



What is PAPSS?

PAPSS, the Pan-African Payment & Settlement System is a centralized financial market infrastructure. It facilitates the payment for and settlement of intra-African trade of goods and services in multiple African currencies.

It is designed to effect instant payments in local currencies and use Central Banks or Commercial banks as settlement agents.



How does it work?

In order to enable instant payments across African borders in local currencies, PAPSS supports three core processes :

Instant payment

Instant payment eliminates the need to convert local currencies into hard currencies, which took days to convert and send back to the recipient bank. System compliance, legal, and sanctions checks are also instantaneous – payments process takes up to 120 seconds.

Pre-funding

Before moving debits and credits across participants' accounts, PAPSS must ensure that funds are available to execute the originator's transaction due to the speed of instant payments. Thus, pre-funding is required.

Net settlement

Instead of settling each bilateral transaction individually, PAPSS performs a multilateral net settlement. This means that PAPSS aggregates all incoming and outgoing transactions between settlement agents and simply settles the net position. This position is further deducted from the settlement account of the debtor and sent to the creditor.



What are the Settlement models operated in PAPSS?

Currently, PAPSS operates 2 settlement models

Central Bank Settlement model (SSA-1)

Country or region where the Central Bank accepts to provide the Hard currency for the settlement of PAPSS transactions. The bank will pre-fund its account at Afreximbank

Commercial Bank Settlement model (SSA-3)

Country or region where the Central Bank is unable to provide the Hard currency for settlement but allows the commercial banks in its jurisdiction to play this role. Commercial banks will open an account at Afreximbank and fund it in FX.



What are the key benefits of PAPSS?

- Instant Payments made in local currencies thereby domesticating intra-African trade payments.
- Compliance, legal and sanctions checks are performed instantly within the system and payments are processed within 120 seconds.
- Settlement is on a Multilateral Net Basis and agreed settlement currencies.
- PAPSS Operates on a 24x7 basis.
- PAPSS charges are less expensive than any current global payment system.



How PAPSS operates

For PAPSS to operate effectively in a given country or region, it must sign an agreement with the Central Bank, which can either be a participant (SSA-1) or play a supervisory role (SSA-3). Then, the commercial banks in the market integrate with PAPSS, allowing their customers to transact.

Fintechs currently have to link via commercial banks in order to utilise PAPSS.



Which countries can I presently send and receive money with PAPSS?

PAPSS is up and running in Nigeria, Ghana, The Gambia, Liberia, Guinea*, and Sierra Leone*. Integration is ongoing in Djibouti, Kenya, Zambia and Zimbabwe, while negotiations are in progress in other countries. List of countries will be updated periodically.

Scan the QR code to see the list of live commercial banks.



*Inflows only

We are in a journey towards creating a single African market

- **2018** : System development commenced and WAMZ agrees to Pilot with PAPSS.
- **2019** : Adoption and endorsement by the African Union Heads of State.
- **2020** : The Governing Structure of PAPSS is formed.
- **2021** : Operational rollout of PAPSS. Live transactions commence between West African Monetary Zone Central banks.
- **January 2022** : PAPSS launched for commercial use.
- **September 2022** : Commencement of customers transactions.
- **April 2023** : partnership with the ASEA (African Stock Exchanges Association) to facilitate and promote a more efficient payment and settlement of transactions of securities across borders to improve the overall landscape of securities markets in Africa.
- **June 2023** : Introduction of the Commercial bank settlement model and partnership with 5 African Group banks to roll out PAPSS throughout their extensive subsidiary network on the continent.

The journey continues...

Our fast-growing network

Following a successful pilot phase in the West African Monetary Zone (WAMZ) with participating Central Banks of Nigeria, Ghana, Liberia, Guinea, Gambia and Sierra Leone; PAPSS as a Pan-African payment system is now focused on partnering with other Central Banks and onboarding commercial banks to cover the 5 regions of the African continent.

Central Banks (11)



Switches (5)



Strategic Partners (12)



Commercial Banks (80+)



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PAPSS
Pan-African Payment
& Settlement System

A 7-Minute Guide to PAPSS

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