

► Message from

**Nkau Matete**

Managing Director



**Dear Valued Client,**

There is a regional change scheduled to take place in the cross-border payments arrangement within the Common Monetary Area (CMA) countries, in September 2024. The CMA countries include Eswatini, Lesotho, Namibia, and South Africa. This change is a result of a decision by the regional bodies responsible for the rules of engagement in the cross-border payments space. As of Monday, 16 September 2024, cross-border payments amongst the CMA countries will be conducted in a different manner. Currently, there is a basic electronic funds transfer arrangement suitable for payments between these countries. Following this change, there will be a few more details required in order to effect payments electronically between these countries, and so the said payments will be classified under the normal Global Payments category which currently applies when paying from CMA countries to non-CMA countries.

There have been industry pronouncements domestically by the Central Bank of Lesotho, as well as the Bankers Association of Lesotho. Same communication efforts are happening in other territories as well.

In a bid to unpack the effects of this change further, we have prepared a set of frequently asked questions. Please see below document for reference. Nedbank Lesotho appreciates your continued business, and we are committed to remaining close to you as we prepare for this significant regional change.

Should you have any questions about this change, kindly contact your relationship manager with the green bank.

**CMA**

Common Monetary Area



## Key information about the CMA cross-border payment changes

- 1. What is CMA?** Common Monetary Area is made up of four countries; Eswatini, Lesotho, Namibia, and South Africa
- 2. What is a CMA EFT?** This is an Electronic Funds Transfer initiated via your money app, internet banking or in branch through the Global Payments desk to a CMA country.
- 3. Will EFTs to account holders in South Africa, Namibia and Eswatini still be possible?** Yes, however there will be additional information needed and these would now be paid out as a Global Payment transfer.
- 4. Will I continue to receive an EFT payment from a CMA country?** Yes, this will be possible, but this will be received as a Global Payment.
- 5. Will I still be able to pay for other CMA countries debit orders using my Nedbank Lesotho account?** This will no longer be possible, foreign entities are advised to open Business accounts with Nedbank Lesotho E.g. If you have an insurance, life-cover, furniture, or other installment with a service provider in South Africa, the debit order from your Lesotho account will no longer be possible when the change has happened. The service provider affected, only needs to open a business account in Lesotho, in order to continue collecting your recurring installments.
- 6. How is this change going to impact domestic transfers?** Domestic payments will be unaffected by the above-mentioned changes. Payments to and from other local banks will happen as usual.