SOUTH AFRICAN RESERVE BANK

NO. 603 **29 MAY 2020**

South African Reserve Bank

DESIGNATION NOTICE

Designation by the Governor of the South African Reserve Bank in terms of section 6(3)(a) of the National Payment System Act 78 of 1998, as amended

Designation of Retail Assist (Pty) Limited

1. Introduction

1.1 The South African Reserve Bank (SARB) is empowered to designate a clearing system participant in terms of section 6(3)(a) of the National Payment System Act 78 of 1998, as amended (NPS Act). Such designation may be made if the designation is in the interest of the integrity, effectiveness, efficiency and/or safety of the national payment system (NPS).

1.2 The objective of this Designation Notice is to designate Retail Assist (Pty) Limited (Retail Assist) as a clearing system participant. The designation would enable Retail Assist to clear payment instructions in the manner contemplated in section 4(2)(d)(i) of the NPS Act.

2. Background of the proposed designated clearing system participant

2.1 Retail Assist is a public company, established and registered with the Companies and Intellectual Property Commission of South Africa (CIPC) in 2015. The business focus of Retail Assist supports the effectiveness and efficiency of the NPS.

2.2 Retail Assist proposes to acquire transactions for retailers and clear these transactions through relevant card Payment Clearing House System Operators (PCH SOs).

3. Designation

3.1 The SARB has considered the applicable provisions of the NPS Act, and deems it to be in the interest of the integrity, effectiveness, efficiency and safety of the NPS to designate Retail Assist as a clearing system participant.

3.2 Therefore, I, Mr E L Kganyago, Governor of the SARB, hereby, with effect from 1 June 2020:

3.2.1 designate Retail Assist as a clearing system participant in terms of section 6(3)(a) of the NPS Act, subject to the conditions listed under heading 4 below; and

3.2.2 confirm, in terms of section 6(3)(a)(ii) of the NPS Act, that the SARB's settlement system participant associated with the designated clearing system participant is the Standard Bank of South Africa Limited (Standard Bank).

4. Conditions

4.1 The aforementioned designation is subject to Retail Assist adhering to the following conditions within the time frames to be determined by the SARB:

4.1.1 Become a member of VISA and MasterCard.

4.1.2 Comply with the entrance and participation criteria to become a member of the payment system management body (PSMB), as referred to in section 3 of the NPS Act, and the relevant structures of the PSMB. Furthermore, comply with any other criteria set by the PSMB for clearing system participants.

4.1.3 Enter into a mentorship and sponsorship agreement with Standard Bank, and comply with any requirements set by Standard Bank for sponsorship.

4.1.4 Obtain written approval from Standard Bank, which written approval shall not be unreasonably withheld, prior to participating in a Payment Clearing House

(PCH) that is not set out in paragraph 4.1.5 below. Provided that written approval is granted, Retail Assist may then follow the normal process for participation in a PCH.

4.1.5 Participate in the Debit Card, Credit Card, American Express Card, Diners Club Card and Fleet Card PCHs, subject to the relevant PCH agreements and clearing rules. Furthermore, Retail Assist is subject to interchange rates applicable to cards, as determined by the SARB.

4.1.6 Do not issue any payment instruments, do not acquire any other transactions and do not sponsor any third parties in any PCH without prior approval from the SARB and the PSMB.

4.1.7 Comply with applicable requirements and any other criteria agreed to between Retail Assist and Standard Bank, and as specified in the sponsorship agreement concluded between said parties.

4.1.8 Prior to commencing operation, register as a third-party payment provider for the purpose of providing beneficiary payment services in terms of the Directive for Conduct within the National Payment System in Respect of Payments to Third Persons (Directive 1 of 2007).

4.2 The conditions listed under paragraph 4 apply exclusively to the designation of Retail Assist and may be varied or revoked, and new conditions may be imposed, by the SARB by way of a notice in the *Government Gazette*.

Signed at Pretoria on this **13th** day of **May** 2020



E L Kganyago
Governor