AfricaNenda foundation

THE STATE OF INCLUSIVE INSTANT PAYMENT SYSTEMS IN AFRICA

Glossary of Terms

APRIL 2026

Acceptor	Any trading or service establishment that accepts, on its own behalf or on behalf of its network, the payment of goods or services via an electronic money instrument (BIS, 2003).
Acquirer	An entity or entities that hold(s) deposit accounts for card acceptors (merchants) and to which the card acceptor transmits data related to transactions. The acquirer is responsible for collecting transaction information and enabling settlement with acceptors (BIS, 2003).
Agents	Service points where customers can access bank and non-bank services, such as cash-in or cash-out (FinMark Trust, 2019). A settlement agent, in contrast, is an entity that manages the settlement process for transfer systems or other arrangements that require settlement (BIS, 2025).
Aggregator	Third-party institutions that enable acquirers to reach smaller merchants. The third party maintains a direct relationship with the smaller merchants and handles many of the operations and servicing aspects (World Bank, 2022a).
All-to-all interoperability	Ability to link bank accounts to mobile wallets and vice versa, bank accounts to bank accounts, and mobile wallets to mobile wallets to transfer value. All-to-all interoperability includes account-to-account interoperability as well as any other digital instruments or negotiable/fungible instruments.
Application programming interface	A method for two software components to communicate with one another using standard data formats and protocols.
App	In the State of Inclusive Instant Payment Systems in Africa 2025 report: "app" refers to the front-end interface that authorizes and processes payments between a user's payment portal (mobile device) and a vendor's financial intermediary, whether that is a bank or non-bank. Apps encrypt cardholder data, authorize payment requests, confirm purchases, and perform similar functions (Slesar, 2022).
APP fraud	Authorized push payment (APP) fraud is a type of fraud where a victim is manipulated or deceived into authorizing a real-time payment to an account controlled by a fraudster (KPMG, 2025).
Authenticate	Methods used to verify the origin of a message or to verify the identity of a participant connected to a system and to confirm that a message has not been modified or replaced in transit (CPMI, 2016).

Automated teller machine	An electromechanical device that permits authorized users, typically using machine-readable plastic cards, to withdraw cash from their accounts and/or access other services, such as balance inquiries, transfer of funds, or acceptance of deposits. ATMs may be operated either online, with real-time access to an authorization database, or offline (BIS, 2003).
B2B payments	Definition of the term for the SIIPS Report: transfers between businesses, such as payments for inventory and business services, especially MSME businesses, i.e., not wholesale payments.
Bank IPS	Typology for the purpose of the State of Inclusive Instant Payment Systems in Africa 2025 report: Bank IPS only support payments between banks using instruments associated with bank accounts, although in some countries, they also allow participation by microfinance institutions.
Bilateral prefunding	A settlement model for IPS, whereby “nostro” accounts are prefunded by connected payment service providers. These accounts are then debited as transactions occur between connected providers. These arrangements have been in place in Kenya, Tanzania, and Uganda (CGAP, 2021).
Bill payments	A payment made by a person from their bank, mobile money accounts, or other financial stores of value to a biller or billing organization via a digital payment platform in exchange for the services provided (GSMA, 2021a).
Branch	For the SIIPS Report, a branch is a payment service provider’s storefront location with a teller that handles cash deposits, withdrawals, and payments for goods and services.
Browser	For the SIIPS Report, a browser refers to a channel for a consumer to make a payment via a web page, linking the payer to a bank or financial service provider’s account details via secure web protocols.
Central bank digital currency (CBDC)	A digital form of a central bank liability, denominated in an existing unit of an account, which serves both as a medium of exchange, a store of value, and a means of payment. CBDC may be transferred either on a peer-to-peer basis or through an intermediary, which could be the central bank, a commercial bank, or a third-party agent (BIS, 2018).
Chargeback	A chargeback is a reversal of a charge on a credit or debit card, typically made because a customer disputes a transaction.

Closed loop	Financial arrangements that only support transactions in a single network or ecosystem.
Consumer-presented QR code	QR codes generated and displayed by a customer (e.g., on their mobile phone) that contain their account information, which a merchant can scan to initiate a payment (World Bank 2021c).
Credit card	A payment instrument linked to a credit facility through a card channel and network, with defined acceptance rules, specified functionality, and user redress protocols for the channel.
Credit electronic funds transfer (EFT)	The message is created whenever a payment instruction via various delivery channels (for example, the internet) is issued, crediting a customer's transaction account, to make an electronic payment to a third party (PASA, 2022a). Credit EFTs are, by definition, push payments.
Cross-border payment	A payment in which the financial institutions of the payer and the payee are located in different jurisdictions (CPMI, 2016).
Cross-domain IPS	Typology for the purpose of the State of Inclusive Instant Payment Systems in Africa 2025 Report. A cross-domain system provides all-to-all interoperability, where switching, clearing, and exchanging instruments are contained within it. Cross-domain systems provide access to banks and non-banks and support transactions from both bank accounts and mobile money accounts. All-to-all interoperability includes the ability for end users to directly transact between wallet accounts at different mobile money operators (MMOs), between mobile money accounts and bank accounts, and across bank accounts. Within one system, there are different rules to accommodate various instruments. The single system provides the governance framework and coordinates the operational functions end-to-end for the various instruments (GSMA, 2014).
Customer due diligence	Customer due diligence goes beyond customer identification and verification. It is a systematic risk management concept defined in relation to elements such as developing customer risk profiles, understanding the nature and purpose of transactions, and ongoing monitoring (CGAP, 2018; FATF, 2023; FATF, 2023).
Debit card	A payment instrument linked to a depository account, such as an on-demand deposit, savings, or transfer account. It can be used to make both debit and credit transactions between accounts, as well as between cards (PASA, 2022b). Although technically a pull payment, the locus of control is often with the payer, meaning debit cards can essentially function as a push payment.

Debit EFT	A payment instrument that allows the recipient to collect money from the sender's transaction account without the sender having to do anything but provide written, electronic approval through a debit order mandate (PASA, 2022b). Debit EFTs are, by definition, pull payments.
Deferred net settlement	The process whereby transaction obligations are netted off and only the balance is settled at a later stage according to a predefined cycle, either daily or more frequently (World Bank, 2021a).
Deposit-taking institution	Deposit-taking institutions include those that, in the normal course of business, solicit the acceptance of liquid (fungible) deposits from the public, subject to a contract of deposit, for the purpose of intermediation (co-mingled on the institution's balance sheet and applied to the acquisition of different asset classes and activities). Deposit-taking institutions may or may not facilitate payments and other financial services on behalf of their customers.
Digital public good	Digital public goods (DPG) encompass open-source software, open data, open AI models, open standards, and open content that adhere to privacy and other applicable laws and best practices, do no harm by design, and contribute to achieving the Sustainable Development Goals (SDGs) (Digital Public Goods Alliance, 2023).
Digital public infrastructure	Digital public infrastructure (DPI) refers to a set of secure and interoperable digital systems built on open technologies, designed to deliver equitable access to public and/or private services at a societal scale (G20, 2023).
Direct IPS participant	Licensed payment service providers governed by the same scheme rules and connected directly to the IPS, with the ability to initiate a transaction in the system.
Dynamic QR code	QR codes that are generated for a specific transaction and include variable details such as the amount or reference, enhancing security and automation (World Bank, 2021c).
Electronic know-your-customer (eKYC)	eKYC refers to the electronic means of conducting the customer's identification process, allowing for the digital or online verification of customer identity (BIS, 2020).
Emerging market segment	Lower-income people and MSMEs based in urban and peri-urban areas.

E-money	An electronically transactable currency instrument and store of value consisting of a claim against a licensed e-money issuer, collateralized by liquid commercial bank deposits or by a direct claim upon a commercial bank.
End-to-end eKYC	For the SIIPS Report, end-to-end eKYC refers to a process where all steps of the KYC process can be conducted electronically, allowing for fully remote electronic identification and verification.
Electronic wallet (e-wallet)	Alternatively referred to as a digital wallet or mobile wallet, electronic wallets (e-wallets) are software applications that store the bearer's payment details and passwords, enabling them to transact using a connected device, usually a mobile phone.
Fintech (payments)	For the SIIPS Report, a payment fintech is a firm that is not a bank, microfinance institution, or postal service, yet provides technology-enabled digital payment services.
Fraud	Acts intended to deceive the victim by misrepresenting or otherwise manipulating information for financial gain.
Government-to-person payments (G2P)	Disbursements from a government to an individual, including social cash transfers, pensions, or emergency relief.
Inclusive instant payment systems	Processes payments digitally in near real-time and is available 24 hours a day, 365 days a year. They enable low-value, low-cost push transactions that are irrevocable and based on open-loop and multilateral interoperability arrangements. Licensed payment providers have fair access to the system, and system participants have equal input opportunities into the system. The central bank has the ability to shape the governance. End users have access to a full range of use cases, payment instruments, channels, and transparent and fit-for-purpose recourse mechanisms.
Indirect system participant	Participants who do not have a technical integration with the central switch instead participate in the system via a direct system participant.
Instant payment systems	IPS are multilateral and open-loop retail payment systems that enable, at a minimum, digital push payments in near real time for use 24 hours a day, 365 days a year, or as close to that as possible.

International Organization for Standardization (ISO) 20022	Introduced in 2004, ISO 20022 has become the standard for new instances of electronic messaging and is used by most financial service providers for both payment and non-payment transactions (World Bank, 2021c).
Inventory and business services (B2B)	Monetary transfers between two business entities. The payment ranges from large-value payments associated with large intra-industry transactions to retail payments between micro, small, and medium enterprises. For instance, payment for inventory supplies provided by one business to another (World Bank, 2020b).
Irrevocable	A transfer that cannot be revoked by the transferor and is unconditional (BIS, 2003).
ISO 8583	The most common messaging standard for card payments. ISO established ISO 8583 in 1987 (World Bank, 2021c).
Issuer	The payment service provider that issues payment cards or other payment instruments to the payer and processes payments initiated with these instruments (PayTechLaw, 2024).
Know-your-customer	KYC forms part of the broader customer due diligence (CDD) process. It is a commercial compliance concept that can be understood as the process by which institutions collect information or attributes about a potential customer and verify the accuracy of this information using reliable, independent source documents, data, or information (CGAP, 2018; Financial Inclusion Global Initiative, 2021).
Low-value payments	For the SIIPS Report, low-value payments refer to transactions of less than 5 United States dollars. In several markets, this is the threshold allowed for "contactless near-field transactions or e-wallet payments without authentication.
Merchant payments	Retail payments associated with the purchase of goods and services from a business, irrespective of the size, where the payer is a consumer and the payee is a business (World Bank, 2021a).
Merchant-presented QR code	QR codes displayed by a merchant that contain their payment information, allowing customers to scan and initiate a push payment (World Bank, 2021c).

Mobile money

A service in which a mobile phone is used to access financial services, where value is stored virtually in a transaction account issued by an e-money issuer. This service may or may not directly be linked to a bank account.

Mobile money IPS

A system that only provides access to mobile money providers and that supports instruments associated with mobile money accounts. This type of system has a common set of rules and standards that form the basis for clearing and settlement of transactions between customers of the participating MMOs. They may be based either on a centralized infrastructure or on some form of bilateral and multilateral arrangements between participating MMOs.

Mobile money operator

A mobile network operator or an entity that has partnered with a mobile network operator to provide mobile money services, a pay-as-you-go digital medium of exchange and store of value that operates independently of a traditional banking network (IMF, 2022a).

Multilateral interoperability

The permission structure for payment instruments belonging to a given system to be used in platforms developed by other systems, including in different countries. Multilateral interoperability involves the coexistence of multiple attributes, which can be combined in various ways. These attributes fall into three broad dimensions: technical, semantic, and business interoperability (BIS 2021). The nature of the business interoperability rules determines whether a payment system is multilateral but does not dictate the number of providers, platforms, systems, or jurisdictions.

Near-field communication

A standards-based, short-range (that is, a range of a few centimeters) wireless connectivity technology that enables simple and safe two-way interactions between electronic devices, allowing end users to perform contactless transactions, access digital content, and connect electronic devices with a single touch (BIS, 2020b).

Network effect

Overall utility of digital payment products and services depends on the number of individuals, businesses, and entities using them: the more users adopt a product, the more value each user receives (Giuliani, 2022).

Not-on-us transaction

Not-on-us transactions (also referred to as off-us) are those where the issuing and acquiring payment service providers are different institutions. These transactions require processing through external networks for clearing and settlement (such as a switch), as they involve moving funds between payment service providers, rather than being confined to a single payment service provider's internal system.

On-us transaction	Transactions that stay within one payment service provider's core processing platform and on an internal subsidiary ledger without clearing or settling between separate financial institutions. These are internal transactions between customer accounts within a single financial institution or within a financial services group.
Open banking	Practice of sharing financial data within the banking sector via standardized and secure interfaces at the request of clients (OECD 2023).
Open finance	The extension or evolution of open banking, defined as the practice of sharing financial data across broader financial services like credit and insurance providers via standardized and secure interfaces (OECD 2023).
Open economy	Builds on open finance, where data can flow securely and purposefully across diverse sectors like finance, agriculture, and health.
Open loop	An open-loop payment system is one in which any licensed payment service provider that fulfills the scheme rules may participate. An open-loop system implies interoperability. Exclusive bilateral arrangements, closed-loop systems, and on-us or inter-group processes are not open-loop.
Overseer	A person who continually monitors the system and assesses how safely and efficiently it is operating (BIS, 2016). They are responsible for assessing and monitoring the system and enforcing the laws and regulations to promote safe and efficient payments. The system overseer can enforce policy mandates and serves as the primary arbitrator of fairness in the application of the scheme rules (CGAP, 2021).
Payment rails	The underlying infrastructure, networks, and rules through which payment transactions are processed and transferred between financial institutions.
Payment service provider	An intermediary that processes payments on behalf of the payer and payee.
Payment system operator	Responsible for transmitting payment instructions, calculating settlement positions, managing systems daily, and processing in line with scheme rules and governance directives. Their responsibilities also include ensuring the quality of service, mitigating operational risks, and maintaining standards (CGAP, 2021).

Payment system operator interoperability	Interoperability between payment systems involves the capability for the infrastructure, scheme rules, or applications to communicate with each other (World Bank 2021i). The payment system operator can be a private entity or government-owned. True interoperability requires not only technical connections but also standardized rules and agreements among providers.
Phishing	A method of fraud whereby the fraudster sends emails or text messages that appear to be from reputable people or companies to deceive people into sending personal information or money.
Point of interaction (POI)	The initial point in the merchant's environment (e.g., POS, vending machine, payment page on merchant website, QR code on a poster, etc.) where data is exchanged with a consumer device (e.g., mobile phone, wearable, etc.) or where consumer data is entered to initiate an instant credit transfer (ERPB, 2020).
Point-of-sale device	A specialized device that is used to accept payments (for example, a card reader) at a retail location where payments are made for goods or services (GSMA, 2021a).
Primary local channel	The predominant payment channel or channels utilized by the majority of the population within a specific geographic area.
Proxy ID	An identifier (e.g., email address, mobile phone number) that may be used instead of the payer's or payee's transaction account information. These enable the public and the business sector to transact seamlessly while initiating a payment (World Bank, 2021d).
Pull payment	The payee initiates (pulls) the transfer of funds from the payer's account (BIS, 2016).
Push payment	The payer initiates (pushes) the transfer of funds from an account to the payee (BIS, 2016).
Quick response (QR) code	A square-shaped pattern consisting of a set of unique white and black blocks, representing information on the recipient or other transaction details. Any smart device can scan QR codes, or they can be entered manually as unstructured supplementary service data to support transactions (BTCA, 2021).

Real-time payment	The value transfer is assured to be instant (within seconds).
Real-time settlement	When transactions are settled continuously as they occur (World Bank, 2021a).
Recourse mechanisms	The mechanisms in place for end users to raise grievances and have them heard, resolved, or addressed (CGAP, 2013).
Regulatory harmonization	Regulatory bodies in two or more countries agree on a set of regulatory frameworks/standards and/or establish similar processes/services.
Remittances	Cross-border, person-to-person payments of relatively low value that are typically recurrent transfers (BIS, 2022b).
Retail payment system	A funds transfer system that typically handles a large volume of relatively low-value payments in such forms as checks, credit transfers, direct debits, and card payment transactions (CPMI, 2016).
Reversal fraud	An end user intentionally initiates a payment reversal or chargeback for a legitimate mobile transaction they've made to receive a refund while retaining the purchased goods or services (GSMA, 2024a).
Risk-based approach to AML/CFT/CPF	A risk-based approach to anti-money laundering (AML), combating the financing of terrorism (CFT), and countering proliferation financing (CPF) means that countries, competent authorities, and financial institutions are expected to identify, assess, and understand the money laundering, terrorism financing, and proliferation financing risks to which they are exposed and take measures relative to those risks to mitigate them effectively (FATF, 2023).

Salaries and wages

Periodic transactions from businesses to compensate employees for work rendered (for example, payroll and other compensation-related incentives; World Bank, 2021a).

Scheme rules

The comprehensive set of guidelines, procedures, and standards that govern the operation, participation, and conduct of all entities within the payment network (World Bank, 2022b).

Settlement agent

Responsible for moving the settlement value in commercial or sovereign currency between system participants (CGAP, 2021).

Settlement window

A predefined period within a payment system during which net transaction obligations between participating financial institutions are calculated and settled.

Smishing

A social engineering attack that uses fake mobile text messages to trick people into downloading malware, sharing sensitive information, or sending money to cybercriminals (IBM, 2024).

Social disbursements

A payment by a government to a person's transaction account, often for social disbursements, such as grant or subsidy payments (GSMA, 2021b).

Sovereign currency IPS

Typology for the purpose of the State of Inclusive Instant Payment Systems in Africa 2025 Report. Sovereign digital currency IPS combine a central bank digital currency instrument and value transfer system that can provide a unified digital value transfer mechanism between commercial instrument systems, institutional stakeholders, and individuals within an economy.

Static QR code

QR codes that contain fixed payment information and do not change with each transaction, often used by small vendors (World Bank, 2021c).

Switching

Refers to the operation of switch technology that enables safe and efficient transactions. Switch operators transmit, reconcile, confirm, and net transactions between participants (collectively, these make up the clearing function); submit instructions for real-time or deferred transfer of final funds (settlement initiation); and perform other operational functions, including managing disputes and monitoring for fraud (CGAP, 2021).

System governance body	Responsible for strategic direction, including any explicit inclusivity mandate (pro-poor governance), and accountability of IPS participants. Their function is related to control over scheme management (Cenfri, 2020).
System owner	Responsible for and entitled to receive all the benefits and risks associated with ownership of the system (BIS, 2003).
Taxes and fees	Obligations that individuals pay to central, regional, and local public administrations, such as tax payments or utility payments (World Bank, 2021a).
Tiered KYC	Tiered KYC is a form of customer due diligence (CDD) in which account functionality and CDD requirements increase progressively in tandem, allowing greater functionality as more KYC requirements are met (GSMA, 2019).
Transfers and remittances	Transfers of money to family members or friends without an underlying economic transaction (for example, remittances sent from one person's transaction account to another, World Bank, 2021a).
Unstructured supplementary service data (USSD)	Part of the Global System for Mobile Communications protocols for second-generation digital cellular networks and devices. This communication channel was adapted to accommodate financial transactions by enabling customers to send predefined instructions to mobile financial services providers, along with their personal identification number for authentication, while allowing the provider to send responses to clients and confirm transactions (CGAP, 2015).
Vishing	A type of cyberattack that uses voice and telephony technologies to trick targeted individuals into revealing sensitive data to unauthorized entities (Cisco, 2025).

AfricaNenda foundation

AfricaNenda Foundation
C1-402, 4th Floor, Block C, Grand Baie La Croisette, Grand Baie, Mauritius

website www.africanenda.org | email info@africanenda.org

@africanenda

April 2026