



BANKERS ASSOCIATION OF LESOTHO

ESTABLISHED 2006

UPDATE ON THE UPCOMING CHANGES IN THE CROSS-BORDER PAYMENTS WITHIN THE COMMON MONETARY AREA (CMA)

The Common Monetary Area (CMA) Cross-border Payments Oversight Committee (CPOC) has made the decision to sunset the current cross-border EFT credit interim solution for CMA countries (Eswatini, Lesotho, Namibia, and South Africa), and this has a deadline of 16th September 2024 for Eswatini, Lesotho, and Namibia. As a result of the above changes, your CMA Cross-border EFT debit orders and payments will be impacted. This means that, effective Monday 16th September 2024, all CMA participants will not allow any EFT processing in their domestic systems. Cross border collections will be prohibited and foreign entities that have presence in Lesotho must collect via their Lesotho counterparts, irrespective of whether the creditor commercial agreement is between the foreign collector or entity and the Lesotho customer. Foreign collectors or entities without a presence in Lesotho, must open bank accounts in Lesotho to collect all debit orders in line with the current Lesotho EFT Payment Clearing House Rules.

All CMA EFT transactions will be treated as cross border transactions and as such reportable to the Central Bank of Lesotho as per the requirements of the relevant Exchange Control Legislation.

How will cross-border payments and collections be impacted?

1. EFT payments to account holders in Eswatini, Namibia and South Africa (CMA countries) will still be possible, however with additional information needed and these would now be paid out as a Global Payment transfer.
2. You will continue to receive an EFT payment from a CMA country, but this will be received as a Global Payment.
3. Cross-border collections will no longer be possible for Basotho with another CMA country service provider through their Lesotho account. Service providers i.e., foreign entities are advised to open business accounts with banks in Lesotho.

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