



**OFFICIAL LAUNCHING OF GOING LIVE OF THE  
NATIONAL FINANCIAL SWITCH**

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**BOARD CHAIRMAN – ZAMBIA ELECTRONIC  
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**LUSAKA, ZAMBIA**

- Bankers Association of Zambia (BAZ) Chairperson & Managing Director of Eco Bank Zambia – Mr. Kola Adeleke
- Bankers’ Association of Zambia (BAZ) Chief Executive Officer – Mr. Leonard Mwanza
- Payments Association of Zambia Chairperson – Mr. Gilbert Lungu
- Zambia Electronic Clearing House Limited (ZECHL) Chief Executive Officer – Mr. Francis Lwanga
- Directors - Bank of Zambia
- Distinguish invited guests
- Members of the Press

Good morning ladies and gentlemen. It is my pleasure to welcome you all to this morning’s press briefing at which we formally announce the going live of the National Financial Switch (NFS). In actual fact, the switch went live on the 23<sup>rd</sup> September 2018 on a trial basis when the switching of automated teller machine (ATM) transactions were migrated from the Visa platform to the local platform which we are referring to as the National Financial Switch. To date, we have 14 out of the 18 Commercial Banks in Zambia connected to the Switch.

As result of this development, all domestic ATM transactions by the various commercial banks are now being switched/carried on the National Financial Switch Platform with effect from September last year. Prior to this migration all domestic card transactions were switched outside the country and treated as international transactions and were accordingly priced as such.

The trial period for the implementation of the ATM phase of this project has been a success. This means that debit or credit card holders can now transact on any of the 14 banks’ ATMs countrywide and their transactions will be switched locally through our National Financial Switch.

The establishment of the National Financial switch started in 2014, as a project under the auspices of the Zambia Electronic Clearing House Limited. This is a company owned by the Bank of Zambia and Commercial Banks but operates as an independent entity. It was established with the objective of providing interbank clearing and payment services in the country.

The National Financial Switch project, itself has been implemented as a two-phase project. Phase one involves switching ATM and Point of Sale (POS) transactions from

the VISA platform to the Switch and phase two will involve switching mobile payments transactions. While the switching of ATM transactions has gone live as already mentioned, the go-live date for the point of sale transactions is scheduled for the third quarter of 2019, which will effectively complete the implementation of phase one.

Phase two of the project, on the other hand, involves the implementation of mobile payments switching which will facilitate for interoperability among all mobile payment operators in the country. The implementation of this phase is already underway and it is expected to be completed by the end of the year. With its completion, customers will be able to send money or make payments using their phone or other mobile devices such as tablets to any other recipient regardless of which mobile network they subscribe to. Further, since the switch will interconnect with banks, non-bank financial institutions and other payment system service providers, customers will be able to transact:

- from a mobile money wallet to any other mobile money wallet;
- from a mobile money wallet to a bank account and vice versa

The National Financial Switch is the first ever local nationwide shared platform, which will facilitate for interoperability of digital payments throughout the Country. As we pursue a digital economy, the NFS will reduce the dependency on cash and its associated risks. And by providing stakeholders with shared infrastructure, it will also reduce acquisition and ownership costs for the service providers which should ultimately benefit customers through reduced fees and charges for the services that they get. When fully implemented, the NFS will bring about a wide range of benefits which will include among others;

- Reduced fees and charges to customers because of the removal of international switching fees;
- Convenient, easy access and usage of electronic payment systems (ATM, POS, Mobile) through multiple access points countrywide;
- Increased innovation by creating a common payments loop for ATM, POS, Internet Banking, Mobile Banking, Agency Banking and other customer driven e-commerce products and services that might be introduced into market;

- Reduced dependency on cash as people will have greater access to digital financial services. It will also increase the security of transactions as they will predominantly take place in an electronic environment as opposed to paper based payment instruments;
- Providing for near real time confirmation/validation of payment information and delivery of value to the customer. This will reduce delays in customers receiving funds or money or reduce time and costs for processing customer transactions;
- Allow for faster circulation of funds in the economy due to the reduced delays in customers receiving funds;
- Increased volumes of transactions which can be processed on one single platform which will be expected to result in lower costs thereby making payment transactions more affordable; and
- Increased financial inclusion through greater access and usage of financial services.

As I end, I would like to pay tribute to all the staff and Board Members of the Zambia Electronic Clearing House Limited for their dedication and single minded belief that this this project can be realised. We are also greatly indebted to commercial banks and Bank of Zambia for financing the acquisition of the switch and meeting costs associated with its implementation. The full implementation will be major milestone and will fundamentally transform the way we conduct business in Zambia with great benefits accruing to the economy as a whole.

I thank you.