Criteria for Systemically Important Payment Systems in Kingdom of Saudi Arabia

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Criteria for Systemically Important Payment Systems

As the sole owner, operator and regulator of the payment systems in Saudi Arabia, SAMA has the responsibility to ensure the safety and soundness of those payment systems.

A key element of this responsibility is to define those systems within the Kingdom which are considered to be systemically important to the smooth functioning of our financial infrastructure and economic needs.

A systemically important payment system (SIPS) is one whose disruption could trigger or transmit further disruption to participants or cause systemic disruption to the financial infrastructure of the Kingdom.

As part of their oversight function, SAMA has defined a set of criteria to categorise those systems which are considered systemically important.

SAMA has decided that a system which meets any one, or combination of, the following criteria will be classified as a systemically important system:

1. Any system handling interbank or customer payments which could pose a risk to financial stability
2. The principal payment system in terms of the aggregate daily volume and value of payments
3. Any system used to effect settlement in other systemically important FMIs
4. Any system, which is central to the payments infrastructure and our customer confidence due to number and type of participants, market penetration and lack of alternatives available.

In this regard, SAMA has identified the following systems as systemically important to the Kingdom:

2. The Saudi Payments Network “SPAN’, the interbank ATM services and EFTPOS transactions system.
3. The SADAD Payment System “SADAD”, the Electronic bill presentment and payment “EBPP” system.