



Principles for Financial Market Infrastructures Workshop



CENTRAL BANK
OF ESWATINI
Umntsholi Wemaswati

www.centralbank.org.sz



Bek'-elanga

Re-imagining Central Bank for
a sustainable future

Assessment of Responsibilities of Regulators of FMIs

29 January. 2024

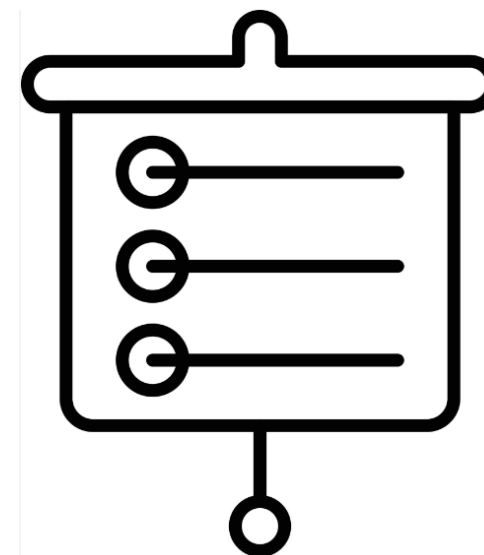
Presented by

**Fikile Shongwe – Lead Specialist
Payment Systems Oversight**



Outline

- Responsibility Assessment Experience
- Designated payment systems
- Challenges



Responsibility Assessment Experience

- Enhanced/assisted the Bank in the review of its payment systems law and regulations
 - Improved and more explicit mandate of the Central Bank
 - Designation criteria in NPS Act, Oversight Policy Framework
 - Includes oversight and supervision of payment systems
 - NPS Act mandates the Central Bank to carry out oversight and supervision of payment systems.
 - Formulation of regulations to operationalize the NPS Act
- Improved cooperation with other stakeholders
 - Internal cooperation - Financial regulation, AML, ICT
 - We have MOUs with other regulators and if there is anything of interest, we share information. E,g. mobile money services provided by MNOs – Telecomms regulator
 - Investigations done together



Responsibility Assessment Experience

- Importance of disclosure of policies
 - NPS Act, 2023, CBS Order 2004 (as amended), Frameworks and guidelines are accessible in the Bank's website
- Central Bank of Eswatini has embraced/adopted the principles for financial market infrastructures
 - Principles are applied to all payment systems designated as systemically important, SWIPS

Designated Payment Systems

- Systemically Important payment systems
 - Real Time Gross Settlement system
 - Central Securities Depository
- SWIPS
 - Mobile Money Service Providers
- CB owns and operates RTGS, CSD

- Inadequate resources – Human Capital
- PFMI applied on RTGS, CSD, clearing house not yet on MMSPs
- Inconsistency in application of PFMIs
 - stricter on FMIs outside CB leniency on CB
- There is a thin line between being owner, operator and overseer of the same system.
 - CBE the RTGS is owned and operated by the Bank under the NPS Division and overseen by the same division
 - CSD operated by FMD and the NPS comes in during the assessment of compliance to PFMI
 - Delays in policy reviews
- No reviews CB assessment for compliance on responsibilities
 - We need an entity to do an independent review once we have done our own assessment.

Thank you.

Siyabonga

