

Press Release

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REGULARIZATION OF ELECTRONIC FUNDS TRANSFER (EFT) WITHIN THE COMMON MONETARY AREA (CMA)

The public is advised that low-value cross-border payments within the Common Monetary Area (CMA) have historically been processed through South Africa's domestic retail payment system.

The treatment of these low-value cross-border payments as if they were South African domestic payments, contravened international standards on Anti-Money Laundering and the Combatting of Financing of Terrorism (AML/CFT).

The AML/CFT Standards are specifically meant to prevent criminals from having unfettered access to the financial sector to move their funds and detect such misuse when it occurs. It was against this background that the treatment of low-value cross-border payments within the CMA had to be regularized.

The public is also advised that when regularizing these payments, the CMA regulators were guided by the policy objective of maintaining the integrity, transparency, efficiency and cost-effectiveness of cross-border payments within the CMA. The regularization of these transactions was critical to ensure their compliance with international standards on AML/CFT to mitigate potential risks of financial crimes such as money laundering and terrorist financing. Furthermore, in regularizing the execution of cross-border payments within the CMA, consumers and businesses shouldn't be negatively impacted, particularly from the efficiency and cost-effectiveness that they benefited over the years.

To fully comply with the AML/CFT Standards, the CMA regulators advised that the low-value cross-border payments within the CMA be moved to regional infrastructures meant to process cross-border payments from September 2024.

However, it has come to the attention of the Bank that there has been a misunderstanding on this matter, its origin and what it means and how it should be handled. Some media houses have made claims that this transition implies that EFT payments shall not be permitted in CMA, which was inaccurate and misleading.

Assertions have also been made by some media houses that South African account holders will not be allowed to receive EFT payments from other CMA countries. This is again misleading as the regional infrastructures to be used from September are already being used to process other payments within the CMA and beyond.

The Bank wishes to assure the public that all cross-border payments shall still be permitted within CMA and beyond, using appropriate payment channels as alluded to.

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