Bank of Botswana

17 July 2026

PRESS RELEASE

IMPLEMENTATION OF THE ELECTRONIC PAYMENT SERVICES (AMENDMENT) REGULATIONS, 2026

The Bank of Botswana (Bank) wishes to inform the public and stakeholders in the national payments system (NPS), that the Electronic Payment Services (Amendment) Regulations, 2026 (Statutory Instrument No. 46 of 2026) (Regulations) came into effect on 2 April 2026, as publicised.

The amendments were introduced in response to developments in the electronic payment services (EPS) and money or value transfer services (MVTS) sector, as well as broader changes within the NPS. The Regulations align the regulatory framework with the re-enacted Financial Intelligence Act, 2022 and the related subsidiary legislation and the Bank of Botswana (Amendment) Act, 2022, while also addressing relevant Financial Action Task Force (FATF) requirements, as well as operational, supervisory, and regulatory challenges raised by industry stakeholders.

The Regulations support an enabling and proportionate regulatory framework that promotes ease of doing business and innovation while contributing to financial stability, consumer protection, and the integrity of the payment systems. They also provide greater clarity regarding entities that may offer electronic payment services in Botswana, applicable licensing and market-entry requirements, and relevant market conduct obligations. The amendments are in line with the

Bank's mandate to promote a safe, efficient, and reliable payments system. Furthermore, they form part of the Bank's ongoing efforts to modernise the NPS and support objectives of the Botswana Economic Transformation Programme (BETP).

The key amendments introduced include:

(a) **Expanded Scope of Application:** The Regulations provide clarity regarding the entities that may be licensed to offer electronic payment services in Botswana.

(b) **Alignment of the Sanctions Framework:** penalties have been adjusted and aligned with broader financial crime legislative framework to ensure consistency, proportionality, and effective enforcement.

(c) **Interest-Bearing E-Money:** the Regulations permit interest-bearing electronic-money balances, subject to prescribed conditions, to support product innovation while maintaining prudential safeguards.

(d) **Dormant and Unclaimed Funds:** provisions relating to the treatment and management of dormant accounts and unclaimed funds have been clarified to enhance governance and consumer protection.

(e) **Tiered Merchant and Know-Your-Customer (KYC) Framework:** a more proportionate, tiered merchant framework has been introduced, supported by proportionate KYC requirements aimed at balancing financial integrity with easier market entry, particularly for small and emerging merchants.

(f) **Revision of Operating Limits:** operating limits have been revised and aligned with merchant tiers, and the updated framework applies limits to payment receipts in account-based services. This approach is intended to support legitimate business activity while effectively managing financial integrity and operational risks.

The Electronic Payment Services (Amendment) Regulations, 2026 (Statutory Instrument No. 46 of 2026) can be accessed on the Bank of Botswana website (Electronic Payment Services (Amendment) Regulations, 2026.pdf). Members of the public are encouraged to familiarise themselves with the Regulations and to use licensed payment service providers when accessing electronic payment services. Payments service providers are expected to comply with the Regulations with immediate effect.

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