



## THE SOUTHERN AFRICA DEVELOPMENT COMMUNITY REAL TIME GROSS SETTLEMENT (SADC-RTGS) SYSTEM

### 1. What is the SADC- RTGS System?

It is an automated interbank settlement system, which settles payment obligations between participating banks in real-time in all the SADC countries. The system has been in operation in Zambia since September 2014. The system currently settles payments in South African rand (ZAR) only. There are considerations to include additional regional currencies in the system in the near future. The System was developed to facilitate funds transfer for cross-border payments in the SADC region in order to contribute to the promotion of trade and investment. All businesses and individuals can use this system to send and receive payments to and from a trading partner within the SADC region. The transactions are processed in real-time meaning that a counterparty receives the funds faster and without delay.

### 2. SADC-RTGS's design and implementation is guided by the following principles:

- All payments are in real time across the region.
- Use of existing infrastructure in terms of the SWIFT network
- Use international standards to ensure interoperability.
- Invest in straight-through processing.
- Each country will keep its own currency and financial infrastructure.
- Cross-border cheques or drafts phased out.

### 3. How can a business firm or individual utilize the System?

When you import goods and services within the SADC region, you can remit or pay your counterparty through the system by contacting your commercial bank as listed below. Request your commercial bank for forms that you need to fill in for funds transfer using the SADC-RTGS. This can be done within the bank branch or online as may be required by your commercial bank. The process will require you to provide the detailed information needed for the cross border funds transfers. The transaction will be processed in real-time and on a straight through process allowing businesses and individuals to received funds instantly.

When you export goods and services within the SADC region, you can request your counterparty to pay you through the system. The funds will be received faster as compared to correspondent banking as funds are processed in real time.

To use and pay through the system, a payer from Zambia or any participating countries does not need to have a Rand denominated account. All settlements are done by commercial banks through sourcing the Rand in the South African interbank market.

**4. Who are the participating banks in Zambia?**

The following are the participating banks in the system;

- a) Absa Bank (Z) Limited
- b) Banc ABC t/a Atlas Mara
- c) Bank of Zambia
- d) Cavmont Bank (Z) Limited
- e) Ecobank (Z) Limited
- f) First National Bank (Z) Limited
- g) Stanbic Bank (Z) Limited
- h) Standard Chartered Bank (Z) Ltd
- i) Zanaco
- j) Zambia Industrial Commercial Bank

**5. What are the Benefits of the SADC-RTGS system?**

<b>For Businesses and Person On the Street</b>	<b>Participant Banks Benefit</b>
<ul style="list-style-type: none"> <li>• Faster payment services across the broader SADC region</li> <li>• Easier to transact across borders as the system is available in all the member countries.</li> <li>• The displacement of cash and the requirement for cash exchange</li> <li>• Improved safety and security</li> <li>• Enhanced pricing transparency</li> <li>• Uniform ways of making payments and payment instruments</li> <li>• The ability to compare services, which leads to the use of efficient and cost-effective solutions</li> <li>• Save transaction costs. One way conversion from Kwacha to Rand or vice versa as opposed to three way conversion from kwacha to Dollar to Rand</li> </ul>	<ul style="list-style-type: none"> <li>• Processing of real-time, immediate, final and irrevocable transactions</li> <li>• Reduced costs because of harmonised processes and international standards</li> <li>• Real-time notifications in the case of errors or when an account is not funded</li> <li>• Access to the SADC-RTGS web’s running dashboard (position monitor) which shows running balances in participants’ accounts in real time.</li> </ul>

<b>For Businesses and Person On the Street</b>	<b>Participant Banks Benefit</b>
<ul style="list-style-type: none"><li data-bbox="154 300 808 369">• No need to source US Dollars to settle the transaction</li></ul>	

**THE BANK OF ZAMBIA WISHES TO ENCOURAGE BUSINESSES AND INDIVIDUALS TRADING IN THE SADC REGION (ESPECIALLY SOUTH AFRICA) TO TRANSACT IN RAND THROUGH THE SADC RTGS SYSTEM IN ORDER TO SAVE CURRENCY CONVERSION COSTS AND ALSO FASTER SETTLEMENT OF TRANSACTIONS.**

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