



### Points of Interest:

- Exciting Growth Strategies for ZimSwitch
- ZimSwitch, to be the most preferred channel for payment streams across the SADC Region
- ZIPIT—the total solution

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Welcome to the first edition of ZimSwitch Newsletter. Early in the year our management visited the banks on a product awareness and relationship building exercise and amongst the many comments and suggestions made to ZimSwitch were calls to communicate more. While visits to banks will continue on a regular basis, this newsletter will complement them and give development updates on hard copies to member and user financial institutions (FIs) and also reach the general staff in those institutions who the ZimSwitch management would not always meet. In the light of the above, it is our wish that this newsletter will be informative and open to all its readers. As a new initiative, critics and suggestions will be welcome so we can improve this communication channel.

This issue therefore will include some background information on

what ZimSwitch is all about; whose interests it serves; its future as a partner to the RBZ's National Payment Systems Division strategy in the country and regionally; how it has served the nation; its current payment streams and those under development.

Comments can be channeled through this email address: [info@zimswitch.co.zw](mailto:info@zimswitch.co.zw)

Till the next issue...

### Editor





### A word from the General Manager



Henry Brits

At the outset let me thank our consultant, Cyril Nyatsanza for his initiative in promoting the launch of a ZimSwitch newsletter.

I hope our stakeholders will find this newsletter interesting, and would encourage readers to contribute and air their views on issues of mutual interest, particularly relating to payment systems.

Let me briefly add that ZimSwitch has experienced remarkable growth over the 18 years since it was founded in 1994. At the outset we had six member Financial Institutions and now we have 21 members, although the newer members have yet to go live on the switch. The increase in membership reflects the increased confidence in ZimSwitch that is now evident on the part of both the Financial Institutions and members of the transacting public.

The importance of information communication technology in today's world is well recognised internationally, and ZimSwitch is proud to be able to play a key role in this sphere. ZimSwitch exists to promote electronic funds transactions, and we have been particularly successful in facilitating the use of plastic money, in the form of debit cards as a means of paying for goods and services in Zimbabwe.

The range of payment methods is increasing steadily and most banks already offer internet and mobile banking to their customers. The ZimSwitch system enables these payment streams to be interoperable thereby allowing customers of our member banks to transfer funds to beneficiaries at other banks and to cell phone users whether banked or not. These payments can be made from various delivery channels, including cell phones, at a minimal cost.

ZimSwitch is encouraged by a number of our member banks who have already introduced the inter-bank functionality on their systems. As more banks implement the inter-bank functionality, e-commerce and m-commerce will become much more widely used in the country. This will have a positive effect on banking practice in Zimbabwe and result in huge benefits for member financial institutions and the banking public.

Our technical partner EFT Corporation P/L has also developed a robust mobile banking platform for use by our members, and we are delighted that most of our members have adopted this platform.

You can see that there are exciting times ahead for us all.





### Let's get personal with Reuben Dzvangwe

Born in February 1963 at Dzvangwe Village, Mutoko.

**Academic History:** Nyamakope Primary School up to Grade 5 then Nyakabau Upper Primary School (1970 - 1976). Enrolled for secondary education at Highfield High School (1977-1980). "A" Level – People's College (1988).

**Employment History:** May 1981-1984 Grindlays Bank (now Stanbic) in EDP and Stop Orders Departments. Oct 1984 – Sept 1994 CF Tulley Associates first as Computer Operator in the Computer Bureau Facilities (CBF) and ended up being the supervisor in 1989. Sept 1994 ZimSwitch Partnership as the Operations Supervisor. Has been the Systems Administration Manager since 2003.

**Professional:** Bankers Certificate (Institute of Bankers SA – 1983). Management Development Part I & II (1996). System Administration (Stratus (SA) - 1994), Linux System Administration (UZ-2010)

**Membership:** Associate Member of The Computer Society of Zimbabwe (1994)

**Hobbies:** I enjoy marathon running, watching soccer, attending church (Home Group Leader), reading, attending public debate forums on Zimbabwe.

**Marital Status:** Married to Molyn with four children, 3 boys and 1 girl – Tinashe (25), Gray (21), Vanessa (16) and Takura (11).

**Day I will never forget (Negative):** 20 February 1976, almost drowned in a flooded river while crossing going to Nyakabau Primary School (Grade 7).

**Day I will never forget (Positive):** 1 December 1987, when my first born child Tinashe was born.

*"The day I will never forget...1 December 1987, when my first born child Tinashe was born..."*

**Reuben Dzvangwe**





### Our Vision

#### VISION

To be the central national switch for Zimbabwe facilitating clearing and settlement of local and regional payments and transfers for Financial Institutions.

#### MISSION

- To provide an efficient, effective and reliable service to meet the requirements of all stakeholders in the financial payments system in Zimbabwe.
- To build up volumes in order to reduce transaction costs.
- To be the preferred channel for payment streams in the SADC cross border payments project.
- To provide value and a return to shareholders.

#### VALUES

- Respect;
- Accountability;
- Honesty;
- Integrity;
- Transparency;
- Being customer centered;

Generally to observe the highest standards of conduct.



OUR VISION

MISSION

VALUES

*Switching you on to Financial Flexibility!*





### Where ZimSwitch Came From

—By Reuben Dzvengwe

ZimSwitch was formed in 1994 by a partnership of 6 Financial Institutions namely, Beverley, Barclays, CABS, Founders Building Society (ZBBs), Stanbic and Zimbank (ZB Bank). CBZ and Time Bank joined in 1995 and 1997 respectively.

“Then came the hyperinflation era (2006 – 2008) and people opted to use plastic money as opposed to buckets of cash to buy groceries and other services.”

*Reuben Dzvengwe*

Wengesai Mhuriro (late) was the first employee of ZimSwitch, as messenger (Sept 1994). I joined him on 12<sup>th</sup> Floor, Causeway Building, Harare on 1 Oct 1994 and by May 1997 ZimSwitch had a staff complement of six operators, receptionist and two messengers.

Live ATM transactions began flowing in August 1995 with CABS, Beverley, Founders and Zimbank having an average of 10 transactions per day. POS transactions were introduced in May 1996. We carried out some newspaper adverts, radio and TV awareness campaigns with the then General Manager, Tony Moreton. There were only

enough volumes and switch fees to break even in November 1996.

Volumes grew exponentially from 1998 – mid 2008 as more players became confident and trusted ZimSwitch. It was also the hyperinflation era (2006 – 2008) and people opted to use plastic money as opposed to buckets of cash to buy groceries and other services. Volumes peaked to over 1million transactions per month.

Settlement was simplified by the use of ZimSwitch Electronic Data Interchange (ZEDI) Reporting system, netting off of figures was introduced in 1999 by S2 Systems (SA). The system was readily accepted by member FIs as convenient. Reconciliation issues were made easy each time there was a system upgrade, which occurred at least every two years, or when FIs asked for a change.

In 1998 we moved to Eastgate from Causeway Building. Wireless technology for communication was introduced by Africom and all FIs were asked to have TelOne (landline) and Africom (wireless) as backup. It worked well for two years until interference started to affect links and FI uptimes. POTRAZ

was formed under Dr. Gibson Madingwe to regulate use of bandwidth on wireless technology. In 2005 we were advised to pull down the wireless equipment from on top of buildings. Fibre optic links were introduced and we adopted these links as our preferred links and all FIs adopted same.

In 2006 the Stratus system was disbanded and Postilion adopted to introduce more functionalities. In the same year ZimSwitch relocated to Newlands, Highlands. Migration from Stratus to Postilion was smooth, with very little bottlenecks. ZEDI reporter was retained until February 2011, when SAQE reporting system was introduced.

ZIPIT credit push transactions have been introduced in 2012. Uptake is still slow. However, we hope volumes will grow if the market becomes aware of the service and are confident that it is reliable.

ZimSwitch has been supported by RBZ in all its products and our modus operandi. We hope ATM and POS will still grow, as well as the ZIPIT and Mobile innovations being pursued currently.



# ZimSwitch Technologies

## Newsletter, July 2012



### ZimSwitch Shared Services

—By Adam Roscoe

ZimSwitch has been offering the financial institutions of Zimbabwe shared services for over a decade and a half through POS and ATM. The new **ZSS** (ZimSwitch Shared Services) platform was initiated at the beginning of 2008 with the intention of creating a single interface to enable all our member banks full access to the exciting new financial world of **eCommerce** and **mCommerce** and to ensure that all Zimbabweans get access to cutting edge financial services from the experts – the banks! A single point of connection ensures the lowest possible costs and shortest time to market for everyone, while simultaneously minimizing the integration requirements at a national level for all entities, including mobile network operators and other service providers such as ZESA and DSTV. Today, nearly four years later, we are delighted to report on the current status...

In addition to the 19 banks currently connected to ZimSwitch for POS and ATM inter-bank transactions, the following ZimSwitch members are now using the new ZSS interfaces: POSB, CABS, CBZ, Standard Chartered, FBC Bank and Building Society, Trust Bank, Barclays, ZB, Agribank, Metropolitan,

Tetrad, MBCA and Interfin (currently off-line). Integration plans are in advanced stages with the remaining members.



**ZimSwitch Mobile** is a shared mobile banking platform and USSD Gateway connecting our member financial institutions to all three MNO's in Zimbabwe, namely Telecel, NetOne and Econet. The platform offers full USSD connectivity for banking related services as well as SMS and Direct Airtime functionality. Launched in October 2011 with Telecel and three financial institutions (POSB, CABS and Standard Chartered), the infrastructure has already performed over three million transactions and looks set to play its part in the transformation of the banking sector into a "mobilized" service. Ten banks are live on the platform, or completing controlled pilot programs, with a further six in various stages of implementation, all of which are expected completed by the beginning of Q4. We believe this unique collaboration between the banks and the MNO's of a country to be the first of its kind in the world!

**ZIPIT** – Stands for **ZimSwitch Instant Payment Interchange Technology**. Once ZIPITs have been



enabled on a bank's infrastructure, their customers can send funds **instantly** to any other ZIPIT Ready financial institution or **ANY** registered cell phone in Zimbabwe (Telecel, NetOne or Econet). Funds can be sent from any delivery channel – Mobile, POS, ATM or Internet. The ZimSwitch fee for processing a ZIPIT is currently set at twenty cents. ZIPIT transactions can be enabled for all brands of hardware and software. The specification documents are publically available.

**ZIPIT to Bank** – is a "High Volume, Low Value" transaction-set enabling the instant reflection of funds transferred from an account at one bank to an account at a different bank. The current transactional limit for a ZIPIT to Bank is \$1,000 per transfer. We expect to have all ZimSwitch member financial institutions integrated onto the new platform in Q4 2012 underway.

# ZimSwitch Technologies

## Newsletter, July 2012



### ZimSwitch Shared Services

—By Adam Roscoe

**Z**IPIT to Mobile - is a remittance service with a difference. Funds can now be transferred to any cell phone in Zimbabwe (banked or unbanked) and redeemed at any ZIPIT - Ready POS or ATM device. A new “agent-infrastructure” is emerging across Zimbabwe where cell phone owners who have been sent a ZIPIT transfer can redeem their cash.

ments through merchant websites, and has taken its role at a global level as the most popular form of retail payments. Banked individuals will now be able to shop from the convenience of their office or sitting -room, regardless of who they bank with... all the while enjoying the peace of mind that comes from making a secure ZimSwitch payment. Acquiring financial institutions will continue to hold merchant relationships as they currently do with the existing POS devices, but without the costs associated with a physical infrastructure. The platform development has been completed and is expected to be made available to the public by the end of the third quarter 2012. Final

testing and approvals are currently underway.

**m**Commerce – Development has now been completed for the ZimSwitch mCommerce Payments Gateway. By the end of 2012 all banked Zimbabweans will be able to pay for goods at the supermarket or other retailers by simply entering the payment details on their phone.



**V**Payments - a system modeled on PayPal is about to hit Zimbabwe through the new vPayments Gateway! eCommerce is the ability to make secure retail pay-

*“ZimSwitch Mobile is a shared USSD mobile banking platform and gateway. The infrastructure went live with Telecel and three member financial institutions (CABS, POSB and Standard Chartered) towards the end of 2011.”*

*-Adam Roscoe*



Mobile  
Banking



For more information on any of the service detailed above, or for further details on other new products soon to be released by the ZimSwitch Shared Services, please contact Corporate Information, at [info@zss.co.zw](mailto:info@zss.co.zw)



### Roles & Benefits

## The Role of ZimSwitch in the Zimbabwean Economy

—By Zabron Chilakalaka

ZimSwitch is the sole national electronic funds switch for Zimbabwe. The company processes domestic card-based ATM and POS transactions amongst member financial institution in real time on line. As stated elsewhere in this newsletter, ZimSwitch has recently enabled our member banks to process person to person payments through the switch using a variety of delivery channels including mobile phones. ZimSwitch serves not only the financial institutions who are its members and users but also provides an essential service to their customers; the Zimbabwean public. Listed below are some of the benefits of the ZimSwitch platform to the financial sector, business and the Zimbabwean public.

#### Benefits - Financial Market Sector

ZimSwitch facilitates the common utilisation of payment systems infrastructure like automated teller machines (ATM's) and point of sale (POS) facilities throughout Zimbabwe. This ultimately reduces capital costs for financial institutions on acquiring own POS machines and ATMs.

ZimSwitch acts as a clearing house through which the participants settle their net exposures resulting from card and EFT transactions on a daily basis.

We also manage the risk relationship between participants

ZimSwitch contributes to increased transaction volumes to financial institutions both acquirers and issuers as bank customers are able to transact anywhere where there is a ZimSwitch enabled device (ATM or POS).

#### Benefits - Retail and Business Sectors

ZimSwitch provides the retail and business sector with a convenient means of making and receiving payments which will help them conduct business with minimum payment difficulties.

#### Benefits - Zimbabwean Public

ZimSwitch provides an alternative to cash as the banking public is able to transact using their debit cards at POS machines or ATMs displaying the ZimSwitch logo anywhere in the country. There is no need to carry around cash.

At the height of cash shortages during the hyper-inflation period, ZimSwitch enabled people to do purchases in shops with ZimSwitch enabled POS terminals using their debit cards instead of cash which was not readily available.

The benefit of ZimSwitch as a financial market infrastructure cannot be overemphasized. ZimSwitch plays an integral role to the Zimbabwean economy at large as part of the national payments systems. In our next issue we will explore the contribution of ZimSwitch to the economy in greater detail.

### In Closing

*ZimSwitch is in a business partnership with the USER FIs and aims to manage transaction costs down through high volume switching. They say doing business without profit is similar to eating soup with a fork!*

ZimSwitch Technologies

3 Mulberry Close

Newlands

Harare

Phone: +263-4-746620

Telefax: +263-4-776742

E-mail: [info@zimswitch.co.zw](mailto:info@zimswitch.co.zw)

#### On a Lighter Note...

*The president of a baby-bottle company stood in front of his staff and said "We now have 50 000 of these feeding bottles in stock, and we expect you salesmen to go out there and create a demand."*

