cross-cutting theme given its dual impact on the NPS. Discussions reflected the growing convergence between cyber incidents and scam-driven, cyber-enabled fraud, where compromised data is monetised through social engineering and authorised push payment (APP) fraud, as well as the distinct systemic risk posed by attacks targeting payments infrastructure and architecture.

This reinforced the need for clearer differentiation of threat categories, appropriate oversight, and coordinated mitigation actions across stakeholders. It also highlighted the value of continued collaboration between PASA, BASA, PayInc and SABRIC to support more consistent controls and improved fraud intelligence sharing across payment rails, coordinated response in the event of a systemic cyber-attack, alongside evolving supervisory and conduct expectations under the SARB and the FSCA.

 Read more in material matters on page 52.



Third-party dependency risk and alignment across the ecosystem

Third-party dependency risk received increased attention. Within PASA, third-party risk management maturity continued to improve through stronger internal practices and oversight.

The year also reinforced that ecosystem-wide progress is slower due to differing approaches across participants and concerns about duplicating regulatory reporting requirements. This highlighted the need for a more streamlined, coordinated industry approach to identifying and managing critical third-party service providers, supported by alignment efforts underway across stakeholders.



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 structured, systematic risk management, aligned with leading standards and frameworks such as ISO 31000, COSO and King IV™, strengthens consistency and effectiveness. This alignment supports a comprehensive and robust approach to identifying, assessing and managing risk.



Strategic approach

PASA treats risk management as a strategic capability, not a compliance exercise. A formal, enterprise-wide approach strengthens decision-making, improves outcomes, supports organisational learning and reinforces accountability across the organisation.



Value creation

PASA believes risk management should protect value and enable it. By embedding risk considerations into how it operates, PASA seeks to maximise the benefits of its activities while reducing the impact of uncertainty on strategic objectives.



Employee empowerment

Clear risk disciplines and governance enable employees and functional areas to act with confidence and consistency. This supports execution of PASA's strategy while protecting its reputation and the interests of Members and broader stakeholders.

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 PASA Legal Entity Risk Management Framework provides principles for embedding consistent and robust risk management into the activities performed by PASA.

The NPS (PASA as a PSMB)

PASA's NPS Risk Management Framework provides a foundation for integrating risk management principles into 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 utilised to create payment system risk profiles.

Risk Champions are in place and receive training and guidance on the risk management 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 approved by the ExCo and ultimately reported to PASA Council and the following committees:

- Council Risk Committee
- Remuneration Committee
- Audit Committee
- 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 risk assessment process entails:

- Holding workshops to identify and assess key risks
- Review of risks by the Risk Subcommittee
- Approval at respective PCH PGs
- Development of a PASA risk profile
- Review by the NPS Risk Committee and, ultimately reported to Council Risk Committee and PASA Council

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 establish guiding principles and structured methodologies for managing risks across PASA's operations and the wider NPS. Through effective risk management, PASA aims to optimise opportunities while mitigating potential challenges, maintaining a balanced approach that underpins the successful attainment of its goals.





LINES OF DEFENCE MODEL

PASA uses a Lines of Defence Model to manage risk, clearly delineating roles and responsibilities across each line. This structure enables PASA to effectively pursue its objectives by ensuring comprehensive risk oversight. Collaboration, information sharing, and coordination among the lines enhance operational efficiency, reduce duplication, and ensure all material risks are properly managed.



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.

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.

PASA as a legal entity:

PASA Risk Function and PASA Compliance Function.

PASA as a PSMB:

PASA Risk Function and 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.

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.

NPS regulatory bodies.

PASA AS A LEGAL ENTITY

Risk management governance structures

PASA's risk governance framework, as a legal entity, comprises several committees that facilitate risk identification, assessment, and reporting. These committees enable informed, risk-based decision-making throughout the organisation.



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, cyber risk, 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 a 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 2025, 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
<p>RISK 1</p> <p>2025</p> <p>●</p> <p>TREND</p> <p>↔</p>	<p>People risk</p> <p>PASA faces people risk from constrained skills depth, creating a dependency on key individuals and capacity limitations, which are exacerbated by the need to maintain operational deliverables while managing transition activities.</p> <p>The transition journey, combined with sustained regulatory uncertainty (including PEM-related impacts on the PIB construct), has affected morale and may result in flight risk.</p> <p>If not managed, these pressures could lead to capability gaps, employee overstretch, delayed or reduced-quality deliverables, and weakened execution across priority initiatives.</p>	<p>PASA continues to actively manage people risk, which is currently rated high internally, supported by the following interventions:</p> <ul style="list-style-type: none"> • Employee engagement, wellbeing and retention support, including coaching, wellness sessions and career support. • Resilience-building interventions, reinforced through structured change management and transparent communication. • Strategic workforce planning, including a hiring freeze and the targeted use of short-term contractors, to mitigate key man dependency. • Scenario planning and governance in response to regulatory uncertainty, including PASA Council engagements and continued engagement with SARB and PayInc. • Stabilising actions for continuity, supported by in-principle banking industry support to protect PASA employees' jobs and sustain morale. 	<p>The current environment provides an opportunity to strengthen resilience and delivery discipline through clearer prioritisation and a more agile operating approach.</p> <p>Once the future state is clearer, PASA could revisit its Employee Value Proposition (EVP) and employer branding to support attraction and retention.</p>	<p>PASA will continue to focus on sustaining delivery capability through the transition, including:</p> <ul style="list-style-type: none"> • Continued wellbeing and resilience support to reduce retention risk. • Ongoing communication and change support to manage uncertainty. • Targeted contractor support where capacity constraints threaten critical deliverables. • Key man risk monitoring for priority roles. 	<p>HC</p>		
					<p>STRATEGIC FOCUS AREAS IMPACTED</p>		

RISK	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS
<p>RISK 2</p> <p>2025</p> <p>●</p> <p>TREND</p> <p>↔</p>	<p>Cyber risk</p> <p>PASA is exposed to cyber incidents that could result in unauthorised access, data loss, disruption, or destruction of information and technology services.</p> <p>While controls continue to improve, gaps in cyber event response readiness and the absence of cyber insurance cover could constrain PASA's ability to sustain business-as-usual during a cyberattack.</p>	<p>Cyber risk management is tracked through the Council Risk Committee and the IT Risk Subcommittee, supported by:</p> <ul style="list-style-type: none"> • Documented and approved Business Continuity, Disaster Recovery and Cyber Incidents Response Plans. • Defined principles for managing security compromises in the Information and Cyber Security Policy. • Strengthened contractual and accountability arrangements (including the Cooperative Computing MSA and liability clause). • Additional IT security measures and independent assurance on the IT security control environment. • A dedicated vendor appointed to assess cyber readiness and provide technical response support. • A cyber readiness finding report remediation actions implementation and monitoring. • Legacy member portal sunset. 	<p>Strengthened response readiness and independently validated controls enhance resilience and operational continuity.</p> <p>Closing high-risk findings and decommissioning the legacy Member Portal can improve insurability, simplify risk transfer decisions, and support more consistent assurance against evolving expectations.</p>	<p>PASA will continue to remediate cyber readiness findings, test and refine response arrangements, and monitor controls through established governance.</p> <p>Risk rating reduction will be considered once the legacy Member Portal is decommissioned and high-risk findings are closed.</p> <p>PASA will also reassess cyber insurance options versus the current response retainer to ensure an appropriate and sustainable approach to cyber event response and business continuity.</p>	<p>MC</p> <p>IC</p>		
					<p>STRATEGIC FOCUS AREAS IMPACTED</p>		



Top PASA risks as a legal entity in 2025, treatment, opportunities, trend, and outlook

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

RISK 3	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS	
2025  TREND 	<p>Financial and tax risk</p> <p>PASA faces two new risks related to transition:</p> <ul style="list-style-type: none"> • Operational funding: PASA must ensure enough funds are available to support ongoing activities without accumulating excessive reserves, which could create inefficiencies or funding shortfalls. • Tax implications: The transfer of assets and changes in legal/tax status under the PIB construct may trigger unplanned tax liabilities if not properly managed. 	<ul style="list-style-type: none"> • Biannual invoicing: PASA will invoice twice in 2026 to avoid unnecessary build-up of funds. • Transparent communication to funders (Members): PASA communicated status and anticipated progress with regard to transition in support of its invoicing process to position the requirements for 2026 funding. • Balanced financial management: Scenario planning and analysis to quantify dissolution and administrative costs. • Audit Committee oversight: Reviewed scenarios as part of preparing the 2026 budget. • Legal advice: Legal opinion obtained on PASA's tax status has recommended engagement with SARS to manage PASA's tax-exempt status during the transition. 	N/A	<ul style="list-style-type: none"> • Continued focus on financial stewardship, dissolution planning, and regulatory engagement. • Ensure cash flow management, invoicing, and reserves are aligned to support operational continuity. 	<p>FC</p>  <p>HC</p> 	         	 	
STRATEGIC FOCUS AREAS IMPACTED								





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.



NPS Risk Committee

The NPS Risk Committee has been established to support PASA 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

PASA Structures include PCH PGs, Strategy Committees, Advisory Committees (including, for example, Legal and Competition 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 2025, 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
 New Risk

RISK	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS
RISK 1 2025 TREND	<p>People and capacity risk</p> <p>The payments ecosystem depends on scarce specialist capability across technical delivery, operations, legal, compliance and regulatory engagement. Persistent skills constraints, combined with high change demand, increase delivery risk and can create key man dependencies where outcomes rely disproportionately on a small number of individuals, their institutional knowledge and networks.</p> <p>Industry capacity is further pressured by multiple concurrent modernisation initiatives, increasing the risk of duplication, fragmented execution and delayed deliverables across the NPS.</p>	<p>PASA focused on protecting delivery continuity during institutional uncertainty while strengthening capability and reducing dependency risk across the ecosystem, including:</p> <ul style="list-style-type: none"> Engaging PASA Council on capacity implications and reinforcing prioritisation as a cross-cutting discipline. Prioritisation of legal work, supported by ongoing review of the Legal Book of Work and an ExCo-led Prioritisation Committee to monitor priorities and capacity. Collaborating with regulators and industry bodies to identify common milestones, align sequencing and reduce fragmentation risk. Promoting coordinated delivery approaches to limit duplication and make best use of scarce specialist resources. Continuing capacity-building contributions through the PASA Academy, including digitised certification programmes and recommended training pathways for Member representatives. Sustaining talent pipeline and industry awareness initiatives such as the People in Payments video series to support long-term skills development and sector attractiveness. 	<p>Stronger ecosystem alignment and clearer prioritisation can reduce duplication and improve delivery confidence across overlapping initiatives.</p> <p>The legal prioritisation framework can improve predictability and throughput of PASA deliverables, while deeper coordination with SARB/PayInc can reduce duplication and improve role clarity as the operating model evolves.</p> <p>Sustained PASA Academy-led training and awareness initiatives can deepen the long-term talent pipeline and strengthen NPS resilience.</p> <p>Improved documentation and structured skills transfer across the ecosystem can reduce key man dependency and enhance continuity across critical roles and functions.</p>	<p>Capacity constraints are expected to remain a critical factor as modernisation and institutional reform continue.</p> <p>Active prioritisation within the Legal Book of Work of the PASA Prioritisation Committee (PPC) to ensure efficient allocation of resources.</p> <p>Sustaining specialist expertise through the transition remains important to protect system stability and delivery confidence.</p> <p>The ecosystem is likely to require one or more ongoing platforms for structured industry coordination, technical engagement and capacity-building, regardless of the final institutional model.</p> <p>PASA will continue supporting capability development through the PASA Academy, while reinforcing prioritisation, alignment and coordinated delivery to protect industry outcomes.</p>	<p>HC</p> <p>IC</p>		

STRATEGIC FOCUS AREAS IMPACTED


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 2
 3





Top National Payment System (PASA as a PSMB) risks in 2025, treatment, opportunities, trend, and outlook

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

RISK 2	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS
2025 TREND	<p>Fraud and cyber risk</p> <p>Trust in the NPS depends on payments being safe, reliable and resilient. Stakeholder discussions increasingly point to the convergence between cyber incidents, AI driven scams and fraud, particularly authorised push payment (APP) fraud, where stolen data is monetised through social engineering tactics and business email compromise. These threats can drive rising customer losses and erode confidence in digital payments.</p>	<p>PASA's approach focuses on supporting coordinated, ecosystem-wide responses and avoiding duplication. Fraud risk management is being progressed across multiple entities including the SARB PEM programme, BASA, PayInc and SABRIC, with the FSCA engaging from a conduct perspective.</p> <p>PASA therefore prioritised alignment and contribution where it could add system-wide value, recognising finite specialist capacity during transition.</p> <p>The Card industry continues to evolve technology for minimising fraud losses, but members are at various maturity levels.</p> <p>Ongoing customer security education awareness provided by Members.</p> <p>PASA supported coordination and shared understanding across initiatives to reduce fragmented accountability and contributed to discussions on evolving scam typologies and vulnerabilities (including deepfake-enabled social engineering, screen-scraping exposures and other emerging tactics).</p>	<p>Stronger collaboration and intelligence sharing across PASA, BASA, PayInc and SABRIC can enable more consistent controls and coordinated interventions across payment rails.</p> <p>Improved data quality and modern message standards, including ISO 20022, can strengthen detection, investigation and response capability.</p> <p>Expanded consumer awareness and preventative education can reduce scam success rates and protect trust in digital payments.</p>	<p>Fraud and scam management is expected to remain a priority focus under PEM, with continued emphasis on coordinated interventions across stakeholders and payment rails.</p> <p>PASA will continue to contribute through its stewardship role by strengthening cross-initiative alignment, clarifying accountability and supporting prioritisation.</p>		  	
<p>STRATEGIC FOCUS AREAS IMPACTED</p>  							

RISK 3	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS
2025 TREND	<p>Resilience of the NPS</p> <p>The resilience and stability of the NPS are critical to sustaining trust and confidence in digital payments. As the ecosystem becomes more interconnected and real time, disruption risk increasingly extends beyond individual payment streams to broader systemic events, including connectivity failures, extreme weather impacts, cyber incidents, and operational disruption at payment clearing house system operators or schemes.</p> <p>Strengthening resilience therefore depends on coordinated preparedness across people, processes and systems, supported by structured contingency planning, clear escalation pathways and disciplined post-incident learning.</p>	<p>PASA continued to support ecosystem-wide operational resilience through structured coordination and contingency planning. Key focus areas included the ongoing improvements in the alternative power and connectivity resilience measures, as well as establishment of the NPS Crisis Response Co-ordination Committee, to support coordinated responses to material cross-cutting incidents and industry-wide payment disruptions.</p> <p>The committee provides a cross-stream view, convenes stakeholders, coordinates information sharing and communications, and supports escalation to relevant external parties where required.</p> <p>PASA further maintained alignment with the SARB's Financial Sector Contingency Forum (FSCF) Alternative Connectivity Project as a relevant enabler of crisis preparedness and PEM operational resilience priorities.</p>	<p>Stronger cross-industry coordination can improve response speed, consistency and stakeholder communication during incidents.</p> <p>Enhanced post-incident reviews, root cause analysis and identification of lessons learnt can strengthen preventative controls and long-term resilience planning.</p> <p>Alternative connectivity and contingency capability can strengthen crisis preparedness and support broader resilience priorities.</p>	<p>Operational resilience will remain a strategic priority as systemic risks evolve. PASA will continue strengthening crisis coordination through clearer escalation triggers, aligned communications and improved post-incident reviews to strengthen sector-wide learning.</p> <p>The FSCF Alternative Connectivity Project remains an important element of industry contingency planning.</p>		         	
<p>STRATEGIC FOCUS AREAS IMPACTED</p>  							



Top National Payment System (PASA as a PSMB) risks in 2025, treatment, opportunities, trend, and outlook

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

RISK 4	DESCRIPTION OF RISK	PASA RESPONSE	OPPORTUNITIES (WHERE APPLICABLE)	OUTLOOK	CAPITALS IMPACTED	STAKEHOLDERS IMPACTED	MATERIAL MATTERS
2025 TREND !	<p>Disorderly transition of PASA functions</p> <p>The NPS faces a risk of a disorderly transition of current critical PASA functions. This may arise from PASA no longer being able to perform its current self-regulatory role or through an unmanaged or poorly managed transition of functions to other entities.</p> <p>This could have significant negative consequences for the broader payments industry, including:</p> <ul style="list-style-type: none"> • Disruption of the NPS and other key industry functions currently facilitated by PASA. • Potential gaps in oversight and governance of self-regulatory activities. • Loss of institutional knowledge and capability during the transition or closure. • Stakeholder uncertainty and reputational impact. 	<ul style="list-style-type: none"> • PASA has been actively engaging with the SARB to define an appropriate approach for the movement of self-regulatory activities and the withdrawal of PASA's PSMB mandate. • PASA Council and PASA Review Committee oversight on transition planning. • Attempting to maintain the status quo until the PSMB recognition is formally withdrawn through mechanisms such as retention incentives. • The SARB has decoupled transition from regulatory dependencies. • Ongoing communication and engagement with industry stakeholders to anticipate and mitigate potential disruptions. 	<ul style="list-style-type: none"> • Ensure a controlled transition of PASA functions to the appropriate entities, maintaining continuity in the payments industry. 	<ul style="list-style-type: none"> • Ongoing engagements with SARB and internal committees to mitigate potential consequences of a disorderly closure. • Active monitoring and planning to ensure an orderly transition of PASA's responsibilities. 	HC S/RC IC		
STRATEGIC FOCUS AREAS IMPACTED							





MATERIAL MATTERS

PASA identifies and manages the issues that most significantly influence its ability to deliver on strategy and create value over the short, medium and long term. PASA also considers emerging technology developments, including the growing influence of AI, digital asset innovation and evolving global payments standards, which are expected to increasingly shape the payments ecosystem. These material matters shape PASA's operating context and informs how the organisation prioritises resources, manages risk and supports the safe, efficient and interoperable functioning of the NPS.

PROCESS TO DETERMINE MATERIAL MATTERS FOR 2025

The material matters were identified and refined through structured discussions and interviews with PASA ExCo members, supported by validation through PASA Council oversight. This process confirmed the continued relevance of the matters reported in 2024, while incorporating updates to reflect PASA's evolving operating environment, industry dynamics and global trends. Material matters are reviewed annually by ExCo and PASA Council to ensure they remain accurate, complete and aligned to external developments, and are assessed and ranked based on their relative significance to PASA's mandate, performance and sustainability.

KEY OUTCOMES OF THE 2025 PROCESS

The 2025 review confirmed strong continuity with the matters reported in 2024. While the underlying themes remained largely consistent, their evolution, particularly in the context of the changes to the regulation and broader ecosystem governance, has influenced how each matter is contextualised this year. Further, PASA Council has identified the impact of AI as a technology which could impact several of the material matters listed on the pages that follow. These include Regulation as regulators define "guard rails" for AI; Payment system modernisation through the potential transformative nature of agentic AI; and Cybercrime and fraud prevention where AI is both an opportunity and a threat.

AMENDMENTS TO EXISTING MATERIAL MATTERS

Several refinements were made to reflect changes in PASA's operating environment. The most significant shift relates to the proposed unwinding of the self-regulatory model currently fulfilled by PASA and the associated implications for the future of the association.

INTRODUCTION OF A NEW MATERIAL MATTER

One additional material matter emerged from the 2025 review: systemic change execution. This reflects the growing importance of disciplined sequencing, capacity management and coordinated delivery across multiple concurrent reforms to ensure modernisation outcomes are achieved without compromising NPS stability, integrity or trust.



1. CHANGES TO THE REGULATORY ENVIRONMENT

What it means to PASA

South Africa's payments ecosystem is entering a decisive phase of regulatory reform and institutional realignment. The SARB's evolving approach to the regulation, supervision and oversight of the NPS, together with the execution of the PEM programme, is reshaping how rule-making, scheme governance, interoperability and participation will be managed going forward.

The current PASA self-regulatory model will cease, and rulemaking and licensing (National Payment System) admittance functions will be moved from PASA to other entities, including PayInc and the SARB.

For PASA, this period is defined by an important dual reality: PASA's mandate and accountability remained fully in force during the year, while the future configuration of industry arrangements and delegated self-regulatory functions continued to evolve. This required PASA to maintain operational continuity and system confidence, while engaging constructively with the regulator and stakeholders to support a responsible transition to a future operating model aligned to international norms and South Africa's developmental priorities.

Strategic response

Supporting SARB-led reform and institutional realignment

During the reporting period, PASA continued to operate as a stabilising coordination platform within the NPS while supporting SARB-led reform. PASA worked closely with the SARB, Members and industry stakeholders to interpret emerging regulatory direction, assess implications for governance and operating arrangements, and ensure that transition planning protects system stability and institutional knowledge.

Preparing for a phased and responsible transition

In October 2025, the SARB provided PASA with formal guidance on the future management of self-regulatory functions, including that:

- Regulatory rule-making authority will not reside in a future PIB;
- Certain clearing house and scheme-related responsibilities will be reallocated to licensed scheme operators;
- Interoperability and cross-cutting rules will be issued directly by the SARB's NPSD; and
- PASA's recognition as a PSMB is intended to be withdrawn once new licensing and authorisation arrangements are in place.

In response, PASA engaged with the SARB, BASA, PayInc and Members to support a phased transition. This included in-principle Member support for the transfer of intellectual property and functions in line with regulatory guidance, and a shared commitment to protecting critical skills and employees to preserve ecosystem capability through the transition.

Enabling future industry coordination

While regulatory authority will sit with the SARB and licensed operators under the future framework, the SARB reiterated its support for a representative industry coordination and consultation body, provided it meets defined criteria. PASA was tasked by Members to explore options informed by stakeholder engagement and international benchmarking, without presupposing a single outcome.

Risks

- Evolving governance constructs and reallocation of functions may create uncertainty regarding PASA's future model and timing of transition.
- Migration of functions, intellectual property and responsibilities may introduce operational risk if not carefully sequenced and governed.
- The cessation of the role performed by PASA in the industry without an appropriate handover plan might have detrimental consequences for the payments industry.
- Institutional realignment could erode scarce skills and system knowledge if people and capacity are not protected.
- A widening participant base and evolving roles may increase misalignment unless structured consultation and coordination mechanisms are maintained.

Opportunities

- Institutional realignment can strengthen role clarity, reduce duplication and align responsibilities with international practice.
- Proportionate authorisation frameworks can enable broader participation, including non-banks, supporting competition and inclusion.
- Regulatory reforms that elevate interoperability, consumer protection and AML/CFT controls can strengthen confidence in digital payments.
- A well-governed consultation body can support evidence-based engagement, transparent representation and cohesive policy input.

Outlook

- Continued regulatory developments and PEM execution will shape the future operating model for the NPS, including licensing, scheme governance and interoperability rule-setting.
- PASA will continue to fulfil its responsibilities under the current framework for as long as it is mandated to do so, while supporting transition planning that protects system stability, people and institutional knowledge.
- Industry engagement will remain focused on identifying an appropriate coordination model that supports inclusive, disciplined and well-governed consultation under the future framework.





2. SYSTEMIC CHANGE EXECUTION

What it means to PASA

South Africa's payments ecosystem is undergoing simultaneous change across regulation, governance, infrastructure, operating models and participant behaviour. Executing this change successfully is critical to achieving the objectives of the PEM programme without compromising the stability, integrity or trustworthiness of the NPS.

For PASA, systemic change execution refers to the ability of the industry to implement large-scale reform in a complex, interdependent environment in a way that delivers tangible outcomes while avoiding unintended consequences. As a coordinating body with deep technical insight and system-wide visibility, PASA plays an important role in highlighting execution risks, supporting disciplined sequencing and enabling informed industry dialogue during periods of heightened transformation.

Strategic response

During the reporting period, PASA focused on articulating the success factors required for effective industry-wide change in a complex adaptive system. At the request of PASA Council, PASA prepared and submitted a paper to the SARB PEM team outlining the execution risks associated with multiple concurrent initiatives and proposing practical mitigants to support successful delivery.

This work emphasised the importance of small, sequenced deliverables; robust prioritisation; meaningful consultation; and continuous feedback mechanisms to identify emergent risks early. PASA continued to apply these principles internally by improving throughput in rules development, strengthening consultation practices and maintaining delivery discipline despite significant institutional uncertainty.

Risks

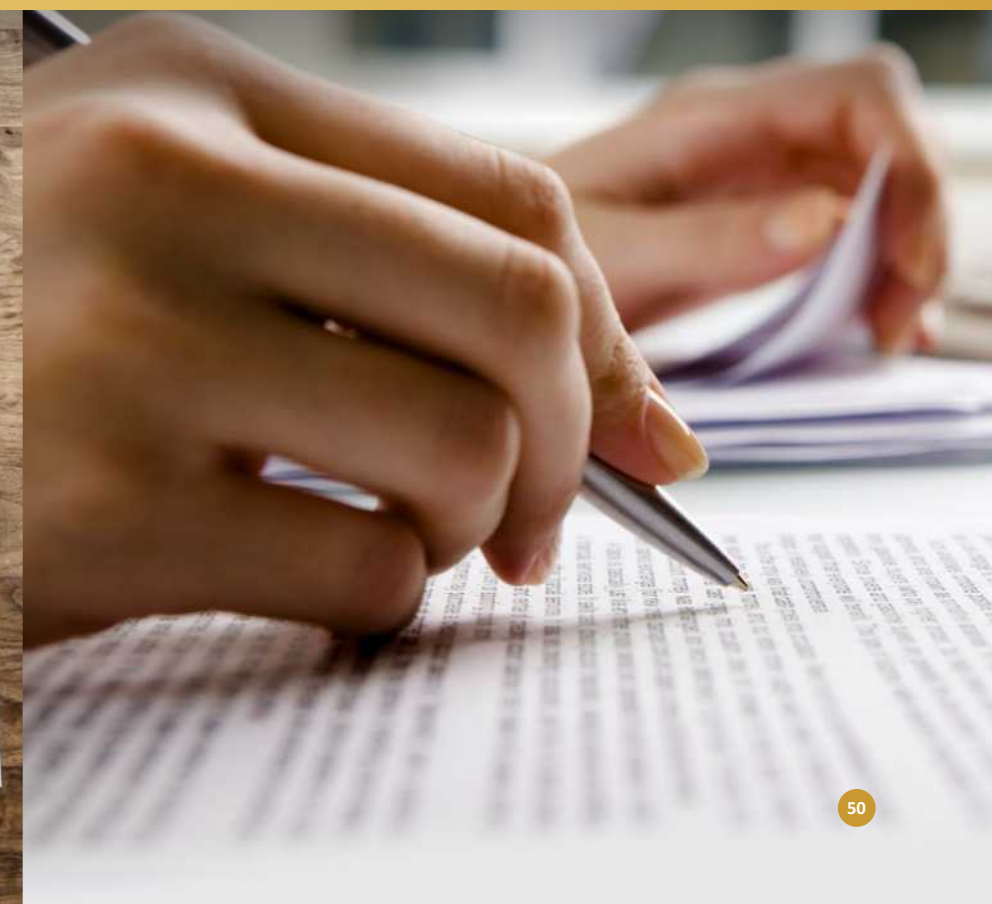
- The cumulative impact of multiple, overlapping reforms across regulation, governance, infrastructure and operations may strain industry capacity and coordination mechanisms.
- Unintended consequences may arise where changes are introduced without sufficient sequencing, testing or feedback loops.
- Trust may erode and adoption may be affected if change is perceived as overly complex, fragmented or destabilising.
- Poor alignment among entities could result in duplication of effort and inefficiency in change initiatives.
- Constraints in data availability and leading indicators may limit early detection of systemic stress or emerging failure points.

Opportunities

- Disciplined execution can accelerate delivery of high-impact outcomes while reducing implementation risk.
- Staged, incremental changes can enable learning, course correction and faster scaling of successful interventions.
- Robust coordination and prioritisation can enhance industry confidence and adoption of modernised payment capabilities.
- A shared execution framework can strengthen collaboration between regulators, operators and participants, supporting long-term system resilience.

Outlook

- PASA will continue to support the PEM programme by contributing system-wide insight, execution experience and structured input on sequencing, prioritisation and risk mitigation.
- PASA will engage with industry stakeholders to promote disciplined change practices that balance ambition with stability.
- As institutional arrangements evolve, PASA will remain focused on enabling informed dialogue and coordination that supports effective execution and protects the integrity of the NPS during transition.





3. PAYMENT SYSTEM MODERNISATION

What it means to PASA

The ability to move money safely, efficiently and affordably through digital systems is fundamental to a modern economy. Payments modernisation is also a key enabler of financial inclusion, transparency and resilience.

For PASA, the modernisation agenda is increasingly shaped by regulator-led priorities under PEM. While the full future agenda is still being defined, PASA's role during the year was to maintain a modernisation book of work that remains relevant to Members and other stakeholders, ensuring that where initiatives overlap, PASA work is delivered in support of PEM, not independently. Success depends on adaptability, disciplined prioritisation and the effective management of scarce delivery capacity.

Strategic response

In response to rapid environmental change and evolving regulatory direction, PASA structured its modernisation programme into two streams:

1. **PEM-driven modernisation**, where the regulator sets the primary agenda and PASA contributes delivery support; and
2. **Industry-led modernisation**, where remaining discretionary capacity is deployed for initiatives that advance stakeholder needs and ecosystem readiness.

All changes to priorities and capacity allocation were socialised with stakeholders, particularly Members, payment system providers and system users, to maintain transparency, predictability and delivery confidence.

Debit order ecosystem modernisation

- **Registered Mandate (RM) separation:** RMS was separated from AC to become a standalone system, rebranded as RM, and processed in the evening processing window, ahead of EFT debits.
- **Debit order rule changes:** With SARB NPSD and FSCA no-objection secured, dispute rule enhancements were approved and specifications finalised to enable implementation in 2026.

Card modernisation

- **EMV Fleet Industry rollout:** The industry rollout of the EMV Fleet four-party model will be reviewed from Q1 2026 to Q3 2026. The industry requested an extension to address implementation requirements that require attention for successful rollout.
- **Domestic card clearing requirements:** A task team was established under SARB guidance; analysis and proposals were submitted in June 2025, and SARB feedback is pending.

FATF Recommendation 16 enablement

During the year, PASA developed credible financial crime expertise and led South Africa's private-sector consultation on FATF Recommendation 16. The quality of PASA's input was recognised by regulators and National Treasury, and a PASA team member was invited to join a closed FATF working group drafting the global guidance. PASA also recommended interventions to enhance the quality and consistency of data in payment messages across the various domestic rails.

CMA readiness

PASA is project managing SA participants' transition to Transactions Cleared on an Immediate Basis (TCIB) under SARB Directive 1 of 2025, supporting SARB NPSD cross-country coordination and a mandated migration timeline of April 2027.

Supporting PEM execution through embedded delivery capability

PASA strengthened PEM execution by embedding SCE and PMO capability into SARB-led workstreams to provide practical delivery support across priority initiatives (including faster payments roadmap work, fraud strategy mapping, and SAMOS upgrade implementation). This embedded model reduced duplication, improved coordination and sustained delivery momentum under SARB governance, with PEM leadership recognising PASA's delivery contribution.

Read more in the strategy section on page 61.

Risks

- Modernisation pace may be constrained by scarce skills and uneven delivery capacity across industry participants, as well as focus on “how” the industry functions rather than on solution delivery.
- Funding and affordability pressures could limit some participants' ability to invest and implement at the required pace.
- Concurrent reforms could increase integration risk if dependencies are not sequenced, governed and tested rigorously.
- Expanding digital rails could increase fraud and cyber exposure, reinforcing the need for shared standards and coordinated controls.

Opportunities

- Modernisation can enable the decommissioning and rationalisation of legacy functionality, reducing long-term cost and operational risk.
- Stronger interoperability standards can broaden access, enable new entrants and support inclusion and competition.
- Richer messaging and improved data quality can enhance the combatting of fraud, as well as reconciliation, analytics and automation for corporate and operational users.
- Coordinated fraud and compliance interventions can strengthen ecosystem integrity, trust and resilience in digital payments.

Outlook

- Payments modernisation will continue to be guided by the regulator through the PEM, with PASA prioritising delivery support where initiatives align and deploying remaining capacity to industry-led initiatives that advance stakeholder needs.
- Key focus areas will include continued progress in debit modernisation, readiness for FATF Recommendation 16 developments, CMA directive implementation, and sunseting of the RTC rail.
- Maintaining transparency in reprioritisation and capacity allocation, across Members and employees, will remain essential to sustaining delivery confidence in a fast-evolving reform environment.
- Rapid advances in AI are beginning to influence payments system design and oversight. AI-enabled automation, regulatory technology (RegTech) and advanced analytics have the potential to improve compliance monitoring, fraud detection, reporting accuracy and operational efficiency. At the same time, the implications of AI adoption across payments infrastructure, market participants and customer interfaces are still evolving and require careful consideration as modernisation progresses.



4. CYBERCRIME AND FRAUD PREVENTION

What it means to PASA

Trust in the NPS depends on payments being safe, reliable and resilient. During the year, stakeholder discussions increasingly highlighted the convergence between cybercrime and scam-driven fraud, particularly authorised push payment (APP) fraud. In many cases, data stolen through cyber incidents is monetised through social engineering scams (for example, phishing, vishing, smishing and business email compromise), making scams a growing driver of losses and a material threat to confidence in digital payments. The increasing use of AI tools by malicious actors, including deepfake audio and video, automated phishing campaigns and AI-assisted fraud scripting, is also contributing to the scale and sophistication of scam activity globally.

Concurrently, PASA continued to recognise the distinct risk posed by cyber-attacks targeting payments infrastructure and architecture, which differs materially from cyber-enabled fraud in threat profile, execution and systemic impact. Clear differentiation between these categories remains important to ensure appropriate governance, controls and industry coordination.

Strategic response

During the reporting period, PASA's focus was on supporting coordinated, ecosystem-wide responses rather than duplicating parallel initiatives. Fraud risk management is being progressed across multiple entities, including SARB PEM, PayInc and SABRIC, with the FSCA engaging from a conduct perspective. In this context, PASA prioritised alignment and contribution where it could add system-wide value, while recognising finite leadership and specialist capacity during a period of institutional transition.

Accordingly, PASA did not initiate standalone APP fraud workstreams that could duplicate PEM, SABRIC or FSCA efforts. Instead, PASA supported improved coordination and shared understanding across initiatives, helping reduce the risk of fragmented accountability. PASA also contributed to discussions on the evolving fraud landscape, including scam typologies and vulnerabilities such as business email compromise, deepfake-enabled social engineering, screen-scraping exposures and other rapidly developing tactics.

Risks

- Scam-driven APP fraud may continue to rise where social engineering undermines customer decision-making beyond traditional payment-system controls. This may slow adoption of digital payments.
- Cyber-attacks targeting payments infrastructure could disrupt service continuity and elevate systemic risk.
- Overlapping initiatives may dilute accountability and slow effective mitigation if not coordinated through clear governance.
- Rapidly evolving techniques, including AI-enabled deception, could increase the sophistication and scale of threats.

Opportunities

- Fraud management prioritisation under PEM can strengthen the opportunity for ecosystem-wide coordination and shared standards.
- Improved data quality and modern message standards can enhance detection, investigation and response capability over time.
- Stronger collaboration across sectors and organisations can enable more consistent controls and intelligence sharing across payment rails.
- Expanded user awareness and preventative education can reduce scam success rates and protect trust in digital payments.

Outlook

- Fraud and scam management is expected to remain a priority focus, with continued emphasis on coordinated interventions across stakeholders and payment rails.
- PASA will continue to contribute where relevant through its stewardship role, supporting alignment, accountability clarity and disciplined prioritisation as the institutional architecture of the ecosystem evolves.





5. SKILLS SHORTAGE AND INDUSTRY CAPACITY

What it means to PASA

The payments ecosystem depends on scarce specialist capability across technical delivery, operations, risk, legal, compliance and regulatory engagement. Persistent skills constraints, combined with high change demand, increase delivery risk and can create key-person dependencies where outcomes rely disproportionately on a small number of individuals, their institutional knowledge and networks.

For PASA, this matter has two reinforcing dimensions: sustaining internal capability and morale during institutional uncertainty, and supporting broader industry capacity and coordination as modernisation accelerates.

Strategic response

PASA's response focused on protecting delivery continuity during a period of institutional uncertainty, while strengthening capability and reducing dependency risk across both the organisation and the ecosystem.

Internally, PASA prioritised managing key man dependency and protecting critical delivery capacity. Targeted retention measures were implemented for employees identified as flight risks, alongside an equitable remuneration approach and continued people-focused interventions to sustain commitment, wellbeing and performance during the transition. Communication was increased to reduce uncertainty and maintain alignment, with individual performance objectives more tightly linked to organisational scorecard priorities. Recruitment was largely paused to manage cost and uncertainty, while ensuring that critical roles, particularly those supporting capacity building, could still be filled when necessary.

Externally, PASA continued to support sector-wide capacity and reduce fragmentation risk by reinforcing prioritisation and alignment across stakeholders. This included collaborating with industry bodies and regulators to identify common milestones, and promoting a more coordinated approach to initiative delivery to avoid duplication of efforts. PASA also continued its long-standing capacity-building contribution through its on-the-job capacity-building programme, the PASA Academy and outreach initiatives such as the People in Payments video series, recognising that strengthening the talent pipeline remains essential to long-term NPS resilience and execution.

 Read more in Intellectual Capital on page 70.

Risks

- Delivery underperformance could be experienced due to continued reliance on key individuals and ongoing resource overstretch.
- Loss of critical employees could weaken continuity, delay key initiatives and reduce institutional knowledge retention.
- Transition-related uncertainty could increase anxiety, reduce commitment and elevate flight risk.
- Industry capacity could be overstretched by multiple concurrent initiatives.

Opportunities

- Increased ecosystem alignment can reduce duplication and make better use of scarce specialist capacity.
- Sustained PASA Academy-led training and industry awareness initiatives can deepen the long-term talent pipeline.

Outlook

- Capacity constraints are expected to remain a critical factor as modernisation and institutional reform continue.
- Maintaining specialist expertise through the transition will be important to protect system stability and delivery confidence.
- The ecosystem is likely to require an enduring platform for structured industry coordination, technical engagement and capacity-building, regardless of the final institutional model adopted.
- PASA will continue supporting capability development through the PASA Academy and People in Payments, while sustaining disciplined prioritisation, knowledge transfer and targeted retention interventions to protect delivery continuity.



6. RESILIENCE OF THE NATIONAL PAYMENT SYSTEM

What it means to PASA

The resilience and stability of the NPS remain critical to sustaining trust and confidence in digital payments. As the ecosystem becomes more interconnected and real-time, disruption risk increasingly extends beyond individual payment streams to broader systemic events, including prolonged power grid failures, connectivity failures, extreme weather impacts, cyber incidents and operational disruption at clearing house system operators, schemes and critical concentrated third parties. Strengthening resilience therefore depends on coordinated preparedness across people, processes and systems, supported by structured contingency planning, clear escalation pathways and disciplined post-incident learning.

Risks

- Major systemic events could disrupt payment availability and undermine confidence.
- Cross-stream knock-on effects may amplify disruption if escalation and coordination are not triggered early and consistently.
- Growing complexity could increase the importance of high-quality incident reporting, root-cause analysis and sector-wide learning.

Strategic response

PASA continued to support ecosystem-wide operational resilience through structured coordination and contingency planning. Key focus areas included the ongoing improvements in the alternative power and connectivity resilience measures, as well as the establishment of the NPS Crisis Response Co-ordination Committee, constructed to coordinate responses to NPS crises, agnostic of cause, material cross-cutting incidents and industry-wide payment disruptions.

The committee provides a cross-stream view, convenes stakeholders, coordinates information sharing and communications, and supports escalation to relevant external parties where required. Operational decision-making remains with the relevant PCH PGs, but the committee can provide structured recommendations where appropriate.

Resilience strengthening also included developing practical escalation tools, post-incident reviews in support of root-cause analyses, and identification of lessons learned to inform future planning.

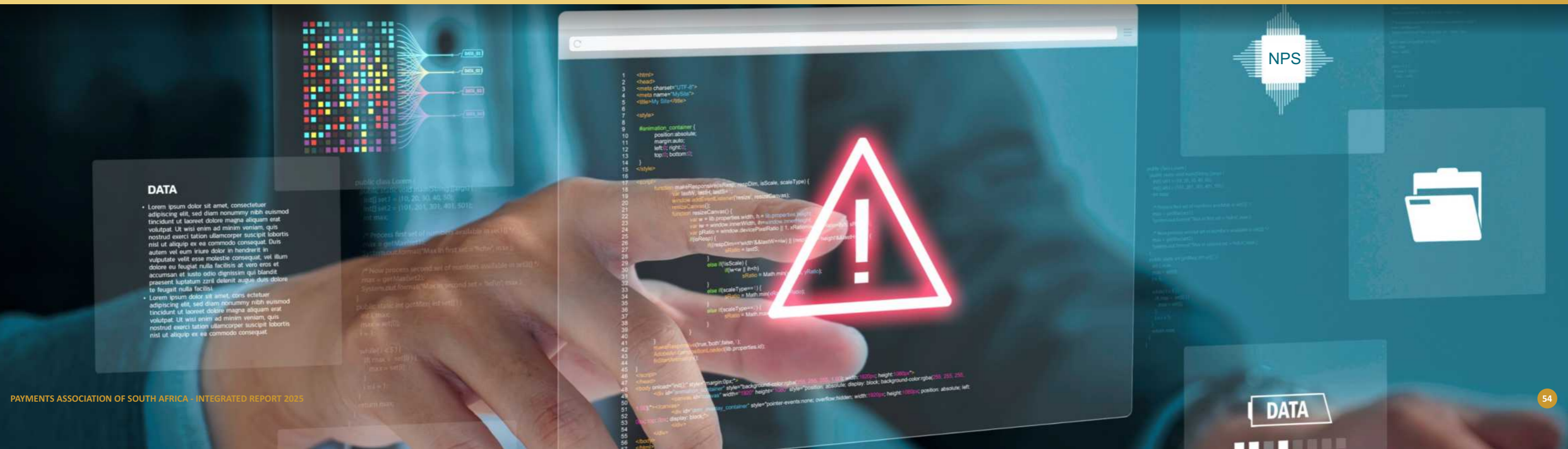
The SARB's Alternative Connectivity Project remained relevant to strengthening crisis preparedness and supported broader operational resilience priorities.

Opportunities

- Stronger cross-industry coordination can improve response speed, consistency and stakeholder communication.
- Post-incident reviews and trend analysis can strengthen preventative controls and long-term resilience planning.
- Alternative connectivity and contingency capability can reduce connectivity dependencies and support payments continuity during operational disruptions.

Outlook

- Operational resilience will remain a strategic priority as modernisation accelerates and payment infrastructure becomes more digitally dependent.
- PASA will continue strengthening crisis coordination through clearer escalation triggers, aligned communications and improved post-incident reviews.
- The Alternative Connectivity Project remains an important element of industry continuity planning as systemic risks evolve.





7. INCREASING COMPLEXITY OF THE PAYMENTS ECOSYSTEM

What it means to PASA

South Africa's payments ecosystem is evolving into a more complex, multi-participant environment as regulatory reform advances and participation frameworks shift toward more activity-based approaches. This is expected to increase the number and diversity of regulated entities and, over time, may drive consolidation among non-bank participants as compliance and licensing requirements deepen. Emerging technologies such as AI-driven automation and increasingly interconnected digital platforms may further increase system complexity and interdependencies, creating new forms of operational and systemic risk that require coordinated oversight across the ecosystem.

Risks

- A more diverse and complex community to coordinate.
- Broader participation and evolving licensing expectations may extend consultation timelines and slow decision-making where alignment is required across many parties.
- Limited capacity across industry stakeholders could constrain implementation quality and increase operational and delivery risk during periods of concentrated change.

Opportunities

- A broader community of voices can lead to improved solutions to complex problems.
- Improved risk indicators and early-warning signals can strengthen system-wide oversight and support faster, more targeted interventions.
- Institutionalising consultation and solutioning methodologies can improve ecosystem-wide decision quality and reduce duplication as the stakeholder base expands.

Strategic response

PASA continued developing and deploying SCE methodologies to support evidence-based consultation, solution design and consensus-building across diverse stakeholders. In 2025, these methodologies were applied through targeted workshop designs supporting PEM-related workgroups (including Faster Payments System adoption interventions) and through engagements supporting future operating model and modernisation discussions. PASA started pursuing knowledge transfer and institutionalisation efforts.

Outlook

- Complexity is expected to increase further as regulatory reform and modernisation continue and participation models evolve.
- Managing this effectively will require stronger tooling for risk signalling, disciplined sequencing, and sustained engagement with regulatory stakeholders to align on priorities and practical mitigations.
- PASA will continue supporting structured consultation and evidence-based solutioning through SCE methodologies, with a focus on strengthening the ecosystem's ability to make deliberate, well-sequenced change that reduces fragmentation and limits unintended consequences.



8. THE EMERGENCE OF NEW PAYMENT MODELS AND TYPES OF CURRENCY (INCLUDING STABLECOINS AND TOKENISED DEPOSITS)

What it means to PASA

Stablecoins, tokenised deposits and other forms of digitally native money are becoming increasingly relevant to payments system design and the future “store of value” layer. At the same time, rapid innovation in digital assets, tokenisation of financial instruments and programmable payments is expanding the range of potential payment rails and settlement models. Globally, policy developments and market initiatives are contributing to greater institutional engagement with digital assets and tokenised financial infrastructure, although regulatory frameworks continue to evolve across jurisdictions.

Within South Africa's regulatory approach, treating these forms of money as “crypto assets” could enable “shadow banking” alternative payment systems with limited regulatory visibility.

Risks

- Growing use of alternative digital money models could shift activity outside regulated rails, weakening the scale, interoperability and trust outcomes sought through PEM-aligned infrastructure.
- Rapid innovation across tokenisation, digital assets and AI-driven commerce models may outpace regulatory clarity, creating uncertainty regarding oversight, consumer protection and interoperability.
- Unclear or uneven regulatory treatment could create consumer protection gaps and compliance inconsistency across payment models.
- New rails could introduce additional financial crime and operational risk if integrity controls and data requirements are not consistently applied.

Opportunities

- Earlier focus on stablecoins/tokenised deposits can help future-proof interoperability and design choices as PEM evolves.
- Well-governed tokenised approaches may improve efficiency and programmability while preserving the “singleness of money” and system integrity.

Outlook

- PEM will remain the primary driver of payments reform, and SARB has indicated that near-term focus should stay on modernisation initiatives (rather than retail CBDC implementation).
- As the institutional architecture of the NPS evolves, PASA's role is expected to shift away from delegated self-regulatory functions toward transition support and industry coordination, which may create additional capacity to help structure ecosystem engagement on emerging models (including stablecoins and tokenised deposits) as policy direction becomes clearer.

Strategic response

During the year, PASA prioritised PEM-aligned delivery while attempting to maintain visibility of industry developments in emerging digital money models.



9. GLOBAL HARMONISATION AND REGIONAL INTEGRATION

What it means to PASA

Cross-border payments reform is increasingly shaped by global efforts to improve speed, cost, transparency and access. This includes the G20 roadmap and the Financial Stability Board's quantitative targets for 2027, alongside continuing focus on common message standards, improved data quality and interoperability (including the interlinking of fast payment systems where feasible).

For PASA, these developments matter because South Africa's domestic standards and regional cross-border rails must remain aligned to avoid fragmentation, support compliance expectations and enable efficient regional payment flows. A clear example is the CMA migration mandated by SARB Directive 1 of 2025, which requires low-value CMA transfers to move from SADC-RTGS routing to the Transactions Cleared on an Immediate Basis (TCIB) scheme within enforceable timelines.

Strategic response

PASA maintained a pragmatic focus on where it could add value within its mandate. During the reporting period, this included:

- Staying aware of global standardisation and interoperability developments to inform domestic readiness.
- Supporting CMA regional implementation planning for the Directive 1 of 2025 migration, including participation in the cross-country coordination structures convened by SARB NPSD.
- Deferring non-essential cross-border innovation workstreams to preserve leadership capacity for mandated deliverables and system stewardship during institutional transition.

 Read more in strategic trade-offs on page 39.

Risks

- Regional and global reforms may outpace specialist capacity, delaying implementation and industry readiness.
- Misalignment across jurisdictions and operators could increase rework, cost and compliance complexity as standards and rules evolve.
- The CMA Directive timeline could increase delivery and dependency risk if testing, sequencing and scheme readiness are not governed rigorously.

Opportunities

- Implementing CMA migration via TCIB may improve the efficiency, transparency and cost profile of low-value regional payments over time.
- Alignment to global standards and interoperability initiatives can reduce long-term fragmentation and strengthen scalability for cross-border participation models.

Outlook

- Global cross-border reform is expected to continue progressing toward the Financial Stability Board's 2027 targets, with sustained emphasis on standards, data quality, interoperability and policy alignment.
- CMA execution will remain the near-term regional priority, with the Directive requiring cessation of CMA low-value routing via SADC-RTGS by 31 March 2027 and execution via TCIB from 1 April 2027.
- PASA will continue supporting industry coordination and delivery confidence on mandated regional initiatives, while reassessing broader cross-border engagement as institutional roles and capacity become clearer.





THE PAYMENTS LANDSCAPE
A MODERN COMPLEXITY



10. GEOPOLITICAL IMPACT ON THE COMPLEXITY OF THE PAYMENTS LANDSCAPE

What it means to PASA

Geopolitical developments can introduce systemic risk into payment ecosystems through sanctions, cross-border policy actions, and concentration in globally hosted platforms. For South Africa, reliance on foreign-operated infrastructures and networks (including major international card schemes and global financial messaging) creates potential exposure if access, service continuity, or support were ever constrained by external decisions.

Global precedent illustrates the nature of this risk: following sanctions linked to the Russia–Ukraine conflict, selected Russian entities were disconnected from the SWIFT network, and major card networks suspended operations in Russia.¹

Strategic response

During the year, geopolitical risk considerations were progressed through SARB/NPSD and industry discussions, with PASA contributing where relevant:

- PASA supported structured engagement with SARB/NPSD to assess plausible disruption scenarios and identify practical mitigations across the NPS.
- The industry is progressing UnionPay onboarding as an additional scheme option, enabled via local on-soil processing through PayInc.²
- PASA is reinforcing awareness of broader systemic dependencies (including globally hosted technology and software providers) as part of resilience discussions.

Risks

- Geopolitical restrictions (including sanctions) could constrain access to global messaging networks or internationally governed schemes, disrupting continuity and increasing operational and compliance complexity.
- Reliance on a limited set of global payment infrastructures could increase vulnerability to external policy shifts and operational shocks.
- Any change to the rand's CLS participation could alter settlement risk management requirements and trigger the need for coordinated industry mitigation planning.
- Growth in multiple non-interoperable global or regional payment options could fragment the ecosystem and increase long-term cost and complexity.

Opportunities

- Diversifying schemes and strengthening local “on-soil” processing options can reduce single-point dependency and improve national payments resilience.
- Developing local messaging contingency options can strengthen sovereignty and continuity planning over the longer term.
- Expanding visibility of critical third-party dependencies can improve ecosystem-wide resilience planning, prioritisation and risk management.

Outlook

- Geopolitical risk is expected to remain a standing resilience consideration as global fragmentation, sanctions dynamics, and strategic competition continue to affect financial infrastructure. Messaging access and scheme operations could become constrained for targeted jurisdictions.
- In this context, PASA expects continued SARB/NPSD engagement on messaging contingency pathways, alongside industry efforts to strengthen optionality through scheme diversification (including UnionPay onboarding supported by local processing capability).
- Given the rand's current participation in CLS, PASA will continue monitoring and supporting stakeholder engagement on settlement dependency considerations, recognising that meaningful mitigations require strategic planning, senior-level coordination, and multi-year execution rather than short-term fixes.

¹ Council of the EU press release: Russias military aggression against Ukraine

² BankservAfrica and UnionPay International enhance e-commerce in Africa



STRATEGIC VISION AND APPROACH

During the reporting period, PASA continued to fulfil its mandate while the payments landscape underwent accelerated modernisation and institutional reform. Although the future configuration of industry arrangements is evolving, PASA's responsibilities remained unchanged, requiring the organisation to maintain operational continuity while engaging constructively in transition discussions. In this evolving environment, the regulator is increasingly setting the primary agenda through the PEM programme, while the ecosystem still requires disciplined coordination to keep delivery aligned and the NPS stable.

PASA views this work as a shared long-term endeavour: building a cathedral. Each initiative, rule, standard and partnership is not a standalone task, but a vital contribution to a larger, sound foundation, supporting a safe, efficient, interoperable and inclusive payments ecosystem. By convening Members, operators, regulators and a widening ecosystem of participants, PASA strengthens alignment, shared ownership and pride in the payments industry, while reducing the risk of fragmented delivery and duplicated effort.

At the heart of this vision are PASA's six aspirational Cathedral Statements. These statements go beyond strategic objectives; they express PASA's identity, long-term aspirations and the legacy it seeks to establish through its contribution to a modern, secure and inclusive payments ecosystem.

PASA's strategy reflects its dual role: strengthening PASA as an organisation and supporting the strategic evolution of the NPS. In practice, this means translating SARB Vision 2025 goals into operationally workable outcomes, supporting the PEM programme, and incorporating strategic guidance from Members into an actionable agenda. This requires disciplined collaboration across the SARB, FSCA, BSA, other PCH Operators, and PASA's Members to align objectives, reduce fragmentation risk and sustain system resilience.

STRATEGIC CONTEXT AND EXECUTION DISCIPLINE IN 2025

In 2025, PASA's strategy balanced two imperatives: supporting PEM-driven modernisation where system-wide alignment is required, and progressing other modernisation and industry priorities where capacity remains available. The key success factor is the organisation's ability to adapt to changing priorities while managing finite specialist capacity intentionally.

Accordingly, PASA's modernisation programme is managed in two streams:

- **PEM-driven modernisation:** PASA allocates resources to the PEM programme rather than duplicating efforts.
- **Other modernisation:** Discretionary capacity is applied to industry Initiatives that are identified for delivery through a prioritisation process.

As priorities shift, PASA applies an agile approach so initiatives and weighting can move between these streams where required. Any changes to priorities and capacity allocation are adequately socialised with stakeholders, particularly Members and employees. The goal is to keep PASA's book of work relevant to all stakeholders while ensuring that common initiatives are delivered in support of PEM, not independently.

The SCE remains a critical enabler of PASA's strategy. It supports structured strategic thinking, strengthens consensus-building and solution development, and helps translate policy intent into implementable outcomes across a complex and evolving ecosystem. Institutionalising this capability remains important as the payments landscape continues to modernise and governance arrangements evolve.



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.





STRATEGY AT A GLANCE

PASA's PURPOSE

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

ASPIRATIONS

Six long-term aspirational statements define PASA's ideal future end state.

1. The go-to trusted thought leader for payments domestically and internationally.
2. An inclusive, Member-driven payments organisation – the need for PASA's existence is unquestioned, and funding the organisation is an easy decision.
3. Stakeholders experience PASA as a force for good. The organisation sets clear direction, creates capacity and drives policy objectives for the payments industry.
4. PASA's people are desired worldwide, and the best want to work for PASA – the organisation grows careers in a happy and healthy culture.
5. Innovation is driven through creative collaboration and partnerships – PASA builds consensus and mobilises a broad range of stakeholders.
6. Support and promote modern, safe and efficient payment systems that enable economic growth and meaningful financial inclusion in 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 2025.

STRATEGIC FOCUS AREAS	WEIGHTING OF KPIS	STRATEGIC INITIATIVES
Stakeholder engagement	20%	<ul style="list-style-type: none"> Inclusive stakeholder engagement
Modernisation	25%	<ul style="list-style-type: none"> Strategy Centre of Excellence PEM modernisation support Other modernisation
PASA transition	25%	<ul style="list-style-type: none"> Regulatory transition Logistical and organisation transition
Running of PASA	30%	<ul style="list-style-type: none"> Sound legal rules and policies Financial management (with a focus on digitalisation) Organisational health and culture change PASA organisational risk management and compliance NPS risk management PASA digitalisation phase-two Cybersecurity

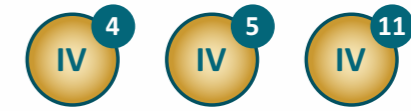


SARB VISION 2025 GOALS

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



PERFORMANCE AGAINST STRATEGY



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

Performance against strategic objectives is assessed through PASA's organisational scorecard, which incorporates defined key performance indicators (KPIs). PASA monitors progress against these KPIs on an ongoing basis, and the evaluation scale allows for the recognition of overperformance.

PASA's management conducted a self-review of performance against the 2025 scorecard. **The review indicates strong delivery, with an overall score of 76.8% (FY24: 74.9%), representing an “exceeds expectations” outcome.**

Progress and activities undertaken in 2025 against each strategic initiative are outlined below.

STAKEHOLDER ENGAGEMENT

STRATEGIC OBJECTIVES

Ensure that PASA is experienced as effective in its function and remains relevant to stakeholders through regular communication, engagements and monitoring.



PROGRESS ACHIEVED IN 2025

- Stakeholder rating averaged 4.4 out of 5, supported by constructive feedback across many dimensions.
- Stakeholders continue to work with PASA through the transition period in most respects.

SARB VISION 2025 GOALS





MODERNISATION

SARB VISION 2025 GOALS



STRATEGIC OBJECTIVES

Strategy Centre of Excellence ✓

Develop, test and institutionalise best-practice methodologies for industry strategy-setting and solution design across diverse stakeholders, enabling faster, evidence-based outcomes while streamlining consultation and consensus-building.

PEM modernisation support ✓

Deliver PASA support to the PEM programme that demonstrates value for money, service excellence, and strong stakeholder satisfaction from the SARB PEM team.

Other modernisation ✓

Drive agreed, prioritised modernisation initiatives outside the PEM book of work to achieve the highest return on effort and investment for the industry, without materially constraining the capacity and resources required for PEM delivery or other critical obligations.

PROGRESS ACHIEVED IN 2025

During 2025, SCE processes and methodologies were actively deployed across PASA and the broader industry to advance strategic outcomes and expose participants and facilitators to proven approaches.

Key examples included:

- Targeted workshop designs for the SARB PEM “hit squad” workgroup, enabling practical recommendations to support Faster Payments System (FPS) adoption (systemic intervention identification process).

Institutionalising SCE methodologies

PASA pursued deliberate opportunities to transfer process knowledge and strengthen capability beyond the strategy team.

Examples included:

- Systems Thinking workshop preparation completed; commencement dependent on strategy consultant availability and industry interest.
- Thought leadership presentation at PIPC 2025 on Complex Adaptive Systems behaviour in the NPS and the suitability of related intervention and strategic planning approaches.
- Ongoing upskilling on the meta-frameworks informing SCE methodologies, including attendance by two PASA strategy team members at the World Future Studies Conference (end-October) to strengthen foresight and strategy capability.

- The SARB PEM Delivery Director expressed strong satisfaction with PASA's contribution and professionalism during the reporting period.
- PASA team members integrated seamlessly into the PEM environment, adapting to SARB's rigorous governance structures and delivering high-quality outputs across multiple workstreams.
- PASA was recognised for excellence in collaboration, responsiveness, subject matter expertise and adaptability, with outputs consistently delivered at pace and to a high standard.
- The only improvement area noted was the need for more dedicated resourcing to reduce capacity strain across shared roles.
- Overall performance exceeded expectations, earning a 4/5 rating from the SARB PEM programme.

Low-value debit modernisation (78%)

Stakeholder rating: **3.89/5**

Debit order ecosystem (78%)

Registered Mandate (RM) separation

- RMS separated from AC and moved to the second evening collections window.
- Solution stable and fully operational.

Improving mandate authorisation delivery in Authenticated Collections

- Industry efforts continued to address technical challenges in non-face-to-face debit order mandate authorisations within the AC system. PASA introduced minimum delivery thresholds for real-time authorisation requests to ensure consistent delivery and enable payers to approve or decline requests.
- In 2025, supporting technical documentation and specifications were finalised and implemented by participating banks. A pilot phase tested delivery success rates, but was not fully completed in Q4 2025. A revised implementation plan is now scheduled for 2026.

Debit order dispute enhancements

- PASA approved updates to standardise the dispute framework across debit order systems, introducing a 60-day dispute window and removing the post-40-day EFT Debit process. Valid reversal requests within 60 days will now be processed immediately. Following regulatory “no objection,” technical specifications were finalised in 2025, with industry implementation and a consumer awareness programme planned for 2026.
- 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 matter is pending next steps by Clientele regarding the status of the litigation. The most favourable outcome is a managed withdrawal/settlement of the Clientele litigation.

Card modernisation (70%)

- The industry rollout of the EMV Fleet four-party model will be reviewed from Q1 2026 to Q3 2026. The industry has requested an extension to address implementation requirements that require attention for successful rollout.
- Industry project established to onboard UnionPay as a Scheme in South Africa.

FATF Recommendation 16 (80%)

- South Africa's submission has influenced the global FATF 16 guidance project.
- PASA was appointed as a contributing representative to the global FATF R16 project.
- Domestic guidelines/application to be considered after the global project concludes (expected 2026).
- Data quality improvements underway for Rapid Payments and high-value systems aligned to ISO 20022.

CMA (new)

- Project established to implement Directive 1 of 2025, mandating TCIB for CMA transactions.
- PASA to oversee delivery by South African participants.
- The SARB NPSD formed a cross-country CMA Task Team; PASA formally represented.



PASA TRANSITION

SARB VISION 2025 GOALS



STRATEGIC OBJECTIVES

Regulatory transition to the PIB 

Ensure the regulatory transition is clearly defined and executed according to plan, efficiently and without introducing undue NPS risk.

Logistical and organisational transition to the PIB 

Ensure the logistical and organisational transition is clearly defined and managed to plan, without introducing undue NPS risk, executed as efficiently as possible, and without negatively impacting regulatory reform timelines.

PROGRESS ACHIEVED IN 2025

The withdrawal of the SARB's "no objection" to the PIB design materially reshaped the transition landscape. PASA responded with a structured, stakeholder-driven approach to stabilise the organisation, assess viable institutional pathways and maintain transition momentum, including initiating work on a provisional PIB design to preserve strategic optionality.

Following the SARB's withdrawal of its "no objection" to the PIB design, work within the PIB Programme was reviewed, reprioritised or paused. As at April 2025, when the withdrawal of the "no objection" was received, the programme comprised 10 critical deliverables, with progress at 64% and three deliverables completed.

After the withdrawal, the programme was re-baselined to eight critical deliverables. Five have been completed, and the reprioritised programme is 81% complete for the 2025 year. Key focus areas include:

- **PASA "as-is" functional documentation:** Efforts were redirected to collate, validate, update and document PASA's current functions.
- **Member onboarding:** Requirements analysis has been completed, and high-level designs have been drafted.
- **Transition analysis:** An initial high-level assessment has been completed to identify functional elements that could transition to one of several potential receiving entities.
- **PIB design:** While detailed design could not commence until receipt of the second SARB letter, research was undertaken on global participation models and modalities to inform future design recommendations.
- **Stakeholder communication:** A communication campaign was completed to support broad and inclusive stakeholder reach.
- **Employee communication and support:** Increased emphasis was placed on employee engagement, including information sessions and access to employee coaching support, to maintain stability during the transition.





RUNNING OF PASA

STRATEGIC OBJECTIVES

Sound legal rules and policies



Ensure that PASA rules are aligned to sound legal principles that are consistently applied.

Financial management (with a focus on digitalisation)



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.

Organisational health and culture change



An engaged and resilient workforce who subscribe to a common purpose and values, supported by an efficient and effective HR function.

PASA organisational risk management and compliance



Maintain an effective internal risk management and compliance capability.

NPS risk management



Enhancement and application of effective risk management models to manage NPS risks.

PASA digitalisation phase- two



Successful digitalisation of PASA.

Cybersecurity



Address cybersecurity risks at PASA.

SARB VISION 2025 GOALS



PROGRESS ACHIEVED IN 2025

- Seven rulesets were committed for 2025 and 9 were delivered, representing outperformance (4/5).
- Members rated PASA 3.78/5 (78%). The combined score was 79%, calculated on a 50/50 weighting between Member rating and ruleset delivery.

- Successfully developed a well-considered, clearly articulated 2026 budget aligned to strategic objectives, including costed scenario planning.
- PASA received a clean external audit opinion affirming that PASA's financial management and internal controls are sound and effective.
- The Audit Committee expressed satisfaction with the accuracy, timeliness and completeness of financial reporting.
- No statutory penalties were incurred, confirming continued compliance with relevant statutory and regulatory requirements.
- HR (payroll) support services were successfully outsourced, and contingency plans for key finance roles (including the Finance Manager and CFO) were successfully tested.
- Finance KPIs remained consistently strong throughout the year.

- The 2025 engagement survey delivered very positive results, reflecting a marked improvement from the previous cycle. Employee Net Promoter Score (eNPS) improved by 46.8 points. Average favourable responses across all dimensions rose to 75% (2022: 64%).
- The management team demonstrated strong leadership in navigating a year characterised by significant challenges and complex engagement.
- To support the transition, PASA implemented agile, timely interventions, including group and individual coaching, wellness, and mindfulness sessions.
- PASA remained close to fully capacitated over the year, a notable improvement compared to the preceding four years.
- Despite a hiring freeze, there were only six permanent vacancies: three on hold, with three covered by independent consultants.
- Attrition was limited to four employees (7.3%), the lowest level in five years. Notably, one departure was a positive outcome, with the individual moving into a larger role aligned to their preferred function.
- Succession planning was strengthened, with emergency cover identified for key roles to support continuity.
- Retention and change management remained a priority, with targeted interventions reinforcing stability and organisational resilience, supported by successfully motivated and awarded retention incentives.
- Initiatives to sustain engagement and reaffirm a people-centric, high-performance culture continued to be actively prioritised.

- Risk, information security and compliance KPIs were embedded in 2025 performance contracts, supported by ongoing tracking and 100% completion of compulsory policy training.
- Business Continuity (BC) awareness training was delivered; the BC plan and training deck were uploaded to the LMS, and grid-failure planning was incorporated into the organisational BCP.
- The third-party risk assessment review was completed and findings were reported to ExCo and the Council Risk Committee (CRC).
- The Cyber Response Plan was updated based on input from the independent reviewer, CRC and ExCo.
- Cyber readiness and IT risk assessment recommendations were prioritised; implementation is in progress, with technical evaluation completed on closed findings.
- IT, HR and Finance KRIs continued to be reported to ExCo and relevant Council Committees, with additional KRIs introduced to track IT awareness simulation outcomes, policy training and policy-breach risk events.
- Risk events were tracked continuously and tabled at monthly ExCo meetings.
- A vendor was appointed to conduct an independent compliance review, including assurance over backup testing; the assurance plan was documented and reviews are underway.
- The regulatory universe was updated and high-risk Compliance Risk Management Plans were reviewed.
- No internal policy breach events were identified during 2025.

- Stakeholders (Members and regulators) rated PASA at 72% on this dimension.
- Ongoing training continued due to frequent changes in designated risk champions and PCH PG Chairpersons.
- Quarterly risk assessment reviews were maintained, with control improvements noted in certain categories (including legal risk) following clearing rule reviews.
- Residual risk ratings were assessed against approved risk appetite and tolerance thresholds.
- Payment systems KRIs were reported through the relevant governance structures.
- The risk acceptance model is in place and applied where relevant.
- Project risks were reported in line with Steering Committee timelines, with key risks escalated to the NPS Risk Committee and material matters escalated to PASA Council.
- Identification of critical NPS third parties is underway.
- Quarterly NPS risk management updates were provided to the SARB NPSD.
- Ongoing payments disruption contingency planning in accordance with relevant regulatory requirements.
- PASA continued collaboration with the SARB Alternative Connectivity Project to advance contingency planning for power and connectivity disruption.

- The new Member Portal has been operationalised, with a staggered rollout underway. The portal is largely functioning as intended and was delivered within budget. Noting some low-impact data breaches that were managed. Stakeholder rating for this initiative was 58%.
- PASA's IT operations model, aimed at reducing key man and other operational risks, continued to progress, supported by the establishment of functioning processes. This includes identifying and documenting key standard operating procedures, and developing a reviewed, well-motivated IT book of work using a Stop / Start / Continue framework to focus delivery on "no-regrets" functionality (including a scaled-down member fee calculator).
- Governance to prioritise and deliver PASA's digitalisation objectives has been strengthened, anchored through the IT Risk Committee.
- The digitalisation requirements plan for the PIB is being revised to align with the broader transition underway.

- PASA has clear assurance over its cybersecurity posture and meets the minimum criteria to qualify for cyber insurance.
- Core, easily measurable controls are tracked through a defined metric suite, with 2025 results averaging 98%. Phishing simulations are embedded, with mandatory training where required.
- A fully operational cyber incident response plan and PASA-specific playbook are in place, supported by a standing SLA for immediate expert assistance when activated.
- Penetration testing indicates stable maturity. Minor new issues arose due to more advanced testing tools; remediations were verified through re-testing.
 - 74% of high-risk items identified in 2025 have been closed.
 - The cyber-readiness remediation initiative achieved a 64% reduction in risk ratings across targeted items.
- Governance oversight continues to strengthen through the IT Risk Committee, supported by expert-led thought leadership and best-practice workshops.



FINANCIAL CAPITAL

WHAT FINANCIAL CAPITAL MEANS TO PASA

Financial capital represents the monetary resources that enable PASA to fulfil its mandate in support of the NPS and to deliver sustained value to its Members. Sound financial stewardship is central to PASA's ability to operate effectively, respond to regulatory expectations, and remain resilient in a dynamic and evolving environment.

PASA is committed to managing its financial capital prudently, ensuring that resources are deployed in a manner that serves the best interests of the NPS while supporting long-term sustainability. Through targeted investment in strategic initiatives, PASA strengthens its core functions, enhances industry capability, and responds effectively to directives from the South African Reserve Bank (SARB) and the changing needs of the payments ecosystem.

Ultimately, financial capital underpins PASA's operational stability and resilience. It reflects the organisation's commitment to safeguarding stakeholder interests, maintaining confidence in its governance and financial management practices, and contributing positively to the broader financial system.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

“During a year of significant transition and uncertainty, PASA focused on maintaining disciplined financial stewardship and clear strategic prioritisation. In response to economic pressures and unplanned costs, management reallocated resources to critical organisational priorities, including the retention of key skills, while preserving overall financial stability.”

Looking ahead, PASA's financial strategy will remain focused on protecting Member funds, prudent resource management, and supporting the organisation's evolving operating model. This balanced approach is intended to enable informed decision-making, and position PASA to continue delivering on its mandate in a dynamic and evolving payments landscape, particularly during its transition.”

Cosmore Pariola
Chief Financial Officer



PASA's financial capital is primarily derived from funding provided by its Members, and is directed towards advancing the NPS. In addition to this core funding, PASA generates other income streams that are ring-fenced for specific purposes, including training and conference-related activities. This structured funding model ensures that financial resources are allocated efficiently, supporting both industry-wide development and targeted initiatives aligned with PASA's mandate.

NAVIGATING THE CHALLENGES PRESENTED IN 2025

The 2025 financial year was marked by significant challenge and transition. The SARB's withdrawal of its “no objection” to the original PIB design necessitated a fundamental reassessment of PASA's strategic direction, financial planning, and resource allocation. This unexpected development introduced heightened uncertainty; however, the organisation responded decisively, preserving financial stability while positioning itself for an evolving operating model.

Revenue growth during the year was supported by the onboarding of a new Member and the outsourcing of employees to the SARB in support of the PEM programme. These positive drivers were partially offset by unforeseen expenditure pressures. Retention incentives of approximately R7.9 million were incurred to safeguard critical skills and institutional knowledge during a period of organisational flux. In addition, reduced interest rates negatively impacted investment income, further constraining financial flexibility.

To navigate the transition, PASA strategically repurposed elements of its 2025 budget. Funds initially allocated to PIB-related initiatives were redirected towards critical priorities, including employee retention and initiatives aimed at strengthening organisational resilience and change readiness. Concurrently, non-essential projects, including certain digitalisation initiatives such as the finance system automation, were formally deprioritised. The development and operationalisation of the new member portal was completed, concluding a three-year programme of work. This ensured that resources were concentrated on areas delivering the greatest immediate and strategic value.

Cost containment measures complemented the reprioritisation of expenditure. A partial hiring freeze was implemented, and short-term contractors were selectively utilised to maintain operational continuity without creating long-term commitments. Maintaining sufficient funds to support PASA's operations, while avoiding the accumulation of excess reserves and associated tax implications in light of the transition, remained a key priority through a balanced approach to financial management. PASA confirms that it has adequate resources to meet its obligations as they fall due.

Governance and financial oversight remained robust throughout the year. The Audit Committee approved the 2025 audit plan with a specific focus on PASA's going-concern status, given the transition and uncertain timelines. The achievement of a clean audit outcome reaffirmed the strength of the organisation's internal controls and financial management practices. Potential tax risks associated with the transition from the self-regulatory model were proactively addressed through legal consultation and an envisaged engagement with SARS, under the oversight of the Audit Committee.

Key financial indicators reflected disciplined stewardship:

- Revenue growth was supported by new Member onboarding and PEM outsourcing arrangements.
- Budget variances were consistently maintained within on-track thresholds, demonstrating effective expenditure control.
- Debtor and creditor cycles were well managed, supporting liquidity stability.
- No statutory penalties were incurred, reflecting strong regulatory compliance.
- Strategic budgeting was a key enabler, with the successful development of a 2026 budget that incorporates complex scenarios and forward-looking uncertainties.

Additional operational decisions reflected a cautious and flexible approach to uncertainty. PASA extended its premises lease for an additional year, balancing cost considerations with the need to retain flexibility given an evolving operating model. Broader human resources initiatives were deferred, with priority given to critical policies supporting employee relations and remuneration.



LOOKING AHEAD TO 2026

As PASA transitions into 2026, its financial strategy will remain focused on supporting the organisation through change. Key priorities include:

- Maintaining a lean operating model with disciplined and efficient resource utilisation.
- Directing investment towards “no-regret” initiatives, including cybersecurity and essential IT infrastructure.
- Continuing PEM outsourcing as it is beneficial to the NPS and PASA employees, while marginally diversifying PASA revenue.
- Optimising cost structures through short-term contracting and ongoing reprioritisation.
- Managing reserve utilisation carefully to preserve financial capacity for contingencies or black swan events.

The Financial Risk Recovery Plan, developed with regulatory support, will guide PASA's approach to managing a broad range of financial risks. This plan integrates human-impact considerations through alignment with business continuity planning and cyber-incident recovery frameworks, ensuring a holistic and resilient approach to risk management.

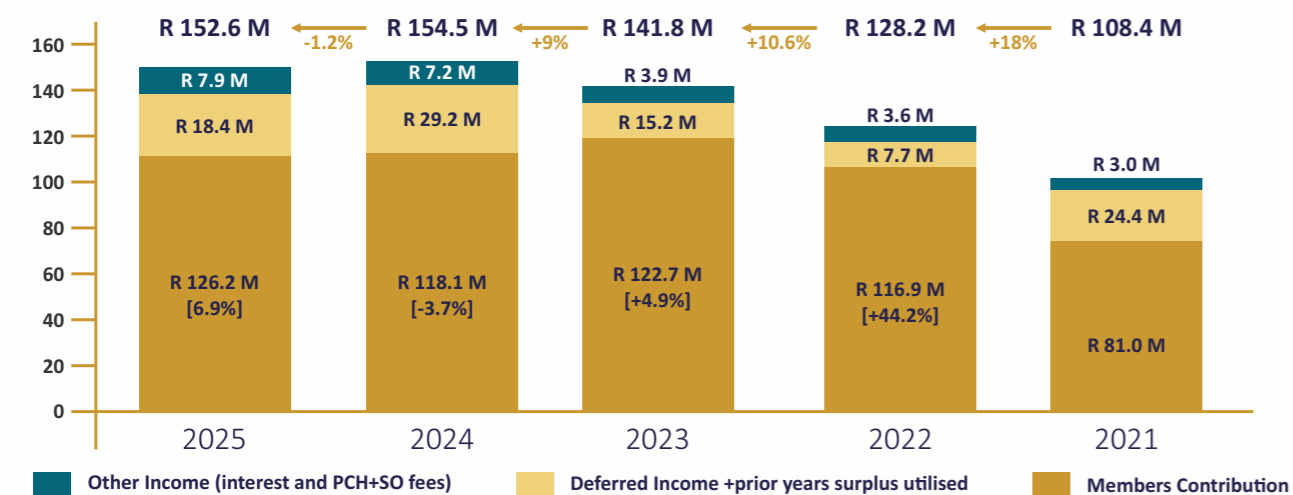
UNPACKING OUR FINANCIAL PERFORMANCE

MEMBERSHIP CONTRIBUTIONS, OTHER INCOME VS EXPENSES

In 2025, PASA's membership base remained unchanged at 31 Members (2024: 31). The number of Payment Clearing Houses increased to 18 (2024: 17), while authorised System Operators increased to 240 (2024: 218).

Deferred income from self-funded activities enabled delivery across industry training, compliance enforcement and the PIPC, reinforcing PASA's role in strengthening ecosystem capability and governance during a period of transition.

PASA's 2025 INCOME



ANNUAL MEMBERSHIP CONTRIBUTIONS

Membership fee income totalled R127.2 million in 2025 (2024: R118.1 million), representing a 7.7% year-on-year increase. The increase was also due to a reduced reliance on intentionally depleted reserves for operational funding.

While the planned full automation of selected finance processes was formally deprioritised during the year, targeted enhancements to the Member fee calculator were successfully implemented. These improvements increased accuracy, efficiency, and supported the successful issuance of 2026 Member invoices.

EXPENDITURE OVERVIEW

Total expenditure for 2025 amounted to R165.1 million (2024: R141.8 million), comprising R150.2 million in operating expenditure and R14.9 million in special projects and deferred-income (self-funded) initiatives.

The overall expenditure profile remained broadly consistent with the prior year. Employee-related costs continued to represent the largest component of total expenditure at 65% (2024: 63%). Reductions in PIB-related expenditure and other operating costs were offset by higher special-project spend, primarily attributable to the self-funded hosting of the PASA International Payments Conference in its scheduled year.

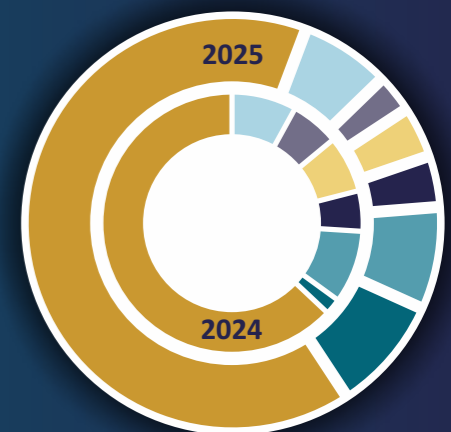
Overall expenditure remained well aligned to the approved budget, reflecting strengthened financial discipline and improved organisational agility. Underspend was mainly driven by lower utilisation across training, travel, subscriptions and Centre of Excellence activity deferred to 2026. These were partially offset by higher consultant usage linked to the hiring freeze, unplanned increases in MyStandards platform costs, and additional independent councillor engagements associated with transition-related activity.

Deferred income of R6.2 million originally approved for PIB initiatives was not utilised during the year and has been carried forward to 2026 in line with the revised redesign timeline.

PASA continued to deliver strongly against its self-funded mandate, including multiple industry training programmes and the successful delivery of PIPC 2025.

PASA's 2025 EXPENSES

Category	2025 (%)	2024 (%)
Human Capital (Employee costs excluding consultants)	65%	63%
Special projects (ring-fenced costs) - compliance enforcement, training and PIPC	9%	2%
Information technology	8%	9%
Consultants	4%	5%
Other expenses (MyStandards platform, depreciation, insurances, PASA structure and industry function, etc)	4%	7%
PIB	3%	6%
Remaining expenses (premises, professional fees, governance)	7%	8%



LOOKING AHEAD

The Finance function demonstrated resilience and responsiveness throughout 2025. Through disciplined reprioritisation, robust cost control and scenario-based planning, PASA absorbed unplanned pressures while maintaining financial stability.

Close monitoring of variances, transparent stakeholder engagement and timely financial reporting informed the development of a credible and resilient 2026 budget. These foundations position PASA to navigate continued uncertainty with confidence and financial integrity.

APPRECIATION OF OUR STAKEHOLDERS

I extend my sincere appreciation to PASA's Members for their continued support, and to the PASA Council, its Committees and the Executive team for their stewardship during the year.

Collectively, these efforts enabled PASA to maintain strong financial performance, responsibly reallocate resources and remain well positioned as the organisation transitions toward its future operating model.

Cosmore Pariola
Chief Financial Officer



HUMAN CAPITAL

WHAT HUMAN CAPITAL MEANS TO PASA

Human capital is fundamental to PASA's ability to fulfil its mandate and sustain a safe, efficient and orderly National Payment System (NPS). It encompasses the collective skills, experience, leadership capability, institutional knowledge and ethical commitment of PASA's employees, together with the broader pool of specialist expertise required to design, operate and modernise payment systems across the industry.

Given the highly specialised nature of payments expertise and persistent skills scarcity within the sector, PASA's human capital focus extends beyond its own workforce. It includes deliberate investment in industry-wide capability development to strengthen the pipeline of future-fit professionals required to support the resilience and evolution of the payments ecosystem.

A SNAPSHOT OF PASA'S EMPLOYEES ON 31 DECEMBER 2025

54¹
PERMANENT
EMPLOYEES

(2024: 54)

7.3%²
EMPLOYEE
TURNOVER

(2024: 16.8%)

43.1
YEARS
AVERAGE EMPLOYEE AGE

(2024: 42 years)

77.8%³
BLACK
EMPLOYEES/42

(2024: 77.8%/42)

64.8%³
FEMALE
EMPLOYEES/35

(2024: 62.9%/34)

5.0
YEARS
AVERAGE EMPLOYEE TENURE

(2024: 4.0 years)

PASA relies on specialist technical, business, legal and regulatory expertise specific to the payments industry, ensuring that strategic initiatives and regulatory responsibilities are executed with the required depth of knowledge and precision.

¹ The workforce of 54 employees comprises five executives, one executive advisor, 32 professionally qualified employees, and 16 skilled employees. The approved headcount for 2025 is 60 permanent employees, resulting in six vacancies (10%). Three of the six vacancies are on hold due to the transition, with no active permanent or temporary replacement efforts underway. The remaining three vacancies are currently filled by Independent Contractors due to the partial hiring freeze.

² Employee turnover reduced significantly to 7.3% (2024: 16.8%), reflecting improved stability and engagement during a year of heightened uncertainty.

³ Diversity, inclusion, and employment equity remained strong and stable. Black employees represented 77.8% (42 employees) of the workforce, unchanged from the prior year, while female representation increased to 64.8% (35 employees) (2024: 62.9%).

PROTECTING CONTINUITY THROUGH INSTITUTIONAL UNCERTAINTY AND TRANSITION

A significant portion of leadership focus during the year was directed towards managing institutional uncertainty and preparing for a potential transition in PASA's operating model. This included sustained engagement with the SARB, BASA, and broader industry stakeholders to clarify expectations, preserve institutional knowledge, and protect continuity within the NPS.

A critical stabilising intervention was the banking industry's in-principle support to maintain PASA's operational stability in transition. This commitment provided essential assurance that funding mechanisms would remain in place to sustain operations and, importantly, included explicit support to protect the employment of PASA's people. This intervention reinforced organisational stability and enabled continued delivery during a period of heightened uncertainty.

ENGAGEMENT AND RETENTION OUTCOMES

Despite the uncertainty surrounding PASA's future operating model, targeted people-focused interventions, such as increased access to financial advisors for retirement and estate planning, as well as investment advice, delivered strong engagement and retention outcomes:

- The 2025 employee engagement survey recorded 75% favourable responses, up from 64% in the prior survey.
- The Employee Net Promoter Score (eNPS) improved materially, from -23.7 to +23.7 over the three-year period.
- Employee attrition declined to 7.3%, the lowest over the last five years.
- Vacancy levels were contained at six roles, with short-term contractors engaged in three positions to address immediate capacity needs during the hiring freeze.
- Retention incentives were implemented to safeguard critical skills, with approximately R7.9 million invested in unbudgeted retention measures to ensure organisational stability and continuity.

These outcomes reflect the deliberate deployment of financial capital to protect human capital during a critical period.

REINFORCING CULTURE, RESILIENCE AND WELLBEING

In response to the transition environment, PASA intensified its focus on employee wellbeing, resilience and cultural cohesion. Interventions included group and individual coaching, wellness and mindfulness sessions, and career support available across levels.

These initiatives were reinforced through consistent engagement practices, including open-door leadership, regular team check-ins, and transparent communication to remain closely attuned to employee sentiment and needs.

The organisation's total wellbeing plan continued to be implemented, supporting mental, financial and physical wellbeing. Targeted leadership coaching further strengthened resilience and reinforced a values-based culture aligned to PASA's purpose during a period of sustained uncertainty.



In a year defined by uncertainty, PASA's leadership responded with agility, mobilising coaching and wellbeing support – including mindfulness sessions – to protect employee resilience, retain scarce skills and maintain operational continuity.



COMMUNICATION, CHANGE MANAGEMENT AND WORKFORCE READINESS

Change management and communication remained critical enablers of workforce readiness. Key actions included:

- Regular transition updates through weekly CEO communications and employee townhalls;
- Involving employees in “as-is” process mapping and organisational change inputs to build shared understanding and ownership;
- Embedding PEM programme contractual work for employees supporting PEM-related delivery; and
- Deprioritising or placing selected initiatives on hold to focus capacity on continuity and core delivery.

Succession planning focused on protecting continuity in the event of unplanned departures, supported by the identification of emergency cover for critical roles to reduce key-person risk.

LEARNING AND DEVELOPMENT

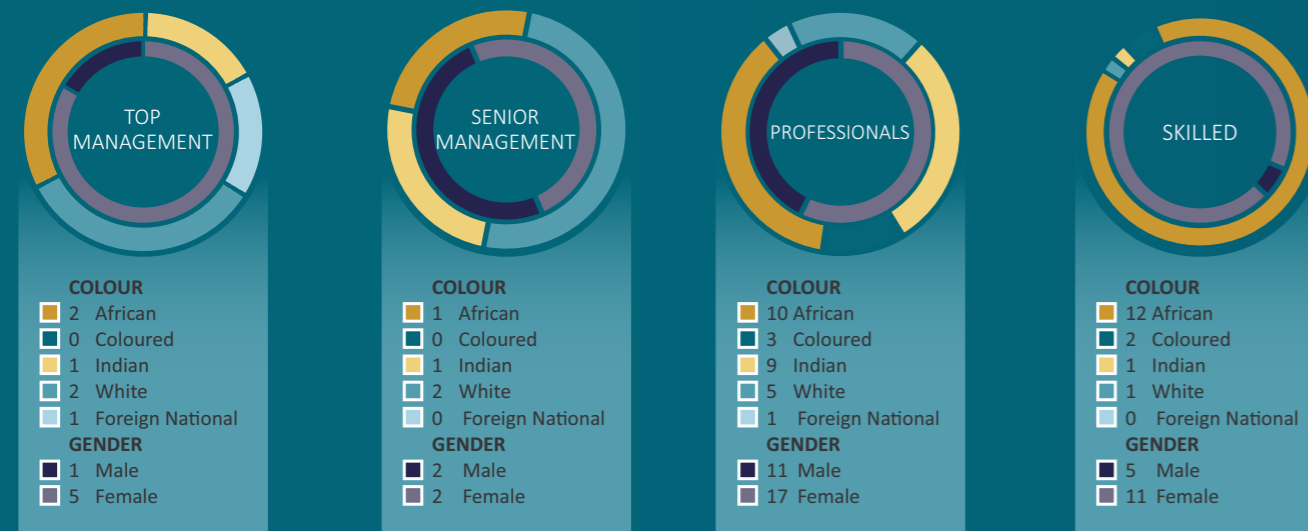
Implementation of the learning and development plan continued throughout the year. Employee development was supported through targeted skills development initiatives, online learning platforms, and formal leadership training. These investments were aimed at sustaining performance, strengthening capability depth, and mitigating skills scarcity risks in a specialised payments environment.

INDUSTRY PAYMENT SKILLS DEVELOPMENT

PASA’s human capital contribution extends beyond its own workforce to the broader payments ecosystem. Recognising the systemic scarcity of specialist payments skills, PASA continued to invest in structured industry training and capability-building initiatives.

The PASA Academy remains central to this effort, delivering formal programmes that strengthen technical knowledge and support the development of the next generation of payments practitioners.

These initiatives are addressed further under Intellectual Capital on page 70.



EMBRACING DIVERSITY AND INCLUSION

PASA remains committed to building a diverse and inclusive workplace, recognising that diversity of thought, experience and background strengthens decision-making and performance in a complex regulatory and operational environment.

Employment equity considerations are embedded in recruitment, leadership development, and talent management practices. In recruitment, preference continues to be given to Employment Equity candidates, with particular focus on under-represented groups.

During 2025, PASA appointed seven African women and two Indian women.

Black representation remained stable at 42 employees (77.8%), while Black women accounted for 53.7% of the total workforce (29 of 54 employees).

OUTLOOK: REINFORCING LEADERSHIP SUPPORT AND ORGANISATIONAL RESILIENCE

While certain long-term employer-branding initiatives were deprioritised due to the uncertain operating context, the year’s engagement results and the effective execution of people-centred interventions demonstrate strengthening employee confidence in leadership, culture and organisational support.

Sustaining this momentum — while protecting scarce skills and institutional knowledge — remains critical to safeguarding operational continuity and ensuring PASA’s ongoing ability to support the NPS through the transition period.





MANUFACTURED CAPITAL

WHAT MANUFACTURED CAPITAL MEANS TO PASA

PASA's manufactured capital enables consistent delivery of its mandate and supports the safe, efficient functioning and modernisation of the NPS. It is expressed through the operational infrastructure, facilities, governance mechanisms and technology environment that allow PASA to coordinate complex industry outcomes with discipline and continuity. Key components include the SCE, fit-for-purpose premises that support collaboration, well-established processes and procedures, and the digital capabilities required to serve Members and manage system-wide initiatives.

During 2025, PASA's manufactured capital context was shaped by two priorities: maintaining operational resilience in an uncertain operating environment, and progressing no-regret technology and data initiatives that protect long-term value. This included a major milestone in the digitalisation journey through the launch of the new Member Portal, alongside strengthened cybersecurity, improved IT risk governance and the initiation of foundational data management work to protect critical information assets.

ESTABLISHING AND DEPLOYING THE STRATEGY CENTRE OF EXCELLENCE (SCE)

PASA's SCE strengthens the organisation's ability to work with diverse stakeholders to design practical solutions, streamline consultation and accelerate decision-ready outcomes in a complex ecosystem.

It institutionalises proven methodologies that help PASA and industry participants make sense of system dynamics, structure interventions and build alignment efficiently.

During 2025, SCE processes and methodologies were actively deployed across PASA and the broader industry to advance strategic outcomes and expose participants and facilitators to proven approaches. Key examples included:



Targeted workshop designs for the SARB PEM "hit squad" workgroup to support Faster Payments System adoption and identify systemic interventions.

Institutionalising SCE methodologies

PASA also pursued deliberate opportunities to transfer process knowledge and strengthen capability beyond the strategy team. This included preparation for a Systems Thinking, and thought leadership at PIPC 2025 on Complex Adaptive Systems in the NPS and the suitability of related intervention approaches.



Principle-based design

The SCE relies on a principle-driven approach that guides the design of modernisation solutions. This methodology 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.



PREMISES

PASA's premises remain a practical enabler of collaboration, governance engagement and delivery coordination. Following an evaluation of cost, flexibility and early termination implications, PASA recommended to Council that the current lease be extended for an additional year. This approach balances operational continuity with optionality, while the broader institutional context continues to evolve.

PROCESSES AND PROCEDURES

Disciplined processes and standardised ways of working remain central to PASA's manufactured capital, supporting consistent execution, clearer accountability and reduced reliance on undocumented institutional knowledge. Process mapping and documentation strengthen onboarding, role transitions and operational continuity, particularly in a constrained capacity environment where resilience depends on repeatable delivery practices.



PASA'S DIGITALISATION JOURNEY

Digitalisation enables PASA to fulfil its Member and stakeholder responsibilities, strengthen information security, and improve operational efficiency. Oversight remains anchored through the IT risk governance structures established to guide prioritisation, manage risk and maintain alignment between digital initiatives and PASA's delivery realities.

Digitalisation progress was shaped by constrained capacity and the need to prioritise essential operations. Limited internal capacity to manage large-scale IT projects contributed to delays in rollout and the deferment of certain initiatives. In response, PASA focused effort on no-regret initiatives, particularly cybersecurity, essential IT operations and foundational data management, while non-critical projects remained on hold pending greater clarity on the future operating model.

Member Portal milestone

The new PASA Member Portal was successfully delivered in June 2025, replacing the legacy portal which had become outdated and increasingly exposed to security and control risk. PASA structure representatives and committee members were encouraged to complete the registration process to enable full adoption. Developed to enhance the digital experience for Members and improve efficiency across PASA structures, the portal strengthens how information is accessed, shared and managed. Key benefits include the ability for Members to manage their own profiles, roles and group memberships. The portal also introduces stronger data governance, supporting better oversight and coordination.

Cybersecurity

Cybersecurity remained a top priority given the rising threat environment. During 2025, PASA strengthened its posture through:

- A comprehensive cyber response plan and playbook, verified by third-party experts.
- Penetration testing that indicated a more resilient IT environment, with significant improvement over the past three years in addressing higher-risk vulnerabilities.
- Strong operational performance on core monitoring and control disciplines, with above 98% performance across asset management, antivirus and firewall monitoring, and average data backup performance.

Data management and migration

While broader digitisation initiatives were scaled back due to uncertainty, PASA initiated new workstreams focused on data governance and information security, including reassessing data storage, classification and retention across platforms. The decision to contract specialist technology and data architecture expertise reflects a deliberate focus on preserving long-term value through stronger governance of core information assets, including readiness for potential migration to other organisations if required.

Emerging technology: AI as both opportunity and risk

PASA also began exploring opportunities to leverage AI to improve operational efficiency, including practical use cases such as supporting minute-taking and addressing process inefficiencies. At the same time, PASA recognises that AI introduces new risks for payment systems, including the acceleration of fraud tactics such as identity theft and deepfakes. This reinforces the importance of pairing innovation with strong information security, controls and ecosystem awareness as AI becomes more material to operations and risk management.





INTELLECTUAL CAPITAL

WHAT INTELLECTUAL CAPITAL MEANS TO PASA

PASA's intellectual capital is a strategic asset built on deep, end-to-end understanding of payment system design, operating rules, messaging standards, protocols and market practices. It extends beyond technical expertise to include the ability to convene participants, build consensus and coordinate delivery across a complex ecosystem where competitors must cooperate to enable safe, efficient interoperability. At its core is a specialist pool of expertise that combines technical, procedural and governance capability, supported by strong institutional knowledge of how the National Payment System functions in practice.

PASA's Council, leadership and employees contribute significant depth of experience and sector insight, reinforcing PASA's role as a trusted source of guidance and practical capability in the payments industry.

PASA also helps strengthen the ecosystem's intellectual capital through structured knowledge-sharing and capability development. The PASA Academy supports skills development and professional growth by building foundational and specialised payments capability. The PASA Industry Awards recognise excellence and innovation, reinforcing best practice and encouraging wider sharing of learnings across the sector. PIPC 2025 further expanded intellectual capital by convening local and international thought leaders to exchange insight on emerging risks, regulatory developments and the strategic choices shaping the future of payments in South Africa and globally.

KEY INITIATIVES THAT UNDERPIN INTELLECTUAL CAPITAL

The following initiatives align with PASA's strategic aspirations to drive innovation through creative collaboration and partnerships, building consensus, and mobilising a broad range of stakeholders.

PASA Academy

The scarcity of specialist skills remains one of the most significant challenges facing the payments industry. In response, PASA continues to strengthen its contribution to sector-wide capacity building, with the PASA Academy serving as a key mechanism to develop current professionals and support the next generation of payments talent. The Academy delivers structured learning programmes designed to build practical capability across the payments value chain as the ecosystem shifts toward a more digital-first environment.

Capacity-building priorities and programme relevance are supported through PASA's Industry Learning Advisory Committee, which brings together subject matter expertise from PASA and the broader industry. The committee provides guidance on training strategy and curriculum development, helps ensure alignment to evolving industry needs, and supports the ongoing enhancement of PASA's learning delivery model, including enhancements to e-learning and blended learning.



THE PASA ACADEMY OFFERS FOUR TRAINING PROGRAMMES:

Introduction to Payments

This online-only, entry-level learning initiative consists of seven comprehensive modules designed to equip participants with foundational knowledge of payment concepts.

The Certificate in Foundational Payments

This programme provides invaluable insights into the macro payment system, and its profound impact on the South African economy, and includes important payment constructs while explaining the operational workings of various payment streams.

Advanced Certificate in Electronic Payments

This programme builds upon the foundational knowledge acquired in the Certificate in Foundational Payments, which serves as a prerequisite for enrolment.

Advanced Certificate in High-Value Payments

This programme builds upon the foundational knowledge acquired through the Certificate in Foundational Payments, which serves as a prerequisite for enrolment.



Visit the PASA website for more information on these training programmes.

PASA Academy graduation

As the payments landscape becomes more complex and more strategically important, the demand for skilled and experienced payment practitioners continues to grow. Established in 2012 to build skills and capacity for the South African payments industry, the PASA Academy has now supported more than 4,500 graduates. In 2025, PASA celebrated a further 653 graduates, recognising both learner commitment and the contribution of the Academy's faculty, subject matter experts and industry advisory support structures in transferring practical, practitioner-led expertise into the ecosystem.





People in Payments video series

PASA presents the People in Payments video series, which spotlights the journeys of professionals shaping South Africa's payments industry. The series showcases how careers in payments are built and the value the sector creates for the economy through safe, efficient and trusted payment services.

Featuring subject matter experts who contribute to the PASA Academy, the series supports payments education by sharing practical experience and insights from across the ecosystem. By highlighting diverse career paths and real-world impact, People in Payments also helps grow awareness of the industry and encourages young people to explore opportunities in this dynamic field.

PASA is grateful to the professionals who have generously shared their stories and is proud to amplify these voices as part of its ongoing commitment to capability development in the payments sector. Shaped by stakeholder feedback, this initiative supports greater visibility of payments careers and the skills needed to succeed.

[▶ Visit the PASA website to view all the videos.](#)

PASA Industry Awards

The annual PASA Industry Awards celebrate outstanding contributions by individuals and teams across South Africa's payments ecosystem. The awards provide a platform for the industry to recognise excellence, highlight meaningful impact on the NPS, and acknowledge the people and projects that help ensure payments remain safe, efficient and resilient. Nominations are submitted by members of the payments community and reviewed through PASA's internal governance structures, including the Executive Committee and key Management Committee members involved in industry programmes.

Despite a year marked by significant change across the ecosystem, PASA continues to prioritise recognising those who contribute to the stability, progress and integrity of the NPS. As PASA CEO Ghita Erling noted, the awards reflect the hard work, creativity and leadership that enable the organisation and the broader industry to keep moving forward in an evolving payments environment.

The 2025 PASA Industry Awards were held on 19 November at the NH Hotel Sandton, under the theme "Celebrating our brightest stars in the payments galaxy." Charmaine Thiart (Nedbank), as Master of Ceremonies, brought warmth and humour to an afternoon that combined recognition, connection and celebration across the payments community.

Award categories

Awards were presented 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**
Acknowledged individuals who provided guidance, strategic direction and thought leadership in PASA structures or projects, and who are recognised as role models across the ecosystem.
- **Anchor Award**
Celebrated individuals with more than ten years of dedicated contribution to the payments industry, recognising long-term impact and leadership.
- **Innovation and Excellence Team Award**
Honoured teams that introduced forward-thinking products, solutions or processes, demonstrating excellence in execution, subject matter expertise and resilience in delivering industry-impacting outcomes.

THE FOLLOWING TEAMS WERE RECOGNISED FOR THEIR OUTSTANDING INDUSTRY CONTRIBUTIONS.

Advanced Certificate in High-Value Payments

When the Advanced Certificate in High-Value Payments was ready for pilot, the PASA Academy needed to deliver a highly technical programme fully online without a dedicated faculty. The industry stepped in, with volunteer experts shaping content, hosting sessions and maintaining rigorous standards.

Over two years and multiple intakes, these professionals balanced demanding day jobs while investing in the next generation, strengthening learning outcomes and the sector's capability.

Registered Mandates Project

The successful delivery of the RM Separation Project marked a major milestone for PASA and its Members, separating RMS from AC to operate as a standalone system in line with SARB NPSD requirements.

Delivered over 12 months by 67 specialists from PASA and Member organisations, the project achieved the establishment of the new RM PCH and supporting artefacts, a complex industry cutover, a 96% UAT pass rate, and a seamless go-live on 12 May 2025.

PASA Rules Project

Legal soundness and operational effectiveness underpin PASA's Rulebook programme, ensuring published PCH Clearing Rules remain aligned to applicable legislation, directives and regulatory requirements, while supporting fairness, transparency, consistency and risk mitigation.

Led by PASA Operations Managers, PCH PG Chairs, and the Legal and Risk Committee, the review is conducted in line with PCH PG Constitutions and the PASA Regulatory Framework, reinforcing a principled and accountable approach.

The project covers 20 published rules, with 14 reviewed by the end of 2025, contributing to a reduced rules review risk rating and reinforcing stronger legal stewardship and operational clarity across the NPS.

Retirement Service Award

Recognised retiring or retired individuals for their valued contribution and service, celebrating the legacy they leave within the payments community.



Jill Murtagh (PASA Councillor) received the Retirement Award in recognition of years of dedicated service and impact within the payments community.



Jada Eager received a Retirement Service Award recognising an extraordinary 54 years of committed service, reflecting a lifelong contribution that continues to inspire the sector.

Elsabe Jacobs and Gavin Wasserfall were also honoured with Retirement Service Awards, acknowledging their significant contributions and influence within the payments community.



Lifetime Achievement Award

A prestigious recognition for individuals whose careers have significantly shaped and advanced the payments sector.



Tim Masela received the Lifetime Achievement Award in honour of his remarkable contribution to the payments ecosystem over many decades. Tim's visionary leadership and unwavering commitment have shaped the industry and inspired countless professionals across the sector.



Rising Star Award Winners



Team Award-Innovation and Excellence: High-Value Payments

PASA International Payments Conference: Forging ahead together

The sixth PIPC, hosted on 16–17 October 2025 under the theme 'Forging Ahead, Together', concluded as PASA's most engaged conference to date, reinforcing its role as a premier platform for payments thought leadership, collaboration and ecosystem alignment. PIPC 2025 attracted 788 registrations and achieved a 96% attendance rate, bringing the banking, fintech, regulatory and technology communities together at a time of accelerating reform and modernisation in South Africa's NPS.

Across two days, delegates engaged with a programme shaped around practical priorities for the sector, including payments modernisation, digital identity, financial inclusion, cyber resilience, scam and fraud mitigation, and then pending lifting of the FATF greylisting. The programme featured around 70 speakers spanning local and international expertise, and sessions received exceptionally strong feedback, averaging 4.8 out of 5 for quality and relevance. PIPC 2025 also introduced a range of dynamic session formats to deepen engagement and learning, including fireside chats, interactive interviews and focused breakaway panels, supported by keynote contributions from globally recognised thought leaders such as Justice Malala, Dr Kimmo Soramäki, Andy White and Dr Leo Lipis, offering strategic perspectives on geopolitical developments, AI-driven innovation, regulatory change and cyber resilience.

PIPC 2025 strengthened connectivity across the ecosystem through high participation in the two networking functions, with more than 500 participants on Day 1 and approximately 300 delegates on Day 2, reinforcing relationship-building across stakeholders. Technology-enabled engagement through the PIPC mobile app also supported a more connected delegate experience, recording over 7,000 programme page views alongside strong interaction with notifications and speaker profiles. Conference visibility was amplified through a focused communications campaign, including strong LinkedIn traction and media engagement, extending the reach of key conference insights beyond the venue.


PIPC 2025 generated strong delegate feedback, with participants highlighting the quality of the programme, the relevance of the discussions and the opportunity to connect across the ecosystem. The following testimonials reflect the experience and impact of the conference:

"#PIPC2025 was different! For me, it is all about how do we make payments accessible, faster, safer and affordable for the masses of our people and their businesses."

"PIPC 2025 was truly a standout gathering for the payments industry. The panels and speakers were insightful, and while some topics reflected a stark reality, there was a genuine sense of energy and optimism across the ecosystem."

"Thank you Ghita Erling and the rest of the Payments Association of South Africa team for such an amazing event!!"

"What a great conference! We gained valuable insights into the payments industry and are excited to see the innovative solutions that will come from the networking and collaboration fostered here."

 [Read more in the PIPC 2025 Report](#)



FORGING AHEAD, TOGETHER

The payments landscape is shifting rapidly, creating both uncertainty and opportunity. As new technologies, risks and expectations emerge, the sector is required to adapt, innovate and strengthen resilience while expanding inclusion.

PIPC 2025 reflected this moment as a shared forum for ideas, debate and alignment across the ecosystem. It reinforced a common direction: building payment services that are safe, trusted and accessible, and that support a more inclusive South Africa.

 [Visit the PIPC website for further details](#)



SOCIAL AND RELATIONSHIP CAPITAL

WHAT SOCIAL AND RELATIONSHIP CAPITAL MEANS TO PASA

As a Member-organisation, PASA's long-term sustainability depends on knowledge work and the value it adds to its stakeholders. Social and relationship capital is therefore reflected in the quality of PASA's relationships and its ability to convene diverse participants to build shared understanding, coordinate delivery, and sustain trust in the NPS during a period of institutional transition. The most meaningful validation of PASA's performance comes from structured stakeholder feedback and ongoing engagement.

How PASA enhances value for key stakeholders

PASA's value proposition is anchored in creating credible platforms for collaboration and consultation across an expanding participant base. This includes:

- Enabling alignment on shared priorities, cross-cutting standards and interoperability outcomes.
- Supporting inclusive participation, including stakeholders historically under-represented in industry structures.
- Providing technical and strategic insight that helps stakeholders interpret change, manage implications and avoid fragmentation.
- Maintaining constructive, trusted engagement with regulators and industry bodies to support stable transition planning.

How PASA engages with its stakeholders

PASA applies a structured engagement approach through formal governance structures and direct industry dialogue, supported by ongoing communications and monitoring. Key elements during the year included:

- Delivery against the stakeholder plan, with regular engagements and communications across the PIB community.
- Delivery of the requirements of the services agreement with the PEM team.
- Change management and communication on shifts in deliverables arising from PEM prioritisation and wider transition developments.
- PIB 2.0 design engagement, including industry design workshops, distribution of the PIB 2.0 design documentation, and follow-up sessions to strengthen participation and feedback quality.
- Forward engagement planning, including additional industry dialogues in early 2026 and exploration of a face-to-face workshop, with an emerging pathway toward design component sign-off and Letters of Intent where appropriate.

Assessing the quality of stakeholder relationships

PASA uses an annual stakeholder survey as a key mechanism to test whether it is experienced as effective and remains relevant. During 2025, the survey approach was expanded in two ways:

- Extending feedback requests beyond the traditional stakeholder base to include TPPPs and SOs.
- Strengthening feedback on projects and focus areas to confirm that PASA is focusing on the right priorities and delivering effectively where stakeholders have direct visibility.

Overall stakeholder ratings averaged 4.4 out of 5, supported by constructive commentary across multiple dimensions. Feedback also indicates that stakeholders continue, in most respects, to support PASA through the transition period.



MEMBERS

MATERIAL MATTERS



STRATEGIC FOCUS AREAS



PASA COMMITMENT

- PASA acts in the best interests of the National Payment System and its Members, whose contributions fund PASA's work.
- In 2025, this commitment was expressed through maintaining NPS stability and continuity while supporting Members to interpret evolving regulatory direction and to engage constructively on future governance and operating arrangements.

MATERIAL CONCERNS AND EXPECTATIONS

Members expect PASA to:

- Safeguard NPS stability, legal certainty and operational continuity through effective rules administration, risk management and dependable governance support.
- Provide a credible platform for industry coordination and consultation that supports fair participation and value for money.
- Coordinate modernisation in a way that strengthens interoperability and avoids fragmentation across payment streams.
- Support engagement with regulators and other stakeholders to ensure that changes are sequenced, understood and implemented without adverse impact on Members' NPS activities.

PASA'S RESPONSE AND VALUE-ADDING ROLE (OPPORTUNITIES)

- Provide trusted platforms, rules and governance support that enable Members to operate payment arrangements safely and in line with legal and regulatory requirements.
- Maintain industry-wide relationships that support collaboration, coordination and consistent application across payment streams.
- Advance interoperability and common approaches, helping modernisation strengthen the ecosystem rather than create fragmentation.
- Support the SARB's PEM programme through technical expertise, facilitation and industry engagement to enable practical, sequenced delivery.
- Lead or support, where appropriate, the modernisation of fleet card and debit systems in collaboration with industry stakeholders, aligned to global standards and best practice.
- Manage risk and support operational resilience to safeguard a safe, sound and orderly NPS.
- Support consumer awareness and industry communications content for Member use where relevant.
- Build sector capability through PASA Academy and related training initiatives to strengthen the payments talent pipeline.
- Engage on regulatory reform aimed at consistent and proportionate regulation across payment service providers.
- Enable transition readiness by supporting Members and stakeholders to interpret regulatory direction, assess implications for future operating arrangements, and protect critical skills and institutional knowledge through a phased transition.
- Strengthen Member enablement through the new PASA Member Portal, supporting self-service profile and role management, and improving data governance.
- Collaborate with key stakeholders on contingency and disaster-response planning to support coordinated response and continuity in the event of major disruption.



PAYMENT SERVICE PROVIDERS WHO ARE NOT PASA MEMBERS

MATERIAL MATTERS



STRATEGIC FOCUS AREAS



PASA COMMITMENT

To support a safe, efficient and inclusive NPS, PASA engages beyond its Membership to understand the perspectives of fintechs and emerging payment service providers, and to support fair participation as the ecosystem modernises and regulatory arrangements evolve.

MATERIAL CONCERNS AND EXPECTATIONS

Non-member payment service providers expect clarity and meaningful visibility on changes that affect how they participate in the payments ecosystem, including:

- Clarity on how SARB's evolving regulatory direction will affect interoperability, scheme participation and operating requirements for banks and others.
- Transparency on how rules and standards will be determined in future, and how non-members can provide input where changes affect commercial activity and compliance.
- Confidence that transition planning protects NPS stability, avoids fragmentation, and does not unintentionally entrench incumbents or create barriers to entry.
- A credible, inclusive consultation mechanism for cross-cutting issues, especially where responsibilities shift to the SARB and licensed schemes and operators.
- Continued access to capability-building opportunities, including training and practical guidance that supports compliance readiness and operational maturity.

PASA's RESPONSE AND VALUE-ADDING ROLE (OPPORTUNITIES)

- Maintain proactive engagement and communication, with structured opportunities for non-members to provide input on modernisation and transition implications.
- Provide clear, consistent communications on PASA's transition and emerging future-state model, helping non-members understand potential impacts and participate meaningfully where appropriate.
- Provide consultative platforms that surface diverse perspectives, strengthen shared understanding and support coordinated delivery across payment streams.
- Support industry readiness for interoperability and modernisation by facilitating alignment on cross-cutting standards, principles and practical implementation considerations.
- Strengthen sector capability through PASA Academy programmes and related awareness initiatives, supporting a broader payment skills pipeline and clearer career pathways.



PSOs

MATERIAL MATTERS



STRATEGIC FOCUS AREAS



PASA COMMITMENT

PSOs are critical to safe, efficient clearing in the NPS. PASA therefore supports operating certainty for PSOs by maintaining coherent rules, coordinated industry engagement and strong incident and resilience arrangements, particularly as the system transitions to new regulatory and licensing models.

MATERIAL CONCERNS AND EXPECTATIONS

PSOs expect close working relationships across industry players and clear coordination that sustains efficiency, effectiveness and interoperability. Robust risk oversight and incident support remain essential.

PSOs also expect the annual reauthorisation process to be transparent, efficient and fair, and require clarity on how transition arrangements may affect clearing roles, operating requirements and timelines.

In particular, PSOs need clarity on the future governance model following the SARB's withdrawal of PASA's rule-making authority and PCH governance responsibilities, including what will shift to licensed schemes and operators and when, and assurance that clearing operations, rule certainty, reauthorisation requirements and incident response will remain stable during the phased changeover.

PASA's RESPONSE AND VALUE-ADDING ROLE (OPPORTUNITIES)

- Convene PSOs and broader stakeholders to align on target-state clearing arrangements and practical transition paths.
- Sustain interoperability and operational consistency by facilitating alignment on cross-cutting standards, principles and implementation considerations.
- Support transparent, efficient annual reauthorisation through clear criteria, timelines and communication.
- Coordinate incident and crisis response through the NPS Crisis Response Coordination Committee to enable a centralised, industry-aligned response.
- Monitor resilience risks through the Operational Resilience Forum and escalate critical issues for resolution.
- Align crisis preparedness and resilience expectations with the SARB Crisis Preparedness Committee and NPSD, reinforcing a fail-resistant system posture.
- Guide required service levels and PCH operating objectives that support effective and reliable clearing operations.
- Engage PSOs on new payments developments and implications for operations, controls and readiness.
- Support a well-governed transition with the SARB and industry that protects system stability and institutional knowledge.



REGULATORS

MATERIAL MATTERS



STRATEGIC FOCUS AREAS



PASA COMMITMENT

South Africa's financial services industry is highly regulated, and ongoing collaboration with the SARB and other regulators remains critical to PASA fulfilling its mandate and supporting a safe, efficient and interoperable NPS during modernisation and transition.

MATERIAL CONCERNS AND EXPECTATIONS

Regulators expect PASA to continue fulfilling its current responsibilities diligently, efficiently and fairly.

Regulators require risk mitigation and operational stability during a period of simultaneous change across regulation, governance, infrastructure and operating arrangements.

Following the SARB's withdrawal of PASA's rule-making authority and PCH governance responsibilities, regulators expect clarity and disciplined transition planning, including what responsibilities will move to licensed schemes and operators, what cross-cutting rules will be issued by the SARB NPSD, and the intended withdrawal of PASA's PSMB recognition once new licensing and authorisation arrangements are in place.

Regulators expect the retention of critical payments capability and institutional knowledge so that system stewardship and delivery capacity are preserved through the transition.

PASA's RESPONSE AND VALUE-ADDING ROLE (OPPORTUNITIES)

The SARB

- Maintain disciplined delivery and operational reliability while supporting the phased transition under SARB guidance, in collaboration with PayInc, BASA and Members.
- Support the SARB PEM programme through practical technical input that strengthens interoperability, modernisation readiness and coordinated delivery.
- Contribute system-wide execution insight in a complex adaptive system by flagging sequencing and capacity risks and proposing mitigants based on prioritisation, consultation and continuous feedback.
- Support transition governance and orderly transfer planning, while protecting critical skills and institutional knowledge to preserve NPS continuity.
- Strengthen the national payments knowledge base through capability development and structured learning interventions that support a resilient, competitive and inclusive ecosystem.

Other regulators with payments-related jurisdiction

- 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.
- Provide expert input and advisory on request.



BANK AND TRADE ASSOCIATIONS

MATERIAL MATTERS



STRATEGIC FOCUS AREAS



PASA COMMITMENT

Facilitating strong working relationships with banking and other sector industry bodies remains critical to ensuring the financial services sector can respond to rapid change in the payments landscape, while protecting the stability and interoperability of the NPS.

MATERIAL CONCERNS AND EXPECTATIONS

Industry bodies expect inclusive consultation on changes that affect scheme arrangements, clearing practices, rules and participant obligations.

Ongoing concerns remain around the commercial viability and practical impact of debit order rules and dispute processes, including the balance between collector certainty and consumer protection.

Industry bodies require clarity on PASA's evolving role and the implications of the regulatory transition, including how consultation and coordination will function under a future model.

Industry bodies expect effective coordination that reduces fragmentation risk as multiple reforms progress in parallel, with clear sequencing, realistic timelines and feedback loops.

PASA's RESPONSE AND VALUE-ADDING ROLE (OPPORTUNITIES)

- Provide convening platforms that enable banking and other sector bodies to surface issues early, align positions where possible, and support industry engagement on NPS matters.
- Maintain structured consultation and communication on transition developments, helping industry bodies interpret emerging direction and assess implications.
- Continue to progress rule-related work in a manner that strengthens legal certainty, fairness and operational practicality.
- Advanced debit order dispute reforms with SARB NPSD and FSCA no-objection letters received, standardising disputes to a 60-day window and removing the post-40-day EFT dispute process.
- Engage and consult a broader stakeholder community on new payments developments.
- Strengthen sector capability through training, awareness and skills development initiatives that support a broader payments talent pipeline and professional readiness.



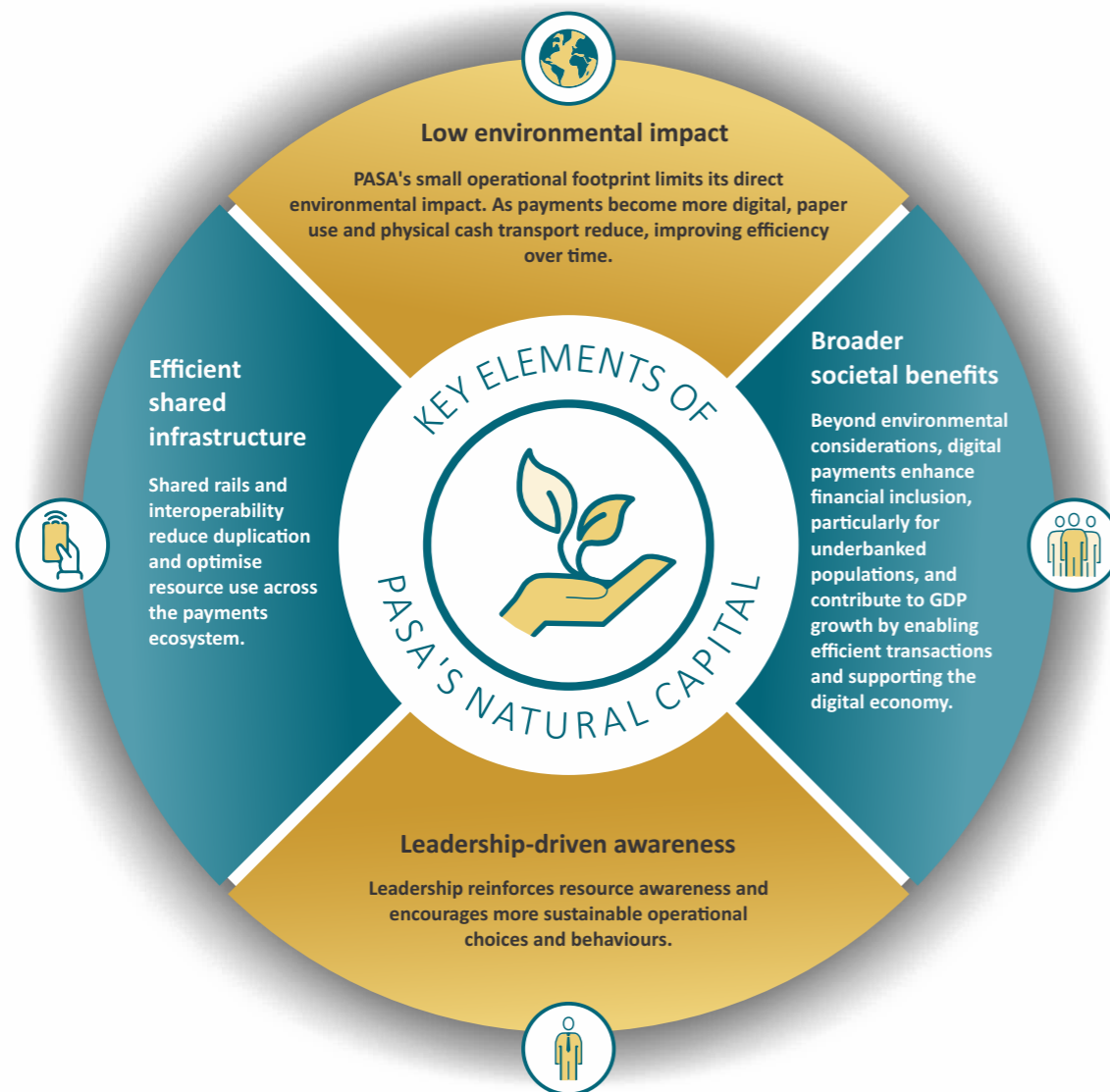
NATURAL CAPITAL

WHAT NATURAL CAPITAL MEANS TO PASA

PASA's natural capital reflects both its low direct environmental footprint and its broader influence as a coordinating body within a payments ecosystem that is becoming more digitally enabled, real-time and infrastructure-reliant. With a small employee base, PASA's operational impact is limited; however, the choices the industry makes as it modernises the NPS increasingly shape resource use at scale, including the environmental implications of physical cash logistics, paper-based processes and energy-dependent digital infrastructure.

As payments move toward more interoperable and digitally accessible models, the system can reduce reliance on paper, branch-based processing and the transport and handling of physical currency. At the same time, PASA recognises that digital payments depend on networks, data processing and technology infrastructure with associated energy and lifecycle impacts.

PASA's natural capital contribution is therefore expressed through the way it supports industry coordination and governance: promoting approaches that enable broader adoption of secure digital payments.



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

EFFECTIVE GOVERNANCE THROUGH ETHICAL LEADERSHIP

At the core of robust corporate governance in PASA lies the PASA Council's persistent dedication to principled leadership, strategic vision, and diligent supervision.

These three pillars underpin four key governance objectives:



Promoting strong performance



Ensuring effective control



Upholding legitimacy



Embedding an ethical organisational culture

GOVERNANCE PHILOSOPHY

PASA Council is committed to protecting the NPS and enabling industry cohesion by upholding ethics, integrity, and rigorous governance standards. The objective is to inspire meaningful progress across the sector, emphasising governance as a vital tool for reaching organisational goals rather than merely fulfilling compliance obligations.

GOVERNANCE APPROACH

At the heart of PASA's mission lies a fiduciary duty diligently upheld by PASA Council and its Councillors. They advocate for the interests of both the NPS and PASA, while carefully balancing the diverse priorities of its Members. Guided by the principles and best practices of the King IV framework, PASA conducts its operations with unwavering integrity and transparency.



GOOD PERFORMANCE: CHARTING THE COURSE FOR SUCCESS

• **Strategic direction:** The PASA Council plays a key role in shaping PASA's strategic direction, ensuring that every objective aligns with the best interests of the NPS.

PASA Strategy

• **Performance oversight:** To ensure accountability, the PASA Council monitors performance against strategic objectives through regular reporting on key focus areas, promoting a culture of transparency.

PASA Performance Against Strategy

Self-assessment: Biennial evaluations of the PASA Council, its committees, and individual Councillors ensure a continuous cycle of reflection and performance improvement, establishing accountability and alignment with their responsibilities.

Council Evaluations

• **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.

Human Capital



EFFECTIVE CONTROL: SAFEGUARDING STABILITY AND COMPLIANCE

Risk management: The PASA Council ensures that risk management policies and frameworks are established, continuously monitored, and refined to effectively mitigate potential threats.

Risk and Opportunity Management
Risk Committee Report

Regulatory compliance: Compliance with regulatory requirements is key. The PASA Council maintains oversight of operations to ensure adherence.

Governing Compliance

Financial integrity: Sound financial management and transparent reporting are maintained through the rigorous oversight of the PASA Council Audit Committee and external audits, strengthening trust and accountability.

Financial Capital
Audit Committee Report

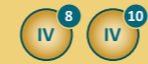


LEGITIMACY: BUILDING TRUST THROUGH TRANSPARENCY



• **Council composition:** The PASA Council and its committees are continually optimised to ensure diverse perspectives, with mandatory full disclosure of any external interests. Councillors are held to high fiduciary standards, consistently prioritising the interests of PASA and the NPS.

PASA Council



• **Delegation of power:** Responsibilities are strategically delegated to PASA structures and Council Committees, enabling greater engagement and participation from Members and stakeholders alike. Any delegation by PASA Council does not discharge its accountability.

PASA Committees



• **Stakeholder engagement:** Amid rapid transformation driven by industry changes, technological advances and new entrants, PASA remains committed to promoting collaboration, transparency, and active stakeholder engagement. Comprehensive policies and plans ensure meaningful participation, ensuring that all stakeholder voices are heard and valued in shaping a cohesive and efficient payments ecosystem.

Stakeholder Engagement



ETHICAL CULTURE: EMBODYING VALUES IN PRACTICE

Living the values: The PASA Council places strong emphasis on leadership driving the integration of PASA's core values throughout the organisation, promoting a culture where ethical behaviour is the norm and expected from all.

• **Performance evaluation:** Employee assessments focus equally on results achieved and the manner in which they are attained, reinforcing adherence to PASA's ethical standards and values.

Human Capital

• **Fair remuneration:** PASA upholds transparency and fairness in its remuneration policies, ensuring employees receive equitable rewards that reflect their contributions and commitment.

Remuneration Committee Report

PASA remains steadfast in a rapidly changing environment, with its governance framework serving as a strong foundation that directs the organisation towards its vision while protecting the interests of its Members and the wider NPS. By championing ethical leadership and maintaining transparency, PASA exemplifies a governance style that balances accountability with innovation, laying the groundwork for enduring success.



GOVERNANCE STRUCTURE

PASA's governance framework promotes excellence and accountability across its operations. The following outlines how the governance structures function together to support its mission:

Strategic leadership by the PASA Council

PASA Council acts as the central pillar of governance, guiding the organisation in fulfilling its vision, mission, and values. Through dedicated oversight, PASA Council ensures that goals are pursued with a strong commitment to integrity and excellence.

Empowered Council Committees

PASA Council delegates specific powers to specialised committees to streamline decision-making and improve effectiveness. These empowered committees are essential in supporting the PASA Council, allowing it to carry out its responsibilities with greater agility and accuracy.

CEO

PASA Council delegates certain authorities to the CEO, who manages daily operations and ensures the effective implementation of strategic objectives and resource management.

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

The ExCo oversees PASA's day-to-day management, driving the execution of strategic goals and managing related risks. This focused team ensures that all initiatives remain aligned with the broader objectives while promptly addressing emerging challenges.

PCH PGs

PASA Council has delegated certain authorities to PCH PGs, empowering them to establish and enforce rules governing the clearing of payments.

Strategy forums

Strategy forums offer PASA Members a dedicated platform to discuss critical strategic issues and actively participate in shaping decision-making. This collaborative environment ensures Member insights directly influence PASA's strategic direction.

Collaborative project oversight


PASA's constitution authorises the CEO to form project steering committees, which play a crucial role in overseeing and guiding projects. This framework enables focused governance, clear accountability and disciplined project execution.

Inclusive stakeholder engagement

PASA promotes collaboration through regular stakeholder forums that enable non-member parties to engage with the organisation. These forums bring diverse perspectives into the discussion and support inclusive participation.

Supported legal framework

The current legal framework strengthens collective commitment to shared governance and ensures consistent adherence to industry standards.

 For a detailed understanding of PASA's governance structure, refer to the structure chart in the "About PASA" section on page 21.





HEIGHTENED PASA COUNCIL FOCUS AREAS

The following focus areas reflect PASA Council's efforts to manage the transition, address challenges, and ensure the sustainability and effectiveness of the organisation in the evolving payments landscape.

Focus		Material matters
Future direction and transition planning	<ul style="list-style-type: none"> Preparing for PASA's transition and repositioning, focusing on its future value as an industry coordination and consultation body, while managing uncertainty around the roadmap and organisational structure. 	
Stakeholder engagement, collaboration and industry alignment	<ul style="list-style-type: none"> Strengthening collaboration and alignment across banks and other participants to support interoperability and inclusive outcomes in the NPS. Deepening engagement with regulators and stakeholders, including fintechs and telcos, to support coordinated innovation and reduce fragmentation risk. 	
Governance, professionalism and regulatory navigation	<ul style="list-style-type: none"> Maintaining strong governance and disciplined leadership through significant change, while navigating an evolving regulatory environment. Sustaining professional, resilient execution against key deliverables, and engaging emerging developments such as activity-based licensing and the implications of stablecoins and tokenised deposits for the payment system. 	
People, capacity and change readiness	<ul style="list-style-type: none"> Supporting employees through the transition while protecting critical capability and institutional knowledge. This included structured change management, retention interventions, and ensuring sufficient PASA Council and ExCo oversight and resourcing to manage increased workload and delivery demands during the transition period. 	
Adapting to technological disruption	<ul style="list-style-type: none"> Monitoring the rapid technological advancements shaping the payment industry – such as AI, blockchain, stablecoins, and quantum computing – while ensuring the payment system remains stable, interoperable, and secure amid these evolving opportunities and challenges. 	
Material matters	<ul style="list-style-type: none"> Reporting on key material matters, including success factors required for effective industry-wide change in a complex adaptive system. 	
Regional and global impact	<ul style="list-style-type: none"> Balancing PASA's capacity against involvement in regional and global initiatives, such as cross-border payments and the G20 cross-border roadmap. 	
Financial management	<ul style="list-style-type: none"> Responsibly managing Member fees and liquidity during the transition. 	
Cybercrime and fraud prevention	<ul style="list-style-type: none"> Emphasising the growing issue of scams and cybercrime, particularly the monetisation of stolen data for social engineering. 	
Strategic trade-offs	<ul style="list-style-type: none"> Prioritising efforts and resources, such as deprioritising certain initiatives to capacity constraints and overlapping industry efforts. 	

KEY GOVERNANCE ACTIONS IN 2025, ONGOING IN 2026

Governance actions aim to ensure a smooth transition, maintain stakeholder trust, and uphold PASA Council's commitment to responsible management and industry leadership.

The key governance actions for 2025, ongoing in 2026, include overseeing:

Transition planning: Developing a clear roadmap for the transition to a new payments industry structure, including the move of PASA PCH resources to PayInc and the potential establishment of a standalone PIB or integration with PayInc.

Employee retention and support measures during transition: Approved amendments to the PIB Long-Term Incentive (LTI) scheme and extended participation to 19 additional employees to retain key skills and recognise contributions. Enhanced visibility of wellness services and the rollout of group and individual coaching were introduced to support employees through career transitions and build resilience.

Stakeholder engagement: Securing principal support from stakeholders, including the Banking Association of South Africa's Board ExCo, funders, and Members, to stabilise the organisation and ensure continuity during the transition.

Formal governance processes: Ensuring all decisions, such as the transfer of intellectual property (IP) and personnel, are made through proper governance channels, including PASA Council and, where needed, general meetings.

Amendments to the PASA Constitution: Revising the PASA constitution to determine the possibility for the return of prepaid fees to Members, ensuring ongoing compliance with tax exemption regulations and responsible financial management.

Industry collaboration: Securing shared understanding, alignment and funding support for the future structure and operating model of the payments association.

Regulatory compliance: Engaging with the SARB and other regulatory bodies to address changes in the regulatory environment.

Risk management: Addressing change risks and regulatory complexities by collaborating with stakeholders and experts to mitigate potential challenges during the transition.

Transparency and reporting: Maintaining transparency in financial and operational decisions, while providing clear and balanced reporting on achievements, challenges, and future scenarios.

Election of Member-appointed Councillors: Member-appointed Councillors were elected per the Constitution and communicated at the AGM.





As PASA Council reflects on its performance over time the following milestones, challenges and opportunities are noted:

Key milestones

- Revising rules to make PASA more transparent and inclusive.
- Building collaboration and coordination within the payment system.
- Establishing relationships with stakeholders traditionally excluded from the payments ecosystem.
- Initiatives such as the launch of PayShap and the PIPC as industry standouts.
- Regional impact through cross-border payments and free trade area discussions.
- Provided practical, technically sound input to FATF Recommendation 16 consultations, supporting South Africa's efforts to exit the FATF greylist and translating requirements into workable industry outcomes.
- Development of cybersecurity capabilities and IT risk management.

Challenges

- Navigating regulatory changes, including the loss of statutory recognition.
- Managing the transition to the PIB.
- Addressing the uncertainty and complexity caused by regulatory shifts.
- Managing change risk and ensuring the payment system's stability during transitions.

Future strategies and focus going forward

- Collaborating with Members and wider industry stakeholders to define and validate the value proposition for PASA's future role as a credible coordination and consultation body.
- Promoting financial inclusion and economic development.
- Leveraging PASA's legacy, expertise, and talent pool for future growth.
- Continuing to develop skills and expertise through the PASA Academy.
- Addressing change and risks associated with regulatory disruptions.
- Develop fit-for-purpose governance by applying King V principles to PASA's future role under a re-scoped PIB, with structures that balance governance requirements with operational capacity.

Governance and leadership

- Demonstrating PASA's ability to provide steady, credible leadership through periods of heightened uncertainty and change. Adhering to governance frameworks and delivering on regulatory responsibilities despite challenges.
- Supporting employees and managing change effectively.

Opportunities

- Use transition complexity to strengthen collaboration, improve delivery discipline, and unlock practical innovation.
- Reposition PASA as a high-impact industry coordination and consultation body, focused on strategic enablement rather than rule-making.
- Support readiness for emerging models and technologies, including stablecoins, tokenised deposits and distributed ledger applications.





CORPORATE GOVERNANCE ALIGNED TO KING IV PRINCIPLES

PRINCIPLES 1-3: LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP



Upholding an ethical culture at PASA

At PASA, ethical leadership and effective management are mutually reinforcing. PASA Council members lead by example by living PASA's values and applying sound ethical judgement 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, to which all employees must adhere. 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 committed to being a fair, responsible and transparent organisation. It seeks to operate sustainably, manage its environmental footprint responsibly, and invest in employee development to strengthen capability and long-term value for the payments ecosystem.

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	<ul style="list-style-type: none"> • Combating corruption: PASA's code of conduct highlights the importance of integrity, honesty, fairness, and trustworthiness in all operations. • Promoting employment equity: The Remuneration Committee oversees diversity and inclusion, guaranteeing equal opportunities and encouraging skills development. • Supporting digital payments: Expanding digital payment adoption reduces cash dependency, which can drive GDP growth and help reduce extreme poverty.
Good corporate citizenship	<ul style="list-style-type: none"> • Advancing equality: PASA addresses unfair discrimination by enforcing its Ethics Policy, Employee Relations Policy, and Employment Equity Policy. • Supporting community development: Corporate Social Responsibility (CSR) is integrated into the HR well-being strategy, incorporating charitable giving as a key component of CSR initiatives.
Ethical leadership	<ul style="list-style-type: none"> • Members of the PASA Council have a fiduciary responsibility to prioritise the best interests of the NPS and to represent their Members impartially. PASA adheres to King IV principles to ensure ethical and effective governance. • PASA Council upholds good governance through dedicated leadership that promotes an ethical culture, strong performance, effective control, and organisational legitimacy.
Environment, health, and public safety	<ul style="list-style-type: none"> • PASA's operations generate minimal environmental impact, while contributing positively to society. By promoting digital payments, PASA leverages technology to modernise the NPS, transitioning it from paper-based transactions to predominantly electronic payment methods.
Labour and employment matters	<ul style="list-style-type: none"> • PASA's Employee Relations Policy encompasses all aspects of labour and employment, ensuring adherence to labour legislation. • The HR team is responsible for managing labour and employment matters internally, ensuring compliance and the effective resolution of all related issues.

PRINCIPLES 4-5: STRATEGY, PERFORMANCE AND REPORTING



PASA Council plays a crucial role in defining PASA's strategic direction and ensuring long-term value for its Members, the SARB NPSD, and other stakeholders. It oversees the execution of strategy by providing constructive oversight and by ensuring effective risk management and internal controls.

The strategy is closely aligned with SARB's Vision 2025, which aims to develop a world-class NPS that effectively serves South Africa's economy and population. PASA evaluates its strategic initiatives against the goals set out in Vision 2025 and has launched several key projects on behalf of its Members to support this vision.

Performance measurement is conducted through a scorecard system that tracks progress against weighted KPIs. PASA Council conducts ongoing reviews of performance data to ensure strategic objectives are being met.

The PASA 2025 scorecard adopts a "top down" approach, concentrating on strategic priorities identified by the PASA Council. This is complemented by a detailed breakdown of PASA Council key performance areas and a separate "bottom-up" operational management scorecard. The operational scorecard monitors performance in areas outside the strategic scope, ensuring all employees' activities are aligned with PASA's overall deliverables.

PASA's internal strategy function continuously develops strategic positions that reflect industry needs, maintaining PASA's influential and valuable role within the NPS.

Refer to page 58 for further details on PASA's strategy and performance against strategy on page 60.

PASA publishes an annual Integrated Report and Annual Financial Statements, both of which receive approval from PASA Council before being made publicly available on the PASA website. The financial components of these reports undergo thorough review by the Audit Committee, which then recommends them to PASA Council for final approval.

PASA Council has established a dedicated task team consisting of three Councillors who are responsible for reviewing the draft report and providing recommendation to the full Council for approval. This process ensures rigorous oversight and alignment with PASA's governance standards before publication.





PRINCIPLES 6- 7: PASA COUNCIL



Councillors serve as the guardians of governance at PASA, bringing a wide range of perspectives and expertise to PASA Council deliberations. They enhance the quality of decision-making by constructively challenging executive management's strategies and risk management practices, supporting effective oversight and accountability.



INGRID GOODSPEED (72)	HERMAN SINGH (65)	FAY MUKADDAM (54)	THAMI MOATSHE (50)	GHITA ERLING (53)	TIM MASELA (65)	SHAUN RAYFIELD (56)	RICHARD STOCKEN (55)	GABRIELLA TEIXEIRA (59)	JILL MURTAGH (65)	BUSI RADEBE (51)	MARTHINUS JANSE VAN RENSBURG (57)
Independent Chair from 1 August 2024 Independent Deputy Chair until 30 July 2024	Independent Deputy Chair from 1 August 2024	Independent Councillor	Independent Councillor	Ex Officio Councillor - Chief Executive Officer	SARB Ex Officio Councillor	SARB Ex Officio Alternate Councillor	Absa Bank appointed Councillor	Absa Bank appointed Alternate Councillor	Bidvest Bank appointed Councillor	Capitec Bank appointed Councillor	Capitec Bank appointed Alternate Councillor
Joined Council: February 2017	Joined Council: May 2021	Joined Council: June 2023	Joined Council: June 2023	Joined Council: November 2020	Joined Council: August 2012 until July 2025	Joined Council: October 2018	Joined Council: December 2023	Joined Council: May 2018 until July 2025	Joined Council: March 2015 until June 2025	Joined Council: May 2022	Joined Council: April 2009
Qualifications: CD(SA); LLB; MBL (Cum Laude); BCom (Hons) (Economics); BCom (Accounting and Economics)	Qualifications: BSc (Engineering) Wits; GDE (Industrial Engineering) (Wits); MBA (Wits Business School)	Qualifications: LLB University of Durban Westville; BA University of Natal – Durban Campus; Advocate of the High Court of SA	Qualifications: MBA; MMFI; PMP; BCom (Hons)	Qualifications: MSC (Eng); BSc (Cum Laude); Executive Development Programme (Wits); Dip (ABRSM)	Qualifications: MCom; Bcom; Graduate Diploma in Computer Audit; Senior Executive Programme (Harvard)	Qualifications: BCom Money and Banking	Qualifications: BSC Chemical Engineering (UKZN); MSC Industrial Engineering (Wits)	Qualifications: BCom (Distinction); Green Belt Lean Six Sigma; Financial Market Instruments; Executive Leadership Diploma (GIBS)	Qualifications: Associate Diploma in Banking; Advanced Diploma in Banking; Project Management Diploma	Qualifications: Postgraduate certificate in AI and Machine Learning; MBA; BSc Electro-Mechanical Engineering; National Diploma Metalliferous Mining	Qualifications: BCom; LLB



LAUREN BREETZKE (37)	BOITUMELO LEGABE (44)	JOHN ELLIOTT (47)	GERALD BYLEVELD (48)	IAN CARTER (58)	MARIJKE GUEST (55)	JOHN ANDERSON (58)	RUFAIDA HAMILTON (51)	ILZE WAGENAAR (50)	DR ARIF ISMAIL (50)	GARY COOK (62)
FirstRand Bank appointed Councillor	FirstRand Bank appointed Alternate Councillor	Investec Bank appointed Councillor	Investec Bank appointed Alternate Councillor	Nedbank appointed Councillor	Nedbank appointed Alternate Councillor	Standard Bank appointed Councillor	Standard Bank appointed Alternate Councillor	Investec Bank appointed Alternate Councillor	SARB Ex Officio Councillor	Discovery Bank appointed Councillor
Joined Council: November 2024	Joined Council: February 2024	Joined Council: October 2018	Joined Council: September 2022 until June 2025	Joined Council: February 2014	Joined Council: October 2018	Joined Council: October 2018	Joined Council: September 2009	Joined Council: May 2025	Joined Council: July 2025	Joined Council: May 2025
Qualifications: BCom, LLB (University of Pretoria); Attorney and Conveyancer of the High Court of SA	Qualifications: BCom (Hons) - BM (Unisa)	Qualifications: BBusSc (Hons)	Qualifications: Fellow – Association of Chartered Certified Accountants (UK); Certified Anti-Money Laundering Specialist (ACAMS); MBA (Cum Laude); Certified Internal Auditor (Institute of Internal Auditors)	Qualifications: BCom Financial Management (UKZN); Asset and Liability Management (INSEAD); International Executive Development Programme (Wits Business School)	Qualifications: MBA	Qualifications: BCom; Master of Business Administration (MBA)(Henley Business School)	Qualifications: BCom (Hons); LLB; BA; Harvard Business School Alumna	Qualifications: BCom (Hons) Marketing (UP), MCom Business Management (UJ), Executive Leadership (Wits), Singularity University	Qualifications: BSc in Mathematics and Physics, MBA (GIBS), Doctorate in Business Administration	Qualification: Management Development Programme – University of Pretoria



COUNCILLORS WHO SERVED ON COUNCIL IN 2025

Independent Chair	Ingrid Goodspeed	Independent Councillor	Fay Mukaddam
Independent Deputy Chair	Herman Singh	Independent Councillor	Thami Moatshe
	Councillor	Alternate	
Absa Bank	Richard Stocken	Gabriella Teixeira (resigned 07/2025)	
Bidvest Bank	Jill Murtagh (term concluded 06/2025)	–	
Capitec Bank	Busi Radebe	Marthinus Janse van Rensburg	
Discovery Bank	Gary Cook (appointed 05/2025)	–	
FirstRand Bank	Lauren Breetzke	Boitumelo Legabe	
Investec Bank	John Elliott	Ilze Wagener (re-appointed 05/2025) to replace Gerald Byleveld (term concluded 06/2025)	
Nedbank	Ian Carter	Marijke Guest	
SA Reserve Bank	Arif Ismail (replaced Tim Masela 07/2025)	Shaun Rayfield	
Standard Bank	John Anderson	Rufaida Hamilton	

Changes to PASA Council during the year

Changes announced and implemented during 2025, include:

Appointments

- Arif Ismail – appointed to PASA Council replacing Tim Masela from July 2025 as the Head of the SARB NPSD.
- Member-appointed Councillors were elected per the Constitution and communicated at the AGM:
 - John Elliott – re-elected as Investec Bank's Principal Councillor from May 2025.
 - Ilze Wagener – re-appointed to PASA Council as Investec Bank's Alternate Councillor from May 2025.
 - Gary Cook – appointed as Discovery Bank's Councillor from May 2025.
 - Busi Radebe – re-elected to PASA Council as Capitec's Principal Councillor with Marthinus Janse van Rensburg as an Alternate from May 2025.

Resignations

- Jill Murtagh – Bidvest Bank's appointed Councillor concluded her term in June 2025.
- Gabriella Teixeira – resigned as ABSA's Alternate Councillor in July 2025.
- Gerald Byleveld – Investec Bank's appointed Alternate Councillor concluded his term in June 2025.

A knowledgeable, skilled, experienced, diverse and independent PASA Council

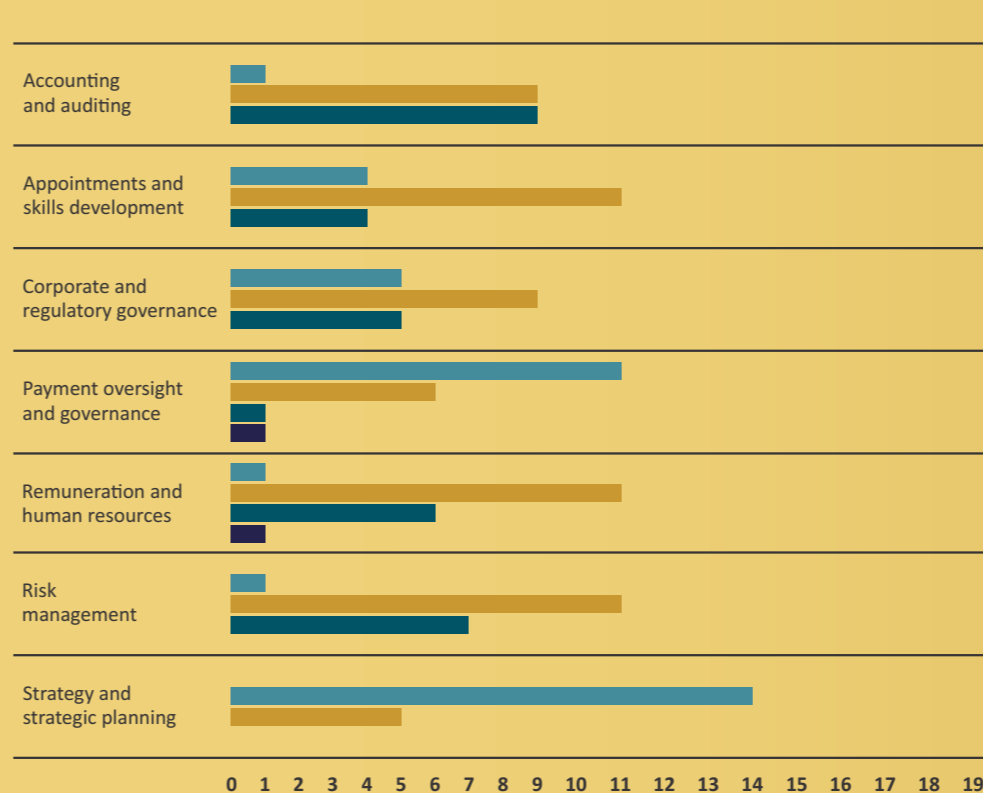
PASA is of the view that creating and sustaining lasting value relies on strong, ethical leaders who possess the necessary skills, knowledge, and experience. The quality of leadership at PASA is demonstrated by the diverse backgrounds and dedication of its Councillors and Members.

The Nomination and Induction Committee (NIC) provides guidance on developing a well-rounded PASA Council with a wide range of skills, experience, and perspectives.

The PASA Council is confident it has the right balance of expertise and independence to effectively carry out its responsibilities and maintain high governance standards. The NIC regularly reviews the independence of PASA Council members and takes appropriate measures to preserve this balance.

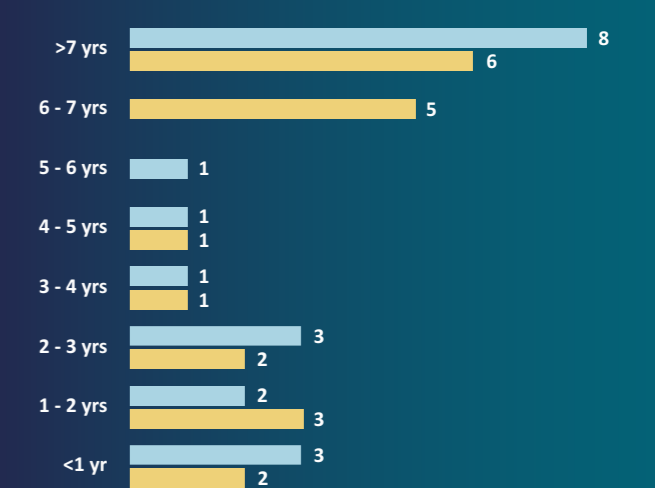
Individual PASA Councillors bring a broad spectrum of specialisations, ensuring the PASA Council benefits from a comprehensive knowledge base. Councillors' skills are reviewed at least annually to monitor the PASA Council's strengths and identify areas for improvement. This continuous emphasis on diversity and expertise enables PASA to lead effectively within the payments sector.

COUNCIL SKILLS MATRIX

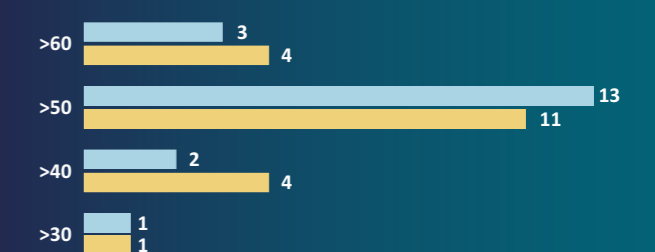


Information presented is as at 31 December 2025

TENURE

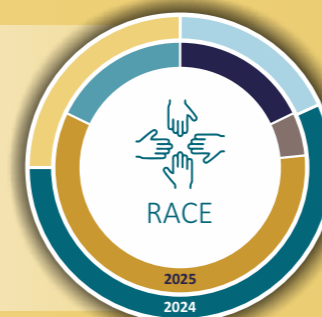
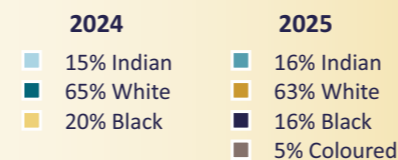


AGE

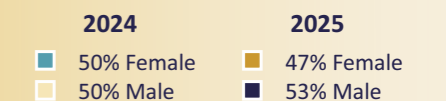


COUNCIL DIVERSITY

RACE



GENDER





Succession planning

The NIC is instrumental in the selection, orientation, and training of all PASA Councillors.

The committee oversees the appointment of the CEO and manages succession planning. Those with the authority to appoint Councillors ensure that appropriate successors are identified and appointed as needed. This forward-looking approach guarantees that PASA remains resilient and effective over the long term.

Onboarding, induction and training for PASA Councillors

New Councillors at PASA participate in a thorough induction process that includes introductions to ExCo members and the chairs of the committees they will join (where applicable), helping to establish early connections within the organisation.

Gary Cook and Ilze Wagenaar completed their inductions post their appointments in 2025.

To support Councillors exposure to evolving payments trends, PASA provides a continuous series of thought leadership sessions on relevant payments topics. Additionally, the NIC annually reviews training needs for all PASA Councillors. PASA mandates that all Councillors complete all four modules of the Institute of Directors' "Being A Director" (BaD 1-4) training, while recognising any equivalent training previously completed. A two-year monitoring system has been put in place to ensure timely completion of the BaD 1-4 modules. This approach reflects PASA's dedication to ongoing professional development, ensuring Councillors are well-prepared to perform their duties with confidence and expertise.

For 2024/2025 this training plan included progress towards remediating the FATF grey listing. Thought leadership initiatives included sessions on topics such as AI, cross-border transactions, and real time payments, inviting experts from law firms, and international payment associations on topical subjects such as frauds and scams, financial inclusion and digital technologies shaping banking.

Planned 2026 training includes:

- Stablecoins (completed in February 2026)
- King V
- Cybercrime regulation
- Crypto asset regulation

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.

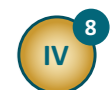
During the 2025 financial year, PASA's Council convened seven times (FY24: eight). The NIC keeps track of attendance at these meetings. Overall, the PASA Council is satisfied with the attendance levels, as they help ensure that the governing body meets its responsibilities as outlined in its Constitution. Whenever attendance by a Councillor is low, the PASA Council takes steps to address the issue. This commitment to active participation helps PASA effectively fulfill its mission.

Meeting attendance for 2025

Meeting dates (26/02, 09/04, 29/05, 26/06, 24/07, 23/10, 27/11)

Principle Councillors	Alternate Councillors	
I Goodspeed (Chair)	7/7	
H Singh	7/7	
F Mukaddam	7/7	
T Moatshe	7/7	
A Ismail (appointed 07/2025)	0/2	
T Masela (retired 08/2025)	1/5	S Rayfield 4/7
G Erling	7/7	
J Anderson	6/7	R Hamilton 3/7
I Carter	7/7	M Guest 0/7
J Elliott	6/7	G Byleveld (concluded 06/2025) 0/4
J Murtagh (concluded 06/2025)	2/4	Ilze Wagenaar (appointed 05/2025) 2/4
B Radebe	7/7	M Janse Van Rensburg 5/7
R Stocken	6/7	G Teixeira 1/5
L Breetzke	6/7	B Legabe 6/7
Gary Cook (appointed 05/25)	3/4	

PRINCIPLE 8: COMMITTEES OF PASA COUNCIL



Until November 2024, PASA Council operated with four permanent committees composed of experienced Councillors who oversaw key responsibilities. A fifth temporary committee, the PASA Review Committee, was originally established in response to a 2015 review of the PASA function initiated by the SARB. This committee has since been repurposed to focus primarily on the regulatory aspects of the transition to the PIB.

This committee structure provided the PASA Council with sufficient capacity to effectively guide the organisation.

The most recent addition to this framework is the IT Risk Subcommittee, formed in 2024 by the Council Risk Committee. This subcommittee concentrates on critical areas such as cybersecurity and resilience, IT risk management, key technology projects, and PASA's digital transformation journey. Led by Professor Herman Singh, it plays a vital role in aligning PASA's IT strategy with its overall objectives while managing risks to safeguard all stakeholders' interests.

Each Council Committee has its own formal constitution, clearly defining its responsibilities and authority to support the PASA Council in meeting its governance duties.

The PASA Council regularly reviews the composition of its committees to ensure their effectiveness.

In 2025 the following changes were implemented:

- Fay Mukaddam joined the Audit Committee
- Gary Cook joined the Audit Committee
- Arif Ismail joined the Nomination and Induction Committee

To maintain accountability and monitor progress, the PASA Council and all committees – except the PASA Review Committee, which operates on an ad-hoc basis – have clear work plans detailing their tasks in line with their constitutions. This enables each committee to assess its progress and ensure it achieves its objectives.

Each committee also provides updates on its activities at every Council meeting, keeping all members informed of their ongoing work and contributions.

The committees remain fully committed to supporting the PASA Council and executive management in overseeing and strategically planning the reassessment of the PIB Design, as well as defining PASA's future role in light of the SARB's updated regulatory framework under the PEM programme.

Council Committees

- Audit Committee**
Committee report
- Council Risk Committee**
Committee report
- Nomination and Induction Committee**
Committee report
- Remuneration Committee**
Committee report
- PASA Review Committee (temporary)**
Committee report
- IT Risk Subcommittee**
Committee report

Council Committee reports

The detailed committee reports presented on the pages that follow provide valuable insights, including the names of PASA 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 2026.



AUDIT COMMITTEE



"Throughout 2025, the Audit Committee has demonstrated unwavering commitment to guiding PASA through a year of transition and complexity. Building on last year's focus on transparency and robust financial management, the committee has prioritised full-year budgeting, ensuring clarity in financial reporting, and addressing elevated transition risks. With careful consideration of tax implications, prudent management of lease renewals, and strategic oversight of Member fees, the committee has upheld governance standards while preparing for the challenges of dissolution and transition. The proactive approach to mitigating risks, including financial and cyber risks, and the emphasis on aligning resources with organisational priorities, have been instrumental in maintaining stability and positioning PASA to navigate the future."

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 2025 and attendance

Councillors	Attendance	Management attendees	Attendance
T Moatshe (Chair)	9/9	G Erling	
G Byleveld (concluded June 2025)	0/3	C Pariola	
G Cook (appointed July 2025)	4/4	N Ramabi	
F Mukaddam (appointed May 2025)	3/4	N Bham	
J Murtagh (concluded June 2025)	2/3		
H Singh	8/9		

Declaration

For the year ending 31 December 2025, 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.

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

2025 PRIORITY ACTIONS

KEY ACTIONS AND OUTCOMES

Achieved Yes ✓ No ✗ Partial ⚡

Continued oversight of the financial reporting, budgeting, and forecasting disciplines.

- **Evaluation of reporting quality:** Reviewed and commended the quality of financial reporting, enabling clarity and accuracy for informed decision-making.
- **2026 budget:** Recommended the 2026 budget to PASA Council, which was subsequently approved.
- **Supported full-year budgeting for 2026:** Considered potential dissolution costs and administrative efforts post-transition.
- **Cash flow management:** Highlighted the importance of careful cash flow management during the transition to avoid excess funds or financial shortfalls. The committee noted that no solvency or liquidity concerns were identified during the period.
- **Retention incentives:** Reviewed the impact of retention incentives on the budget and recommended funding sources.
- **Deferred income utilisation:** Approved the funding sources for PIB activities in 2026.



Continued to strengthen the implementation of approved policies, procedures and the continuous improvement of the external audit process and outcomes.

- Obtained a clean PASA financial audit for 2025.
- Approved the audit plan and scope for the financial statements for the year ending December 2025, including consideration of the going concern assessment and confirmation that PASA has adequate financial resources to continue meeting its obligations as they fall due.
- Auditor independence was confirmed.
- Reviewed and recommended the external audit fees and the reappointment of the external auditors to PASA Council.
- Approved the engagement letter for the 2025 audit, ensuring compliance with legal and financial standards.



Continued to provide strategic oversight of governance and financial controls.

- Monitored financial risks and increased tax risk rating due to transition uncertainties. Engaged legal experts for opinions on tax exemption, asset management, and other financial impact associated with the transition.
- Discussed strategies to manage Member fees and cashflows during periods of uncertainty.



Oversight of the financial and tax matters arising as a result of the transition.

- Continued oversight of the PIB transition budget.
- **Administrative costs:** Emphasised the need to estimate administrative costs for keeping PASA running post-transition and for its eventual dissolution, including tax implications.
- **Tax risk assessment:**
 - Management increased the tax risk rating from moderate to high due to the transition from the self-regulatory model, which impacts PASA's current tax exemption status.
 - A new risk around managing cash flow during the transition was added to the financial risk report.
- **PIB tax exemption:**
 - Considered and legal opinions obtained for guidance.
 - Engagement with SARS noted as required regarding applicable Public Benefit Organisation (PBO) tax exemptions and the transition process.
- **PASA Constitution:** Discussed the need to amend PASA's constitution to address returning funds to Members.



Oversight and guidance of further decisions relating to the lease.

Recommended to PASA Council to extend the lease for an additional year after evaluating the trade-off between cost and flexibility, and the implications of early termination.



Continued to oversee and guide further automation and enhancement of the annual membership invoicing process.

Following phase one of the improved Member invoicing process and accountabilities, the committee discussed slowing down automation efforts given potential changes arising from the transition.



RISKS THE COMMITTEE OVERSEES

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

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS



FUTURE FOCUS AREAS 2026

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 the continuous improvement of governance and financial controls.
- Continue oversight of financial and tax risks related to the transition.
- Oversee and guide further decisions relating to the lease.



COUNCIL RISK COMMITTEE

"The Council Risk Committee has demonstrated diligence in overseeing the enhancement and application of PASA's risk management frameworks and policies throughout 2025. From embedding a robust risk and compliance culture, planning for grid outages, organisational cyber response planning, and managing key organisational and NPS risks, the committee has played a pivotal role in safeguarding PASA's operations during a period of significant transition. By prioritising high-risk areas, ensuring policy alignment, and maintaining a proactive approach to emerging risks, the committee has upheld its commitment to protecting the integrity of the NPS and supporting resilience within the organisation."

Herman Singh, Risk Committee Chair



COUNCIL RISK COMMITTEE REPORT

Committee purpose and how it contributes to value creation

- Oversees the management of the organisation's principal and emerging risks, risk appetite and tolerance limits, and the effectiveness of the risk management frameworks and policies.
- 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 2025 and attendance

Councillors		Management attendees
H Singh (Chair)	5/5	G Erling
I Goodspeed	5/5	C Pariola
G Byleveld (concluded June 2025)	0/2	N Ramabi
R Hamilton	4/5	N Bham
M Janse van Rensburg	5/5	
T Moatshe	5/5	

Declaration

The committee reports that for the year ended 31 December 2025, 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.

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

2025 PRIORITY ACTIONS

Monitored, oversaw and guided PASA organisational risk management and compliance to maintain an effective internal risk management and compliance capability.

Monitored and guided NPS risk management enhancement and application of effective risk management models to manage NPS risks.

Oversaw 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.

KEY ACTIONS AND OUTCOMES

Achieved Yes No Partial

- Integrated risk, information security, and compliance targets into the 2025 performance contracts, achieving 100% employee completion of mandatory policy training. Ongoing phishing simulation exercises.
- Independent assurance reviews through an external audit firm focused on high-risk policy compliance and IT reviews.
- The regulatory framework updated, and ongoing monitoring of high-risk compliance plans underway.
- Business continuity planning enhanced to include power blackout response measures. Employee training performed, with plans and materials accessible via the Learning Management System.
- The Cyber Response Plan revised, and a technical review performed to evaluate the implementation of cyber readiness recommendations.
- Key Risk Indicators (KRIs) regularly tracked, reported to ExCo, and Council Committees. KRIs continuous refinement for enhanced risks and control environment monitoring.
- Ongoing risk event monitoring and reporting.

- Continuous embedding and enhancement of risk management frameworks and policies, including thresholds, risk appetite, monitoring and reporting, as well as ongoing awareness training.
- Ongoing risk assessment reviews and reporting to various Structures, with principal risks reporting to Council Committees and the SARB NPSD.
- Risk acceptance model implemented and operationalised.
- NPS Risk Committee Constitution reviewed.
- Industry-wide collaboration to address power blackouts and system failures, including alternative connectivity and contingency initiatives.
- Contingency planning simulation exercise conducted, and areas of improvement to be addressed through industry collaboration.
- Industry-wide efforts to address third-party risks.
- Stakeholder engagement to address the risks associated with the sheer scale of changes, due to the multitude of projects and initiatives across the payments ecosystem.
- Crisis Response Coordination Committee operationalisation to guide the payment systems crisis response measures.

- The committee considered the PIB transition risks.
- Monitored risks relating to the withdrawal of the PSMB license, including potential impacts on the internal functions and the broader payments ecosystem.
- Oversaw the PIB construct changes impact on the risk-related documents.

FUTURE FOCUS AREAS 2026

For 2026, the committee will focus on overseeing the managing of the transition rather than introducing new or innovative risk approaches.

PASA organisational risk management and compliance

Maintain an effective internal risk management and compliance capability, including:

- Effective operationalisation of organisational risk management frameworks and policies, including management of thresholds, risk appetite, reporting, risk events and risk acceptance.
- Policy compliance audit plan execution.
- Maintain a robust organisational risk and compliance culture.
- Ongoing policy training in support of a compliance culture in PASA.

NPS risk management

Maintain effective risk management models to manage NPS risks, including:

- The ongoing application of risk management frameworks, models and policies, including management of thresholds, risk appetite, reporting and risk acceptance.
- Grid outage and system failure contingency measures.
- Ongoing identification, monitoring and advocacy to enhance connectivity resilience.
- Oversight of adequate management of critical third-party risks.

Transition risk management

- Oversee the management of risks associated with PASA transition and ensure that appropriate mitigation actions are implemented to address key risks.

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.

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS





IT RISK SUBCOMMITTEE



"Significant strides have been made in advancing PASA's digitalisation journey, strengthening cybersecurity resilience, and enhancing IT performance metrics. Robust governance structures have been implemented to ensure the prioritisation and delivery of key objectives, including the successful operationalisation of the new Member Portal and the ongoing revision of the digitalisation requirements plan to align with PASA's broader transition. PASA's cybersecurity posture has been reinforced, with a fully operational cyber event response plan, expert support, and a reduction in risk ratings across targeted items. Additionally, the IT performance metrics continue to improve. These achievements reflect the commitment to ensuring and maintaining a secure, efficient, and innovative digital infrastructure."

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 2025 and attendance

Councillors	Attendance	Management attendees	Attendance
H Singh (Chair)	4/5	G Erling	
M Guest	2/5	C Pariola	
R Stocken	5/5	N Ramabi	
T Moatshe	5/5	N Bham	

Declaration

The committee reports that for the year ended 31 December 2025, 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.

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

2025 PRIORITY ACTIONS

KEY ACTIONS AND OUTCOMES

Achieved Yes No Partial

Supported the revision of the digitalisation requirements plan to align with PASA's broader transition efforts, currently underway.

- Reviewed and motivated the IT Book of Work to ensure delivery of essential functionalities.
- Monitored and guided the operationalisation of the new Member Portal with a staggered roll-out, ensuring functionality and budget compliance.
- Oversaw the delivery of a scaled-down Member fee calculator as part of the no-regrets functionalities.

Monitored PASA's ongoing efforts to strengthening its digital infrastructure and ensured a proactive, effective response to emerging cyber security threats/risks.

- Oversaw the implementation of robust governance structures to prioritise and deliver PASA's digitalisation objectives.
- Independent assurance obtained through the annual penetration test, external audits, disaster recovery testing, and cyber readiness assessment. Gaps are prioritised based on risk rating within a cybersecurity roadmap.
- The development of an IT operations model to mitigate existing keyman dependency, capacity constraints, dependency on external vendors and operational risks, supported by functioning processes continues.
- A fully operational cyber event response plan is supported by a tailored playbook and contracted expert support.
- Reassessed the need for cyber insurance versus the cyber response retainer that is in place.
- The 2025 penetration test showed progress.
- Despite improvements, some risks persist due to IT complexity, maturity, and legacy systems, such as the old Member Portal which was sunset in the current year.
- Workshops and expert sessions have provided valuable recommendations to enhance cybersecurity awareness.
- Provided management and employees with positive feedback on PASA's IT and cybersecurity posture, noting capacity constraints in this function, which are being addressed.

Monitored key IT performance metrics.

- Monitored PASA's strong IT performance metrics, recognising the need to expand tracking to additional areas.
- Key cybersecurity metrics, such as patching and anti-virus, are actively monitored, with very positive 2025 indicators.
- Regular phishing simulations and mandatory training have been implemented to reinforce awareness.

RISKS THE COMMITTEE OVERSEES

Ensures PASA's technology, cybersecurity, data, and operational systems are secure, resilient and aligned to strategic priorities, with risks escalated appropriately to the Council Risk Committee

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS



FUTURE FOCUS AREAS 2026

The committee will continue to:

- Monitor PASA's ongoing efforts to retain its strong digital infrastructure and ensure continued proactive, effective response to emerging cybersecurity threats/risks.
- Monitor key IT performance metrics.
- Oversee and guide the successful implementation of a comprehensive data architecture to enable a ready state for data migration to any other entity in the anticipated transition.



NOMINATION AND INDUCTION COMMITTEE



"The committee focused on further strengthening PASA's governance framework to ensure the organisation is positioned for industry transition and delivering lasting value to the payments ecosystem."

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 2025 and attendance

Councillors		Management attendees
I Goodspeed (Chair)	3/3	G Erling
J Anderson	3/3	N Bham
A Ismail (appointed July 2025)(S Rayfield)		
T Masela (retired August 2025) (S Rayfield)	3/3	
F Mukaddam	3/3	
B Radebe	3/3	

Declaration

The committee reports that for the year ended 31 December 2025, 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.

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

2025 PRIORITY ACTIONS

KEY ACTIONS AND OUTCOMES

Achieved Yes No Partial

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 review was completed in October 2025.
- Feedback highlighted satisfaction with PASA Council operations and included limited recommendations, such as providing more detailed metrics for committees.



Oversaw the composition of Council Committees and any changes thereto.

- Reviewed the composition of Council Committees and approved updates where required.
- The current composition of Council Committees is deemed appropriate.
- Councillors' skills matrix will be updated annually to ensure alignment with the evolving needs of the PASA Council.



Oversaw the nomination, induction and training of all PASA Councillors.

- Mandatory training for Councillors included induction, Competition Act, and IoDSA Directors (1 to 4) training.
- Voluntary training included Member Portal training and several thought leadership sessions.



Oversaw the corporate governance provisions for Councillors.

The committee reflected on a number of governance issues including real versus perceived conflicts of interest; governance controls and risk mitigation strategies to address possible conflicts; and ongoing independence of Councillors.



Considered Councillor succession.

Deliberations relating to succession of independent Councillors focussed on ensuring continuity during transition.



Reviewed and considered the CEO succession plan as part of the annual evaluation process.

- Discussed the challenges associated with CEO succession particularly ensuring continuity during the transition.
- Considered and agreed emergency and long-term CEO succession options.
- Approved updates to the CEO succession plan.



FUTURE FOCUS AREAS 2026

The committee will provide oversight of the:

- Application of King V principles.
- Implementation of the recommendations of the 2025 biennial review.
- Composition of Council Committees.
- Nomination, induction and training of PASA Councillors.
- Conflict-of-interest governance provisions for Councillors.
- Review of Councillor and CEO succession.

RISKS THE COMMITTEE OVERSEES

The committee oversees the establishment and maintenance of stable and robust governance structures

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS





REMUNERATION COMMITTEE



“The past year has showcased the unwavering dedication and professionalism of PASA’s employees, who have demonstrated exceptional resilience amidst prolonged uncertainty. Despite institutional transitions and industry disruptions, the team has consistently ensured operational reliability and upheld the integrity of the NPS. Their commitment to excellence has been vital in sustaining PASA’s legacy within the payments ecosystem. As we move towards a new equilibrium, employees remain central to driving continuity, capability, and innovation. Their expertise and collaborative spirit support industry modernisation, inclusion, and interoperability. RemCo recognises the importance of continuing to nurture this talent through structured learning and robust support. We are committed to promoting an engaged, resilient workforce aligned with PASA’s purpose and values. Our ongoing initiatives focus on culture, communication, talent management, and well-being. Together, we will navigate this transition with confidence and strength.”

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 2025 and attendance

Councillors	Attendance	Management attendees	Attendance
J Anderson (Chair)	7/7	G Erling	
I Goodspeed	7/7	C Pariola	
I Carter	7/7	N Ramabi	
F Mukaddam	6/7	N Bham	
B Radebe	5/7		

Declaration

The committee reports that for the year ended 31 December 2025, 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

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS



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

2025 PRIORITY ACTIONS

KEY ACTIONS AND OUTCOMES Achieved Yes No Partial

Following SARB's revised direction, supported:

- PASA's evolving role, and impact on employees.
- Enhanced employee engagement, retention, culture, well-being, resilience building, and learning and development programmes.

- Achieved positive employee engagement and culture survey results.
- Prioritised retention and change management, reinforcing organisational resilience through clear communication and retention incentives.
- Ensured transition support interventions, including open-door policies, team check-ins, and transparent communication.
- Provided group and individual coaching, wellness, and mindfulness sessions to support employees.
- Delivered robust change management throughout the transition.
- Maintained regular, transparent communication via CEO updates, townhalls, and employee involvement in change processes.
- Further embedded PEM programme deliverables with SARB, clarifying roles, responsibilities, and working methods.

Continued to guide and review the executive management and key man succession planning.

- Increased the urgency of outsourcing certain key functions given the transition. HR Business Partner and Payroll successfully outsourced.
- Ongoing cross skilling for identified roles (governance, legal and compliance).
- Addressed succession planning with emergency contacts identified for key roles to ensure continuity.

Continued to ensure PASA is an employer of choice.

- Positive employee engagement survey results and actions taken in response.

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.

- Continuous monitoring and evaluation of employee benefits particularly pension, LTIs and other risk benefits and quality of service provided to employees in this regard.
- Up-to-date remuneration benchmarking and key HR policies, in line with a revised review plan.

Continued to guide and review the 2025 EE targets and the implementation of the EE plan.

- Noted the Employment Equity plan for the current year, including a five-year forward-looking report to ensure compliance and preparedness for future requirements.

FUTURE FOCUS AREAS 2026

The committee will continue to:

- Continue to ensure robust change management in support of PASA's transition.
- Continue oversight of initiatives relating to employee engagement, retention, culture, well-being, and resilience programmes.
- Continue to oversee and evaluate succession planning and key person risks, along with suitable learning and development initiatives.
- Oversee remuneration policies and practices to ensure fairness and alignment to value contribution.
- Guide and review the 2026 EE targets and the implementation of the EE plan.
- Oversee and ensure a smooth and compliant transition.
- Oversee the management of people risks related to PASA transition, including guidance on compliance with relevant labour relations regulatory requirements.



PASA REVIEW COMMITTEE



"The PASA Review Committee has been instrumental in conceptualising the regulatory transition of PASA to a future PIB structure while ensuring alignment with SARB's developing regulatory framework."

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 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 2025 and attendance

Councillors		Management attendees	
I Goodspeed (Chair)	3/3	G Erling	
F Mukaddam	3/3	C Pariola	
J Anderson	3/3	N Ramabi	
H Singh	2/3	M Pretorius	
M Janse van Rensburg	3/3	L Chauke-Motshwane	
R Stocken	3/3	N Bham	

Declaration

The committee reports that for the year ended 31 December 2025, it is satisfied that it has fulfilled its responsibilities in accordance with the PASA Constitution, the PASA Review Committee Constitution, King IV™ and applicable statutory legislation and regulations.

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

2025 PRIORITY ACTIONS

KEY ACTIONS AND OUTCOMES

Achieved Yes No Partial

Guided and oversaw discussions between the SARB, National Treasury, the SARB NPSD, and PASA to clarify PASA's role in the evolving regulatory landscape and the reassessment of the PIB Design.

- Assessed feedback on draft regulations and considered issues such as regulatory overreach.
- Finalised insight into success factors for significant industry change.

Continued oversight of the work to transition PASA to the new model, ensuring alignment with PASA's strategic direction and the developing regulatory framework.

- Considered transition updates, including ongoing, paused, and future work.
- Monitored and assessed transition risks, including potential impacts on employees, the NPS and broader ecosystem.
- Noted researched global industry models to inform PIB design recommendations.
- Explored PIB design considerations emphasising attributes such as independence, advocacy for the industry as a whole, and financial support commitments.

Oversaw the decisions to second or contract PASA resources to the PEM initiative and finalise service level agreements timeously.

- Considered PEM programme support including workstreams, resource allocation, and delivery risks.
- Monitored progress of the PEM programme support.
- Agreed the approach to negotiating the PASA's cost recovery.

FUTURE FOCUS AREAS 2026

The committee will:

- Guide and oversee discussions with the SARB, National Treasury, the SARB NPSD, to clarify PASA's current role and the PIB's future role in the emerging regulatory landscape.
- Reassess the PIB Design given developments in the payments ecosystem globally and domestically.
- Oversee the work to transition PASA to the PIB model, ensuring alignment with PASA's strategic direction, risk management framework, and the regulatory framework.
- Oversee the decisions to second or contract PASA resources to the PEM initiative and finalise service level agreements and cost recovery.

RISKS THE COMMITTEE OVERSEES

Legal and regulatory risks relating to the transition to the PIB

CAPITALS



KING IV™ PRINCIPLE FOCUS



STAKEHOLDERS





PRINCIPLE 9: EVALUATION AND PERFORMANCE OF THE PASA COUNCIL



Evaluations are a vital part of effective governance at PASA, conducted every two years to ensure the organisation maintains high standards and adheres to best practices. The last evaluation took place in 2022, with the next originally planned for 2024. However, due to changes in the Company Secretary, Chairmanship, and committee memberships during 2024, the assessments were deferred and subsequently conducted in 2025. The IT Risk Subcommittee's evaluation is scheduled for April and May 2026, as it was less than a year old during the previous cycle and had not completed a full operational period.

This scheduling ensures evaluations occur during periods of stable leadership, providing a more accurate reflection of PASA's effectiveness. The 2025 evaluations included a PASA Council effectiveness questionnaire that specifically addressed the transition to the PIB, recognising its importance in shaping the organisation's future direction.

Oversight of these evaluations' rests with the NIC, which reviews the performance of the PASA Council, its committees, the Chairperson, CEO, and Company Secretary. This comprehensive review assesses how effectively these bodies fulfil their mandates, thereby enhancing accountability and aligning governance with strategic objectives.

The evaluation process consists of self-assessments to measure committee efficiency and oversight, as well as to identify areas where Councillors may require additional support. The NIC, chaired by the Council Chair, manages this process by reviewing and refining the assessment questionnaire. Councillors complete the assessments, and their responses are analysed to evaluate performance.

Although the response rate for the 2025 assessments was lower than hoped, the feedback was generally positive, indicating satisfaction with the Council's governance and operations. Councillors also made recommendations, including a request for more detailed metrics from the IT Risk Subcommittee.

The results of the assessments are presented to the PASA Council, facilitating reflection and informed decision-making regarding future priorities. The process also incorporates leadership development and training initiatives to ensure Councillors are equipped with the necessary skills to fulfil their fiduciary duties effectively.

Overall, this evaluation framework is a crucial tool for strengthening governance and ensuring that the PASA Council and its committees remain effective in their oversight and decision-making roles.



PRINCIPLE 10: APPOINTMENT OF AND DELEGATION TO MANAGEMENT




PASA Council delegates authority to the executive management team through a formal Schedule of Delegated Authority (SODA).

The SODA from PASA Council articulates those matters which are reserved for PASA Council, those that are delegated to Council Committees and those that are delegated to the CEO. Each PASA Structure (PCH and strategy forum) has a Constitution, approved by PASA Council, which outlines its delegated authority.

PASA 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
(53)

Chief Executive Officer

Joined Council:
November 2020

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



COSMORE PARIOLA
(45)

Chief Financial Officer

Joined PASA:
September 2021

Qualifications:
Certified Director (Cert.Dir.)[®]
IoDSA (Institute of Directors South
Africa)
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
(44)

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)
Master of Philosophy (Cum Laude)



NADINE BHAM
(43)

**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
(47)

Chief Risk Officer

Joined PASA:
August 2019

Qualifications:
BCom; MBL (Unisa SBL); CISA; CISM;
CRISC ISACA); CRM Practitioner
IRMSA); Senior Management
Programme (UP)



MAURITS PRETORIUS
(66)

Executive Advisor*

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)

*Previous Chief Strategy Officer, retired on 31 August 2024 but contracted for specific focus areas such as the PIB and institutional transitions, collaboration with the SARB PEM team and expanding the PASA and Industry Strategy Centre of Excellence (SCE).

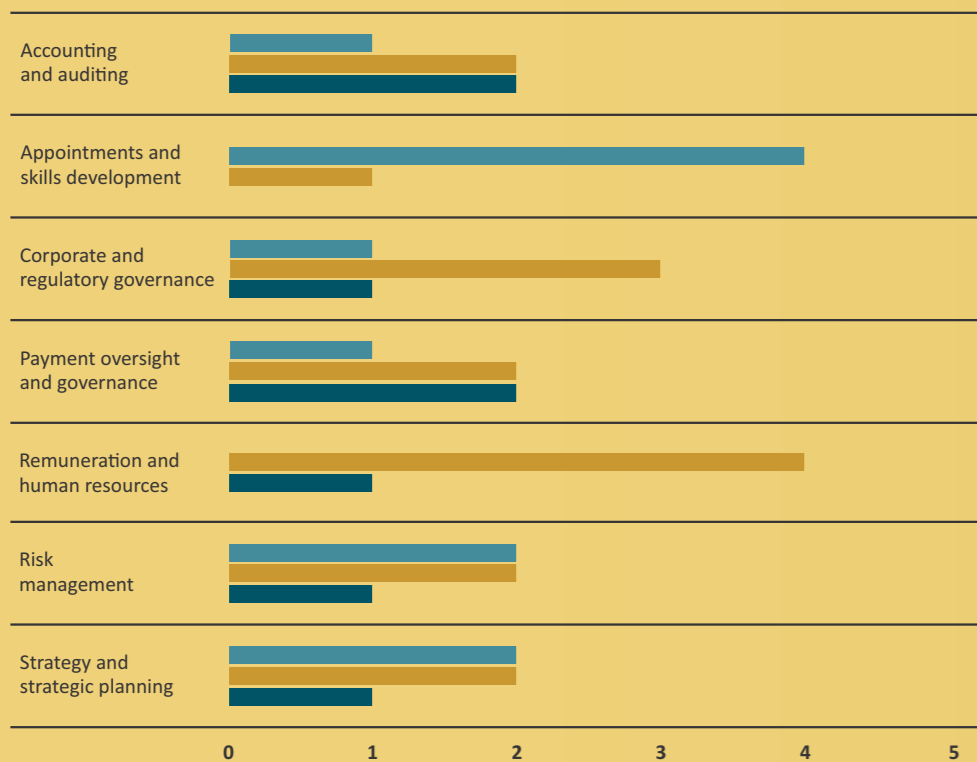
Company Secretary

Nadine Bham, Company Secretary and an Executive Committee member, has an important role in maintaining high governance standards at PASA. Her remit covers governance, legal, and compliance matters, ensuring that procedures are consistently implemented and upheld throughout the organisation.

She regularly provides the PASA Council with detailed reports on statutory duties and Council-related activities, fostering transparency and accountability. Although she reports administratively to the CEO, Nadine maintains her objectivity and independence. This unique balance of oversight and collaboration enables her to act as a key guardian of governance, continuously strengthening PASA's integrity and operational effectiveness.

EXCO SKILLS MATRIX

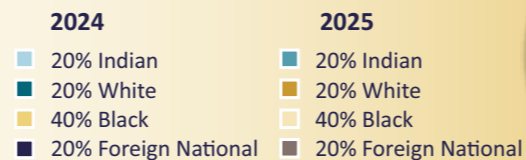
Expertise Experience Knowledge None



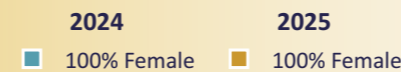
Information presented is as at 31 December 2025

EXCO DIVERSITY

RACE

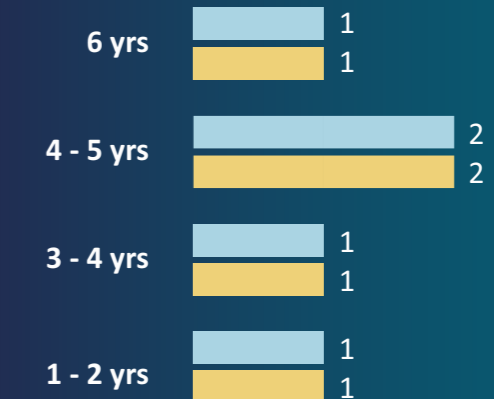


GENDER



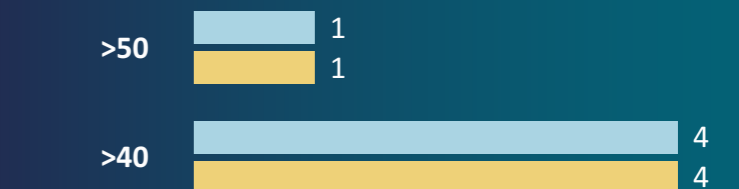
TENURE

2024 2025



AGE

2024 2025





PRINCIPLES 11-14: GOVERNANCE OF FUNCTIONAL AREAS



Governance of risk

PASA demonstrates a comprehensive and proactive approach to risk management, fully supported by PASA Council and driven by strong leadership to ensure the resilience and security of the NPS. The risk management framework is deeply integrated into the organisation's structures, projects, and daily operations, providing a clear and consistent roadmap for identifying, assessing, and managing risks. This framework supports informed decision-making and enforces uniform reporting standards, including detailed risk profiles and structured risk event reporting. Recognising the importance of risk oversight PASA Council and ExCo have defined clear risk thresholds and operationalised a risk acceptance model into decision-making.

The governance of risk is sound, with the PASA Council holding ultimate responsibility and receiving quarterly updates on key risks and mitigation strategies through the Council Risk Committee. The Risk Committee, chaired by Professor Herman Singh, oversees principal and emerging risks and ensures effective risk management systems are in place. The benefits of establishing the IT Risk Subcommittee in 2024 were evident in 2025, strengthening alignment between IT governance, risk management and PASA's broader IT architecture, with increased focus on IT and cyber risks.

PASA's commitment to operational resilience is evident through strong contingency planning, particularly for cyber threats and connectivity disruptions. The creation of the Operational Resilience Forum has enhanced business continuity and disaster recovery capabilities, enabling agile responses to potential disruptions. Risk awareness is embedded in the organisational culture by integrating risk responsibilities into employee performance contracts and conducting regular risk assessments.

The risk governance framework aligns with the King IV™ principles, ISO 31000, and COSO ensuring systematic, transparent, and effective risk management across PASA and the wider payments ecosystem. This framework is supported by the governance bodies, collectively promote accountability and risk-based decision-making aligned with PASA's strategic objectives.

In 2025, PASA further strengthened its risk management by enhancing governance, reporting, and Council-level oversight. Key developments included:

Risk governance and reporting: Improved consistency and accountability with principal risks escalated to PASA Council and targeted committee reporting.

Transition and institutional risk management: Enhanced contingency planning for potential changes to PSMB recognition, safeguarding system stability and stakeholder confidence.

Operational and connectivity resilience: Increased cross-ecosystem collaboration to prepare for severe disruption scenarios such as power and connectivity interruptions.

Cross-cutting risk identification and coordination: Streamlined identification, coordination, and escalation of risks such as AML/CFT compliance, systemic change execution, and broader industry change risks, reducing duplication and improving accountability.

Cyber risk management: Elevated focus on cyber risks, due to their impact on fraud and system security, with improved fraud intelligence sharing, response readiness and enhanced IT security measures.

Third-party dependency risk: Strengthened internal third-party risk management and promoted a coordinated industry approach to managing critical service providers.

Overall, PASA's risk management strategy emphasises embedding governance, enhancing operational resilience, and strengthening collaboration across the payments ecosystem. These efforts ensure the organisation effectively mitigates risks while supporting the achievement of its strategic goals and maintaining the integrity and security of the NPS.

See details of Risk and Opportunity Management on pages 40 to 48.

See the Risk Committee report on page 86.



Governance of technology and information

PASA governs its IT and information through the IT Risk Subcommittee, established in 2024, which ensures that IT decisions align with strategic goals and architectural frameworks. This committee oversees IT governance, data management, cybersecurity, budget planning, , vendor management and training, and ensures business continuity and disaster recovery readiness. It reports critical IT risks to the PASA Council Risk Committee.

Complementing this, the IT Prioritisation Committee manages digitalisation efforts, application architecture, and operational risks, with a focus on reducing dependency on key personnel. Cybersecurity remains a top priority, supported by a detailed cyber recovery plan, regular penetration testing, and ongoing awareness training. Performance metrics are used to track IT alignment with PASA's objectives.

Key outcomes for 2025 include the launch of the new Member Portal late in 2025, which enhances operational efficiency and strengthens data governance. A scaled-down member fee calculator was delivered to support essential functions, alongside the development of an IT operations model aimed at mitigating risks related to key personnel. PASA has implemented a comprehensive cyber event response plan, and the 2025 penetration testing revealed significantly reduced vulnerabilities, reflecting a strong cybersecurity posture. Positive feedback has been received regarding IT and cybersecurity performance, and foundational work has begun on data management initiatives.

Read more in Manufactured Capital on page 68.

Looking ahead, PASA will continue monitoring and improving its digital infrastructure to address emerging cybersecurity threats. The organisation aims to expand IT performance metrics, implement a fit-for-purpose data architecture to support future data migrations, and continue cybersecurity awareness through targeted training and workshops.

PASA is exploring AI on a light basis to improve operational efficiency and addressing process inefficiencies, while also mitigating risks like identity theft and deepfakes through strong security measures.

PASA is facing some challenges in its digital transformation, such as limited internal capacity, which has led to prioritising essential projects and scaling back broader modernisation efforts. Legacy systems have posed security risks that have necessitated replacement. The new Member Portal has empowered Members to manage their profiles and roles and strengthened data governance, contributing to greater operational efficiency. This governance framework and focused strategy position PASA to maintain secure, efficient, and aligned IT operations.

See the IT Risk Subcommittee report on page 87.

Refer to the Manufactured Capital report on page 68.



Governing compliance

13
IV

PASA aims to align industry interests with societal goals, prioritising the wellbeing of the communities it serves. It views regulatory compliance not only as an obligation, but as an opportunity to enhance business practices and reinforce ethical conduct as part of its strategic direction.

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.

An independent assurance test of the PASA Regulatory Framework was concluded in 2025 with a satisfactory outcome.

OTHER REGULATION

Protection of Personal Information Act, 4 of 2013	Promotion of Access to Information Act, 2 of 2000	Competition Act, 89 of 1998
Information Regulator	Information Regulator	Competition Commission
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.
Financial Intelligence Centre Act, 38 of 2001	Cybercrimes Act 19 of 2020	Occupational Health and Safety Act
Financial Intelligence Centre	Minister of Justice and Constitutional Development	Minister of Labour
Identifying the proceeds of unlawful activities, combating money laundering and financing of terrorist and related activities through payments.	Criminalises unlawful access, interception, interference, and other harmful conduct involving data and computer systems, and creates mechanisms for investigation and prosecution of such offences.	To ensure the health and safety of persons at work and to protect persons against hazards arising from the activities of those at work.





Draft regulation and its impact on PASA

In October 2025, the SARB issued formal guidance on the future management of self-regulatory functions in the NPS, signalling an institutional realignment that strengthens the SARB's regulatory and supervisory role and clarifies accountability across the ecosystem. The guidance confirmed that rule-making authority will not sit in a future PIB, that certain PCH and scheme-related responsibilities will move to licensed scheme operators, that interoperability and other cross-cutting rules will be issued directly by the SARB's NPSD, and that PASA's recognition as a PSMB is intended to be withdrawn.

Compliance management and enforcement

PASA deals with matters of alleged non-compliance as and when they are brought to PASA's attention.

The Compliance Manager investigates the alleged breaches and, agrees remediation steps and timelines when needed. Only when remediation fails are cases referred to the independent Compliance Enforcement Panel (CEP), comprising external legal experts. The CEP determines if Members have violated rules and can impose sanctions, with a clear appeals process available.

Recent improvements to the Compliance Enforcement process include the appointment of three additional skilled external panellists and an experienced external advocate to boost the CEP's efficiency and case handling. Nearly half of disputes are resolved before reaching the CEP, reflecting a proactive and meaningful approach to compliance. External audits have confirmed the robustness of compliance processes, leading to updated workflows and risk management plans.

Looking forward, the CEP will continue its vital role during the transition to the PIB, with the compliance team focused on maintaining efficiency and addressing regulatory challenges to uphold PASA's high standards.

COMPLIANCE ENFORCEMENT IN PASA IN 2025	2025	2024	2023	2022
Number of matters of alleged non-compliance investigated	10	0	1	5
Number of non-financial sanctions	1	0	0	1
Number of matters referred to the Compliance Enforcement Panel	4	0	1	5
Number of combined sanctions	0	0	0	0
Number of findings of non-compliance	2	2	1	5
Number of financial sanctions	1	0	1	4

A financial penalty in the amount of R25 000 was imposed in 2025. In addition, a separate non-financial administrative sanction was issued, formally cautioning the member against any repetition of the conduct in question. (2024: R0, 2023: R0.5 million, 2022: R2.4 million).

PASA as a legal entity

Compliance by PASA

Regulatory compliance remained a priority for PASA.

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.

PASA compliance has made significant improvements in policy management, regulatory alignment, data security, training, and dispute resolution. These enhancements have strengthened governance, streamlined processes, and prepared PASA for the transition to the PIB.

Governance enhancements

Workflows and documentation: Compliance workflows have been improved, and additional documentation has been created to support the transition to the SARB.

Mindful governance: A proposal was made to deprioritise review of certain policies and focus on high-priority areas during the transition, ensuring efficient use of resources.

Policy management

Policy review and prioritisation: Policies are now reviewed annually, with updates prioritised based on risk levels:

- **High-risk policies:** Information security and whistleblowing policies have been given priority for updates.
- **Low-risk policies:** Policies with minimal impact, such as salary advances, are deprioritised to focus on critical areas.

Policy schedule: A structured policy schedule is used to streamline the review process and ensure timely updates.

External audits

Successful audits: Two external audits were conducted with both being rated satisfactory.

Audit findings: Three satisfactory findings and two moderate findings (minor weaknesses requiring updates to two Standard Operating Procedures) were identified, demonstrating significant progress in compliance processes.

Regulatory universe updates

Regulatory alignment: The compliance team updated the regulatory universe to ensure alignment with current regulations and industry standards.

Compliance Risk Management Plans (CRMPs): CRMPs are being developed and improved to address regulatory obligations effectively.

Data security enhancements

Data breach reporting: Four reports of breaches of PASA data relating to Members were submitted to the Information Regulator, highlighting proactive compliance measures.

Policy updates: The Data Classification Policy and Promotion of Access to Information (PAIA) manual on the website were updated to address data security concerns.

Focus on information security: Information security has been prioritised, with plans to implement a data classification policy and enhance security measures for Member-related data.

Regulatory collaboration

Settlement rules transfer: The settlement rules agreement was successfully transferred to the SARB in November 2025, marking a significant milestone in the transition process.

Training and development

Policy training: 100% compulsory training and no internal policy breaches were achieved 2025.

See the Risk Committee report on page 86.



Governance of remuneration



The Remuneration Committee is integral to the governance of remuneration at PASA, ensuring that compensation practices align with the organisation's strategic objectives.

In its advisory capacity, the committee plays a critical role in identifying and executing various employee interventions. This includes strategies for retention, health and wellbeing, culture change, change resilience, crisis management in response to skills loss and ensuring continued operation, 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 enabling accountability and driving performance across all employee levels.

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 roles, 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.

By continuously reviewing and updating HR policies, monitoring employee benefits, and benchmarking remuneration, PASA demonstrates its commitment to responsible remuneration governance.

For details of the oversight of remuneration in 2025 see the Remuneration Committee report on page 89 and the Human Capital Report on page 66.

PRINCIPLE 15: ASSURANCE



Central to PASA's assurance strategy is the Four Lines of Defence model, which plays a crucial role in its comprehensive risk management framework. This model ensures clear accountability and effective coordination across all levels of the organisation to manage and mitigate risks systematically.



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 layer is strengthened by PASA's Risk Champions, the Chairpersons of these bodies, and committed Members and employees who play an active role in managing risks.

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.



The second line of defence comprises PASA's Risk Function, the NPS Risk Committee, and the Council Risk Committee. Together, they provide oversight, guidance, and assurance on strategic risk management, strengthening the organisation's capability to identify, assess, and mitigate risks effectively.



Independent assurance providers, including external auditors, constitute the third line of defence. Their objective evaluations offer an additional layer of credibility to PASA's risk management framework, verifying that controls are effective and compliant with industry best practices and regulatory requirements.



Finally, the fourth line of defence encompasses the NPS regulatory bodies, which serve as essential external overseers.

Through this comprehensive Four Lines of Defence model, PASA effectively protects its operations while establishing a resilient framework that promotes informed decision-making and enhances stakeholder confidence in its external reporting.

PRINCIPLE 16: STAKEHOLDERS



PASA Council adopts a stakeholder-inclusive approach designed to balance the diverse needs and interests of stakeholders with the objectives of the NPS. This commitment is reflected in the strong relationships PASA has developed, promoting open dialogue and collaborative support across all parties. Leadership's skills in advocacy and consensus-building are particularly evident during key initiatives such as the PIB design phase and ongoing engagement with non-Member stakeholders, ensuring decision-making integrates a wide range of perspectives.

PASA recognises the critical need to coordinate efforts to address fragmentation within the payments ecosystem, which can cause inefficiencies and increased costs. By prioritising the public interest over individual agendas, PASA champions collaborative solutions that improve transaction efficiency.

The organisation's relationships with Members, regulators, banks, fintechs, businesses, and consumers form the core of its social and relationship capital. PASA maintains a fundamentally stakeholder-centric ethos, dedicating considerable time and resources to support its diverse stakeholders. While adhering to formal processes and governance standards, PASA emphasises a responsive, service-oriented approach that meets stakeholder needs and upholds its responsibilities to the NPS.

Actively gathering stakeholder feedback is central to PASA's operations, enabling continuous service refinement and effective problem-solving.

The stakeholder plan is fully implemented and adapts as new stakeholders emerge. Through initiatives such as PIB workshops and regular meetings, PASA ensures stakeholder voices are consistently heard. The 2025 annual stakeholder survey results demonstrate high satisfaction, with stakeholders praising PASA's knowledgeable team and clear communication. Similarly, employee engagement and commitment have risen significantly, as shown in recent surveys. PASA employees remain dedicated to delivering high-quality work, a commitment reflected in strong performance metrics and positive stakeholder feedback.

For full details on stakeholder engagement see page 73.

OUTLOOK FOR 2026 AND BEYOND

As PASA transitions to a re-scoped PIB or dissolves, its focus is centred on defining the placement of its current capabilities and responsibilities within the evolving payment industry.

TRANSITIONING TO KING V

While PASA is aware that consideration will need to be given to evaluating whether its governance principles need to be updated to align with King V, this work will unlikely be initiated before the PASA transition.



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.

Registered office

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2193
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Business address

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Parktown, Johannesburg
2193
South Africa

Postal address

P.O. Box 61380
Marshalltown
2107

Bankers

First National Bank Ltd
Investec Bank Ltd

Auditors

Moore Infinity Incorporated
Chartered Accountants (SA)
Registered Auditors
Associate Director: Bianca Bester 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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