

BANK OF NAMIBIA

No. 10

31 March 2025

DIRECTIVE UNDER THE PAYMENT SYSTEM MANAGEMENT ACT, 2023 (ACT NO. 14 OF 2023)

In my capacity as Governor of the Bank of Namibia (the Bank), and under the powers vested in the Bank by virtue of section 44 of the Payment System Management Act, 2023 (Act No.14 of 2023), I hereby issue the **Directive on the Regularisation of Cross-border Low-value Electronic Funds Transfers (EFT) within the Common Monetary Area (CMA) (PSDIR-10)**, which Directive shall become effective on the date of signature.



**JOHANNES !GAWAXAB
GOVERNOR**

Windhoek, 31 March 2025

DIRECTIVE ON THE REGULARISATION OF CROSS-BORDER LOW-VALUE ELECTRONIC FUNDS TRANSFERS (EFT) WITHIN THE COMMON MONETARY AREA (CMA)

1. Definitions

In this Directive, unless the context indicates otherwise, the words and expressions used herein shall have the same meaning assigned to them in the Payment System Management Act, 2023 (Act No. 14 of 2023), and cognate expressions shall have corresponding meanings.

- 1.1. **“Act”** means the Payment System Management Act, 2023 (Act No. 14 of 2023).
- 1.2. **“CMA”** means a common monetary union which includes the Republic of Namibia, the Kingdom of Lesotho, the Republic of South Africa and the Kingdom of Eswatini.
- 1.3. **“CMA CPOC”** means the Cross-border Payments Oversight Committee – a structure established by the central bank governors of the CMA countries to oversee and coordinate various cross-border payment initiatives and risks with a key objective of enabling a sound and effective cross-border payment exchange system.
- 1.4. **“CMA CPOC Position Paper”** means a position paper on the processing of cross-border low-value Electronic Fund Transfers within the Common Monetary Area, issued on 31 July 2024.
- 1.5. **“CMA low-value EFT transaction”** means transactions within the CMA with a transaction value below N\$5,000,000.00.
- 1.6. **“Electronic Funds Transfer Transactions”** or **“EFT Transactions”** means a transaction initiated through a mechanism such as an electronic terminal, telephone or computer that instructs a system participant either to credit or to debit a user’s account at a financial institution.
- 1.7. **“PSD-9”** means the Determination on the Conduct of Electronic Funds Transfers in the National Payment System.
- 1.8. **“PSDIR-9”** means the Directive on the User Fees and Charges and Speed of Cross-border Common Monetary Area (CMA) Low-Value Transactions (PSDIR-9), as amended.
- 1.9. **“Regularisation”** means the use of an appropriate payment system that allows payments to be executed in a manner that ensures the achievement of effectiveness and efficiency of the payment system as well as compliance with the Financial Action Task Force (FATF) Recommendations for EFTs (Recommendation 16) and PSD-9.

1.10. “SADC-RTGS” means the regional cross-border real-time gross settlement system for the Southern African Development Community.

2. Purpose

2.1. The purpose of this Directive is to:

2.1.1. Direct payment service providers processing cross-border low-value electronic funds transfer transactions within the Common Monetary Area (CMA) to transition from the temporary settlement arrangement via the Southern African Development Community real-time gross settlement (SADC-RTGS) system and other inappropriate system to the Transactions Cleared on an Immediate Basis (TCIB) payment scheme; and

2.1.2. ensure that payment service providers facilitate the execution of low-value cross-border electronic funds transfers in a manner that promotes transparency, efficiency, and cost-effectiveness for users and businesses.

3. Position of the Bank

3.1. In line with the requirements of PSD-9, and PSDIR-9 and as guided in the CMA CPOC Position Paper, the Bank is committed to ensuring that cross-border low-value electronic funds transfers within the CMA are processed in an efficient, transparent and cost-effective manner.

3.2. In regularising the execution of cross-border low-value payments, the Bank directs payment service providers:

3.2.1 To start migrating all low-value electronic funds transfers within the CMA to a regional retail payment system designed for low-value cross-border electronic funds transfers, namely the TCIB payment scheme from the effective date of this Directive;

3.2.2 To cease executing cross-border low-value electronic funds transfers within the CMA through the temporary settlement arrangement utilising the SADC-RTGS by **31 March 2027**;

3.2.3 To execute cross-border low-value electronic funds transfers within the CMA through a regional retail payment system designed for low-value cross-border electronic funds transfers, namely the TCIB payment scheme from **1 April 2027**; and

3.2.4 Ensure that low-value cross-border electronic funds transfers within the CMA are processed in an efficient, transparent and cost-effective manner without negative impact on users and businesses.

4. Effective Date

4.1. This Directive takes effect on the date of signature.

5. Expected Results

5.1. All payment service providers are expected to make the necessary adjustments to their cross-border CMA low-value electronic funds transfers to ensure compliance with this Directive.

6. General

6.1. This Directive is not exhaustive and may be supplemented and/or amended from time to time.

6.2. Contravention of this Directive is an offence in terms of section 44(2) of the Act and is subject to penalties under section 40 of the Act.

7. Enquires

Any enquiries or clarification concerning this Directive may be addressed to:

The Director: National Payment System and Financial Surveillance Department
Bank of Namibia
P O Box 2882
71 Robert Mugabe Avenue
Windhoek

Signed:



**JOHANNES !GAWAXAB
GOVERNOR**