



SOUTH AFRICAN RESERVE BANK

Directive in terms of the Regulation 11B(4A)(e)(i) of the Regulations issued in terms of section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002)

Matters related to precautionary measures to limit the spread of Coronavirus

Directive No. 2 of 2020

1. Legal Framework and Background

- 1.1. In terms of section 10(1)(c) of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), as amended (SARB Act), the South African Reserve Bank (SARB) is required to perform such functions, implement such rules and procedures and, in general, take such steps as may be necessary to establish, conduct, monitor, regulate and supervise payment, clearing or settlement systems. Furthermore, the National Payment System Act, 1998 (Act No. 78 of 1998) (NPS Act) provides for the management, administration, operation, regulation and supervision of payment, clearing and settlement systems in the Republic of South Africa, and to provide for connected matters.
- 1.2. The national payment system (NPS) encompasses the entire payment process, from payer to beneficiary, and includes settlement between banks. The process includes all the tools, systems, mechanisms, institutions, agreements, procedures, rules or laws applied or utilised to effect payment. The NPS enables the circulation of money, that is, it enables transacting parties to exchange value. The NPS further contributes to the economy and financial stability in South Africa.

- 1.3. The spread of the Coronavirus (COVID-19) is having an increasingly significant impact on global economic activity and has placed the local economy and the financial system under immense strain.
- 1.4. On 15 March 2020, President Cyril Ramaphosa (the President) declared COVID-19 as a national disaster and announced measures to mitigate the impact on the economy. Following this declaration, on 23 March 2020, the President announced a 21-day nationwide lockdown period, from midnight on Thursday, 26 March 2020 until midnight on Thursday, 16 April 2020, which was subsequently extended on 9 April 2020 to end on 30 April 2020, during which time the movement of persons is restricted in order to contain the spread of COVID-19.
- 1.5. In terms of Regulation 11B(4A)(e)(i) of the Regulations issued in terms of the Disaster Management Act, 2002 the SARB must issue directives to institutions under its jurisdiction to take appropriate precautionary measures when performing essential financial services in terms of the Regulations in order to limit staff at offices to the minimum and to take other precautionary measures to limit the spread of COVID-19.
- 1.6. Further, the SARB may exercise its functions in terms of the NPS Act in the regulation, supervision and oversight of essential financial services referred to in paragraph 3.1 and 3.2 of Part B of Annexure B of the Regulations.
- 1.7. The SARB may also issue guidance and other directives in relation to the performance of essential financial services in terms of the Regulations.

2. Objective and Purpose

- 2.1. The objective of this Directive is to complement the respective nationwide measures being put in place to contain the spread of COVID-19. It has become necessary to issue specific directives to payment institutions to take appropriate precautionary measures when performing essential financial services in terms of

the Regulations, in order to limit staff at offices to the minimum and to take other precautionary measures as set out herein to limit the spread of COVID-19.

3. Interpretation and Definitions

- 3.1. In this Directive, “the Act” means the Disaster Management Act, 2002 (Act No. 57 of 2002) and “the Regulations” means the Regulations issued in terms of section 27(2) of the Act, as published in *Government Gazette* 43107 dated 18 March 2020, as amended from time to time, and any word or expression to which a meaning has been assigned in the Act or the Regulations, bears the meaning so assigned to it and, unless the context indicates otherwise –

“**Directive**” means this Directive No. 2 of 2020.

“**Payment institution**” means an entity that is currently designated, authorised or registered, and/or regulated under the NPS Act.

“**SARB**” means the South African Reserve Bank.

4. Directive

- 4.1. This Directive is applicable to a Payment institution performing essential services as outlined in paragraph 3.1 and 3.2 of Part B of Annexure B of the Regulations.
- 4.2. Based on the aforesaid, and in accordance with the provisions of Regulation 11B(4A)(e)(i) of the Regulations, Payment institutions are hereby directed to, at all times during the lockdown period:
- 4.2.1. have in place sufficiently robust processes and procedures to identify the relevant critical activities, processes and people that are necessary to operate and continue to provide essential financial services, as contemplated in the Regulations issued from time to time in terms of section 27(2) of the Act;

- 4.2.2. take appropriate precautionary measures, including to appropriately limit the number of staff required to be at offices in order to provide the relevant required essential financial services to the public in terms of the Regulations to a minimum, duly taking into consideration, among others, the relevant restrictions announced from time to time on numbers of persons and adequate space between people;
- 4.2.3. ensure, to the greatest extent possible, that staff work off-site or remotely;
- 4.2.4. minimise the movement of persons required to be at offices to provide the relevant required essential financial services to the public envisaged in the Regulations issued from time to time in terms of section 27(2) of the Act; and
- 4.2.5. take all reasonable steps and precautionary measures to contain the spread of COVID-19 during the process of delivering essential financial services to the public.

5. Conclusion

- 5.1. This Directive is not exhaustive and may be supplemented or amended during the period of nationwide lockdown.
- 5.2. This Directive is effective from the date of publication by the SARB.

Any enquiries or clarification concerning this Directive may be sent to:

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