

Common Monetary Area cross-border payment changes

As part of Nedbank Namibia's ongoing commitment to keeping you informed about regulatory developments that may impact clients' financial activities, we wish to update you on the Bank of Namibia's (BoN) issuance of the 'Determination on the Conduct of Electronic Funds Transfer Transactions in the National Payment System' (PSD-9) on 14 October 2022. This determination primarily focuses on changing the current process of cross-border electronic funds transfers payments.

Here is a short overview of the latest developments in this matter, along with the measures we are implementing to mitigate any potential disruptions to clients' business and financial operations.

Key updates

- **Effective date of changes:** September 2024.
- **Compliance with PSD-9:** In alignment with the directives outlined in PSD-9, adjustments will be made to the process of making cross-border payments between Namibia and South Africa. Notably, clients will be required to furnish additional balance of payment (BoP) information for their payments.
- **Enhancements to electronic banking platforms:** We are in the process to enhance our electronic banking platforms to ensure compliance with PSD-9 requirements. These modifications are designed to minimise disruptions from the client's perspective. Noteworthy enhancements include the provision of a comprehensive list of 'BoP codes to categorise respective payments.
- **Importance of correct BoP category selection:** It is imperative to emphasise the critical importance of selecting the correct BoP category during the payment process. Incorrect selections may potentially result in adverse effects on payments and could lead to transfer delays.

New payment guidelines

- **Single payment transactions to South Africa:** Clients will continue to initiate payments through our digital channels (electronic banking systems). However, a new requirement mandates the inclusion of specific BoP categories.
- **Bulk payments to South Africa:** Similar to single payment transactions, cross-border payments may still be included in bulk files, provided that the required BoP information is selected as additional payment information.
- **Collections:** Debit orders collected from accounts within Namibian borders must originate from an account based in Namibia. Collection of debit order payments outside Namibian borders is not allowed.

For more information, call us on 081 959 2222.