CASH SMART LEKGOTLA

SOUTH AFRICAN RESERVE BANK

Cash Lekgotla Chairperson's summary of the meeting held on 12 November 2026

Opening

The second Cash Lekgotla, held in Sandton on 12 November 2026, brought together stakeholders from across South Africa's cash ecosystem to reflect on progress under the Cash Smart Strategy and consider emerging proposals regarding the ecosystem. The discussions were enriched by international perspectives on the evolving role of cash, updates on key Cash Smart initiatives and an industry panel that explored what the proposed changes may mean for participants across the cash value chain.

I would like to thank the attendees for their engagement and for sharing their perspectives. The lekgotla reinforced an important principle: the future cash ecosystem must be shaped collectively.

Context from the chair

The lekgotla was anchored in the progress made since the Cash Smart Strategy was launched in November 2025 and introduced to stakeholders at the first lekgotla in May 2026. Since then, work has progressed across several areas, including cash-centre network optimisation, analysis of the current automated teller machine (ATM) landscape and development of the white-label ATM concept, technology mapping and consideration of an appropriate regulatory framework. The outcomes of this work will be communicated as the respective workstreams mature and the appropriate governance processes are concluded.

Industry engagements have continued throughout this period, and have provided valuable input into the design of a future-fit cash ecosystem. The National Cash Utility was registered in September 2026, marking an important milestone as the programme prepares for its establishment. A further significant development presented at the lekgotla was the proposed cash ecosystem blueprint, which begins to translate the Cash Smart Strategy into a potential future operating model.

At the start of the meeting, members expressed their expectations on clarity, honesty, transparency, progress, collaboration and understanding the way forward.

Future-proofing cash: Why cash needs a great scrumhalf

Globally recognised expert on payments and cash Guillaume Lepecq reiterated that cash was not disappearing; instead, its role and the infrastructure to support its evolution were changing.

Cash is more than a means of payment; it is an instrument of inclusion, choice and resilience, particularly when digital channels are disrupted during times of distress. Globally, governments regard access to cash as critical national infrastructure and of public interest, requiring active planning rather than being left to market forces.

The future cash ecosystem should therefore balance access, acceptance, availability and affordability, while enabling innovation and a commercially sustainable infrastructure.

The broader insight is clear: the cash ecosystem of the future will require greater agility, stronger coordination and the ability to anticipate and respond to changing consumer, technological and market needs.

From the current ecosystem to a future-fit model

A key discussion at the lekgotla was the proposed cash ecosystem blueprint and how the future ecosystem should be organised to deliver the objectives of the Cash Smart Strategy. The current ecosystem is characterised by fragmented infrastructure, duplication across parts of the value chain, inefficient cash movements and limited end-to-end visibility. Together with the high cost of cash identified in the *Cost of Cash Research Study,*[1] these challenges strengthen the case to reconsider how the ecosystem operates.

Under this model, the South African Reserve Bank (SARB) would retain responsibility for policy, regulation and oversight, while the National Cash Utility would operate designated national cash infrastructure and perform defined ecosystem coordination functions, supported by appropriately licensed market participants. Importantly, the blueprint remains a draft for co-creation rather than a predetermined end-state, with further industry-wide engagement intended to test and refine the proposed model. The measure of success must be whether the future ecosystem delivers tangible benefits to end-users while giving effect to the objectives of the Cash Smart Strategy.

Network optimisation

The network optimisation work demonstrated a significant opportunity to improve the efficiency and resilience of South Africa's cash infrastructure. The model has evolved materially since the May 2026 Cash Lekgotla, incorporating transaction, capacity and operational data, as well as industry input on logistics, outlying demand and security. The analysis indicated that the current cash centre network could potentially be right-sized to around 64 sites and, over the longer term, to just over 40 sites where investment enables additional capacity. These figures represent scenarios for further assessment and engagement, rather than predetermined targets.

The work also pointed to broader opportunities to consolidate coin-sachetting capability and the potential use of shared industry logistics hubs to reduce duplication, improve asset utilisation and strengthen security. Further work is required on last-mile logistics,

[1] SARB, *Cost of Cash Research Study,* 2026.

route optimisation, security and cash-aggregator requirements before the network design and implementation are finalised.

ATM as-is analysis

The ATM analysis highlighted the strength of current access and the opportunity for improvement.

While 95.4% of adults living in a police district[2] have ATM access, this overall figure masks geographic disparities, particularly in rural areas. At the same time, parts of the urban network show significant duplication and under-utilisation. The challenge is therefore not simply to reduce infrastructure, but to optimise it appropriately by protecting and extending access where it is needed while addressing unnecessary duplication and aligning capacity with local demand.

Industry engagement has already resulted in refinements of the proposed white-label ATM model. Under the emerging approach, financial institutions may retain branch-attached ATMs, recognising their important role in deposits and branch servicing, within a broader framework of common operating standards, universal access and consistent service expectations. The longer-term ambition is a more accessible and efficient ATM ecosystem, supported by shared infrastructure and coordinated logistics while continuing to enable appropriate market participation.

A policy objective under consideration is for withdrawals below a defined threshold to be available without charge to the end-consumer. The threshold, funding arrangements and broader implementation details remain subject to further consideration.

Panel: Shaping the future cash ecosystem – an industry-wide discussion

The lekgotla concluded with a panel discussion with representatives from the Banking Association South Africa (BASA), the Vending Association of South Africa (VASA), the Cash-In-Transit Association of South Africa (CITASA), South African Retailers' Payment Industry Forum (SARPIF) and NCR Atleos, a New York Stock Exchange-listed leader in expanding self-service financial access.

The industry panel indicated broad alignment with the objectives of the Cash Smart Strategy, while recognising that important operational, commercial and regulatory questions still needed to be resolved through continued co-creation. Participants emphasised that the transition must protect the availability of cash and deliver demonstrable benefits to consumers, rather than introduce change or additional cost without improving outcomes.

Several themes emerged.

First, the transformation must deliver meaningful benefits to the end-consumer. The change should improve accessibility, affordability, resilience and efficiency rather than simply transferring costs or complexity across the ecosystem.

[2] A police district sits within a municipality served by a specific South African Police Service (SAPS) station.

Second, the future ecosystem should preserve what works well today while addressing structural inefficiencies, including duplication, inefficient cash handling and logistics, and security risks.

Third, participants recognised that appropriate regulation and licensing will be important, while emphasising that regulatory requirements and associated costs should be proportionate to the risks addressed and the public benefits being pursued.

Finally, there was strong support for continued collaboration and meaningful consultation. Industry participants expressed a willingness to contribute their operational expertise and capability as the proposed blueprint develops.

Next steps

The programme now moves into a more detailed phase of engagement and design. The proposed cash ecosystem blueprint will provide the basis for structured consultation with stakeholders, while further work continues on network optimisation, ATM access, logistics, security, regulation and the operating model of the National Cash Utility. These engagements will be used to test the assumptions and proposals presented at the lekgotla, understand the associated trade-offs and progressively shape the final blueprint and implementation pathway.

Closing

I want to emphasise that cash is here to stay, but the ecosystem that supports it must evolve. The objective is not a cashless society, but a cash smart one in which people can move seamlessly between physical and digital forms of payment, with both offering trusted, secure, efficient and affordable ways to transact. Achieving this objective will require us to protect access to cash and the integrity of the cash ecosystem while continuing to broaden access to digital payments. This requires us to rethink infrastructure, remove duplication, embrace innovation and build an ecosystem capable of responding to changing consumer needs.

The future of cash cannot be built by any single institution. It requires collaboration between the SARB, financial institutions, cash service providers, retailers, technology providers and other participants across the ecosystem.

The opportunity before us extends beyond modernising the cash ecosystem: it is about supporting financial inclusion, protecting end-consumer choice and ensuring that the way people access and use their cash contributes meaningfully to the country's broader social and economic development.

I extend my gratitude to members of the cash industry and the institutions they represent both for their participation at the lekgotla and for their substantive contributions throughout the year in shaping the future cash ecosystem.

Disclaimer: *This summary records the main messages, areas of alignment and concerns that emerged from the Cash Lekgotla. It does not replace formal policy, regulatory or governance decisions.*