

SADC TCIB

Transactions Cleared on an Immediate **B**asis (TCIB) | Southern African **D**evelopment Community

Background

As a regional, cross-border retail payments switch, TCIB development followed the regional RTGS. Extensive stakeholder consultation resulted in a design evolution from an ACH-like solution to a real-time switch.

Use Cases

P2P (at present) - expanding into **B2B** and P2M.

L1P Principles & Practices in Action

- ✓ Instant Payment
- ✓ Interoperable
- ✓ Pay Everywhere for Anything
- ✓ Inclusive Governance
- ✓ Safe Payments
- ✓ TCIB is a regional, central switch with **N**ear Real-Time Settlement and an optional **C**onfirmation of Payee functionality
- ✓ The Scheme Embraces Technical Enablers and has Inclusive Scheme Rules while also supporting the Tiered **K**YC and other regulations based on the country jurisdiction
- ✓ The Scheme is organized as a **N**ot for Loss **B**usiness Model focused on building out low-cost services with Low **F**ees for **D**FSFs

Scheme Owner

SADC CCBG [BankservAfrica appointed as Scheme Manager]

Scheme Operator

BankservAfrica

Participants

52 current Scheme Members with nine live Participants. Approximately 50/50 split among bank and non-bank participants.

Volumes

Approximately 100,00 transactions per month

Implemented

2021



People sit at cocktail tables in South Africa.

Noteworthy

- As a regional switch, a regional RTGS settles transactions in South African rand (ZAR), the dominant local currency. To avoid the costly double foreign exchange conversion this implies when the rand is not the origination or destination currency, TCIB is 1) onboarding new currencies to the regional RTGS, and 2) enabling BankservAfrica to be a settlement agent in national RTGS settlement
- ZAR settlement takes place several times per day
- Developed collaboratively by the SADC Banking Association, TCIB was entrusted to BankservAfrica to manage the scheme and to operate the platform after it went live. A TCIB Participant Forum provides input on scheme direction

Behind the Scenes

Notes from the development process:

- Fully API enabled messaging (XML or JSON options)
- Payment messaging based on a minimal set of ISO 20022, which aligns with the message in other regional payment systems but is not so extensive that it can denigrate data bandwidth

Learnings

- Regulatory support is essential to ensure active DFSP use of the switch instead of continued reliance on traditional correspondent channels
- A commercial model which properly incentivizes all DFSPs needed to be developed to encourage participation by both sending and receiving DFSPs
- Launching with P2P as the sole use case, the initial market fit proved to be a limiting model for the cross-domain customer base which needed to cater to the needs of both banks and non-banks. As a result, TCIB is now expanding into a full spectrum of retail use cases
- The lack of regulatory harmonization on a regional basis continues to be a limiting factor, as does uneven DFSP readiness at the jurisdictional level
- Market readiness for end-to-end digital payments varies widely, highlighting the need to fill market gaps and move away from Cash In, Cash Out as a dominant model

Potential Reach

209 M Adults*

Mobile Phone Ownership:

69%**

Toward Impact:*

- 49% Adults with Account
- 34% with Financial Institution
- 33% with Mobile Money Account

Gap in Women's Account Ownership:

- 10%

* Findex data, excludes Seychelles

** ITU Data

