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**RESTORING BANKING STABILITY: BEYOND
SUPERVISED CAPITAL REQUIREMENT**

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The need to modernise Payment Systems and to make them more efficient in light of rapidly changing condition in financial markets, trade and consumer needs worldwide have become urgent concerns for countries in the Southern Africa Development Community (SADC). All SADC member countries have now embarked on programmes towards modernising their Payment Systems. This paper identifies and discusses some of the challenges that banks (including central banks) in the SADC will have to address in modernising Payment Systems and promoting their efficiency in the early years of the new millennium. Among these challenges are development and implementation of RTGS Systems, convergence of payment systems legislation and practices of countries in the SADC and the provision of payment system services to a wider cross-section of the population.