



BANK OF SOUTH SUDAN (BoSS)

Office of the Governor

September 29, 2025

Circular No.06: BoSS/OG/NPS/C/09/2025

Subject: **Functions of the Bank of South Sudan as Operator and Regulator of the National Payment Systems in South Sudan**

To:

- All Commercial Banks
- Payment System Providers
- Operators of Payment Systems
- Issuers of Payment Instruments

1. Title and Commencement

This Circular shall be cited as **“Functions of the Bank of South Sudan as Operator and Regulator of the National Payment Systems in South Sudan”** and shall come into force on the date of signature by the Governor of the Bank of South Sudan.

2. Purpose

The purpose of this Circular is to:

- a) Define the functions of the Bank of South Sudan as the Operator and Regulator of the National Payment Systems in South Sudan.
- b) Prescribe the rules governing oversight and protection of payment systems.
- c) Provide for financial collateral arrangements to regulate payment service providers.
- d) Regulate the issuance of electronic money.
- e) Provide oversight of payment instruments and other related matters.

3. Authority and Application

1. This Circular is issued pursuant to Section 12(1) of the **Bank of South Sudan Act, 2011 (Amendment, 2023)**, which authorizes the Bank to issue circulars to fulfil its statutory responsibilities.



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2. This Circular applies to all matters relating to payment and settlement systems in South Sudan, including:

- a) Operators of payment systems.
- b) Payment service providers.
- c) Issuers of payment instruments.
- d) Issuers of electronic money.

4. Operation of Payment Systems

- 1. The Bank of South Sudan shall operate the national payment system infrastructure, which includes:
 - a) The Real Time Gross Settlement System (RTGS).
 - b) The Automated Clearing House (ACH).
 - c) The Central Securities Depository (CSD) for government debt securities.
 - d) Cross-border payment systems.
- 2. Other payment systems may be operated by private entities under the supervision and oversight of the Bank, including switches, electronic money systems, aggregators, integrators, and other licensed payment systems.

5. Oversight of the Payment System

The Bank of South Sudan shall exercise regulatory, supervisory, licensing, and general oversight functions over payment systems to ensure their safety, efficiency, and integrity.

6. Licensing of Payment Systems

- 1. No person or entity shall operate a payment system, issue a payment instrument, or provide payment services without a license issued by the Bank of South Sudan.
- 2. A person or entity contravenes subsection (1) above, commits an offence and shall be liable to a fine as may be determined by the Bank of South Sudan from time to time.
- 3. A person or entity convicted of an offence under subsection (2) above, shall immediately cease offer payment services, operate a payment system, or issue a payment instrument, failure to do so he/she shall be liable to further fine as may be determined by court or to imprisonment for a term not exceeding three years or both.
- 4. A person or entity who wishes to offer a payment service, operate a payment system or issue a payment instrument shall apply to the Bank of South Sudan for a license.



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5. Supervised institutions in South Sudan that providing payment services under the Banking and other financial Institutions Act as amended 2023, are exempted from the requirement to obtain a license from the Bank of South Sudan under this Circular, however, they shall be subjected to any relevant monitoring requirement imposed by the Bank of South Sudan under this Circular.
6. A payment system shall be eligible to apply for licensing if it undertakes any of the following:
 - a) Clearing of payment instructions between financial and non-bank institutions.
 - b) Settlement of obligations arising from clear payment instructions.
 - c) Transfer of funds between accounts using electronic devices.
 - d) Transfer of electronic money between devices.
 - e) Provision of switching, routing, clearing, or data management services.
 - f) Provision of electronic payment services to unbanked or underbanked populations.
 - g) Provision of financial communication networks.
 - h) Ordering or transmitting payment instructions.
 - i) Storing information on a device for payment purposes.
 - j) Fulfilling payment obligations at points of sale, merchant outlets, or online.
7. The Bank shall grant licenses at its discretion, subject to compliance with requirements and conditions prescribed in this circular.
8. Licenses shall be renewed annually unless they are revised by the Bank.
9. A licensee shall not conduct activities outside the scope of its license.

7. Application for a license

1. An application for a license to provide a payment service or to operate a payment system, or issue a payment instrument shall be submitted to the Bank of South Sudan in the prescribed manner, together with payment of the fees as may be determined by the Bank from time to time, and provide the following information:
 - a) Documents of registration include a certified copy of certificate of incorporation and the memorandum and articles of association and other related legal documents.
 - b) Evidence that the applicant will hold initial capital as determined by the Bank of South Sudan.
 - c) An identification and description of the type of payment service the applicant intends to provide.



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- d) A declaration on whether the applicant plans to provide payment services in other countries after the granting of the license.
- e) A business plan, including a budget forecast, for five financial years from the date the applicant intends to provide the payment service, and which demonstrates that the applicant can employ systems, resources and procedures in the provision of the payment service that are appropriate, proportionate and sound.
- f) A description of the measures taken to safeguard funds of a consumer of the payment service.
- g) A description of the applicant's governance and management arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrate that these management arrangements and internal control mechanisms and procedures are appropriate, sound, and adequate.
- h) A description of how the applicant will settle the payment obligations arising from its provision of payment transactions.
- i) A description of the internal control mechanisms which the applicant has established to comply with obligations in relation to anti-money laundering and terrorist financing.
- j) A signed document detailing the features and operational modalities of all IT interfaces including the operating systems and software explaining at a minimum the following:
 - (i) Description (including diagrams) of the configuration of the institution's payment system and its capabilities showing:
 1. How the payment system is linked to other host systems or the network infrastructure in the institution.
 2. How transaction and data flow through the network, settlement process, and timing.
 3. What types of telecommunication channels and remote access capabilities.
 - (ii) What security measures are installed?
 - (iii) A list of software and hardware components indicating the purpose of the software and hardware in the infrastructure.
 - (iv) How the system is interoperable with other existing payment systems.
- k) Description of the business continuity arrangements consisting of a business impact analysis, the identification of the back-up site, access to IT infrastructure, and its key software and data to recover from a disaster or disruption.



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- l) Policies and procedures for transacting with customers include disclosure requirements, complaints handling, prices, and redress mechanisms.
 - m) Information on the public interest that will be served by the provision of the payment service.
 - n) A description of the applicant's organizational structure including, if applicable, information about proposed agents, branches, outsourcing arrangements, and participation in international payment system.
 - o) List of owners and the percentage of shares owned by each.
 - p) The identity of directors of the applicant and the persons responsible for managing the provision of the payment service by the applicant; and
2. Where the Bank of South Sudan is dissatisfied with the information submitted by the applicant for purposes of processing the application for a license, the Bank may request additional information before making a final decision; and,
 3. If the applicants fail to provide all the documents and information necessary within 3 (three) months from the date of applying for license, the Bank of South Sudan may cancel the licensing application.

8. Issuance of License

An Applicant shall be granted a license to provide a payment service, operate a payment system, or issue a payment instrument if the Bank of South Sudan is satisfied that the applicant:

- a) is a corporate body registered under the laws of South Sudan.
- b) has the prescribed paid-up capital and capital adequacy requirement.
- c) has suitable and sufficient technical and organizational skills to provide a payment service including the proper mechanisms to achieve internal control and risk management as related to the provision of services.
- d) has a mechanism to safeguard funds which have been received from consumers of a payment service or through another payment service provider for the execution of payment transactions, by not making them commingled at any time with the funds of third parties and making them insulated against the claims of other creditors of the service provider, in particular in the event of insolvency.
- e) has a detailed strategy and business plan supported by realistic estimations in the budget forecast for five years.
- f) evidence that relevant persons meet the fit and proper criteria as determined by the Bank of South Sudan.
- g) guarantees liquidity of the settlement of orders accepted by the system and this is protected from credit risk.



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- h) adequate arrangements to ensure interoperability with other payment systems and service providers.
- i) has in place adequate business continuity arrangements.
- j) has sufficiently indicated that the grant of a license is consistent with the objectives of protecting financial stability and is in the interest of the public; and
- k) satisfies any other condition that the Bank of South Sudan considers necessary.

9. Renewal of the License

1. A license granted pursuant to this Circular shall be renewed annually upon payment of required fees and continued meetings of the license requirements.
2. The Bank of South Sudan shall maintain a registry of all payment and settlement system operators licensed under this Circular.

10. Revocation of a License

1. The Bank may revoke a license for:
 - a) Failure to comply with applicable laws.
 - b) Failure to adhere to directives or guidelines issued by the Bank.
2. Revocation should be published in at least one daily newspaper.
3. An aggrieved party may appeal to a competent court within 30 days of receipt of the revocation decision.
4. The Bank may, where appropriate, impose corrective measures instead of revocation or suspension.
5. Corrective directives may include cessation of specified acts, compliance with Bank directives, or submission of required information.
6. Non-compliance with directives shall attract sanctions under the **Banking and Other Financial Institutions Act, 2012 (Amendment, 2023)**.
7. Revocation or suspension of a license shall not affect pre-existing obligations, transactions, or arrangements lawfully entered before the revocation or suspension.

11. Duties of Licensees and Participants

A payment system provider, operator, or issuer of a payment instrument shall:

- a) Open and maintain settlement accounts with the Bank of South Sudan.
- b) Maintain accurate records of all payment transactions.



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- c) Develop rules on access, suspension or exclusion of participants, risk management, business continuity, and irrevocability of transfer orders, subject to Bank approval.
- d) Publish approved rules within 14 days, electronically or via official website.
- e) Submit operational returns, in line with the **Right to Access to Information Act, 2013**.
- f) Provide the Bank with accurate operational data (failure shall attract penalties per day of default).
- g) Safeguard the privacy of participants and customers, with disclosure only under court order or with consent.
- h) Comply with consumer protection requirements prescribed by the Bank.
- i) Ensure advertisements contain true information (breach constitutes an offence punishable by imprisonment of up to two years).
- j) Ensure continuous service availability within prescribed operational hours.
- k) Establish and maintain a primary data center in South Sudan.

12. Electronic Money and Electronic Transfers

1. An Electronic Money Issuer (EMI) is a payment service provider licensed by the Bank to issue electronic money.
2. Issuance and use of electronic money shall be subject to the **Electronic Money Regulation, 2025 (Amendment)**, covering licensing, trust accounts, minimum requirements, account types, transaction limits, prohibited activities, and consumer protection.
3. EMIs shall only issue electronic money upon deposit of an equivalent amount of cash into a trust or special account approved by the Bank.
4. EMIs shall be financial institutions or microfinance deposit-taking institutions licensed by the Bank.
5. Trustees of trust accounts shall be corporate bodies approved by the Bank.
6. Interest earned shall be credited to a separate account and distributed by the Bank for the benefit of consumers.
7. Funds in trust or special accounts shall not be subject to attachment, assignment, or transfer in settlement of debts.
8. Where an EMI is not a financial or microfinance institution, it must establish a subsidiary entity for issuance of electronic money, subject to licensing by the Bank.



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13. Duties of Trustees

Trustees managing trust accounts for electronic money shall:

- a) Manage trust and interest accounts on behalf of customers.
- b) Safeguard deposited funds.
- c) Ensure parity between funds in trust accounts and electronic money issued.
- d) Ensure that interest is distributed for the benefit of customers.
- e) Perform any other duties prescribed by the Bank or EMI.

14. Duties of Electronic Money Issuers

1. An EMI shall:

- e) Maintain 100% of issued electronic money in liquid assets approved by the Bank.
- f) Mitigate concentration risk by diversifying holdings across institutions.
- g) Segregate trust funds from all other funds.
- h) Distribute accrued interest for consumer benefit.
- i) Publish annual audited financial statements.
- j) Monitor issuance of electronic money.
- k) Install systems with inbuilt audit trails as prescribed.
- l) Not treat airtime as electronic money, though airtime may be used as a permissible transaction medium.
- m) Not transfer or terminate licenses, change ownership, or terminate issuance activities without prior Bank approval.

2. Electronic money may be used for:

- a) Domestic payments and transfers.
- b) Merchant and utility payments.
- c) Bulk transactions, including salaries, benefits, and pensions.
- d) Cash-in and cash-out services.
- e) Cross-border payments.
- f) Savings, credit, and insurance products.

15. Dormancy, Deactivation, and Closure of Accounts

- 1. An account shall be deemed dormant after nine (9) consecutive months of inactivity.
- 2. The EMI shall notify the customer at least one month before the expiry of this period.
- 3. If no activity occurs, the account shall be suspended and blocked, with procedures for reactivation communicated to the customer.



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4. If blocked for an additional six months, the trustee shall transfer balances and account details to the Bank.
5. Within seven (7) years of closure, the Bank shall refund unclaimed balances to the account holder or their legal representative.

16. Risk management

1. A payment system provider, operator of a payment system or issuer of a payment instrument shall ensure to establish appropriate risk management mechanisms and implement operational and security safeguards to mitigate financial risk and ensure safety and integrity of the payment system and relevant transfers.
2. A payment system provider, operator of a payment system or issuer of a payment instrument shall ensure that they have resources and capacity in terms of expertise, resources, hardware, software, and other operating capabilities to deliver consistently safe, reliable service and measures to ensure operational reliability shall include:
 - a) appropriate systems which are robust in design, development, testing, modulars to cater to new requirements, implementation, and monitoring.
 - b) strong internal controls for systems and personnel administration.
 - c) comprehensive and well-determined operational and technical procedures to ensure operational safety and reliability.
 - d) a system designed with sufficient capacity which is monitored and upgraded ahead of business changes.
 - e) robust clearing and settlement arrangements.
 - f) robust business continuity, including a reliable back-up system.
 - g) timely and accurate audit trail and the capability to provide statistical information and reports; and,
 - h) adequate accounting systems and proper reconciliation processes.

17. Cyber risk and cyber security

1. A payment system provider, operator of a payment system or issuer of a payment instrument must implement a clear and comprehensive cyber resilience framework.
2. framework mentioned in subsection (1) above should place a high priority on safety and efficiency of operations, cyber resilience objectives, as well as the requirements for people, processes, and technology necessary to manage cyber risks.



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3. Framework mentioned in subsection (1) above should include procedures for:
 - a) timely communication and collaboration with relevant stakeholders, which should be supported by clearly defined roles and responsibilities of the payment system provider's board (or equivalent) and its management.
 - b) identification and classification of business processes, information assets, system access, and external dependencies towards better understanding of the payment system provider's internal situation, which includes the cyber risks that the entity bears from and poses to all stakeholders with whom its system may be interconnected.
 - c) implementation of appropriate and effective controls and design systems and processes consistent with cyber resilience and information security practices.
 - d) implementation of effective monitoring and processing tools for the detection of cyber incidents and its reporting.
 - e) regular rigorous testing of all elements of the cyber resilience framework to ensure efficiency and effectiveness.
 - f) monitoring of the cyber threat landscape, and acquiring actionable threat intelligence to validate its risk assessments, strategic direction, resource allocation, processes, procedures, and controls with respect to building cyber resilience; and
 - g) ongoing re-evaluation and improvement of cyber resilience framework.
4. The Bank of South Sudan based on risk profile reserves the right to impose such conditions and limits on payment system providers, operator of a payment system or issuer of a payment instrument and the agents of payment system providers as deemed necessary.
5. The conditions and limits mentioned in subsection (4) above may include the extent and nature of operations, the payment instruments and services that may be offered, and the limits on the monetary values on operations and transactions.

18. Use of agents

1. A payment system provider, operator of a payment system or issuer of a payment instrument is required to obtain a written authorization from the Bank of South Sudan prior to the engagement of agents.
2. A payment system provider, operator of a payment system or issuer of a payment instrument in applying for authorization to engage agents, shall provide the following information and documents to the Bank of South Sudan to inform the review and authorization processes:



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- a) details of the criteria that will be used by the payment system providers, operator of a payment system or issuer of a payment instrument for selecting and appointing agents.
 - b) name, address, and location of agents.
 - c) Other relevant documents and information on agents include:
 - i. a completed personal questionnaire.
 - ii. certified photographs.
 - iii. curriculum vitae.
 - iv. police clearance report.
 - v. tax identification number.
 - vi. copies of the agency agreement, containing at a minimum clear indication of the duties and responsibilities of the agent(s), as well as compensation arrangements.
 - vii. a description of the internal control mechanisms that will be used by agents to comply with the obligations of the payment system provider in relation to anti-money laundering and combating terrorist financing.
 - d) documents and information on directors and persons responsible for the management of the agent to determine the fitness and propriety of all agents; and
 - e) any other document requested by the Bank of South Sudan.
3. A payment system provider, operator of a payment system or issuer of a payment instrument shall ensure that agents acting on their behalf inform customers of their authorization to function as agents.
 4. A payment system provider, operator of a payment system or issuer of a payment instrument is expected to supervise, equip and train its contracted agents, and expected to provide compliance reports on their agents as advised by the Bank of South Sudan from time to time.
 5. Exclusivity agreements shall be prohibited as far as they limit competition in the country and/or foreclose the market.
 6. A payment system provider, operator of a payment system or issuer of a payment instrument shall ensure compliance with all relevant agreements and remain fully liable for decisions and actions by their agents.

19. Outsourcing requirements

1. A payment service provider, operator of a payment system or issuer of a payment instrument may outsource parts of their payment services activities, if this does not result in an increase in risk and a reduction in consumers' protection.



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2. Where a payment service provider, operator of a payment system or issuer of a payment instrument intends to enter material outsourcing engagement, it shall apply for approval of the Bank of South Sudan.
3. Outsourcing of important operational functions may not be undertaken in such way as to impair materially the quality of the payment service provider's internal control and the ability of the Bank of South Sudan to monitor the payment service provider's compliance with all obligations laid down in this Circular.
4. For the purposes of the subsection three (3) above, an operational function shall be regarded as important if a defect or failure in its performance would materially impair the continuing compliance with the requirements for the provision of payment services, in conformity with the requirements of its license, or its financial performance, or the soundness or the continuity of its activities.
5. When a payment service provider, operator of a payment system or issuer of a payment instrument outsources important operational functions it complies with the following conditions:
 - a) the outsourcing shall not result in the delegation by senior management of its responsibility.
 - b) The relationship and obligations of the payment service provider towards the beneficiaries of services shall not be altered.
 - c) none of the other conditions subject to which the license was granted shall be removed or modified.
6. Any outsourcing agreement shall be in writing and comprise at minimum of the following elements:
 - a) definition of the rights, responsibilities and apportioning of liabilities between parties, stating how the parties plan to manage the issue of any expected risk.
 - b) an exact definition of the activities to be outsourced.
 - c) mechanisms to ensure that the outsourced activities are subject to monitoring mechanisms by the institution and that regulatory review is permitted to grant to the Bank of South Sudan inspecting officers full and timely access to internal systems, documents, reports, and records.
 - d) specify that the third party must ensure safekeeping of all relevant records, data, and documents/files for at least seven years; or alternately, such record is shifted to the institution at regular pre- specified intervals which will ensure safekeeping of this record for at least seven (7) years.
 - e) state that all information/data that the third party collects in relation to payment services, whether from the customers or the institution or from other sources, is



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- a) type and description of services offered.
 - b) all applicable fees and charges including transaction fees, merchant fees, and interchange fees.
 - c) all benefits to include discounts and commissions.
 - d) availability of customer statements.
 - e) procedures for reporting lost or stolen instruments and devices, and for lodging complaints.
 - f) refund policy.
 - g) rights and responsibilities of payment system provider and customers.
 - h) termination rules.
 - i) redemption procedures where relevant; and
 - j) information on finality and irrevocability relating to the settlement of payments.
3. A payment system provider, operator of a payment system or issuer of a payment instrument is required to ensure that customers are notified, on a real-time basis, of top-ups, cash-outs and any other transaction which increases or decreases the value of funds stored in their accounts.
 4. Consumers are required to submit written requests for account closure. All such requests must be processed and funds returned by the payment system provider within five business days of the date on which requests are made.
 5. A payment system provider, operator of a payment system or issuer of a payment instrument engaged in payment services, shall safeguard the funds which have been received from payers or from other payment system providers for the execution of transfers of funds, as follows:
 - a) It shall not transfer the funds to its own account used for normal business operations nor commingle the funds with the funds of any person other than payers and payees on whose behalf the funds are held.
 - b) where the funds are still held by the payment system provider and not yet delivered to the payee or transferred to another payment system provider by the end of the business day on which the funds were received (for example in the case of a payment service provider's system down-time).
 - c) A payment system provider shall employ any other appropriate risk mitigation strategies to ensure safeguarding of funds.

21. Supervision and Reporting requirements

1. The Bank of South Sudan, in respect of payment system providers shall exercise the oversight and supervisory powers and functions conferred on it by the Bank of South Sudan Act (2011) as amended 2023.



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2. Every payment system provider, within ten days of the end of every calendar month, shall submit to the Bank of South Sudan information regarding:
 - a) The volumes, values and geographic distribution of each transfer payment instrument offered by it.
 - b) Incidents of fraud, theft, or robbery.
 - c) Material service interruptions and major security breaches.
 - d) Fees scheduled and charges applied to customer accounts for use of instruments.
 - e) Services offered; and
 - f) Complaints reported, including remedial measures taken, those resolved and those outstanding.
3. Payment system providers shall submit audited financial statements to the Bank of South Sudan within three months of the end of each budget year.
4. The fiscal year of every Payment system provider, operator of a payment system, issuer of a payment instrument shall be the period of twelve months ending on the 31st of December in each calendar year.
5. The Bank of South Sudan may appoint an external auditor or direct an external auditor of a service provider, operator of a payment system, issuer of a payment instrument or participant, to examine the service provider, operator of a payment system, issuer of a payment instrument or participant, in respect of such matters as may be specified by the Bank.
6. An external auditor appointed or directed by the Bank of South Sudan under subsection (5) above shall cooperate with the Bank and shall not invoke their professional secrecy against the Bank.
7. The service provider, operator of a payment system, issuer of a payment instrument or participant shall bear the cost of auditing.

22. Compliance with anti-money laundering and combatting the financing of terrorism.

1. Payment system providers, operator of a payment system or issuer of a payment instrument shall comply with the requirements of the Anti-money Laundering and Combatting the financing of Terrorism Act 2012, any amendment on this Act, any guidelines, directives or rules issued or adopted by the Bank of South Sudan or any other authorities with the responsibility for on-going monitoring of the fulfilment of all Anti Money Laundering/Combating the Financing of Terrorism duties in South Sudan.



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2. Payment system providers, operator of a payment system or issuer of a payment instrument shall also guarantee that an agent or any third party acting on their behalf shall comply with all requirements referred to in subsection (1) above.

23. Sanctions and penalties

In event that a payment system provider, operator of a payment system or issuer of a payment instrument or any of their agents found to contravene any of the conditions set out in this Circular, the Bank of South Sudan without prejudice with any applicable law, shall pursue any or all remedial actions provided under the Banking and other Financial Institutions Act as amended 2023.

Issued under my hand in Juba on this 29..... day of Sept..... 2025 A.D.

Hon. Dr. Addis Ababa Othow
Governor,
Bank of South Sudan– Juba

