AFREXIMBANK COMPLIANCE FORUM (ACF) 2026

OPENING REMARKS

by

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It is with great pleasure and honour that I warmly welcome you all to this small but vibrant city of Gaborone; the capital of Botswana, ranked the 48th largest country in the world (approximately the size of France, Kenya, Madagascar or Texas) but with a population of just over 2.6 million people – Our Pride, Your Destination. Allow me to extend a special welcome to all delegates, moderators and other resource persons attending this important and timely 3-day Afreximbank Compliance Forum held under the theme: "***Better Compliance, Better Trade: Leveraging Compliance to Promote African Regulations That Drive Intra-African Economic and Trade Integration"***.

On behalf of the people of Botswana, I wish to thank the President and the Board of Afreximbank for choosing

Botswana, and Gaborone in particular, to host this year's Forum. We are grateful to Afreximbank for the confidence it has placed in us, and we are honoured to be your hosts.

I am also glad to note that, from 2026, this Forum runs jointly with the Afreximbank Trade Finance Seminar. The pairing is fitting. Trade finance and compliance are two sides of the same effort to deepen intra-African trade and make the AfCFTA a lived reality.

While encouraging you to work very hard over the next three days, please do not forget that, once back home, you will be invariably asked about the City of Gaborone's landscape of shopping malls and other social amenities. I have no doubt that it will be an incomplete story and a big disappointment if all you can say is that the Forum was successful, without being able to say something about your experience of Gaborone and our delicious Tswana cuisine.

Distinguished Ladies and Gentlemen, I wish to start by acknowledging the presence of the Honourable Minister of Trade and Entrepreneurship, Mr Tiroeaone Kealeboga Ntsima, who has kindly agreed to join us today. In many respects, Honourable Minister Ntsima plays a leading role in

driving the Government's agenda in several critical areas including local manufacturing development, economic diversification, citizen entrepreneurship, and continental and regional trade integration. The Ministry of Trade and Entrepreneurship is, therefore, a key partner in advancing the objectives of this Forum: it shapes the trade policies and the business environment in which our banks and traders operate, while also representing Botswana in the implementation of the AfCFTA and other related processes. It is, therefore, fitting that the Honourable Minister is here today to give insights and inspiration on the prospects for better trade in Africa.

Why this forum matters

The banking industry is operating in increasingly complex and demanding environment. Developments in artificial intelligence and automation, third-party risk, climate and ESG expectations, data privacy and cybersecurity, the rise of fintechs, and the persistence of financial crime are all reshaping what is expected of banks and regulators. Global surveys, including PwC's Global Compliance Survey 2025, and KPMG's analysis of key regulatory challenges for 2025, point to the same direction: compliance is no longer merely

a back-office function. It is central to the resilience, reputation, and competitiveness of our institutions.

The question before us is whether the African banking industry is adequately prepared to effectively navigate these new challenges, and what role the African Union and our regulatory institutions must play in ensuring its readiness. Relatedly, the banking sector must leverage compliance to promote regulations that drive intra-African trade integration.

Better Compliance, Better Trade

The theme of this Forum, "Better Compliance, Better Trade", conveys a simple but powerful message. Sound compliance frameworks, grounded in best practice, and that are resilient to market forces, do not obstruct trade. They enable it.

Well-designed regulatory and compliance frameworks protect institutions against sanctions-related risks, financial crime, regulatory penalties, and reputational damage. They also promote standardised processes, strengthen controls, and foster trust among customers, investors, and counterparties. Preventive controls, detective controls, and corrective actions, all anchored in clear regulatory

frameworks, allow banks to identify and manage risks before they escalate. In this way, a strong compliance culture becomes a strategic asset and a driver of trade facilitation.

Africa's unique context

We must also be honest about the environment in which we work. Africa's compliance landscape is defined by three features:

- Fragmentation across jurisdictions;
- Rapid legislative change; and
- The co-existence of national, regional, traditional, and international standards.

For banks operating across borders, this complexity raises costs, slows cross-border transactions, and can push legitimate trade towards informal channels.

At the same time, there is real momentum towards regional and continental integration. The African Continental Free Trade Area is encouraging the alignment of regional standards with global norms, and African regulators are also increasingly adopting international best practices in areas, such as banking supervision, anti-money laundering, and data protection. Our task is to ensure that this convergence

is deliberate, coordinated, and, importantly, responsive to African realities.

The perspective of the Bank of Botswana

As a central bank, we regard compliance and financial stability as inseparable. Effective supervision, credible anti-money laundering and counter-terrorist financing regimes, and robust cooperation between regulators help safeguard the integrity of our financial systems and sustain confidence in them. In Botswana, the Bank of Botswana continues to strengthen its regulatory and supervisory framework in response to evolving risks in the financial sector. The enactment of the Banking Act, 2023, together with the introduction of the Banking Regulations, 2025, represents an important step in modernising the legal and regulatory framework for banking supervision. The Bank also undertakes regular on-site examinations and off-site monitoring of financial institutions, including assessments of compliance with anti-money laundering, combating the financing of terrorism and proliferation financing requirements. Recognising the growing importance of financial technology, the Bank has also established a Digitalisation and Innovation Hub to monitor developments in fintech and inform appropriate regulatory responses. In

addition, through the National Fintech Working Group, which the Bank chairs, we have developed the Fintech Analytical Assessment Framework to guide the identification, assessment and management of risks associated with emerging financial technologies. The establishment of the Bank's Regulatory Sandbox further provides an opportunity for innovators to test new financial products and services in a controlled environment under regulatory supervision

Distinguished Ladies and Gentlemen, the Bank of Botswana has also implemented a risk-based AML/CFT supervisory framework, enabling targeted and effective oversight of potential threats within supervised entities. Furthermore, AML/CFT supervision for all supervised entities has been harmonised under a single department, to ensure consistent supervision and to streamline enforcement and policy implementation, thereby helping to eliminate regulatory arbitrage. Together, these reforms strengthen confidence in our financial system and help make cross-border payments and trade across Africa safer.

The Bank has also issued guidelines on Simplified Due Diligence to advance financial inclusion, promote a cashless

economy, and increase adoption and use of digital financial services.

We also recognise that technology is changing both the risks and the tools available to us. Artificial intelligence, machine learning and real-time monitoring offer powerful ways to strengthen compliance, improve risk detection and enhance supervisory effectiveness, provided they are deployed responsibly and supported by sound governance. I am pleased that this Forum includes exhibitions of AI-related AML/CFT compliance systems, and I encourage delegates to engage with them.

Safe and efficient payment systems

Distinguished Ladies and Gentlemen, trade does not happen without payment. One of the core responsibilities of a central bank is to ensure that the payment systems are safe, reliable and efficient. Central banks oversee and, in many cases, operate the systems through which funds move, and they also set the rules, standards, and safeguards that give participants confidence that a payment sent will be a payment received. A safe payment system manages settlement, liquidity, operational, and cyber risks, and prevents the abuse of the system for money laundering or

terrorist financing. An efficient system is fast, affordable, and accessible to businesses and households alike. Both qualities are needed: speed without safety invites risk, and safety without efficiency raises the cost of doing business.

For Africa, this matters a great deal. Historically, many intra-African cross-border payments have been routed through correspondent banks outside the continent and settled in third currencies. This adds cost, delay, and foreign exchange pressure, and weighs most heavily on small and medium-sized enterprises, which are the backbone of our economies and the main beneficiaries of a successful AfCFTA.

Central banks and PAPSS: a partnership for integration

Distinguished Ladies and Gentlemen, this is where the Pan-African Payment and Settlement System, PAPSS, developed by Afreximbank in collaboration with the African Union and the AfCFTA Secretariat, makes its contribution. PAPSS enables payments across African borders in local currencies, with near-instant processing and with compliance, legal, and sanctions checks performed within the system. It supports intra-African trade by reducing reliance on hard currency conversion and on costly correspondent banking chains.

However, PAPSS cannot succeed without central banks. It works through agreements with central banks, which connect it to their real-time gross settlement systems and oversee how commercial banks and payment service providers participate. Central banks provide the settlement infrastructure, the regulatory framework, and the supervisory assurance that make a pan-African platform trustworthy. Afreximbank, for its part, brings the continental platform and acts as settlement agent for the hard currency leg of net settlement. Each needs the other, for the benefit of the continent.

Collaboration between central banks, in their capacity as regulators and overseers of national payment systems, and PAPSS therefore matters in at least three ways. First, it aligns payment regulation, licensing, and oversight, so that a payment is treated consistently from one end of its journey to the other. Second, it strengthens AML/CFT and sanctions controls across borders, so that faster payments do not become riskier payments. Third, it promotes interoperability, confidence and trust in regional payment arrangements that allow formal trade to grow, and that draw informal cross-border trade into the regulated financial

system. I encourage colleagues from central banks represented here to share their experiences of connecting to PAPSS, and I look forward to the discussions on how Botswana and the wider region can benefit.

I am also encouraged by the ongoing dialogue between the SADC Committee of Central Bank Governors' Payment System Sub-committee and PAPSS. Our region already has the SADC-RTGS, which connects 15 member states. The conversation is about how our regional infrastructure and the continental platform can work together.

I am optimistic that these discussions will yield practical outcomes: clear pathways for interoperability between SADC-RTGS and PAPSS, consistent oversight and AML/CFT standards, and fewer layers of cost for the businesses that trade across our borders.

The goal is not to replace what works, but to link it. A payment from Gaborone to Accra should move as smoothly as one from Gaborone to Johannesburg.

I look forward to hearing the progress made so far, and I urge all parties to keep up the momentum, so that Southern

Africa is a driver of continental payments integration and not a follower.

Working together

No single institution or country can achieve this alone. I therefore encourage all of us to use these days to:

- Share practical experiences and lessons from implementing compliance regulations.
- Identify areas where regulatory divergence slows or create barriers to cross-border trade and explore pathways to harmonisation.
- Strengthen cooperation among regulators, banks, and development finance institutions.
- Deepen collaboration between central banks and the Pan-African Payment and Settlement System, so that cross-border payments in Africa become faster, safer, and more affordable.
- Invest in the skills and technology that equip compliance practitioners to respond effectively to emerging risks.

Conclusion

I commend Afreximbank for its leadership for continued efforts to promote intra-African trade and economic

integration. Thank you once again for choosing Gaborone to host this year's Forum. I wish you all fruitful deliberations, productive engagements, and lasting partnerships over the course of this Forum. I also thank the Ministry of Trade and Entrepreneurship for its partnership and support. Let us leave here resolved that closer collaboration between central banks, as regulators, and the Pan-African Payment and Settlement System will make intra-African trade faster, safer, and more affordable.

With these remarks, it is my pleasure to declare the Afreximbank Compliance Forum 2026 officially open.

Thank you.