**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **1411** **[NW1496E]**

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**1411. Dr D T George (DA) to ask the Minister of Finance: [🟊217][ Question submitted for oral reply now placed for written reply because it is in excess of quota (Rule 137(8))]**

Whether, given the growing global concerns surrounding the dominant role of the United States Dollar (USD) as the primary reserve currency, and considering the ongoing discussions within the BRICS nations advocating for de-dollarisation in order to promote financial stability and minimise vulnerability to the United States economic and political influence, the Government has been approached, either directly or indirectly, to initiate serious deliberations regarding the adoption of alternative currencies for international settlement purposes by the Republic; if not, what is the position in this regard; if so, what are the relevant details?

**REPLY**

There has been no direct request from BRICS focusing on de-dollarisation. However, there were discussions and agreement in the BRICS Payments Task Force on the following focus areas for 2023:

1. Feasibility study on the implementation of the following elements of the G20 Crossborder Payments Roadmap:
* Building Block 1: The development of common cross-border payments vision and targets.
* Building Block 10: Improving access to payment systems by banks, non-banks and payment infrastructures – broadening the range of eligible candidates for settlement accounts by changing access policies, technical standards and supervisory or oversight regimes; and
* Building Block 14: Adopt a harmonised version of ISO 20022 for message formats (including rules for conversion/mapping) – promoting the adoption of common message formats, such as a harmonised version of ISO 20022 and common rules of mapping/converting data between different data formats.
1. The sharing of information on lessons from BRICS member countries on how sandboxes were operated; the aims of the sandboxes; how sandboxes are being utilised; some lessons learned and successes; and how sandboxes inform regulatory frameworks;
2. The sharing of experiences on central bank digital currencies (CBDCs) to draw lessons across the BRICS countries, look at the different experiences and to determine how central banks could leverage from the sharing of information; and

1. The BRICS member countries to consider, bilaterally, the interlinking of payment infrastructures for settlement in their own currencies.

The South African Government has also been approached by both Russia and India on areas of possible collaboration and cooperation, including the interlinking of payment insfrastructures for settlement in their own currencies. Preliminary discussions have taken place between the South African Reserve Bank and the central banks of the two countries (with the Indian Ambassador to South Africa being part of the delegation). The discussion with the Central Bank of the Russian Federation focussed on the interlinking of both the retail instant payment systems and settlement systems, while the engagements with the Reserve Bank of India were premised on the settlement systems interlinking, using their respective currencies.

The SARB guided that the interlinking discussions be held in abeyance until after the several domestic and regional payments initiatives led by the SARB have been concluded/implemented. These include the Real Time Gross Settlement System (RTGS) Renewal, the Association of African Central Banks (AACB) and the Southern African Development Community (SADC) initiatives. Additionally, progress and development will also be driven by the market’s appetite to settle in alternative currencies.