

SOUTH AFRICAN RESERVE BANK

NO. 5961

7 March 2025



SOUTH AFRICAN RESERVE BANK

VARIATION NOTICE

Variation by the Governor of the South African Reserve Bank in terms of section 6(3)(b) of the National Payment System Act 78 of 1998:

Variation of the conditions of the designation of Yoco Technologies (Pty) Limited as a designated clearing system participant

1. Introduction

- 1.1 The South African Reserve Bank (SARB) is empowered to vary and revoke any designation of a clearing system participant in terms of the National Payment System Act 78 of 1998, as amended (NPS Act). In terms of section 6(3)(b) of the NPS Act, the SARB may vary or revoke any designation by:
 - 1.1.1 amending or revoking any condition to which the designation is subject; or
 - 1.1.2 making the designation subject to a new condition or new conditions.
- 1.2 Section 6(3)(c) of the NPS Act provides that, in determining whether or not to vary or revoke a designation, the SARB may have regard to any or all of the following:
 - 1.2.1 any failure to comply with any condition to which the designation is subject;
 - 1.2.2 whether or not the designated clearing system participant (DCSP) has knowingly furnished information or documents which are false or misleading in any material respect to the SARB in connection with the designation;

1.2.3 whether or not it is in the public interest to revoke the designation; and

1.2.4 any other matters that the SARB considers appropriate.

2. Background to the variation of the conditions of the designation

2.1 The SARB designated Yoco Technologies (Pty) Limited (Yoco) as a DCSP in terms of section 6(3)(a) of the NPS Act in December 2021. The designation was published in *Government Gazette* No. 45649 dated 17 December 2021 (Designation Notice).

2.2 On 15 February 2024, the SARB received a request from Yoco seeking to replace its SARB settlement system participant, Absa Bank Limited (Absa), with Citibank N.A., South Africa Branch (Citibank).

2.3 In addition, Yoco applied for the removal of American Express (Amex) and Diners Club (Diners) from its designation, as Yoco would no longer participate in the Amex and Diners payment clearing houses (PCHs). The SARB has considered the requests and decided to vary the Designation Notice subject to the conditions specified in the Designation Notice and imposes additional conditions as outlined in paragraph 3.3 below.

3. Variation

3.1 The SARB considered the requests and deemed it necessary to vary the conditions of Yoco's designation as a DCSP as contained in the Designation Notice. The variation is in the interest of the safety and efficiency of the national payment system.

3.2 Therefore, I, Mr E L Kganyago, Governor of the SARB, hereby, in terms of section 6(3)(b) of the NPS Act and with effect from the date of publication in the *Government Gazette*:

- 3.2.1 Vary the Designation Notice by replacing Absa in paragraph 3.2.2 of the Designation Notice as the SARB settlement system participant for Yoco, and all references to Absa in paragraph 4 of the Designation Notice, with Citibank subject to the conditions in the Designation Notice and the following additional conditions:
- a. All the conditions that were applicable to Absa under paragraph 4 of the Designation Notice shall remain unchanged and apply to Citibank.
 - b. Citibank must regularly monitor the settlement values and volumes of Yoco against the total settlement value and volumes for Citibank, and report Yoco's percentage of Citibank's total settlement values to the National Payment System Department (NPSD) of the SARB on an annual basis.
 - c. Citibank must furnish the NPSD with a post-implementation annual report on its association with Yoco and as the SARB settlement system participant for Yoco, including any impact on its available liquidity.
- 3.2.2 Vary the Designation Notice by removing all references to participation in the Amex and Diners PCHs in paragraph 4.1.6.
- 3.3 The conditions listed under paragraph 4 of the Designation Notice and the conditions of this Variation Notice apply exclusively to the designation of Yoco 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^{12th} day of **February 2025**

Lesetja Kganyago

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E L Kganyago

Governor