



IMPLEMENTATION OF THE PAN-AFRICAN PAYMENT AND SETTLEMENT SYSTEM (PAPSS) FROM K2

BUSINESS REQUIREMENT DEFINITION

Version 8.0

2/11/2022

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VERSION HISTORY

Version Number	Action	Name	Revision Date	Approved By	Approval Date	Description of Change
8.0	Created by	Created by	21/10/2022			Drafted the business requirements and solution functionalities
8.1	Modified by	Eyitemi Egodo	2/11/2022			Updated the business requirements and solution functionalities.

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1.0 INTRODUCTION

1.1 PURPOSE OF THE BUSINESS REQUIREMENTS DEFINITION

This Business Requirement Definition document describes the development required for **Pan-African Payment and Settlement System (PAPSS)**.

The intended audience are the business analyst, enterprise architect, quality assurance, and any stakeholder whose input/approval into the requirements definitions process is required.

1.2 BUSINESS REQUIREMENTS OVERVIEW

The African Export-Import Bank (Afreximbank), in anticipation of the coming into force of the African Continental Free Trade Agreement (AfCFTA) and in recognition of challenges to cross-border payments in Africa, in 2017 launched an initiative to create a pan-African platform and infrastructure for the efficient conduct of cross-border payments as a way to enhance the growth of intra-African trade.

In collaboration with the AU, Afreximbank developed a payment and settlement platform dubbed the "Pan-African Payment and Settlement System (PAPSS)", which will enable payment for intra-African trade in national currencies, thereby reducing the foreign currency cost of the trade.

1.3 SCOPE

Unique ID	Requirement Description
BR001	Integration of K2 to PAPSS for customer trans-border transaction processing.

1.4 PROJECT BENEFITS

The key objectives for implementing the PAPSS are to:

- Increase intra-African trade
- Facilitate economic and regional integration
- Reduce the cost of cross-border payments across Africa
- Reduce duration and time Variability of cross-border payments across Africa
- Decrease liquidity requirements of commercial banks for cross-border payments
- Decrease liquidity requirements of Central Banks for settlement as well as its own payments
- Disintermediate correspondent banking relationships for intra-African trade payment flows
- Strengthen Central Banks' oversight of cross-border payment systems

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2.0 SOLUTION OVERVIEW

The business aims to ensure cross-border transfer using local currency for all Polaris Bank customers allowing transfers within pan African countries.

2.1 ASSUMPTIONS, CONSTRAINTS AND DEPENDENCIES

Assumptions

- Modifications will be required on K2
- Modifications will be done to FCUBS
- Processing of the transfer will be initiated on the K2 portal
- The transfer request will be initiated from the Single window trade portal system
- PAPSS settlement account will be pre-funded at intervals

Constraints

- The customer will fill a out form and visit a branch to complete the request
- The Single windows trade portal system will not send information filled to Polaris Bank

Dependencies

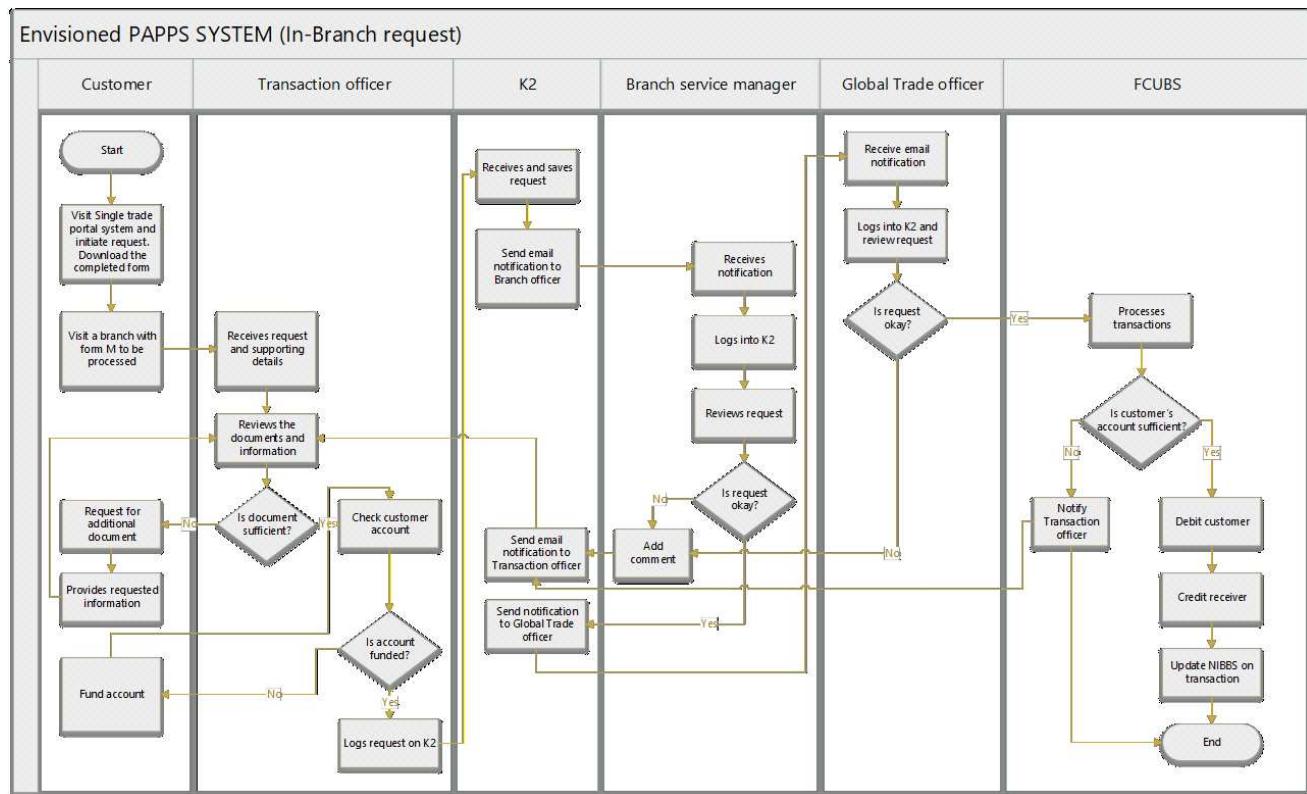
- The Single window trade portal system is up and running.
- The correct settlement and reconciliation entries have been provided
- Flex cube is up and running
- K2 is up and running
- Availability of the test environment
- Email services are up and running
- PAPPS settlement (Inwards and Outwards) TSS accounts are up and running
- The Bank's account with PAPSS must be funded.

2.2 AS-IS PROCESS FLOW

NA

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2.3 TO-BE PROCESS FLOW DIAGRAM



3.0 USE CASE

Actors	Goals
Customer	To transfer money to pan African countries
Transaction officers	Initiate customer transfer request on K2
Branch Managers	To review and authorize transactions
Global Trade officer	To review and authorize transactions

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3.1 USE CASE DETAILS

Use Case ID	PTP01	
Use Case Name	PAPPS Transaction Processing	
Description	As a customer, I want to be able to make payments to another country using PAPPS at the branch	
Actors	Customer	
Pre-conditions	<ul style="list-style-type: none"> • The customer has an account with Polaris Bank • The customer already initiated the request on TRMS 	
Post-conditions	<ul style="list-style-type: none"> • The customer account is debited and the beneficiary is credited. 	
Normal course of events	Actor Action	System Action
	1. Customer logs in to single trade portal initiates a transfer request and downloads the completed request form.	2. NA
	3. Customer visits the branch with the Form downloaded and other supporting documents	4. NA
	5. The transaction officer at the branch reviews the customers request and logs the request for approval of the Branch Service Manager on K2.	6. K2 uses the CBN exchange rate and computes the total amount to debit the customer (fee inclusive). 7. K2 sends a notification message to the Branch service manager for review and approval.
	8. Branch Service manager logs into K2 to review and approve the request	9. If the transaction is approved, notification is sent to Global trade team to process the request further Else; 10. The request is sent back to the Transaction officer
	11. Global trade team logs into K2 to approve the transaction.	12. If the transaction is approved, K2 calls FCUBS to pass the debit and credit entries.

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		Else; 13. The request is rejected and sent back to the branch service manager.
<i>Alternate courses</i>	Actor Action	System Action
<i>Exceptions</i>	N/A	
<i>Includes</i>	None	
<i>Priority</i>	High	
<i>Frequency of Usage</i>	As required	
<i>Business Rules</i>	1. Validate that the customer's account balance is more than the amount entered to be processed + Fees. 2. Ability to upload required documentation on K2 by the transaction officers	
<i>Special Requirements</i>	None	
<i>Assumptions</i>		
<i>Notes and Issues</i>		

4.0 FUNCTIONAL REQUIREMENTS

4.1 GENERAL REQUIREMENTS

Requirement Name	Requirement ID	Requirement Description
Request Initiation	FR001	The system shall allow a transaction officer to fill the transaction form to include: <ul style="list-style-type: none"> • Sender's Name • Sender's Account details • Beneficiary's Bank name • Beneficiary's account details • Region • Rate (To be auto filled based on the daily CBN rate) • Sending Amount

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Process Flow management on K2	FR002	The system shall allow the transaction officer upload the necessary supporting documents such as: <ul style="list-style-type: none"> • Form M • Any other required documents (At least 3 supporting documents)
	FR003	The system should have the functionality to allow transaction officer view the transaction rate for each transaction
	FR004	The system should have the functionality to allow the transaction officer view the summary of each request before submission
	FR004	On creation of a request by the Transaction officer, the request is sent to the Branch manager.
	FR005	The branch manager should have the functionality to view the details of the request. Details should include: <ul style="list-style-type: none"> • Sender's Name • Sender's Account details • Beneficiary's Bank name • Beneficiary's account details • Region • Sending Amount • Conversion rate • Transaction charges • Amount recipient will receive in local currency. • Attached documents
	FR006	The system should have the functionality to allow the branch Manager to review and action (Approve and reject) a request made.
	FR007	The system should have the functionality to allow the branch manager add a comment to a request.
	FR008	On approval of the request by the branch manager, the request is sent to the global trade office team.
	FR009	On rejection of the request by the branch manager, the request is sent to the transaction officer for modification.
	FR0010	The global trade officer should have the functionality to view the details of the request. Details should include: <ul style="list-style-type: none"> • Sender's Name • Sender's Account details • Beneficiary's Bank name • Beneficiary's account details • Region • Sending Amount • Conversion rate • Transaction charges • Amount recipient will receive in local currency. • Attached documents
	FR0011	The system should have the functionality to allow the global trade officer to review and action (Approve and reject) a request made.
	FR0012	The system should have the functionality to allow the global trade officer add a comment to a request.

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	FR0013	On approval of the request by the global trade officer, the entries are passed to flex cube for processing
	FR0014	On rejection of the request by the global trade officer, the request and the comment is sent back to the transaction officer.
Transaction Processing	FR0015	Upon approval by the Supervisor, Global Trade, the K2 system should pass the required entries: <ul style="list-style-type: none"> • Debits customer with Transfer amount and Comm+ VAT and credits Polaris Clearing account and designated Comm /VAT GLs.
	FR0016	Upon passing of entries on the FCUBs, the system should update NIBSS with transaction status via an API
Email Notification	FR0017	The transaction officer should be able to receive an email upon successful initiation of customer's request on K2.
	FR0018	The transaction officer should receive email notification on request approved or rejected by the Branch manager, global trade officer.
	FR0019	The branch manager should receive email notification on a pending request on K2.
	FR0020	The branch manager should receive email notification on request approved or rejected by the global trade officer.
	FR0021	The Global Trade desk should be able to receive notification that a transaction is waiting for review.
Reporting	FR0022	Approved requests of transactions processed via K2 should reflect on the K2 portal
		Report 1 Transaction reports performed on K2
		Unit Name Global Trade Group
		Purpose of Report Performance by Platform K2
		Report Description This report gives details of the performance of the number of transaction processed using the K2 platform.
		Report Frequency Daily
		Prompts Aggregate by date starting with the most recent
		Users Global Trade officers, Audit, Internal Control, Settlement and reconciliation

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Column Name	Description
Transaction ID	Uniquely identifies the transaction
Sender's Account Name	The Name of the sender
Sender Account Details	Account of the sender debited
Beneficiary Account Name	Account Name of the Beneficiary
Beneficiary Bank Details	Bank details of the beneficiary to include: <ul style="list-style-type: none"> • Bank Name • Bank Account number
Region	Beneficiary region
Amount sent	Amount sent in Naira
Amount received	Amount received in local currency
Rate	Transaction conversion rate
Charges	Transaction charges
Transaction Date	Date Transaction was completed
Transaction Time	Time transaction was completed

4.2 NON FUNCTIONAL REQUIREMENT

4.2.1 Usability Requirement

ID no	Requirement
UR001	The K2 application for inputting customer request must be easy to navigate and use.

4.2.2 Hardware Requirements

ID no	Requirement
HR001	Existing hardware servers will be utilized

4.2.3 Software Requirements

ID no	Software Requirement
SR001	Existing software requirement will be utilized

4.2.4 Performance Requirements

ID no	Performance Requirement
PR001	The application should be available always i.e. 100% availability

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PR002	The application response time should not exceed 120 seconds.
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4.2.5 Supportability Requirements

ID no	Supportability Requirement
SR001	The solution must be developed with flexibility to allow for scalability
SR002	The solution architecture and code structure must be simple to allow for ease of maintenance

4.2.6 Security Requirements

ID no	Security Requirement
SR001	The system shall maintain a detailed audit trail and time stamp of all transaction performed.

4.2.7 Interface Requirements

ID no	Interface Requirement
IR001	API Gateway

4.2.8 Compliance Requirements

ID no	Compliance Requirement
CR001	The solution must comply with all requisite internal policy and regulatory policy.

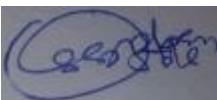
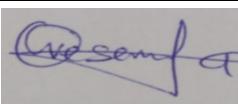
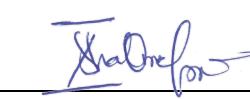
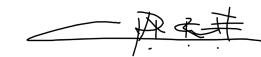
5.0 Requirements traceability Matrix

ID no	Customer Need	Requirement reference in FRD	Priority
R001	BR001	FR001 – FR022	High

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5.1 REQUIREMENTS DEFINITION APPROVAL

The undersigned acknowledge they have reviewed the Business Requirements Definition and agree with the approach it presents. Any changes to this Requirements Definition will be coordinated with and approved by the undersigned or their designated representatives.

Name/Designation	Role	DATE	Signature
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Olusegun Phillips	Chief Information Officer		
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5.2 Appendix A: Key Terms

The following table provides definitions for terms relevant to this document.

Abbreviation/Acron ym	Description
PAPPS	Pan African Payment platform system
K2	Polaris Bank Workflow management system
NIBSS	Nigerian interbank settlement systems
FCUBS	Flex cube