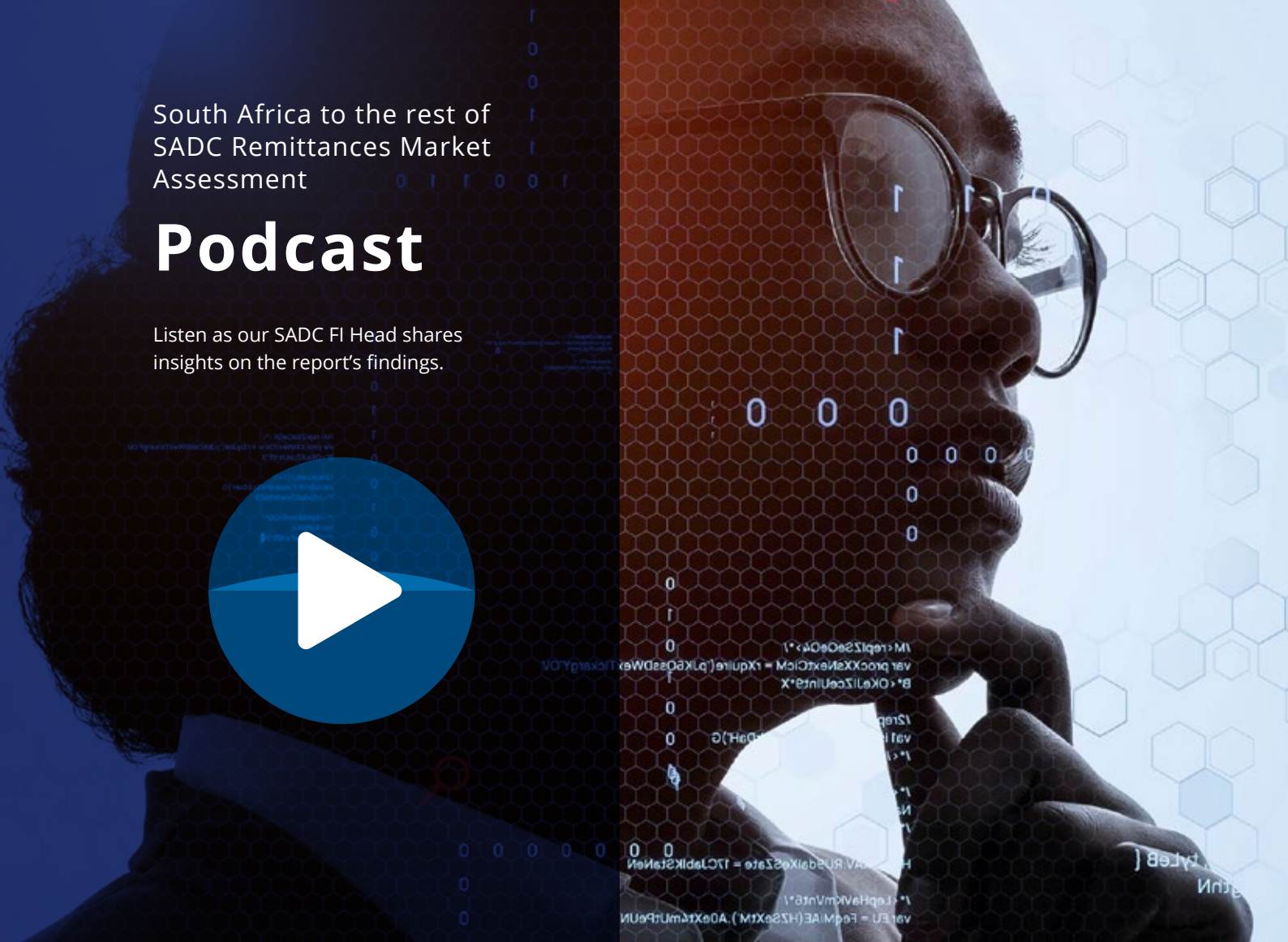


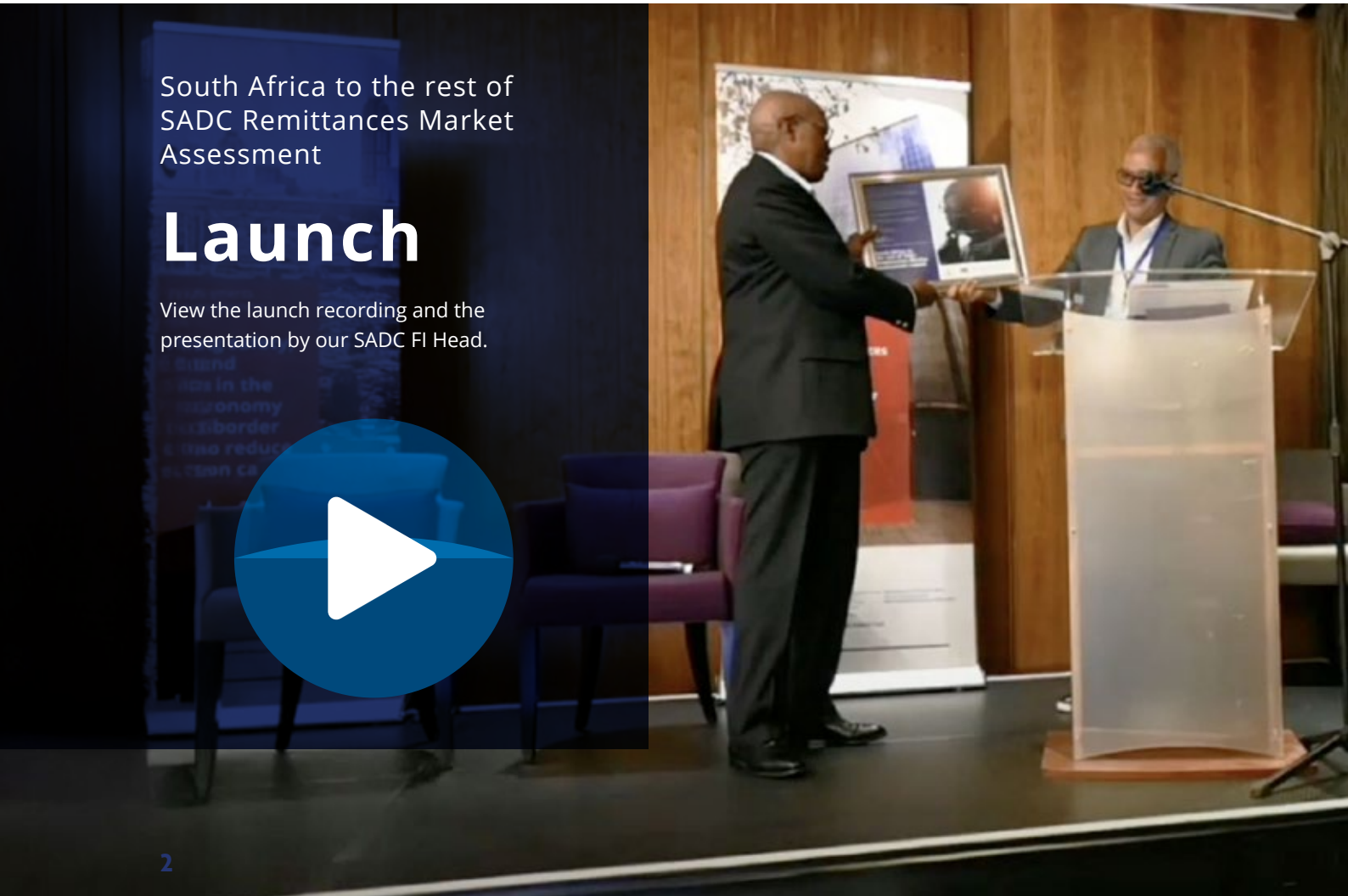
South Africa to the rest of SADC Remittances Market Assessment 2024 Report



South Africa to the rest of
SADC Remittances Market
Assessment

Podcast

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insights on the report's findings.



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Abbreviations

Term	Definition
AML	Anti-money laundering
APBS	Aadhaar Payment Bridge System
API	Application Programming Interface
BOP	Balance of payments
CBDC	Central Bank Digital Currency
CDD	Customer due diligence
CFC	Customer foreign currency
CFT	Counter-financing of terrorism
CMA	Common Monetary Area
DHA	Department of Home Affairs'
DNFBPs	Designated non-finance business and professions
DRC	Democratic Republic of Congo
EFT	Electronic fund transfer
FATF	Financial Action Task Force
FCA	Foreign currency account
FG	Focus Group
FICA	Financial Intelligence Centre Act
FIC	Financial Intelligence Centre
IFWG	Intergovernmental Fintech Working Group
KYC	Know-Your-Customer
KZN	KwaZulu-Natal
LMZ	Lesotho, Mozambique, Zimbabwe
MMOs	Mobile money operators
MTOs	Money transfer operators
MVTS	Money or Value Transfer Services
NPSA	South African National Payment Systems Act
PAPSS	Pan-African Payment and Settlement System
RBA	Risk-based approach
RBZ	Reserve Bank of Zimbabwe
RISDP	Regional Indicative Strategic Development Plan
RPW	Remittance Prices Worldwide
RSA	Republic of South Africa
RSP	Remittance service provider
RTGS	Real-time gross settlement
SADC	Southern African Development Community
SAMOS	South African Multiple Option Settlement
SDG	Sustainable Development Goal
SARB	South African Reserve Bank
SSI	Semi-structured interviews
TCIB	Transactions Cleared on an Immediate Basis
UNHCR	United Nations High Commissioner for Refugees
USSD	Unstructured Supplementary Service Data
ZiG	Zimbabwe Gold

Acknowledgement

We wish to acknowledge the invaluable contributions of Mr Tim Masela, Outgoing Head of the National Payment Systems Department at the South African Reserve Bank and Outgoing Chairperson of the Southern African Development Community Payments System Subcommittee, to advancing inclusive payment systems and enhancing cross-border remittance services in the SADC region.

Tim has helped shape some of the most important reforms in the financial inclusion space, including advocating for the adoption of digital payments and the implementation of innovative low-cost payment solutions. His support for the adoption of a risk-based approach to AML/CFT has helped expand access to financial services for vulnerable groups, including migrants.

His vision, leadership and willingness to challenge the status quo have laid firm foundations for more inclusive, transparent and affordable cross-border payment systems that will continue to benefit families, businesses and communities across the region.



Executive Summary

Cross-border remittances serve as a critical financial lifeline for millions of households across the Southern African Development Community (SADC), with South Africa functioning as the region's primary economic hub and remittance origin point. International policy frameworks recognise the transformative potential of these flows, with the G20 Plan to Facilitate Remittance Flows establishing targets to reduce global remittance transfer costs, while the United Nations SDG 10.c provides explicit targets to reduce transaction costs to less than 3% of a USD200 transaction by 2030, and eliminate remittance corridors with costs exceeding 5%.

This study represents an update to previous FinMark Trust assessments of the South Africa-SADC remittance market, building upon the 2021 Remittance Market Assessment by examining changes in pricing mechanisms, regulatory frameworks, service provider strategies and technological innovations. The research provides an analysis of the cross-border financial services landscape through a three-stage value chain framework encompassing the first mile (sender access), middle mile (cross-border infrastructure), and last mile (recipient fund access).

Research methodology

The research methodology combines semi-structured stakeholder interviews, mystery shopping exercises encompassing 309 real transactions and binding quotes, SARB BOP data analysis, and focus group discussions with 61 remittance senders. By examining two distinct transaction sizes—USD200 and USD55—the study aligns with international benchmarking standards while capturing unique characteristics of regional remittance patterns. The pricing study involves applying weighted average pricing using SARB market share data, providing more accurate representation of actual remittance costs compared to simple arithmetic averages.

Market growth and current scale: The South Africa to SADC remittance market has experienced substantial growth, with formal outflows expanding from R6 billion in 2016 to over R19 billion in 2024, representing more than threefold growth, largely driven by COVID-19 travel restrictions, which forced conversion from informal to formal channels. The four largest destination markets—Zimbabwe, Lesotho, Malawi and Mozambique—consistently account for nearly 90% of all formal SADC remittances. However, growth has not been uniform, with Malawi experiencing a 49% decline from its 2021 peak and Mozambique decreasing by 36% since 2022, reflecting a shift back towards informal channels in these markets.

Transaction patterns and migrant remitting behaviour: The research reveals distinct transaction patterns across different market segments, with important implications for first-mile service design. In the largest formal remittance markets, most transactions cluster between R500 and R1,899, with over R4.5 billion sent in the R1,100 to R1,299 transaction size range alone in 2024. Cash remains the dominant first-mile payment method in high-volume corridors, comprising approximately 80-90% of transactions in major markets like Zimbabwe and Malawi, while smaller markets rely predominantly on account-based transactions.

The study estimates the total SADC migrant population in South Africa at just under four million individuals, with 89% undocumented, and calculates the informal remittance market at approximately R3.4 billion or 17% of the formal market size, though this is likely a substantial underestimate given evidence of declining formal volumes in key corridors.

Regulatory framework developments: South Africa's regulatory environment significantly influences regional remittance dynamics. The risk-based approach to AML/CFT compliance primarily affects first-mile access, and stakeholder interviews suggest that in practice, it may also limit the framework's intended benefits for financial inclusion. In 2023, the Financial Action Task Force (FATF) placed South Africa on its grey list, which has introduced additional first-mile scrutiny, with remittance service providers reporting increased compliance costs and potential middle-mile restrictions on correspondent banking relationships.

Regional regulatory developments present both opportunities and challenges across the value chain. The mandatory migration of Common Monetary Area (CMA) low-value cross-border transfers to the Transactions Cleared on an Immediate Basis (TCIB) system offers potential for enhanced middle-mile interoperability, while initiatives such as ISO 20022 adoption and the SADC real-time gross settlement (RTGS) system renewal aim to improve middle-mile payment system efficiency. However, emerging data localisation requirements across multiple SADC countries may undermine these efficiency gains by preventing remittance service providers from achieving cloud-based economies of scale across all three value chain segments.

Provider landscape: The remittance provider landscape has expanded from 48 authorised entities in 2021 to 55 in 2024, with new entrants particularly targeting the growing Zimbabwean corridor and focusing on first-mile accessibility improvements. Digital innovation is accelerating across all value chain segments, with providers increasingly offering integrated first-mile financial services, including WhatsApp-based transactions, mobile wallets and value-added services such as airtime purchases and bill payments. However, cash dependency remains embedded in high-volume corridors, with associated costs implicitly factored into first-mile pricing structures.

Emerging technologies, including blockchain applications and central bank digital currencies, show promise for middle-mile efficiency improvements, though regulatory clarity and infrastructure development remain prerequisites for widespread adoption.

Pricing and service quality outcomes: The 2024 pricing assessment indicates that progress remains below international affordability targets, with variations across corridors.

For USD200 transactions:

- The weighted regional average excluding Malawi and the CMA stands at 8.1%, well above the UN SDG target of 3% by 2030 and slightly higher than the 2021 outcome of 7.6%.
- The deterioration in CMA pricing, where the weighted average cost has increased from an SDG-compliant 2.9% in 2021 to 6.6% in 2024, was primarily driven by middle-mile regulatory changes requiring the decoupling of cross-border transactions from domestic payment systems for enhanced anti-money laundering compliance.

For USD55 transactions:

- Angola, Botswana, Madagascar, Mauritius and Seychelles all averaged more than 20% transaction fees, with the DRC approaching 20% at 19.23%. These high costs reflect first-mile access limitations and middle-mile liquidity constraints in smaller markets.
- Conversely, Mozambique and Zimbabwe achieved USD55 pricing below 10%, with weighted averages of 6.76% and 8.76%, respectively, demonstrating the benefits of competitive first-mile markets and established middle-mile infrastructure.

The mystery shopping exercise revealed disparities in service quality between license categories across the value chain. Approved dealers with limited authority (ADLA) providers consistently demonstrated superior first-mile transparency, with no hidden fees or recipient charges, and clear upfront fee structures. In contrast, traditional banks, or approved dealers (ADs), exhibited first-mile service quality issues, including a lack of binding quotes, commission fees disclosed only late in payment processes, and instances of failed middle-mile transactions with poor customer communication.

Recommendations and outlook: The research identifies intervention opportunities across the remittance value chain framework. First-mile improvements should focus on reducing access barriers while maintaining appropriate regulatory oversight, particularly addressing documentation requirements that exclude vulnerable migrant populations from formal channels. Middle-mile enhancements require coordinated regional action to address fragmented payment infrastructure, with harmonised implementation of initiatives like TCIB and ISO 20022 critical for reducing costs and processing times.

Last-mile accessibility remains constrained by infrastructure limitations, particularly in rural areas where expanding accessible payout options could help sustain formalisation gains and prevent reversion to informal channels.

The complex interplay between regulatory compliance and market efficiency across all three value chain segments underscores the need for evidence-based policymaking that carefully considers unintended consequences. While formal remittance markets have grown substantially, achieving international affordability targets while maintaining financial integrity requires continued coordination amongst regulators, service providers and regional bodies to harmonise approaches and reduce operational complexity across the SADC region's first-mile, middle-mile and last-mile infrastructure.



Introduction

SADC experiences complex patterns of human mobility and economic interconnectedness, with cross-border remittances serving as a critical financial mechanism for economic survival and development. Millions of SADC migrants reside in South Africa, the regional economic hub, creating a network of financial transfers that transcend national boundaries and traditional economic frameworks. These remittance flows remain a vital source of income and financial stability for millions of households in the region.

International policy frameworks recognise the transformative potential of remittances. The G20 Plan to Facilitate Remittance Flows, initiated in 2014, established ambitious targets to reduce global remittance transfer costs. The plan's primary objectives include decreasing the average cost of remittances from 9.3% in 2011 to a more accessible level, with a specific focus on promoting financial inclusion and supporting economic resilience in migrant-sending economies¹.

Complementing this initiative, the United Nations Sustainable Development Goal (SDG) 10.c provides a normative framework for remittance market transformation, setting explicit targets to reduce transaction costs to less than 3% of a USD200 transaction by 2030, and eliminate remittance corridors with costs exceeding 5%². The box above paints an overview of these price, quality and transparency targets.

The remittance process operates through a three-stage value chain framework that serves as the analytical foundation for understanding cross-border money transfers. As shown in Figure 1 on the following page, the first mile encompasses how senders access remittance services, including registration, transaction initiation, and payment methods.

¹ FSB (2024). Annual Progress Report on Meeting Targets for Cross-border Payments. Available at: <https://www.fsb.org/uploads/P211024-3.pdf>
² United Nations (n.d.). International Day of Family Remittances. Available at: <https://www.un.org/en/observances/remittances-day/background>

Key targets and current assessments include:

- **G20 Roadmap:** The G20 Remittance Facilitation Plan includes a multi-dimensional strategy to address cross-border monetary transfer challenges. The plan's approach encompasses multiple strategic dimensions, including cost reduction, financial inclusion, regulatory harmonisation, and technological innovation. Its core objectives include systematically reducing transfer costs below 5%, expanding access to formal remittance channels, and promoting digital financial infrastructure that supports low-income and migrant populations³. The other three pillars underpinning the roadmap pertain to the speed⁴, access⁵, and transparency⁶ of remittances⁷.
- **UN SDG Target:** The UN SDG 10.c provides a goal with clear, measurable targets that go beyond mere cost reduction, aiming to fundamentally transform the remittance ecosystem. By setting explicit targets of reducing transaction costs to less than 3% globally by 2030 and eliminating high-cost remittance corridors, the SDG framework recognises remittances as a critical mechanism for economic development and financial inclusion⁸.

Box 1: Price and quality objectives for remittances

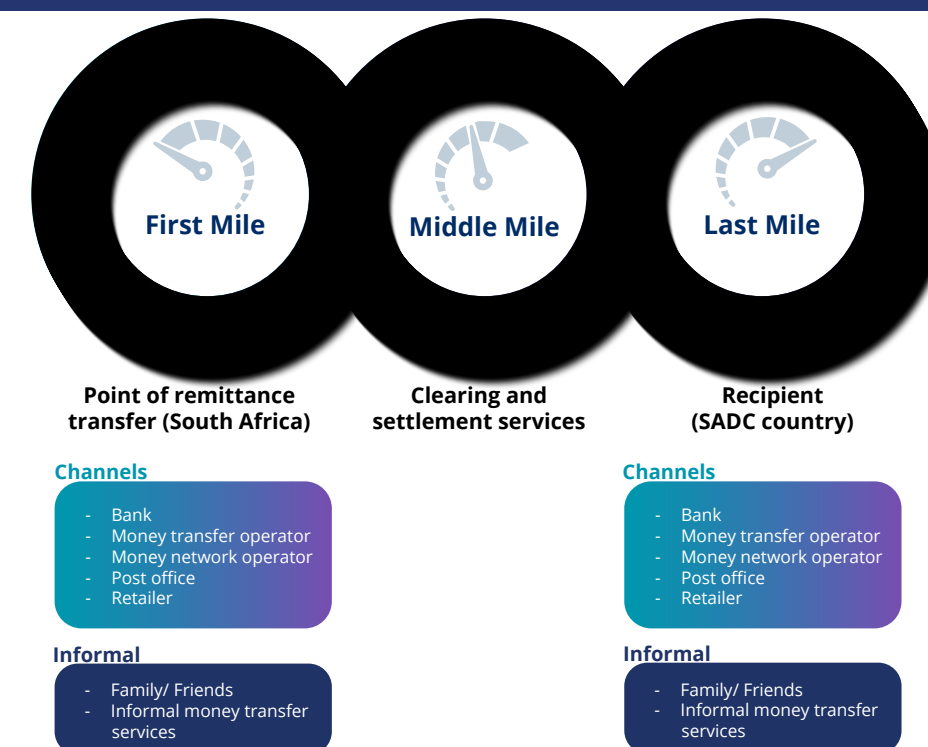


Figure 1: First, middle and last mile of remittance services

The middle mile represents the core cross-border infrastructure involving correspondent banking, payment system interoperability, foreign exchange conversion, and regulatory compliance processes that directly influence transaction costs, processing speeds, and service quality. The last mile covers how recipients access funds through various payout options.

³ FSB (2024).
⁴ Target includes '75% within 1 hour and the rest of remittances to be processed within 1 business day' (FSB, 2024)
⁵ Target includes '90% access to electronic remittances' (FSB, 2024)
⁶ Target includes 'minimum defined list of information' (FSB, 2024)
⁷ FSB (2024). G20 Roadmap for Enhancing Cross-border Payments: Consolidated progress report for 2024.
⁸ United Nations (n.d.).

This framework provides the analytical anchor for examining the South Africa to SADC remittance landscape, enabling comprehensive assessment of how regulatory changes, technological innovations, and market dynamics affect each stage of the remittance process and identifying opportunities to enhance efficiency and financial inclusion across the region.

The methodological approach of this research is to examine the regulatory and market structure of remittances in the SADC region, to understand the manner in which they are developing, and to determine if there are any actions which regulators and policymakers can take to improve market outcomes. A cornerstone of the research is a review of regional remittance pricing. By examining two distinct transaction sizes – USD200 and USD55, or approximately R3,600 and R990 – the study aligns with international benchmarking standards while also capturing the unique characteristics of regional remittance patterns. The USD200 transaction size corresponds to the World Bank's Remittance Prices Worldwide (RPW) database methodology, enabling global comparisons, while the USD55 transaction more accurately reflects the typical remittance sizes within the SADC region.

A critical methodological innovation in this research is the application of weighted average pricing, which addresses significant limitations inherent in traditional pricing assessments. Unlike simple arithmetic averages that can disproportionately reflect prices from less popular service providers, the weighted approach utilises South African Reserve Bank (SARB) data to approximate market shares. This methodology provides a more accurate representation of actual remittance costs, accounting for variations in service provider market penetration and offering a more nuanced understanding of pricing landscapes.

The study builds upon the history of research conducted by FinMark Trust on regional remittance markets, the most recent of which is the 2021 FinMark Trust Remittance Market Assessment. By systematically examining changes in pricing mechanisms, regulatory frameworks, service provider strategies, and technological innovations, the research provides a comprehensive analysis of the dynamic cross-border financial services landscape.

The research methodology included:

1. Semi-structured stakeholder interviews⁹
2. Mystery shopping exercises to assess real-world transaction costs
3. SARB Balance of Payments (BOP) data analysis
4. Focus group discussions with remittance senders

Through this multi-methodological approach, the study aims to generate an understanding of the remittance market between South Africa and its SADC neighbours that can inform policy development, enhance financial inclusion, and optimise cross-border remittance services in the SADC region.

⁹ Refer to Annexure A for list of stakeholders spoken to for the purpose of this study.



Market Estimates

South Africa-SADC formal remittance market data

As in previous remittance market estimates, the cornerstone of the estimation process is a dataset on formal remittances provided by the SARB from its FinSurv Cross-border Reporting System. Data has been provided from 2016 to 2024, on the following BOP categories:

- 305 – Compensation paid by a resident to a migrant worker employee (excluding remittances) – data provided for ADLA transactions only
- 306 – Compensation paid by a resident to a foreign national contract worker employee (excluding remittances) – data provided for ADLA transactions only¹⁰
- 401 – Gifts
- 410 – Alimony
- 416 – Migrant worker remittances (excluding compensation)
- 417 – Foreign national contract worker remittances (excluding compensation)
- 418 – Value transfer services (only for 2019 onwards, and only for outflows – previously unallocated)

Previous data sets provided by the SARB have only contained categories 401, 416 and 417. These three items continue to comprise the bulk of the value sent, as shown in Figure 2. Inclusion of employee compensation is more consistent with the definition of remittances used by the UN's SDG indicator and thus improves the accuracy of the dataset¹¹.

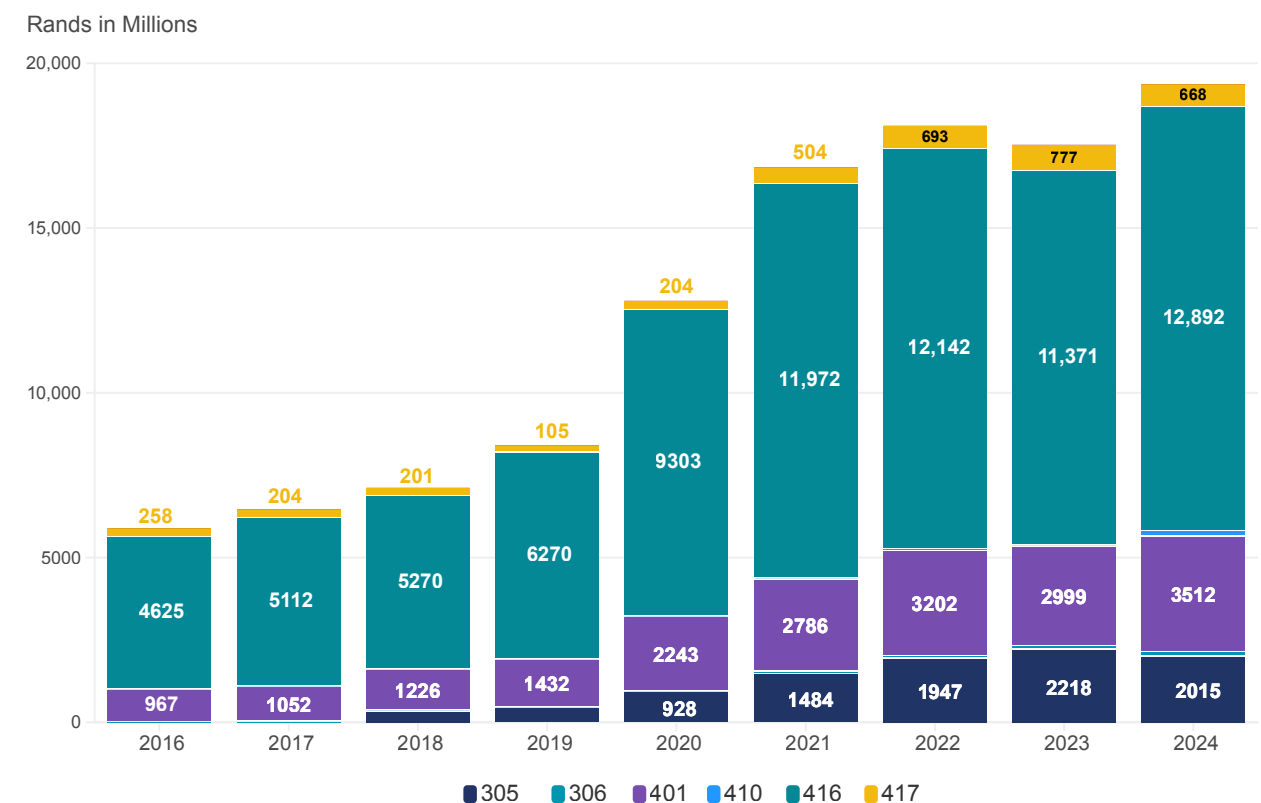


Figure 2: Total SADC remittance value by category

This dataset is an invaluable resource for the purpose of this study because it allows for the quantification of formal remittance markets with a degree of accuracy. While previous studies have relied on survey data or estimation techniques with significant margins of error, the reporting system captures actual transaction data from all authorised financial institutions, providing a comprehensive picture of the official remittance landscape.

Table 1 on the following page summarises per country remittances, into and out of South Africa, for the period 2016 to 2024. This is accompanied by Table 2, which sets out the number of transactions involved, also per country. The overall picture is of substantial growth in outflowing formal remittance markets, which have increased in size from just under R6 billion and 4.8 million transactions in 2016, to over R19 billion and 15.7 million transactions in 2024. Inflows have also increased substantially over the period 2016 to 2024, from R2.4 billion to R5.1 billion (154,000 to 599,100 transactions). The most dramatic period of growth in formal remittance outflows occurred in 2020, as COVID-19 travel restrictions limited informal remittances and forced large-scale conversion to formal remittance systems. From 2019 to 2020 alone, overall remittances grew by 52%. This is supported by anecdotal evidence provided in Section 49.

Some consolidation of this growth occurred into 2021 and 2022, but has since tailed off, and in fact, in 2023, growth was slightly negative. To understand how this growth dynamic developed, the study examined the relative performance of the large, intermediate and smaller SADC remittance markets in more depth.

¹⁰ The data is restricted to person-to-person transactions. For code s305 and 306, all ADLA transactions are P2P, and are thus included, while AD transactions include non-P2P, and are thus excluded.

¹¹ <https://unstats.un.org/sdgs/metadata/files/Metadata-17-03-02.pdf>

	Angola	Botswana	Comoros	DRC	Eswatini	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Seychelles	Tanzania	Zambia	Zimbabwe	Total
Outflows, R million																
2016	8.6	88.6	0.6	55.5	19.4	142.6	8.5	799.8	83.8	44.2	22.6	6.1	59.3	148.0	4 438.0	5 925.4
2017	6.8	78.5	0.8	81.9	6.1	318.7	7.2	1 432.6	130.1	72.6	22.2	7.8	87.3	175.8	4 113.0	6 541.6
2018	5.2	97.7	0.9	125.6	2.9	599.2	8.0	2 329.5	138.1	145.9	17.4	8.9	93.0	207.5	3 337.7	7 117.6
2019	5.3	108.4	1.2	175.5	4.3	771.8	7.2	3 112.8	148.4	387.5	17.8	18.3	155.7	262.5	3 226.2	8 402.9
2020	5.1	154.2	1.1	199.1	44.9	1 233.8	7.0	3 393.6	174.8	973.0	20.0	7.5	256.8	338.8	5 981.8	12 791.6
2021	7.5	196.8	1.9	291.6	106.7	1 445.6	7.5	4 080.5	151.9	1 118.2	21.5	4.2	466.0	434.4	8 522.0	16 856.5
2022	7.8	213.5	2.1	327.2	209.0	1 861.0	8.7	3 032.8	175.5	1 145.5	26.4	8.3	472.0	461.9	10 173.6	18 125.2
2023	8.7	239.2	2.0	316.7	204.7	1 986.2	10.0	1 993.6	208.2	936.2	36.8	6.3	409.7	484.8	10 707.7	17 550.8
2024	8.6	239.3	1.9	364.8	363.9	2 439.5	13.7	2 093.4	221.1	733.8	170.5	8.2	382.9	528.1	11 817.3	19 387.1
Inflows, R million																
2016	225.2	408.7	2.6	418.2	93.0	77.5	9.2	35.8	319.4	128.1	35.2	38.3	119.1	360.0	150.8	2 421.1
2017	169.2	412.0	2.3	393.2	17.3	28.1	6.6	33.4	338.9	90.6	10.6	32.2	91.1	331.5	106.7	2 063.6
2018	114.6	428.1	1.3	427.5	12.3	9.3	6.0	35.1	351.7	80.0	10.2	46.2	93.4	327.1	115.5	2 058.4
2019	103.6	464.6	1.3	466.1	13.0	5.6	6.3	39.9	472.9	86.2	9.9	35.5	94.6	334.2	141.0	2 274.8
2020	110.1	533.8	1.5	562.1	10.6	12.8	4.9	43.5	374.5	95.7	36.4	31.3	96.0	299.8	227.2	2 440.3
2021	101.9	531.2	1.6	545.2	6.9	9.3	6.8	43.9	372.0	81.0	36.5	27.0	92.3	328.7	378.0	2 562.4
2022	166.5	520.7	1.4	695.4	8.8	19.4	7.9	58.5	399.9	86.1	34.8	31.8	103.5	390.1	388.2	2 913.1
2023	120.3	664.7	1.7	944.2	31.6	31.0	7.2	69.8	575.3	135.1	43.3	36.3	141.9	496.2	458.7	3 757.3
2024	113.8	873.2	2.1	1 216.7	175.6	124.0	7.7	109.7	636.7	177.5	407.5	51.5	149.8	564.9	519.8	5 130.5

Table 1: Value of remittances out of and into South Africa, R million

Source: SARB dataset, own analysis

	Angola	Botswana	Comoros	DRC	Eswatini	Lesotho	Madagascar	Malawi	Mauritius	Mozambique	Namibia	Seychelles	Tanzania	Zambia	Zimbabwe	Total
Outflows, number of transactions – ‘000																
2016	0.3	12.2	0.1	9.6	0.3	148.0	1.1	784.0	2.1	10.6	1.3	0.1	7.8	44.4	3 729.1	4 751.1
2017	0.3	15.1	0.2	18.4	0.3	326.4	1.2	1 538.8	2.3	34.7	1.5	0.2	15.2	56.2	3 869.8	5 880.6
2018	0.2	19.4	0.2	35.7	0.3	604.7	1.1	2 659.6	2.3	103.1	1.9	0.2	21.8	74.5	3 003.9	6 528.9
2019	0.3	25.8	0.2	53.4	0.3	770.9	1.2	3 782.4	2.6	325.0	2.2	0.2	50.2	104.2	3 057.5	8 176.3
2020	0.5	37.4	0.3	70.7	29.1	1 040.9	1.4	4 189.0	2.7	858.5	1.4	0.2	112.8	146.1	5 227.7	11 718.6
2021	0.6	53.3	0.5	110.2	70.2	1 233.1	1.7	5 478.5	2.9	1 144.0	1.7	0.2	208.4	199.5	6 967.4	15 472.2
2022	0.7	61.3	0.6	125.7	131.0	1 580.1	2.0	4 572.7	3.0	1 199.5	1.5	0.2	228.6	214.1	7 421.1	15 542.0
2023	0.9	68.1	0.6	155.0	123.3	1 694.5	2.1	3 016.7	3.3	1 028.1	2.2	0.2	214.4	242.3	7 354.9	13 906.7
2024	0.8	75.6	0.5	213.0	168.0	1 975.2	3.4	3 398.4	3.5	786.2	22.3	0.3	228.5	309.6	8 491.0	15 676.2
Inflows, number of transactions – ‘000																
2016	6.2	30.6	0.2	35.5	3.6	6.7	0.3	2.7	8.6	5.8	0.7	2.2	5.6	25.2	20.0	154.0
2017	5.7	30.8	0.2	37.8	2.0	2.2	0.3	2.6	9.2	4.5	0.5	2.2	5.2	24.7	19.4	147.3
2018	7.1	34.7	0.2	41.8	0.8	0.6	0.3	2.5	9.2	4.1	0.4	2.1	5.1	25.5	19.8	154.3
2019	5.0	45.0	0.1	47.4	1.0	0.8	0.3	4.8	9.7	4.0	0.9	2.4	5.4	27.7	31.3	185.8
2020	3.5	69.9	0.2	55.2	1.3	1.9	0.2	8.0	8.0	4.3	1.9	1.9	4.7	25.7	96.0	282.6
2021	2.5	79.1	0.2	51.5	1.1	1.0	0.2	10.5	7.5	3.3	2.1	1.5	4.7	28.5	170.1	363.7
2022	4.0	69.6	0.2	53.4	0.6	7.2	0.3	11.6	7.3	2.9	2.1	1.7	4.9	37.2	181.8	384.6
2023	3.4	79.0	0.2	63.2	1.6	12.6	0.2	9.4	9.1	3.6	2.6	1.9	5.6	44.3	207.8	444.7
2024	2.7	94.8	0.2	78.2	24.1	30.0	0.4	13.1	12.3	4.5	44.4	2.2	6.9	43.0	242.3	599.1

Table 2: Volume of remittance transactions out of and into South Africa, thousands

Source: SARB dataset, own analysis

Almost 90% of formal SADC remittances from South Africa consistently flow to just four destination markets, namely Lesotho, Malawi, Mozambique and Zimbabwe. COVID-19 had a marked impact on growth in these markets, which grew 60%, 9%, 151% and 85%, respectively in 2020, and consistent growth has since continued in Lesotho and Zimbabwe. In contrast, Malawi and Mozambique have experienced a decline in formal remittance volumes in recent years. Malawian remittances in 2024 were 49% lower than their 2021 high, while Mozambican remittances have decreased by 36% since their high point in 2022. As discussed later in this report, Malawi’s decline in formal remittances is mostly driven by the country’s currency crisis, creating discrepancies between official and black market exchange rates that steer remitters towards informal channels offering better rates.

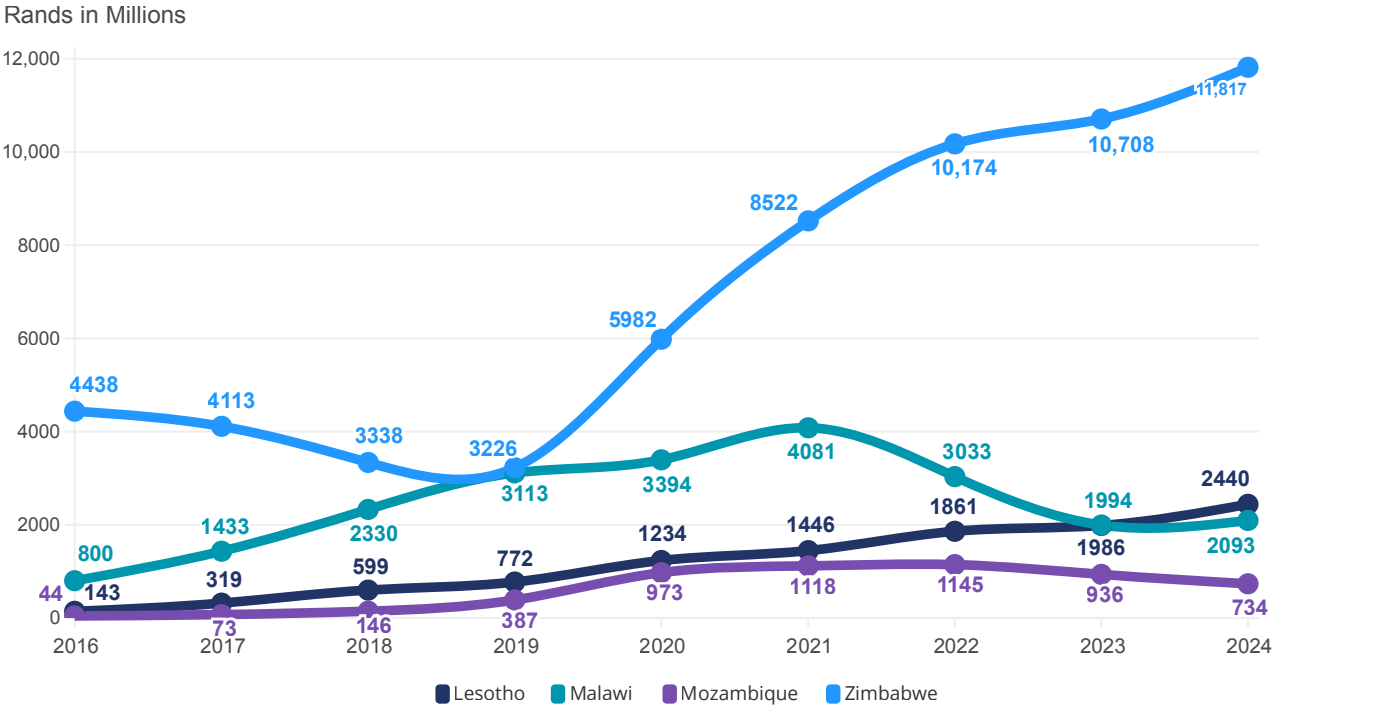


Figure 3: Remittance outflows to large SADC markets (Value, R millions) – Lesotho, Malawi, Mozambique and Zimbabwe

Six SADC markets experienced remittance outflows from South Africa of more than R200 million in 2024, as per the figure below, showcasing Botswana, DRC, Eswatini, Mauritius, Tanzania and Zambia. Growth in Eswatini, in particular, has been explosive since the introduction of the Shoprite product offering in 2020.¹² These intermediate markets all grew sharply in 2020, but again, this growth has not been uniformly sustained. The Botswanan market plateaued in 2024, and the Tanzanian market has shrunk by 19% since its peak in 2022.

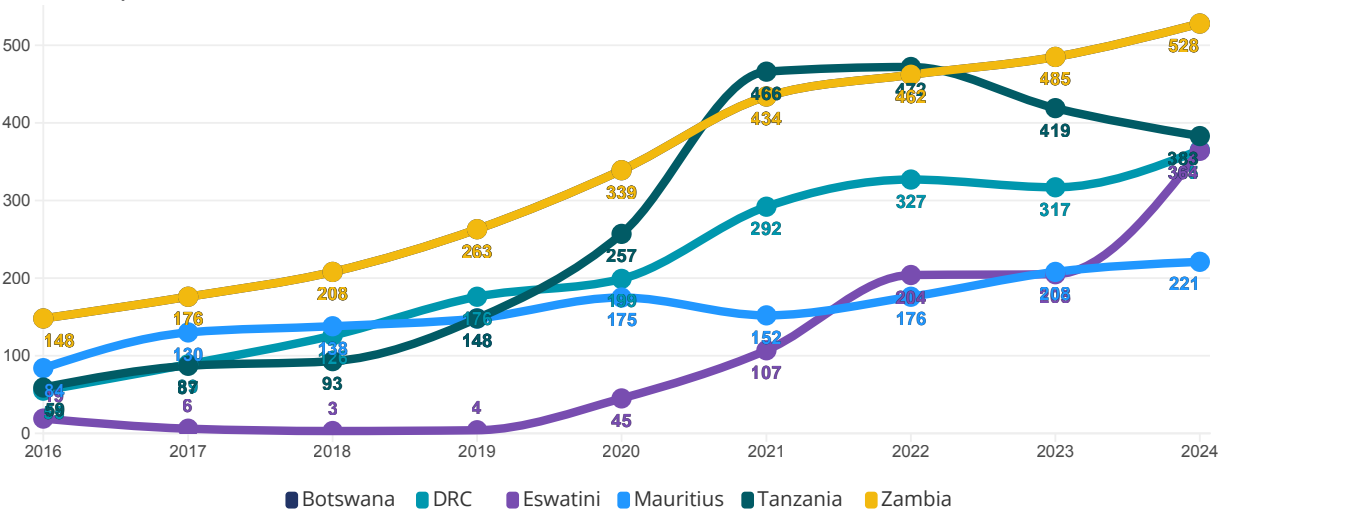


Figure 4: Remittance outflows to intermediate SADC markets (Value, R' millions)

¹² The offering is a cash-to-cash product, with money being sent from any Shoprite Money Market counter in South Africa and collected at any Shoprite in Eswatini.

The five smallest remittance markets are shown in the figure below. Values sent in these markets are largely negligible, with the exception of Namibia, which is starting to experience significant growth. To illustrate, in the year to end October 2024, Angola, Comoros and Seychelles together only received around 1,600 formal remittance transactions, worth just under R19 million. Over the same period, Namibia received more than 22,000 transactions, worth just over R170 million, and Zimbabwe received 8.5 million transactions, worth R11.8 billion. Growth in the Namibian market is associated with regulatory changes, discussed in the Box 2 below.

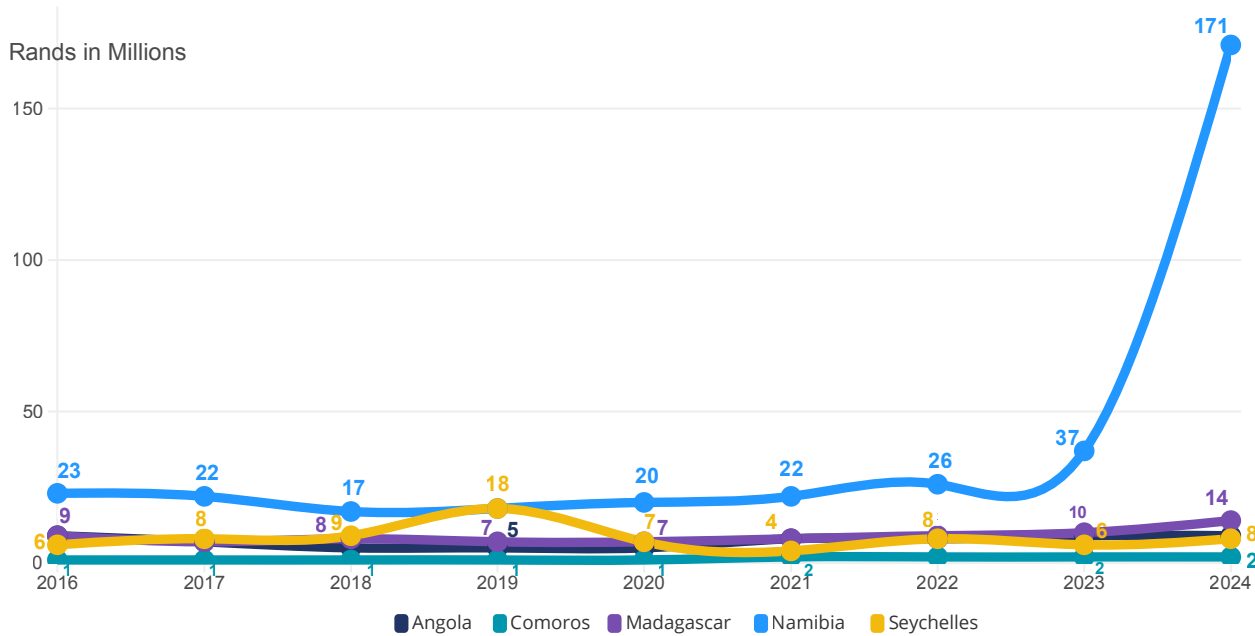


Figure 5: Remittance outflows to the smallest SADC markets (Value, R millions)

Historically, most cross-border transactions within the CMA have been processed using South Africa’s domestic retail payment system and thus have not been recorded in the datasets provided by the SARB to FinMark Trust. A series of regulatory changes is currently planned to address this issue, as discussed in more detail in the regulatory overview, and most are only due for full implementation by 3 March 2027. The implementation deadline for Namibia however, was 30 September 2024 and the impact is already visible in the dataset that has been supplied by SARB. As shown in the figure below, there is a sharp jump in monthly inflows and outflows beginning in August 2024. Average monthly outflows for the first seven months of the year are R2.5 million, increasing to almost R40 million for the last three months of the year. Namibia is thus likely to be one of the larger intermediate markets by 2025.

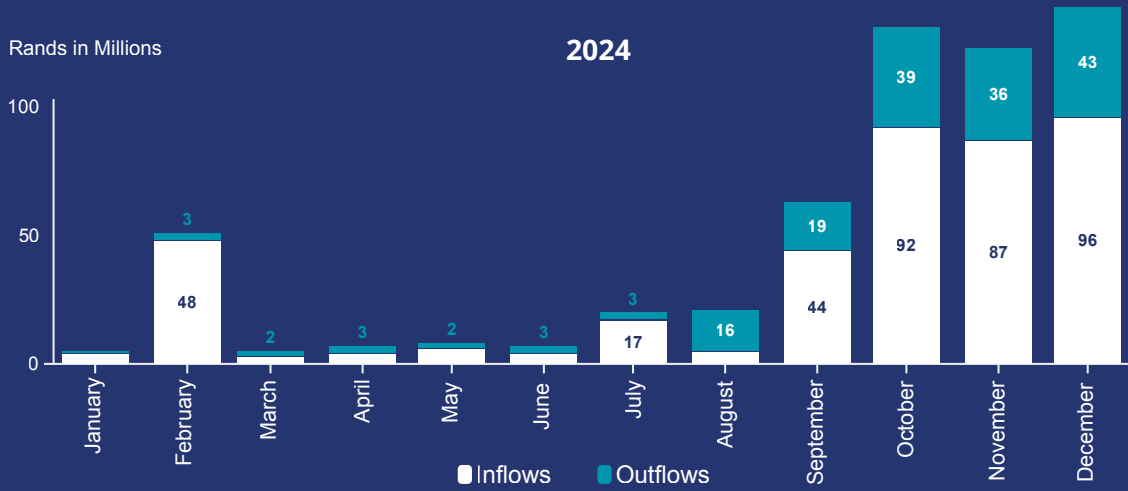


Figure 6: Namibian inflows and outflows by month, 2024

Box 2: Regulatory changes in Namibia and revealed remittance volumes

The COVID-19 pandemic can be regarded as a natural experiment in remittance markets. During this period, travel restrictions artificially restricted access to many informal remittance services. In many cases, this forced remitters to switch to formal channels where available.

The notable increase in formal remittances in 2020, to some extent, helped reveal the size of the informal remittance market. However, this occurred in a year when migrant earnings were substantially lower because of the pandemic, which reduced their ability to remit, while recipient households faced a greater need, and would have increased the demand for remittances.¹³

The best-case scenario post-COVID-19 was that remitters who had been forced by the pandemic to convert to formal channels would realise that formal products were preferable, and would then choose to continue to use formal services. This is potentially what has happened in Lesotho and Zimbabwe, for example, where growth has been sustained. However, in markets like Malawi and Mozambique, formal volumes have instead decreased in recent years, suggesting that the market share of informal remittance flows has been rising. The possible causes of these issues are discussed in Sections 2.2 and 3.

Figure 7 below examines the total amount sent, categorised by average transaction size, for the SADC region as a whole in 2024. As can be seen, the majority of remittances were sent in the transaction size range of between R500 and R1,899, and over R4.5 billion was sent in transactions of between R1,100 and R1,299 in size alone. This picture does, however, vary substantially across the countries of the region.

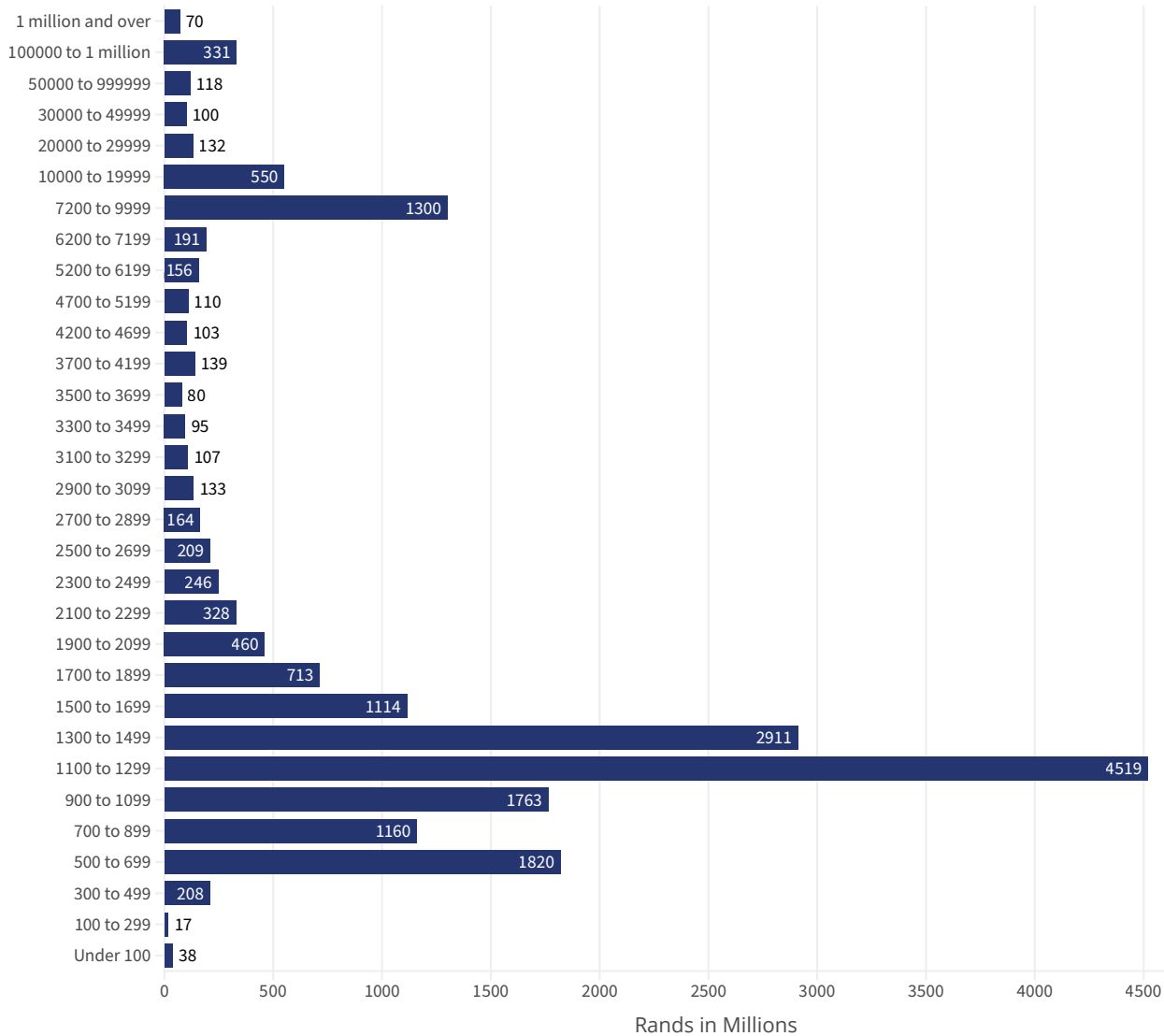


Figure 7: SADC remittance outflows 2024, total value sent by average transaction size

¹³ Crush, & Tawodzera (2023). Pandemic Remittance Shocks and Resilience in the South Africa-Zimbabwe Migration Corridor. Available at: <https://samponline.org/wp-content/uploads/2023/09/SAMP86.pdf>

Figure 8 below illustrates the different transaction size patterns between arguably the most and least mature remittance markets in SADC, Zimbabwe and Angola, as well as one of the intermediate markets, Tanzania. Zimbabwe closely resembles the overall SADC pattern, with most transactions between R900 and R1,699 in size. R4.2 billion in Zimbabwean remittance volumes was transacted in 2024 in transactions of R1,100 to R1,299 in size alone. In Angola, in contrast, the largest volume of remittances sent was in the transaction size bracket of R30,000 to R49,999, but the total value sent is very small, just over R8.6 million sent for the year as a whole. Finally, in Tanzania, there is still a small but significant group of remittances sent in higher transaction sizes, but the largest volume of transactions is sent at smaller transaction sizes. Overall, there is a greater dispersion of transactions at each transaction size in Tanzania than in the other two countries.

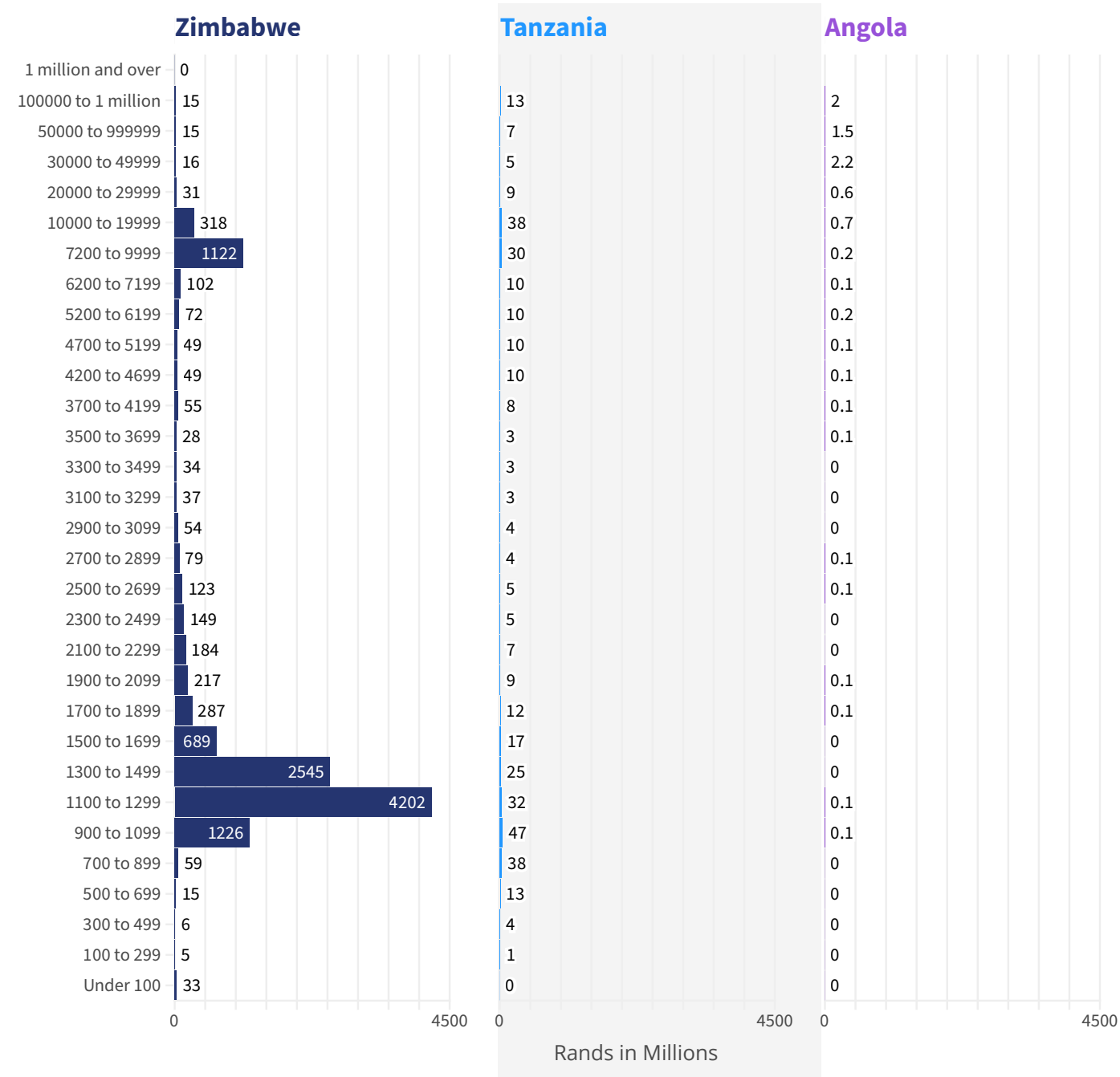


Figure 8: Total value sent by average transaction size in 2024, Zimbabwe, Tanzania and Angola

It is interesting to contrast this picture with the change in market dynamics in one market, Mozambique, over the period 2016 to 2024, which is shown in Figure 9 on the following page. In 2016, very few transactions were smaller than R7,200 in size, and the single largest transaction size category was R100,000 to R1 million. This closely resembles the current Angolan picture. By 2018, the low transaction value market had started to develop, and had become the largest component of the market, but there was still a significant cluster of transactions at higher transaction sizes, and a notable dispersion of volumes across transaction sizes – which is very similar to the pattern seen in Tanzania in 2024. By 2024, the single largest transaction size category in Mozambique was R700 to R899, and more than R230 million had been sent in transactions of this size over the period. This graph strongly resembles the pattern of activity seen in Zimbabwe over the same period.

In 2016, there were few formal remittance options for low-income remitters sending to Mozambique, and the bulk of their remittances were likely sent via informal channels. The demand for these products became clearer when service providers such as Mukuru, Sikhona, and Mama Money, which offer products with a suitable price and service quality profile, entered the market. The transaction pattern shown in the graphs for 2016, and to a lesser extent in 2018 as well, was an indication of a missing formal service offering for low-income transactions. As formal remittance markets in the region have increased in size, this has typically been accompanied by an increase in the market share of ADLAs and a decrease in the market share of authorised dealers.

Annexure B contains figures illustrating the current pattern of volume by transaction size for each of the SADC countries, grouped by the large, intermediate and small markets. There are similarities between the countries in each group. In the large remittance markets, most transactions are sent at quite small transaction sizes, although the size range does differ between the four countries. For the smallest markets, transaction sizes usually cluster at larger sizes. In the intermediate markets, both patterns are evident, but where transaction sizes are smaller, there is typically also more dispersion of transaction sizes than seen in the large markets.

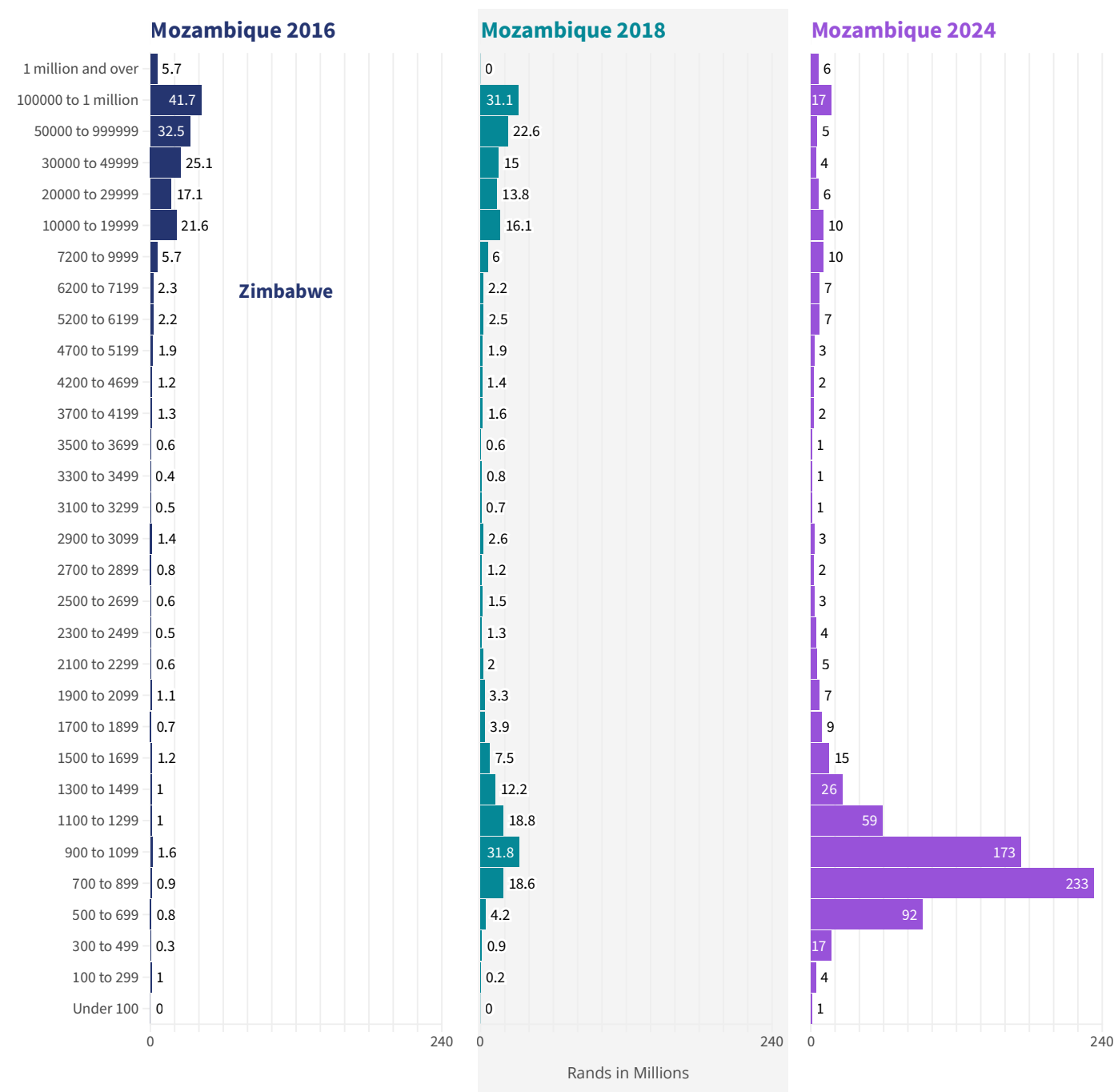


Figure 9: Changes in Mozambican transaction sizes by total value sent, 2016 to 2024

The SARB database also contains data on the type of account originating each transaction, providing insight into the payment method used. In the figure that follows, the split for each payment method by country in 2024 is illustrated. As can be seen, the four largest SADC remittance markets are all dominated by cash payment methods. In these markets, low transaction costs have made transacting affordable for low-income individuals, who are often restricted to cash transacting. In the intermediate-sized markets, cash remains the most common transacting method in all but two countries, but the proportion of cash transactions has been reduced. Finally, in the smallest remittance markets, the majority of transactions are through some form of resident account.¹⁴ In these markets, only those with access to formal banking services are able to remit formally.

¹⁴ The Currency and Exchanges Manual for Authorised Dealers defines resident accounts as the account of a person resident, domiciled or registered in South Africa.

This illustrates the relationship between ADLA market entry and remittance formalisation. It does, however, also highlight the fact that the ADLA market has not made significant progress in converting customers to digital payment methods. In effect, the cost drivers associated with cash transacting are at present 'baked in' to the cost structure of the remittance market.

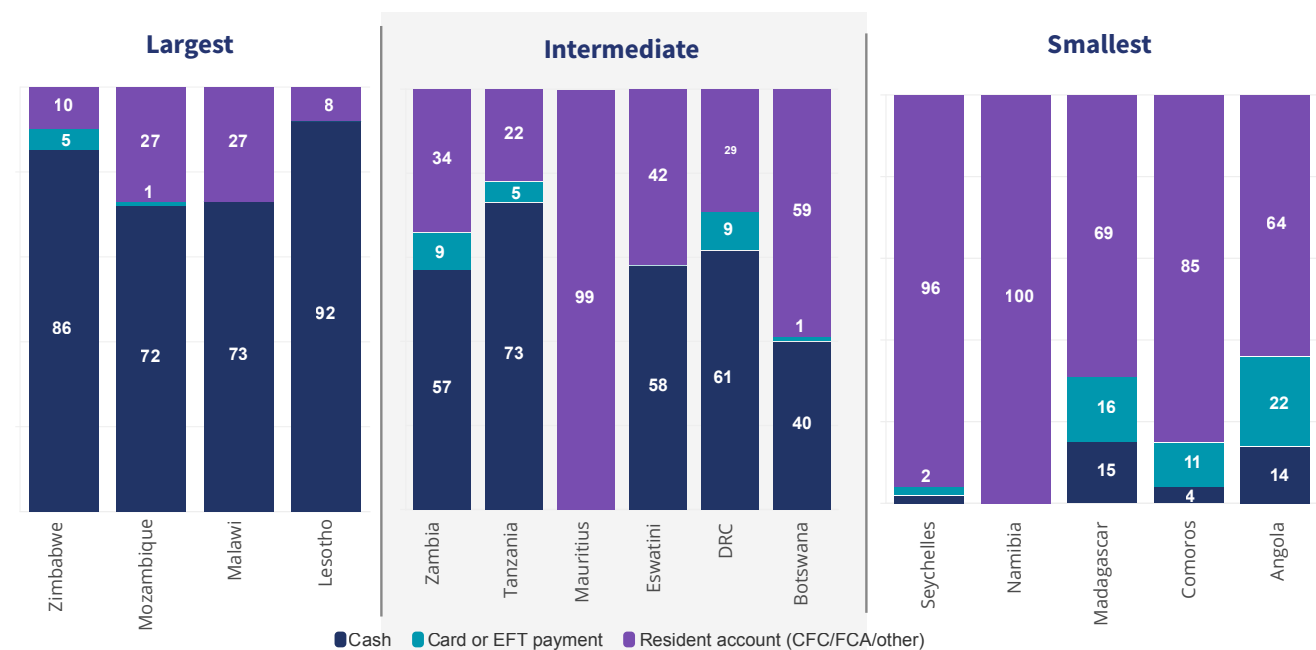


Figure 10: Use of payment method by country, 2024, grouped by size of remittance market

Note: CFC stands for 'Customer foreign currency' and FCA stands for 'foreign currency account'.

Table 3 below shows the provincial distribution of formal remittance flows. Gauteng is the origin point of almost half of all remittances flowing out of South Africa into SADC, followed by the Western Cape at 18%. It is also the most important remittance origin point for all but four of the countries (Comoros – KZN; DRC, Namibia and Tanzania – Western Cape). This is somewhat of a change from 2019-21, when Gauteng was the largest origin point for all countries.¹⁵

	Eastern Cape	Free State	Gauteng	KZN	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape
Angola	0.5%	0.4%	64.5%	1.0%	0.9%	0.8%	0.3%	1.1%	30.4%
Botswana	1.5%	1.3%	59.9%	7.5%	5.6%	2.9%	9.5%	2.3%	9.4%
Comoros	12.1%	0.0%	34.4%	35.2%	4.4%	2.0%	0.0%	0.0%	11.9%
DRC	3.5%	2.5%	35.0%	11.0%	1.5%	4.1%	2.6%	1.9%	37.8%
Eswatini	2.9%	3.1%	49.2%	12.4%	4.0%	18.3%	6.5%	0.4%	3.3%
Lesotho	4.7%	14.0%	37.0%	9.2%	4.4%	3.0%	16.5%	1.9%	9.4%
Madagascar	8.3%	1.1%	48.2%	14.2%	1.0%	2.3%	3.0%	0.0%	21.9%
Malawi	4.2%	1.4%	45.9%	14.3%	4.8%	4.8%	4.0%	1.4%	19.2%
Mauritius	1.3%	0.4%	49.9%	15.3%	1.5%	1.7%	1.2%	1.0%	27.8%
Mozambique	6.1%	3.1%	26.5%	16.3%	8.5%	13.3%	7.3%	1.2%	17.8%
Namibia	3.7%	2.2%	33.2%	2.8%	3.0%	2.9%	4.1%	5.3%	42.9%
Seychelles	2.5%	0.0%	37.1%	29.5%	0.4%	0.0%	0.1%	0.0%	30.4%
Tanzania	12.4%	1.0%	31.5%	11.1%	2.7%	4.3%	1.8%	0.5%	34.7%
Zambia	3.7%	1.3%	58.8%	9.4%	4.8%	4.9%	2.9%	0.9%	13.4%
Zimbabwe	4.9%	1.0%	47.4%	7.5%	9.4%	5.1%	3.9%	1.3%	19.2%
Total	4.8%	2.9%	45.0%	9.1%	7.5%	5.2%	5.6%	1.4%	18.3%

Table 3: Provincial distribution of value of formal outbound remittances, by country, 2024

Table 4 below illustrates the percentage of remittances sent by females for each country over time. In the region as a whole, there seems to have been a small increase in remitting by females, from 29% in 2016 to 35% in 2024. This is probably driven in large part by a steady increase in female remittances to Zimbabwe and, to a lesser extent, Lesotho over the period. The proportion of remittances sent by women to Malawi remains very low. In smaller volume markets, larger fluctuations in gendered patterns of remitting are more common, which probably reflects the smaller sample size of remitters in these markets. The exception is Mozambique, which is very large and experienced a large, unsustained increase in female remitting in 2021 and 2022. The underlying causes of this change are not known at this time.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Angola	30%	29%	43%	31%	36%	39%	36%	34%	36%
Botswana	42%	35%	33%	34%	37%	39%	39%	43%	38%
Comoros	29%	17%	10%	12%	17%	22%	30%	38%	16%
DRC	24%	24%	25%	23%	23%	31%	35%	24%	24%
Eswatini	10%	22%	28%	40%	36%	35%	34%	32%	35%
Lesotho	36%	39%	42%	42%	40%	40%	42%	42%	42%
Madagascar	49%	27%	23%	23%	20%	19%	30%	26%	31%
Malawi	13%	14%	14%	15%	15%	17%	16%	15%	16%
Mauritius	48%	31%	29%	47%	46%	50%	48%	60%	47%
Mozambique	22%	20%	17%	14%	20%	52%	46%	17%	17%
Namibia	44%	55%	43%	39%	43%	41%	47%	46%	36%
Seychelles	40%	15%	9%	25%	14%	49%	42%	36%	37%
Tanzania	37%	33%	33%	32%	36%	70%	69%	32%	27%
Zambia	32%	34%	35%	37%	37%	41%	41%	38%	39%
Zimbabwe	32%	31%	30%	30%	33%	36%	38%	36%	37%
Total	29%	28%	26%	25%	28%	34%	36%	34%	35%

Table 4: Percentage of remittances (value) sent by females per country, per year



Remitting behaviours and migrant populations

Remittance behaviours among migrant communities in South Africa are shaped by diverse factors, including cost, accessibility, and trust in service providers. The findings from the FinScope South Africa Consumer Survey 2022, as reflected in the three graphs below, provide a quantitative perspective on remittance trends, while insights from focus group discussions offer a more nuanced understanding of consumer behaviour and decision-making.¹⁶ The FinScope survey captured responses from 207 SADC migrants, of which 106 were Zimbabwean, 35 were Mozambican, and 28 were Malawian. The analysis thus concentrates on these countries.

The first graph, which illustrates the proportion of migrants in South Africa sending money home, highlights the prevalence of remittances among SADC migrants in South Africa. Figure 11 on the following page illustrates that most migrants across the SADC region remit money home, although the exact proportions vary across specific nationalities. Zimbabwean migrants record the highest share of those remitting, at 59%, which stands noticeably above the SADC average of 56%. This is slightly higher than the estimates produced by earlier research, which suggested that a reasonable estimate is that around 40% of migrants remit, either formally or informally, although the percentage likely varies by country.

¹⁵ In 2019-21, the provincial origin point was not recorded for 49% of flows, while in 2023-34 it was recorded for all transaction flows.
¹⁶ For a detailed overview of the methodology undertaken for the focus group discussions, refer to Annexure C.



Figure 11: Proportion of migrants sending money to another country in past 24 months (%)

Source: FinScope South Africa Consumer Survey, 2022

Note: Unweighted, n = 288

Figure 12 below shows that Malawian migrants have the highest usage of other money transfer services, a category dominated by non-bank formal remittance services, at 76%. By contrast, Mozambican migrants rely far more on mobile money than the regional norm, with 29% remitting this way compared with the SADC average of 9%. At the same time, informal channels retain some significance. Only 9% of Mozambicans and 8% of Zimbabweans report using informal channels, which is similar to the reported regional average.

Overall, the FinScope data reflect that formal channels are the dominant remittance pathway, with other money transfer operators accounting for the bulk of transactions for SADC migrants. This is in line with the BOP data, which indicates that banks are not driving usage among the broader base of unbanked migrants, and that much of South Africa's outbound remittance flows occur through ADLAs by individuals who lack access to banking services.

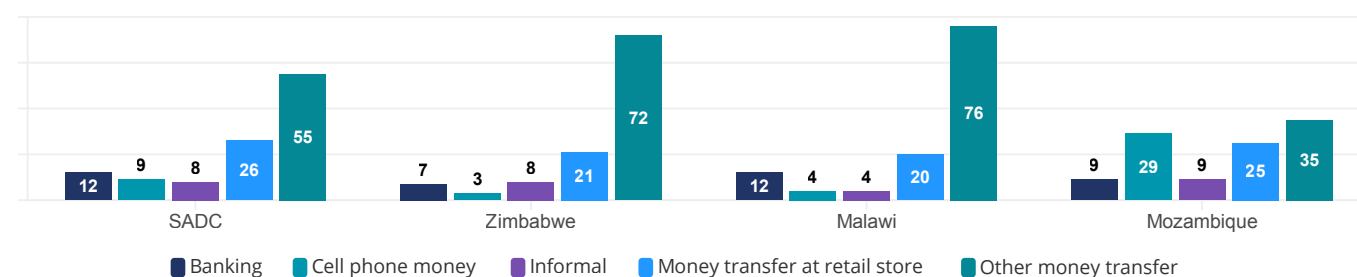


Figure 12: Overview of remittance channels – formal versus informal (%)

Source: FinScope South Africa Consumer Survey, 2022

Note: Unweighted, n = 288

Monthly transfers dominate the remittance landscape across SADC, Zimbabwean, Malawian, and Mozambican migrant groups, as shown in Figure 13. However, variations in weekly or less frequent payments also emerge. A large proportion in each group sends money home at least once a month. By contrast, only a small share remit weekly, although Malawian migrants show a slightly higher rate (8%) than the other groups. The data also indicate that Zimbabweans (49%) are more likely to send funds once a month. Finally, only a small segment, ranging from 2% to 5%, report remitting once a year or less often, suggesting that regular money transfers remain a critical source of support for most migrant households.

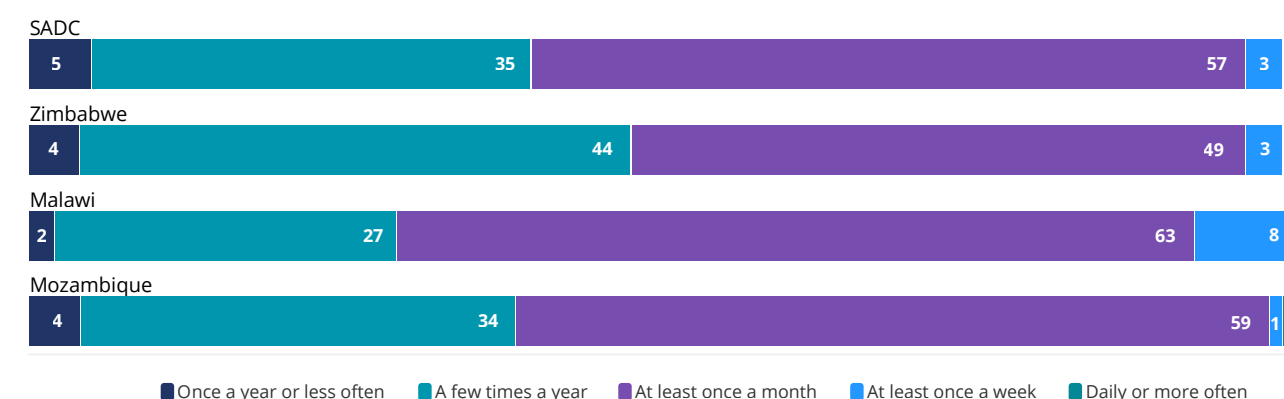


Figure 13: Frequency of remitting (domestic and cross-border)

Source: FinScope South Africa Consumer Survey, 2022

Note: Unweighted, n = 288



Primary research insights

To supplement the FinScope data and gain a deeper understanding of remittance experiences and consumer behaviour in the first mile, the research included focus group discussions with 61 migrants from Malawi, Mozambique and Zimbabwe over eight sessions held across Gauteng, Limpopo, KwaZulu-Natal and the Western Cape.

The research suggested that participant behaviour in the first mile supports a move toward regulated non-bank operators such as Mukuru, Mama Money and Hello Paisa; these providers are valued for clear pricing, proof of payment and responsive customer recourse. A key driver for switching from informal to formal channels was the negative experiences that some participants encountered when relying on friends, family, or acquaintances to deliver cash. Several respondents shared stories of entrusted individuals using the remittance funds themselves and leaving the sender's family without support.

Cost remains the dominant determinant of provider selection. Respondents monitor fees closely and change platforms readily when they perceive savings, indicating limited brand loyalty. Peer influence outweighs formal advertising, with friends, family members and local agents introducing new services and assisting with registration.

Finally, the discussions highlighted the use of 'grey' remittance channels that blend formal infrastructure with informal practices, particularly within the Mozambican corridor. Participants described networks of travelling agents who collect cash in South Africa and then give instructions to counterparts across the border to disburse funds. Others reported retaining Mozambican SIM cards that host mobile-money wallets; cash is handed over in South Africa, and an in-app transfer is initiated as if the sender were physically in Mozambique. Because the digital component of the transaction is domestic on the Mozambican side, this will not register as a cross-border transaction. A more detailed discussion of this primary research can be found in Annexure C.

Informal market estimates

Remittances are rooted in patterns of human migration, and thus, an understanding of these patterns of migration needs to underlie the analysis of remittance markets. Deriving an estimate of the total stock of migrants is a difficult exercise. Even good quality data sources often only track the flow of migrants into the country and do not track the stock of South African residents. In many cases, data collection has been discontinued or occurs infrequently. The national census, which should serve as the primary source of data on migrant populations, has quality limitations, particularly in its estimates of migrant populations.

Within these constraints, we derived a rough estimate of SADC migrants, using known available data sources, and cross-referencing the estimates against formal remittance data for consistency. The resulting estimate is shown in Table 5. As can be seen, this methodology produces a tentative estimate of the total SADC migrant population size in South Africa of just under four million individuals. This is a small increase over our last estimate of 3.7 million in 2018. As shown in the table that follows, the overall proportion of undocumented SADC migrants is estimated at 89% of the total stock, but fluctuates substantially between countries. For 12 of the 15 countries, irregular migrants are estimated to comprise more than 80% of the population in South Africa.

Almost half of SADC migrants are estimated to be Zimbabwean, with the next largest migrant populations coming from Malawi, Mozambique and Lesotho. Migrants from the DRC are the most likely to have formal migrancy status, as a result of refugee and asylum processes. In contrast, almost all Namibian migrants are estimated to be irregular.

Annexure D includes a detailed analysis of the known patterns of migration from SADC and the implications for the stock of migrants in South Africa.

	Estimated population size	Estimated formal population size	Estimated % migrants undocumented
Angola	3 927	2 231	43%
Botswana	16 157	2 891	82%
Comoros	468	18	96%
DRC	73 733	46 467	37%
Lesotho	409 986	94 384	77%
Madagascar	1 118	41	96%
Malawi	695 825	4 123	99%
Mauritius	1 788	282	84%
Mozambique	630 833	89 297	86%
Namibia	66 008	126	100%
Seychelles	468	6	99%
Eswatini	29 248	4 465	85%
Tanzania	51 360	548	99%
Zambia	61 563	1 338	98%
Zimbabwe	1 821 706	185 924	90%
Total	3 864 187	432 140	89%

Table 5: Migrant population estimate

Source: SARB dataset, Census 2022, Stats SA P0351, DNA Analysis

Additionally, to extrapolate the size of informal markets, given the above estimates of migrant numbers and use of formal remitting systems. Informal markets in the SADC region have changed substantially in the last twenty years, and an earlier reliance on informal remitting through bus and taxi drivers has, to some extent, been replaced by more formal remittance methods. However, informal activity remains substantial, and in some cases, can now incorporate the new formal systems, for example, as a back-end clearing mechanism between informal remittance operators.¹⁷

The estimated informal market size is shown in Table 6. It is, by its nature, challenging to estimate the size of informal markets, which are undocumented and on which little data is available. To do so, we have made some assumptions about informal remitting behaviour. These assumptions are as follows.

- Even in mostly formal markets, 5% of remitters continue to use informal channels
- The total proportion of migrants remitting formally and informally is approximately 45%, and thus, in markets where there is little formal remitting, there is more informal remitting
- Informal remitters are less wealthy than formal remitters, and thus send less per transaction, which is assumed to be 80% of the size of formal transactions.

These assumptions produce an estimate of the size of the informal market of around R3.4 billion, or around 17% of the size of the formal market. The researchers believe this is likely a substantial underestimate of the true size of the informal market. As discussed previously, the value of formal remittances sent to Malawi decreased by R2 billion from 2021 to 2024. If these volumes have switched from formal to informal markets, then the estimate of the size of the informal market for Malawi alone is out by several orders of magnitude.

¹⁷ FinMark Trust, 2024. Market study on Informal Money or Value Transfer Services, specifically the hawaladar industry.

	Estimated population size	Assumed % of migrants remitting formally	Assumed % remitting informally	Total informal remittances
Angola	3 927	5%	40%	55.3
Botswana	16 157	40%	5%	23.9
Comoros	468	10%	35%	5.3
DRC	73 733	30%	15%	145.9
Lesotho	409 986	50%	5%	195.2
Madagascar	1 118	20%	25%	13.7
Malawi	695 825	40%	5%	209.3
Mauritius	1 788	20%	25%	221.1
Mozambique	630 833	20%	25%	733.8
Namibia	66 008	20%	25%	469.5
Seychelles	468	10%	35%	23.0
Eswatini	29 248	40%	5%	36.4
Tanzania	51 360	40%	5%	38.3
Zambia	61 563	40%	5%	52.8
Zimbabwe	1 821 706	40%	5%	1 181.7
Total	3 864 187			3 405.2

Table 6: Informal remittance market estimate

Source: SARB dataset, Census 2022, Stats SA P0351, DNA Analysis

Regulatory overview

This section examines developments in financial sector regulations across South Africa and other SADC nations since 2020/2021. Given South Africa's prominent role as a key remittance origin country within the region, its regulatory framework holds outsized significance for regional remittance dynamics. Thus, this review warrants a more detailed exploration.

Anti-Money Laundering/ Counter-Financing of Terrorism (AML/CFT)

South Africa has established a comprehensive anti-money laundering/counter-financing of terrorism (AML/CFT) framework. The Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FICA) introduced a regulatory framework of measures that require financial institutions to implement customer due diligence (CDD), maintain accurate transaction records, monitor client activity, and report suspicious financial transactions to the Financial Intelligence Centre (FIC) to combat money laundering and the financing of terrorism.¹⁸ The FIC maintains an internal framework to monitor remittance data and market developments, with key inputs derived from the formal reporting channels established for ADs, ADLAs, and other regulated entities.

In 2017, a risk-based approach (RBA) to CDD was introduced in the Financial Intelligence Centre Amendment Act, 2017 (Act 1 of 2017).¹⁹ Risk-based regulation allows regulators and regulated firms to spend a higher proportion of their time and resources on the riskier parts of the market, which improves their ability to address the more pressing regulatory problems. From an access to finance perspective, it is also likely to be helpful - less regulatory attention on small, low-risk transactions should translate into lower transaction costs for these transactions. For example, the RBA permits simplified due diligence measures for low-risk customers in low-value cross-border markets (and allows institutions to innovate in designing such measures). This reduces the compliance burden for financial institutions and promotes financial inclusion by encouraging efficiency in CDD, thus enabling easier access to formal financial services for low-risk individuals and entities.

However, the RBA does not exempt low-value transactions from monitoring, and the wording of the legislation does not explicitly aim to use the RBA to reduce transaction costs. FIC guidance instead states that:

There is no specific monetary threshold for reporting suspicious or unusual transactions. When a situation arises that gives reason to suspect a transaction or activity may relate to proceeds of unlawful activities, money laundering or terrorist financing, as outlined above, the transaction or activity should be reported regardless of the amount involved.²⁰

From an access-to-finance perspective, reduced regulatory attention on small, low-risk transactions may contribute to lower transaction costs. However, suspicious patterns of low-value transactions can also be linked to illegal pyramid schemes or, in some cases, to more serious activities such as human trafficking or terrorist financing. This suggests that, even when risk-based methods are applied, the regulation of low-value transactions may still add to transaction costs. In practice, there is a balance to be struck between the primary objectives of preventing money laundering and the financing of terrorism, and the secondary objective of supporting access to finance. Legislative frameworks tend to prioritise the former.

Stakeholder interviews suggest that this pattern is prevalent in local markets, and limits the RBA's ability to improve access to finance outcomes.²¹ As indicated above, the RBA allows institutions to tailor compliance measures based on factors like transaction size, risk classification, and inflation-adjusted thresholds, as guided by regulatory frameworks. However, suspicious transactions of any size must still be monitored and reported, with the definition of suspicious and unusual including all transactions which have "no apparent business or lawful purpose," regardless of the size of the transaction (or pattern of transactions).

¹⁸ Other key components of the South African AML/CFT framework include the Prevention of Organised Crime Act of 1998, the Protection of Constitutional Democracy Against Terrorism and Related Activities Act of 2004.

¹⁹ To refer to FinMark Trust's previous SA-SADC market study, please access: https://finmark.org.za/Publications/Remittances_Market_Assessment_2021.pdf

²⁰ FIC Guidance Note 4B

²¹ Cenfri (2024). IFAD Remittance Innovation Toolkit.

Stringent compliance and monitoring is thus still undertaken for even very small transactions, as evidenced by the mystery shopping exercise, and detailed in Box 3. Reasons underpinning this include the observed use of small transaction patterns in money laundering schemes. Multiple small transactions have been previously linked to terrorist financing, particularly through techniques such as “micro-structuring”, where large sums are deliberately broken into smaller amounts to avoid detection and reporting thresholds.²²

The primary purpose of the mystery shopping exercise was to evaluate the fees and service quality of RSPs, as detailed in Section 5. However, it also provided direct insight into AML regulation in the low-value cross-border transactions environment.

To complete real transactions originating on multiple RSPs, researchers had to open accounts with those RSPs (most cases by downloading a mobile app and following registration procedures, using the researcher’s valid identification documents). All transactions made were approximately R400 in value, and multiple transactions were then typically made to multiple countries within days of opening the account. The pattern of transactions was thus unusual, but the total value of the transactions made was very low.

These transactions were flagged and restricted by multiple financial institutions, as follows:

- Sikhona: The compliance team at Sikhona contacted us for an interview after we made five payments (totalling around R2,000) to recipients across SADC. They raised concerns about the legitimacy of frequent, small-value transactions across multiple countries, and the account was subsequently blocked.
- Shoprite Send: Multiple payments from one account was followed up with calls to verify the purpose of the transactions. In one case, the user’s explanation was accepted, but the activity triggered enhanced security.
- Capitec: One researcher was contacted multiple times to provide additional information.

From an AML perspective, the very small transaction sizes and total amount sent classified these accounts as low risk, nonetheless, they were monitored by financial institutions. This experience differed from the mystery shopping conducted in 2020, potentially suggesting a recent increase in AML compliance activities for low-value transactions.

Box 3: Mystery shopping and the RBA

In February 2023, FATF placed South Africa on its “grey list” due to deficiencies in the country’s AML/CFT frameworks (see Box 4 for more context). This represents a regulatory shift affecting the remittance sector since the previous assessment. The stakeholder consultations revealed two contrasting views about the impact of FATF’s South Africa greylisting status on the reporting/compliance standards for remittance service providers (RSPs):

- Some stakeholders observed that greylisting has had minimal effects on the cross-border payments market, as the issues which caused greylisting pertained to designated non-finance business and professions (DNFBPs) transactions, not cross-border retail payments.
- For regional RSPs in the first mile, the greylisting has not directly impacted their operations, it has resulted in increased oversight and stricter compliance reporting. Subsequently, it encourages RSPs to disengage from high-risk customers.

Ultimately, it can be said that for regional RSPs in the first mile, the greylisting has necessitated enhanced compliance frameworks, increased operational costs due to additional reporting requirements, and potential restrictions on correspondent banking relationships with international partners who may view South African entities as higher risk. SADC-based RSPs routing transactions through South Africa face similar enhanced scrutiny, potentially affecting the cost and efficiency of intra-regional remittance flows.

The FATF’s 2021 Mutual Evaluation Report identified several deficiencies, including:²³

- South Africa had not demonstrated sufficient progress in investigating and prosecuting serious cases of money laundering and terrorist financing, particularly those involving high-profile corruption.
- There were significant gaps in the supervision of financial institutions and designated non-financial businesses and professions, such as real estate agents, lawyers, and accountants, which hindered effective monitoring and enforcement of AML/CTF compliance.
- The country lacked robust measures to ensure timely access to accurate and up-to-date information regarding the beneficial ownership of legal entities, impeding efforts to prevent illicit financial activities.
- South Africa’s understanding of terrorist financing risks was underdeveloped, and the country had not implemented a comprehensive national counter-financing of terrorism strategy.

Despite having a solid legal framework, FATF emphasised that South Africa’s primary issue was the effective implementation of existing laws and regulations.

Box 4: South Africa’s greylist status

²² FIC (2024). South African National Terrorism Financing Risk Assessment.

²³ National Treasury (2023). What does FATF greylisting mean for a country? Available at: https://www.treasury.gov.za/comm_media/press/2023/2023022501%20FATF%20Grey%20Listing%20Fact%20Sheet.pdf

An area where enhanced compliance with FATF standards has influenced market operations is the decoupling of the CMA countries from the domestic payment system.²⁴ Previously, CMA participating banks processed their transactions via South Africa's domestic retail payment system, South African Multiple Option Settlement (SAMOS), which impacted remittance pricing in the CMA region. For example, an individual with a South African bank account, which includes a number of free transactions could then potentially transact to these countries at no additional cost. As a result, the cross-border remittance landscape in the CMA was comparable in efficiency and cost-effectiveness to the domestic remittance landscape.

This system was, however, not fully compliant with FATF recommendation 16, particularly with respect to the ability of the domestic retail payment system to ensure that basic information on the originator and beneficiary of cross-border electronic funds transfers (EFTs) is immediately available. To address this, Namibia issued a determination prohibiting the treatment of Namibian cross-border EFT transactions as South African transactions, effective 30 September 2024. In the other CMA countries (Eswatini and Lesotho), the CMA Cross-border Payments Oversight Committee (CPOC) advised that, by 31 March 2027, all banks are to route low-value cross-border electronic funds transfers (EFTs), debit and credit payments through a retail payment system designated for cross-border EFTs, such as TCIB.²⁵

As depicted in Figure 6 on page 20, while the Namibian regulatory change only took effect on 1 October 2024, transaction volumes began to shift as early as August 2024, suggesting that elements of the change were implemented ahead of the deadline. Similarly, while the regulatory changes for the rest of the CMA are only required to be implemented in 2027, the mystery shopping exercise (as discussed in Section 5) indicated that elements of the change were already being applied, with observable impacts on service and pricing outcomes.

While cost increases were anticipated with the transition from domestic to cross-border payment rails, the scale of these increases greater than expected. CMA remittance costs now align with those for non-CMA destinations, significantly altering the cost dynamics of these previously low-cost corridors.²⁶ The cost structure for these transactions now includes charges for foreign exchange products (despite the 1:1 currency conversion in the CMA), payment rail fees (SWIFT, RTGS or TCIB), and compliance processing. Compliance costs are driven by KYC requirements, sanctions screening, and reporting obligations. These processes remain largely manual and resource-intensive due to legacy systems, poor data alignment, and conventional infrastructure across banks.²⁷

There are also ongoing regional and international efforts that aim to address challenges in AML/CFT compliance. In particular, in February 2024, SADC operationalised the AML/CFT Committee to facilitate the convergence of policies, laws, and regulatory practices in line with international standards, including the FATF recommendations.²⁸ This process is still in its early stages.

South Africa's AML/CFT regulatory framework primarily affects the first mile of remittance transactions, as CDD, transaction monitoring, suspicious activity reporting, and compliance with FATF standards are the responsibility of South African-based financial institutions and RSPs where transactions originate. These requirements are implemented during customer onboarding, transaction initiation, and ongoing account monitoring phases, meaning that compliance costs and access barriers arise largely from South African regulation rather than from receiving countries or middle-mile infrastructure providers.

²⁴ SARB (2024). Common Monetary Area countries move to regularise electronic funds transfer payments. Available at: <https://www.resbank.co.za/content/dam/sarb/publications/media-releases/2024/cma-digitisation/Common%20Monetary%20Area%20countries%20move%20to%20regularise%20electronic%20funds%20transfer%20payments.pdf>

²⁵ CMA Cross-border Payments Oversight Committee position paper, 31 July 2024

²⁶ CPOC (2024). Common Monetary Area (CMA): Position paper on the processing of cross-border low-value electronic fund transfers within the Common Monetary Area.

²⁷ CENFRI (2023) SADC Regional Payments Interoperability White Paper. Available at: https://cenfri.org/wp-content/uploads/White-Paper_SADC-Regional-Payments-Interoperability.pdf

²⁸ SADC Secretariat (2024). SADC fortifies the region against money laundering and terrorism financing. Available at: https://www.sadc.int/latest-news/sadc-fortifies-region-against-money-laundering-and-terrorism-financing?utm_source=com



Data protection and data sovereignty

Data protection and data sovereignty requirements are emerging as challenges for multinational RSPs operating across the SADC region. The mandating of data localisation²⁹ by SADC countries may affect major operators as they are required to process transactions and store data within national borders.³⁰ In the SADC region, South Africa, Zimbabwe, Tanzania, Angola and Mozambique have all introduced data localisation requirements through various legislative frameworks, though the scope and enforcement mechanisms vary significantly across the region.³¹

When RSPs operate across multiple SADC countries, data localisation laws require all customer data, including KYC information and transaction records, to be stored and processed domestically rather than in regional or global cloud environments.³² These requirements can limit the extent to which providers can leverage cloud-based efficiencies, as they affect the technical architecture underpinning remittance platforms, which have typically relied on centralised processing for cost efficiency and standardised compliance.

The regulatory drive is informed by factors such as data protection, customer privacy, and national security interests. It aligns with a broader global trend towards stricter data governance frameworks, with regulators seeking to ensure national oversight of financial information pertaining to their citizens.³³ These requirements present operational implications for remittance providers, particularly those operating regional or global platforms that rely on centralised processing.

This trend may affect how cross-border payment providers manage their technical infrastructure and operational models, and is relevant across the full remittance value chain. Responsibility distributed between sending countries (first mile), regional payment infrastructure providers (middle mile), and receiving countries (last mile), require coordinated compliance approaches rather than single-jurisdiction solutions. To support this, the SADC Committee of Central Bank Governors (CCBG) could explore the development of harmonised data protection standards for cross-border financial transactions, with the aim of reducing compliance complexity and operational costs with regional RSPs and system operators.



Foreign exchange regimes

A foreign exchange regime refers to the method by which a country's monetary authority manages its currency relative to other currencies and the foreign exchange market. This regime determines how exchange rates are set and can significantly influence international trade, investment, and economic stability. Foreign exchange regimes primarily affect the middle mile and last mile of remittance transactions.

As exchange rate policies and currency controls in receiving countries determine conversion rates, liquidity availability, and payout mechanisms, while middle mile infrastructure needs to navigate varying exchange control requirements across jurisdictions.

The primary types of exchange rate regimes include:

- Floating exchange rate: The currency's value is determined by market forces without direct government or central bank intervention.
- Fixed (pegged) exchange rate: The currency's value is tied to another major currency or a basket of currencies, with the central bank intervening to maintain the fixed rate.
- Managed float (hybrid): A combination where the currency primarily floats in the market, but the central bank may intervene to stabilise or steer the exchange rate.

The choice and successful management of the exchange rate regime plays an important role in cross-border remittance payments. Exchange rate stability reduces exchange rate risk, benefiting of senders and recipients.³⁴ In theory, this suggests that a fixed exchange rate regime with consistent rates provide greater predictability than a floating regime. In practice, however, central banks often lack sufficient reserves to maintain such stability, and the breakdown of a fixed regime can create greater disruption than a floating currency. Broader challenges in monetary policy can also contribute to exchange rate volatility.

In cases where the formal exchange control environment is severely constrained, such as when a central bank resists devaluation but lacks resources to sustain the official rate, parallel foreign exchange markets may emerge. These developments can significantly disrupt formal remittance markets. The greater the difference between the parallel rate and the official rate, the higher the proportion of remitters likely to use informal channels. In such environments, formal RSPs may face challenges in maintaining operations.

³⁴ World Bank Group (2016). *Exchange Rate Flexibility and the Effect of Remittances on Economic Growth*. Available at: https://documents1.worldbank.org/curated/en/731271483452591548/pdf/WPS7932.pdf?utm_source=chatgpt.com

²⁹ Data localisation refers to the requirement that data about a nation's citizens or residents is initially collected, processed or stored within the boundaries of a particular "jurisdiction", such as a country or a geographic region like a regional economic community or bloc (CIPESA, 2022).
³⁰ CIPESA (2022). *Which Way for Data Localisation in Africa?* Available at: https://cipesa.org/wp-content/files/briefs/Which_Way_for_Data_Localisation_in_Africa_Brief.pdf
³¹ This includes South Africa's Protection of Personal Information Act 2021, Zimbabwe's Cyber Security and Data Protection Act of 2021, Tanzania's Personal Data Protection Act 2022, Angola's Data Protection Law 2018, Mozambique's Electronic Transactions Act 2017.
³² Cenfri (2023). *SADC Regional Payments Interoperability White Paper*. https://cenfri.org/wp-content/uploads/White-Paper_SADC-Regional-Payments-Interoperability.pdf
³³ Kugler (2021). *The impact of data localisation laws on trade in Africa*. Johannesburg: University of the Witwatersrand

Table 7 below shows the Chinn-Ito Index, which measures the degree of financial openness in a country, reflecting how open a country’s capital account is to cross-border financial flows. The index ranges between one (1), which indicates the fewest restrictions on financial transactions, and zero (0), which reflects the strictest financial controls. As can be seen, the average for SADC as a whole is 0.36, which is below the international average, and most of the restrictive regions are in Africa. In the SADC region, Botswana, Seychelles and Zambia receive the maximum score, and thus have fewer financial market restrictions, while Angola has one of the world’s most restrictive financial markets. Other countries in the region, including the CMA bloc, receive a score of only 0.16.

Region	Average Chinn-Ito score, 2021	SADC countries	Chinn-Ito score, 2021
North America	1.00	Botswana	1.00
East Asia	0.80	Seychelles	1.00
Europe	0.74	Zambia	1.00
Middle East	0.71	Mauritius	0.70
South East Asia & Australasia	0.54	Zimbabwe	0.42
Latin America	0.51	Comoros	0.16
Eastern Africa	0.44	Congo, Dem. Rep.	0.16
SADC	0.36	Lesotho	0.16
Western Africa	0.29	Madagascar	0.16
Northern Africa	0.27	Malawi	0.16
South Asia	0.25	Mozambique	0.16
Middle Africa	0.22	Namibia	0.16
		South Africa	0.16
		Eswatini	0.16
		Tanzania	0.16
		Angola	0.00

Table 7: Chinn-Ito financial openness index , 2021

These findings suggest that some countries in the region may include restrictive foreign exchange regimes which, if monetary policy is not effectively managed, are potentially vulnerable to disruption and the emergence of parallel currency markets. This is consistent with the regional experience, with three illustrative examples set out as follows:

- **Malawi:** In November 2023, the currency was devalued by 30% against the (US) dollar to address supply-demand imbalances in the foreign exchange market. Following the devaluation, the government announced restrictions on foreign currency transactions and measures to curb informal currency trading. Nonetheless, an active parallel market for foreign exchange persists in Malawi. The Reserve Bank of Malawi (RBM) has acknowledged that a significant share of foreign currency may be held in this market, indicating that official channels are not meeting the demand for foreign currency.³⁵ As discussed in Section 2.1, the size of the formal remittance market from South Africa to Malawi has almost halved since 2021, suggesting that constraints in the formal foreign exchange market have negatively affected remittance flows.
- **Zimbabwe:** The Reserve Bank of Zimbabwe (RBZ) has implemented various measures to manage the exchange rate, including the introduction of the Zimbabwe Gold (ZiG) in April 2024, pegged to the United States (US) dollar. However, the parallel market rate is often 1.5 times or more the official value. These market distortions reflect a persistent foreign currency shortage in the formal market.³⁶ In response, Zimbabwe’s Financial Intelligence Unit has attempted to tighten oversight over currency trading to stabilise the local currency.³⁷ However, the RBZ’s Exchange Control regulations allow diaspora remittances to be treated as “free funds”, which recipients can receive in foreign currency and convert freely through licensed agencies.³⁸ This policy stance has supported the continued use of formal remittance channels in the country.
- **DRC:** The DRC has, in the recent past, faced similar challenges, where stringent exchange controls have contributed to the growth of a parallel market for foreign currency.³⁹

Such severe foreign exchange market dysfunction is not observed in most regions. However, even in relatively stable foreign exchange markets, RSPs in the SADC region have described currency controls as a significant constraint on their operations, noting direct impacts on pricing, competitiveness and customer trust. Forex reporting requirements add an additional layer of compliance to transaction administration, and the lack of standardisation across countries, which further increases complexity. RSPs also highlight the operational strain of sourcing foreign currency in cash-heavy economies with tight controls, which raises costs and reduces their ability to innovate.

The responsibility for addressing foreign exchange regime challenges rests mainly with individual SADC member states’ central banks and monetary authorities, though regional coordination through the SADC CCBG could help harmonise exchange control policies and reduce operational complexity for cross-border payment providers. As such, financial liberalisation and integration are key priorities in SADC’s Vision 2050, which focuses on industrial development and infrastructure. The vision emphasises removing restrictions on financial institutions, adopting market-driven instruments, and fostering regional monetary cooperation.⁴⁰ Key initiatives include the SADC Payment Systems Integration Project, the Protocol on Finance and Investment, and the Regional Indicative Strategic Development Plan (RISDP). These efforts aim to harmonise banking supervision, payment systems and exchange control policies, and if implemented effectively, may reduce the regulatory burden imposed on RSPs.

³⁵ Reserve Bank of Malawi (2023). Financial Stability Report.
³⁶ Institute for Security Studies (2024). ZiG's devaluation reflects Zimbabwe's state of perpetual crisis. Available at: https://issafrica.org/iss-today/ziG-s-devaluation-reflects-zimbabwe-s-state-of-perpetual-crisis?utm_source=chatgpt.com.
³⁷ ZimAdvocate (2024). Zimbabwe Targets Black Market to Stabilize Currency. Available at: https://zimadvocate.com/2024/05/17/zimbabwe-targets-black-market-to-stabilize-currency/?utm_source=chatgpt.com.
³⁸ https://www.rbz.co.zw/documents/press/2024/PRESS_RELEASE_-_16_AUGUST_2024.pdf
³⁹ Banque Centrale du Congo (2020). Rapport sur la Stabilité Financière.
⁴⁰ SADC (n.d.). SADC Vision 2050. Available at: https://www.sadc.int/pillars/sadc-vision-2050?utm_source=chatgpt.com

Digitalisation of grey remittance markets

A notable outcome of the COVID-19 pandemic appears to be the increasing digitalisation of grey remittance markets. This term refers to cross-border money transfer channels that operate in regulatory grey areas, blending elements of formal financial infrastructure with informal methods. These channels typically leverage technological innovations in formal RSP markets without being fully compliant with remittance regulations, particularly regarding KYC. Pandemic-related pressures appear to have accelerated innovation in these markets, with some practices continuing in the post-pandemic period.

Stakeholder interviews and available research suggest the extent of digitalisation of informal remittances varies substantially by method.⁴¹ Payment instructions may be recorded and transferred on a messaging app, such as WhatsApp, but with cross-border payments effected through a fully informal 'hawala-type' system. Alternatively, the cross-border channel may be fully formal, but with payments originating and/or terminating using informal systems. As shown in Figure 14, a large proportion of hawala operators report using money transfer operators to settle cross-border payments.

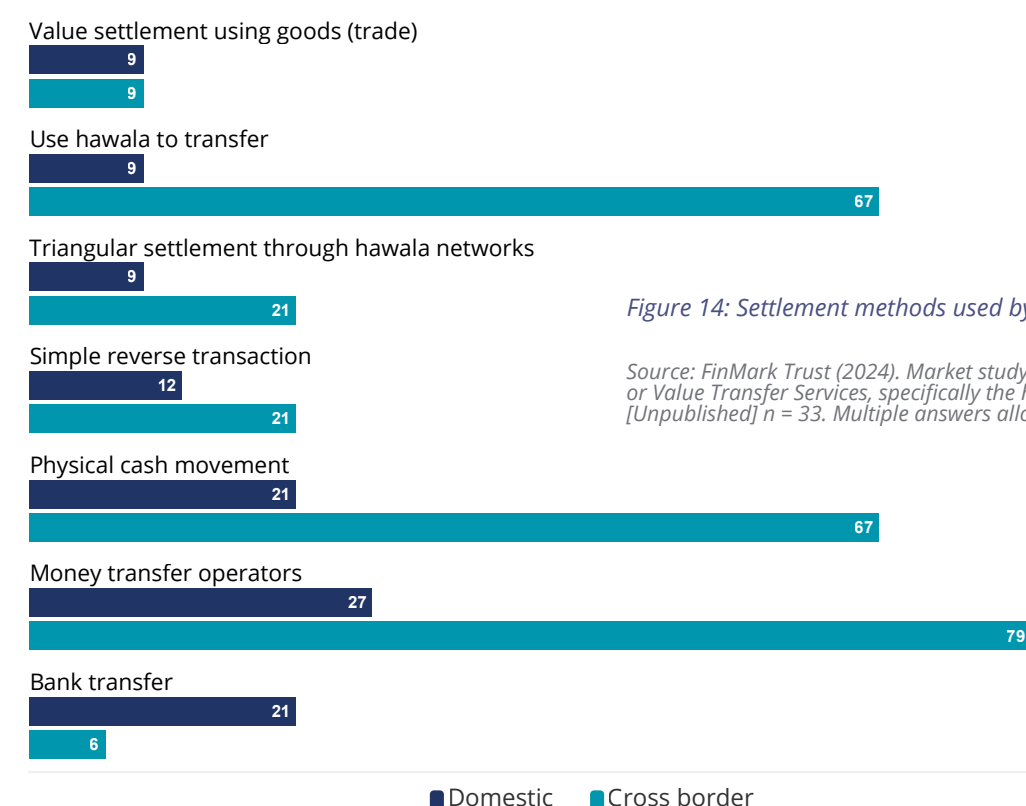


Figure 14: Settlement methods used by hawala operators

Source: FinMark Trust (2024). Market study on Informal Money or Value Transfer Services, specifically the hawaladar industry [Unpublished] n = 33. Multiple answers allowed.

The focus group research raised the possibility that SADC migrants may be receiving and sending remittance payments into their non-South African mobile wallets while residing in South Africa. Current regulations prohibit ADLAs from partnering with foreign wallet providers for payment processing,⁴² and under the Exchange Control framework, foreign wallets cannot be funded locally from South Africa.⁴³ These provisions are intended to limit such as activity. However, it remains that innovations in grey markets have enabled this practice at greater scale. For example, individuals may enter the country with pre-loaded mobile wallets and use them informally to facilitate transactions. Further research is required to establish whether such practices are occurring and whether they indicate a regulatory gap.

The steady decline in Mozambican formal remittance volumes since 2020 (as shown in Figure 3 in Section 2.1) appears more consistent with a shift towards informal or grey remittance channels than with an overall decline in remittance activity. It is, not clear which informal channels have absorbed this volume, though a grey market in mobile remittances cannot be ruled out. However, when asked what informal cross-border money transfer services were called in their community, Mozambican users of informal remittance services frequently cited transport-related services such as runners, malaichas, tax drivers, bus companies, and logistics providers. While the sample size is limited, this may indicate that mobile money has played a smaller role than other informal channels.

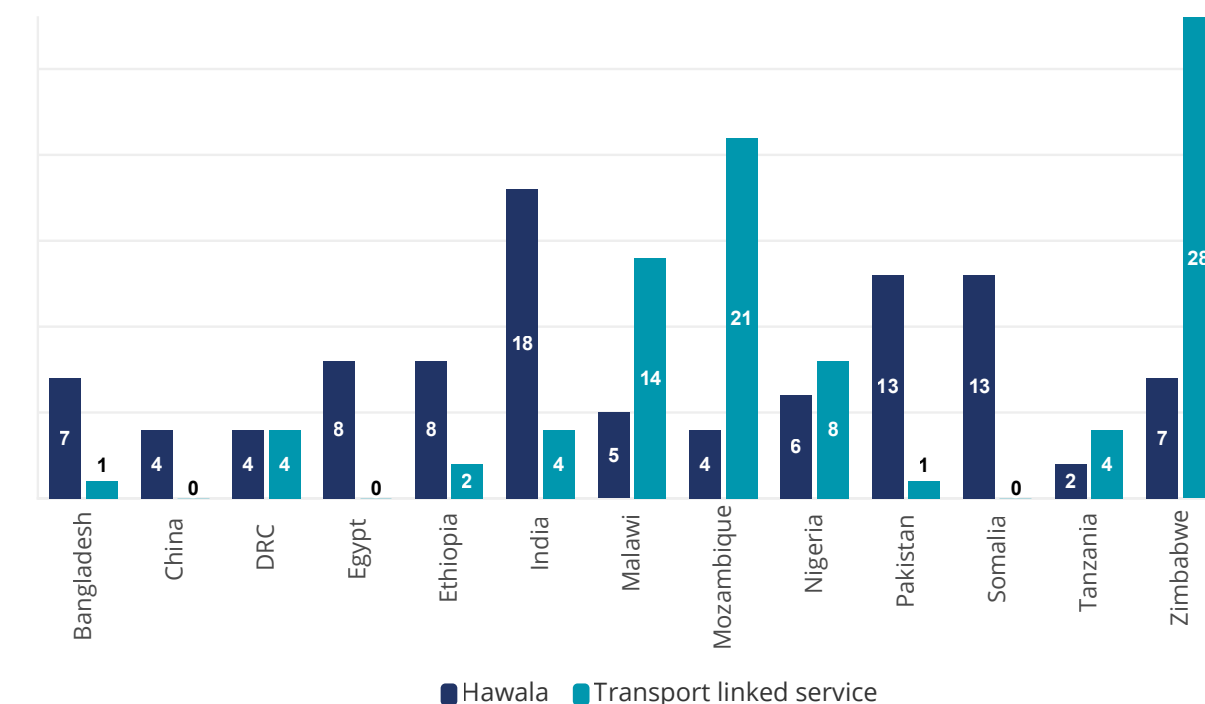


Figure 15: Name used to refer to informal remittance services

Source: FinMark Trust (2024). Market study on Informal Money or Value Transfer Services, specifically the hawaladar industry [Unpublished] n = 33

⁴¹ TechnoServe (2016). The Digital Remittance Revolution in South Africa. Available at: www.technoserve.org/wp-content/uploads/2016/11/South-Africa-international-remittances-report.pdf.

⁴² The ADLA Manual that all payment partners and settlement arrangements of ADLAs must be pre-approved by the FinSurv Department, effectively preventing partnerships with foreign wallet providers unless specifically authorised.

⁴³ According to Section 2(1) of Exchange Control Regulations (1961), "Except with permission granted by the Treasury... no person other than an authorised dealer shall buy or borrow any foreign currency... or sell or lend any foreign currency." Additionally, Section 3(1)(a) explicitly prohibits taking or sending out of South Africa any "bank notes, gold, securities or foreign currency" without Treasury permission.

Declining formal remittance activity remains an important issue regardless of its underlying causes, and effective interventions require a clear understanding of those drivers. In the Mozambican market in particular, there is still underlying causes, making it difficult to propose specific policy responses. More broadly, the digitalisation of grey markets affects all three miles of the remittance value chain, with regulatory responsibility distributed across jurisdictions: South Africa bears responsibility for first-mile oversight of digital payment origination and KYC compliance, while receiving countries must address last-mile mobile wallet regulations and payout mechanisms. However, the cross-border nature of these grey market coordinated approaches from both SADC member states and regional bodies such as the CCBG may be required to develop harmonised approaches to emerging digital remittance channels that operate outside traditional regulatory frameworks. Further research will be important in guiding solutions.



Payment systems

As stated by the World Bank, “the efficiency and quality of remittance services are enhanced where there is greater standardisation, automation, and increased interoperability in both the national and regional payment system infrastructure”.⁴⁴ Payment systems are primarily a middle-mile concern, as they involve the technical infrastructure, protocols and networks that facilitate cross-border fund transfers between sending and receiving jurisdictions, although appropriate regulations and buy-in from countries at the first and last mile are also required. The commercial incentive structure faced by RSPs may, however, not favour the independent development of such standardisation and interoperability. Regulators thus have an important role to play in payment systems, both through the design and administration of the regulatory system itself, and at times through efforts to coordinate and facilitate improvements to the payments infrastructure.

In many countries in Africa, cross-border interoperability of payment platforms remains limited. As formal remittance markets developed in the SADC region, RSPs often established operations through bilateral agreements with payment partners in specific country pairs. These were also often simpler and faster to establish compared to multilateral payment relationships.⁴⁵ Considerable time and resources have been invested in establishing these relationships and then expanded the geographic footprint of payment points associated with them. For these established operators, this initial investment in payment relationships may represent an important source of competitive advantage.

Analysis of the mobile payments market illustrates the competitive dynamics at play.⁴⁶ The first point to note is that payment systems exhibit network effects. This is characteristic of certain markets, where the value of a service increases as the size of the network providing it increases. If an RSP can provide customers with a large network of pay-in and pay-out points, it is more likely to be of value to them than if the number of pay-in and pay-out points is small.

⁴⁴ World Bank Group (2018). *The Market for Remittance Services in Southern Africa*. Available at: <https://openknowledge.worldbank.org/server/api/core/bitstreams/b049434f-4a70-5cc2-8bff-401d08b40d43/content>.

⁴⁵ World Bank Group (2018). *The Market for Remittance Services in Southern Africa*. Available at: <https://openknowledge.worldbank.org/server/api/core/bitstreams/b049434f-4a70-5cc2-8bff-401d08b40d43/content>.

⁴⁶ Robb, G., & Vilakazi, T. (2016). *Mobile payments markets in Kenya, Tanzania and Zimbabwe: A comparative study of competitive dynamics and outcomes*. *The African Journal of Information and Communication (AJIC)*, 17, 9-37

Where such network effects exist, they influence both market competition and the incentives for operators to pursue interoperability. In some cases, the market will “tip” toward a single operator, as the largest network may gain a significant competitive advantage over others. In such situations, the firm with the largest market share may have little incentive to interconnect with competitors,⁴⁷ as this could erode their competitive position.

In network markets, consumers benefit most when a single large network enables seamless connectivity across all access points. In practice, however, dominant firms in such markets may not interconnect voluntarily, unless required to by regulators. As a result, full interoperability is unlikely to develop without external intervention.

The TCIB initiative aims to enhance financial inclusion and reduce remittance costs in the SADC region by providing an interoperable platform for real-time, low-value cross-border transactions. In effect, the universal implementation of the TCIB would approach the best case for the consumer, with fairly seamless remittance interconnectivity. Until 1 April 2025, however, adoption of the TCIB remained voluntary, and large operators with substantial market share have shown limited uptake, and most of participants have been new market entrants that are not yet operational.

As of 1 April 2025, the SARB issued a directive requiring that all low-value cross-border EFTs within the CMA migrate to the TCIB regional retail payment system. This regulatory development is expected to accelerate adoption of the system. It may also be appropriate to review the regulatory treatment of exclusive agent arrangements. The RBZ already prohibits agents from entering into exclusivity agreements, and in Malawi, exclusive partnerships between remittance providers and local money transfer services are not permitted. Such regulations can support interconnectivity by reducing the ability of dominant operators to limit market access.

Non-bank players (including mobile money operators (MMOs) and money transfer operators (MTOs)), operating under ADLA licenses, require sponsor banks to facilitate the settlement of cross-border transactions. For instance, Mukuru, collaborates with Standard Bank to manage its card services.⁴⁸ This reliance can increase operational costs and limit the flexibility of non-bank entities in scaling their remittance services independently.

Recent developments aim to address regulatory and operational asymmetries between non-banks and banks. The proposed amendments to the South African National Payment Systems Act (NPSA) 2023 seek to empower non-bank payment providers by allowing them to access settlement and clearing systems directly, without the need for bank sponsorship. This includes enabling non-bank providers to hold their own store of value.⁴⁹

However, recognising the delays in passing the NPSA amendments, regulators, in collaboration with the Prudential Authority, are implementing an interim solution. This involves issuing an exemption notice to allow non-bank providers to operate open wallets and perform certain settlement functions without being classified as deposit-takers under the Banks Act. This interim solution aims to bridge the gap while the regulatory framework is finalised, ensuring that non-banks can enter systems like TCIB with dedicated settlement accounts. These anticipated changes draw on precedent from India’s Aadhaar system and Brazil’s Pix (refer to Box 5 below). Such measures can assist non-banks to scale their operations independently and participate in key payment systems without facing the operational constraints of bank sponsorship. The framework, which is expected to be ready for public consultation by early 2025, will provide greater clarity and alignment for non-bank participation in South Africa’s payment ecosystem. The SARB circulated the draft Payment Activities Exemption Notice to industry stakeholders for public comment in February-March 2025, bringing the interim settlement framework one step closer to implementation.

India’s Aadhaar system integrates non-bank providers into the payment ecosystem by allowing them to use Aadhaar-based e-KYC for customer onboarding. This streamlined process reduced regulatory barriers and onboarding costs, enabling fintechs and digital wallets to scale services like microloans and remittances.⁵⁰ Regulatory adaptations, such as the Aadhaar Payment Bridge System (APBS), allowed non-banks to offer direct financial services.

Brazil’s Pix system includes non-banks by granting them direct access to settlement systems via clearing accounts at the Central Bank. This regulatory change eliminated the need for sponsor banks, fostering competition and reducing costs.⁵¹ Within two years, Pix became Brazil’s most-used payment platform, with 70 million unbanked individuals accessing digital payments by 2022.⁵²

Box 5: Best practices - Non-bank participation

The SADC-RTGS system is currently undergoing a renewal project. The work packages comprising the renewal have been influenced by a diagnosis of four key challenges facing the system, such as high costs, low speed, limited access and insufficient transparency. As shown in the table that follows, one of the key interventions planned is the adoption of ISO 20022, which is a globally recognised messaging standard designed to enhance the exchange of financial data across payment systems. Its structured and rich data format allows for improved transparency, efficiency and interoperability in payment processes.⁵³ As of November 2024, several SADC countries are transitioning to ISO 20022 to enhance interoperability across domestic and cross-border payment systems.⁵⁴

⁴⁷ Alternatively, where interconnect is offered, the incumbent firm may offer interconnection at a very high price, or at lower service levels. In extreme cases, the retail price may be reduced at the same time that the interconnection price is increased, in order to create a margin squeeze which makes interconnection unprofitable for competitors.

⁴⁸ Mukuru (n.d.). Terms of Use of Mukuru Card Service. Available at: https://www.mukuru.com/za/legal/mukuru-card-service?utm_source=chatgpt.com

⁴⁹ PASA (2023). Integrated Report. https://pasa.org.za/wp-content/uploads/2024/07/PASA-IR-2024_FINAL_COMPRESSED.pdf

⁵⁰ Reserve Bank of India (n.d.). Available at: https://www.rbi.org.in/SCRIPTS/BS_CircularIndexDisplay.aspx?id=12161&utm_source=chatgpt.com

⁵¹ IMF (2023). Pix: Brazil’s Successful Instant Payment System. Available at: <https://www.elibrary.imf.org/view/journals/002/2023/289/article-A004-en.xml>

⁵² IMF (2023)

⁵³ AfricaNenda (2022). The State of Instant and Inclusive Payment Systems. Available at: https://www.africanenda.org/uploads/ffiles/EN-ExecutiveSummary_SIIPS_Report-web.pdf

⁵⁴ Six countries (Botswana, Mauritius, Mozambique, South Africa, Tanzania, Zambia, Zimbabwe) and the SADC-RTGS have migrated to ISO 20022.

This migration is an important step for streamlining cross-border remittances, as it enables seamless integration among banks, financial institutions and payment service providers within the region. However, recent data localisation requirements in several SADC countries present specific operational challenges for this integration.⁵⁵

Cross-border payment challenges	New SADC-RTGS features
a. High costs	Technology simplification, which will reduce complexity and cost
b. Low speed	Functionality for ISO 20022-compliant faster payment systems, which will enable immediate clearing and settlement, thereby providing faster access to cash and settlement, and longer operating hours, which will also enable payment and settlement services to align with cross-border services
c. Limited access	Capability to open access to increase diverse, direct participation in the system
d. Insufficient transparency	Adoption of ISO 20022 for the payment scheme, which will enable richer data for payment instructions, and the provision of data services, which will provide valuable insights regarding settlement and related information

Table 8: SADC-RTGS renewal

Source: SADC Payment System Oversight Committee Report, April 2021 – June 2024

Harmonisation of BOP codes between SADC countries is expected to improve payment system efficiency in the region. Differences in BOP codes have added complexity to data recording and reporting processes, and have contributed to the high cost of remittances. This project has been in development since 2018, but its timeline for completion remains unclear.

Other policy/regulatory developments in the region:

Between 2021 and 2024, there were also key regulatory changes in receiving countries. These regulatory changes primarily affect the last-mile segment of the remittance value chain by expanding the types of institutions authorised to provide remittance services and modernising payment infrastructure. These reforms create more competitive markets with greater choice for consumers, while potentially reducing costs through increased competition. These changes include:

- **Mozambique:** Historical restrictions limiting cross-border remittance services to licensed banks have been amended through recent legislative changes, including the revision of the Law No. 2/2008 of 27 February 2024, the National Payment System Act. These regulatory reforms have introduced new institutional categories authorised to process cross-border payments, expanding the scope of permitting payment activities for qualifying institutions.

⁵⁵ As discussed, data localisation requirements prevent RSPs from achieving cloud-based efficiencies by requiring all customer KYC information and transaction records to be housed and processed within national borders rather than through centralised regional platforms, forcing providers to maintain separate technical architectures for each jurisdiction, which increases operational costs and complexity whilst undermining the standardised messaging and unified data exchange that ISO 20022 migration is designed to facilitate.

⁵⁶ SADC Banking Association (2021). SADC Payments Project: Projects Update.

- **Malawi:** Exchange Control Regulations, 2022, govern the repatriation of export proceeds and the operation of foreign currency-denominated accounts. They aim to ensure the timely repatriation of export earnings and the proper management of foreign currency accounts, thereby stabilising foreign exchange inflow.⁵⁷
- **Zambia:** Foreign Exchange Market Guidelines, 2024 were developed to provide a framework for foreign exchange transactions, aiming to enhance transparency and efficiency in the foreign exchange market.⁵⁸
- **Angola:** National Payment System modernisation was launched as an initiative to integrate mobile payment systems with traditional banks, fostering interoperability and reducing costs.⁵⁹
- **Tanzania:** On 6 October 2023, the Bank of Tanzania issued new regulations under Government Notice No. 730, replacing the 2019 regulations. These regulations introduced three classes of bureau de change licenses, each with specific capital requirements and operational scopes, aiming to enhance transparency and compliance in foreign exchange operations.⁶⁰
- **Eswatini:** The Central Bank of Eswatini issued the policy on Licensing of Banking and Financial Institutions, 2021, to guide the licensing of banking and financial institutions, including payment service providers. It outlines criteria for licensing, emphasising integrity, prudence and competence, and allows for the establishment of locally incorporated subsidiaries or agents of foreign financial institutions.⁶¹
- **Seychelles:** Implemented by the Central Bank of Seychelles, National Payment System (Electronic Money) Regulations provide a framework for the issuance and management of electronic money. They establish licensing requirements for electronic money issuers and set operational standards to ensure the safety and efficiency of electronic payment systems. This initiative aims to promote digital payments and enhance financial inclusion.

⁵⁷ Reserve Bank of Malawi (2022). Exchange Control Regulations, 2022.

⁵⁸ Bank of Zambia (2024). Foreign Exchange Market Guidelines 2024.

⁵⁹ AllAfrica (2024). Angola Central Bank to Approve Payment System Vision. Available at: <https://allafrica.com/stories/202405020031.html>

⁶⁰ FinandLaw (2024). Tanzania issues new licensing and operations regulations for forex bureaux effective 2023. Available at: https://finandlaw.co.tz/2024/05/02/5286/?utm_source

⁶¹ Central Bank of Eswatini (2021). Policy on Licensing of Banking and Financial Institutions No. 1 of 2021



Summary of key regulatory themes

Regulatory changes are influencing the development of remittance markets, with mixed outcomes on compliance and efficiency. Since 2020/2021, there have been several regulatory developments in South Africa and the broader SADC region that have influenced the functioning of the remittance market. Some of these measures are intended to strengthen compliance and support market efficiency, though their impacts differ and may include unforeseen effects.

The RBA aims to improve financial inclusion but is constrained by cautious over-compliance, affecting low-value transactions. South Africa's regulatory framework plays a pivotal role in shaping the regional remittance landscape due to its position as a major remittance origin country. In 2017, the adoption of an RBA allowed financial institutions to tailor compliance requirements based on client risk profiles. This approach was designed to streamline processes for low-risk transactions and support financial inclusion. However, feedback from stakeholders and findings from mystery shopping suggest that operational practices at times emphasise cautious over-compliance, which can limit the effectiveness of the RBA in reducing costs and barriers for low-value remittances.

Greylisting has indirectly increased compliance demands, raising costs and potentially limiting access for low-risk clients. FATF's greylisting of South Africa in 2023 has led to heightened scrutiny across various financial sectors. While the greylisting primarily addressed gaps in high-profile financial crime investigations and non-financial sector monitoring, stakeholders noted increased compliance requirements for remittance providers. This may have indirect implications for operational costs and client risk assessments, though the overall impact is still under discussion.

Amendments and interim measures to the NPSA seek to address some of the existing challenges by allowing non-bank providers direct access to settlement and clearing systems. Regulatory amendments, such as the proposed updates to South Africa's NPSA, particularly targeting SADC countries such as Zimbabwe, thereby expanding the available options for cross-border money transfers. As an interim measure, an exemption notice has been introduced, enabling non-bank entities to operate open wallets and perform certain settlement functions without relying on sponsor banks.

This initiative is intended to support non-bank providers as the broader regulatory framework is finalised. The effects of these anticipated changes have not yet materialised.

Regional efforts aim to improve interoperability but face uneven implementation across member states. Regionally, initiatives like SADC's AML/CFT Committee and the adoption of ISO 20022 standards are intended to enhance payment system interoperability and compliance alignment. While these efforts may strengthen regional remittance systems, uneven implementation and varying levels of readiness among member states demonstrate the challenges of achieving full harmonisation.

Overall, these regulatory changes reflect the ongoing efforts to balance financial integrity with accessibility and efficiency in the remittance market. The varying impacts underline the importance of continued coordination among regulators, service providers, and other stakeholders.

Remittance Provider Landscape

Regulated remittance providers

First mile services

The number of payment service providers authorised to deal in foreign exchange grew from 48 in 2021 to 55 in 2024, suggesting ongoing expansion and diversification of service providers in the formal remittance market in the first mile. As a result of this growth, South African migrants now have access to a wider selected of remittance channels, with differences in fee structures, service levels, and technological capabilities.

Authorised entities	Quantity (2024)	Quantity (2024) – SADC low-value retail*	Quantity (2021)
Authorised Dealers (AD)	24	12	24
Restricted Authorised Dealers	4	-	4
Authorised Dealers with Limited Authority – ADLA Category 2	12	9	10
Authorised Dealers with Limited Authority – ADLA Category 3	12	8	6
Authorised Dealers with Limited Authority – ADLA Category 4	3	2	4
	55	31	48

Table 9: AD and ADLA licensee, 2024

Source: DNA Analysis, SARB circulars

*Note: Author's own categorisation based on service provider offerings specifically targeting low-value retail cross-border payments to SADC countries. This determination was made through analysis of remittance products, transaction limits, and marketing materials from each licensee.

In the first mile, new players have entered the remittance market, particularly targeting SADC countries such as Zimbabwe, thereby expanding the available options for cross-border money transfers. Nkolozi Money Transfer, launched in 2021, focuses on facilitating efficient and affordable remittances for Zimbabweans, with a network of agents and partnerships intended to broaden accessibility in rural and urban areas.⁶² Sasai Remit, a service from Cassava Fintech, also offers a digital remittance solution that integrated with its broader ecosystem, including the Sasai SuperApp mobile application.⁶³ As noted in Section 2, the Zimbabwean remittance market has continued to grow, and new providers appear to be aligning their strategies with this expanding corridor.

Since 2021, South Africa's remittance landscape has shifted towards digital payment solutions, including the adoption of proprietary apps and WhatsApp channels by various RSPs. Stakeholder discussions indicated a continued transition to and uptake of digital remittance solutions, although there is a reported transition away from Unstructured Supplementary Service Data (USSD) services. USSD has traditionally been used to initiate transactions, which are then completed at a pay-in partner or via EFT. While still widely used, particularly among users without smartphones, USSD is considered costlier and limited consumer experience, contributing to its gradual decline.

A number of RSPs in South Africa begun integrating value-added services and customer incentives into their offerings. These additional services can provide additional functionality for consumers, including wallet and transaction options, but may face barriers to accessing traditional banking systems, for example, due to their migration status. For RSPs, such services may also create opportunities for cross-selling products, with potential long-term effects on operating margins.

⁶² Available at: <https://nkolozi.com>

⁶³ Available at: <https://www.sasai.global/remit-zimbabwe/>

⁶⁴ Hamilton (2021). Nedbank and Mastercard launch WhatsApp payments with money message. Available at: <https://www.fintechfutures.com/2021/04/nedbank-and-mastercard-launch-whatsapp-payments-with-money-message/>

These value-added services are exclusively first-mile offerings operating within South Africa's National Payment System (NPS), entirely separate from the cross-border remittance function. The Mama Money Card is a transactional account designed to lower digital transfer costs. It is linked to the WhatsApp, providing users with functions such as purchasing airtime and electricity, depositing cash, checking account balances, and blocking a card if lost or stolen.⁶⁵ To encourage new users, Mama Money offers a R250 Welcome Voucher, reducing fees on initial transactions.⁶⁶

Hello Paisa has also expanded its services to include utilities, insurance and mobile top-ups, providing a comprehensive financial platform for its users. While these services broaden the overall financial capabilities of migrants in South Africa and provide providers with additional customer data for risk assessment, they operate independently from cross-border remittance systems. This reflects a broader industry trend of developing multi-service financial platforms that address both domestic financial needs and cross-border transfer requirements, though the two separate payment infrastructures.

Last-mile services

RSPs across the SADC region are implementing innovative solutions to improve customer experience. In Zimbabwe, EcoCash removed fees for recipients cashing out in US dollars,⁶⁷ encouraging the use of formal channels, while Mukuru introduced a drive-through remittance collection service in Harare to improve safety and convenience.⁶⁸

Recent partnerships and acquisitions in the remittance and financial services sector reflect a trend of consolidation and collaboration, intended to enhance service offerings and expand market reach. These developments have particular significance for the first-mile in the South Africa-SADC corridors, given concentrated migration patterns and high remittance volumes:

- In November 2022, Ria Money Transfer, a division of Euronet Worldwide, acquired Sikhona Forex (Pty) Ltd, a leading South African money transfer operator. This acquisition enables Ria to consolidate its position in Africa, leveraging Sikhona's digital capabilities to provide faster and more affordable cross-border money transfer services. Such acquisitions may become more common as competition intensifies, particularly among smaller money transfer operators (MTOs).⁶⁹
- Bidvest Bank has collaborated with Mastercard to enable payments via WhatsApp, providing customers with a convenient and secure platform for transactions. This partnership leverages the widespread use of WhatsApp to enhance financial inclusion and accessibility, which primarily benefits already-banked migrants in South Africa rather than expanding access to those outside the formal financial system. This development deepens service offerings for existing bank customers by adding convenient digital channels.
- In June 2024, Mama Money partnered with Access Bank and Paymentology to launch the Mama Money Card⁷⁰ designed to digitise first-mile remittance transactions.

These partnerships primarily focus on sending-side inefficiencies and expanding access rather than recipient-country challenges. Their relevance lies in the potential to lower transaction frictions and costs in corridors characterised by established migration patterns and significant remittance flows.

In South Africa and the wider SADC region, the integration of financial services with national identity registries is driving advancements in customer verification, compliance, and operational efficiency.⁷¹ Hello Paisa has integrated with the South African Department of Home Affairs' (DHA) National Population Register, enabling real-time identity authentication to streamline onboarding and strengthen KYC processes. Similarly, Mukuru leverages DHA verification services to simplify customer registration while ensuring compliance with AML/CFT regulations. Standard Bank, along with other financial institutions, incorporates biometric verification through DHA systems to enhance security and mitigate fraud risks in remittance services. The CCBG Payment System Subcommittee (PSS) has identified enabling cross-border integrations with population registries as a strategic objective.⁷²

⁶⁵Pham (2024). Mama Money integrates WhatsApp into remittance service. Available at: <https://developingtelecoms.com/telecom-technology/financial-services/16919-mama-money-integrates-whatsapp-into-remittance-service.html>

⁶⁶Mama Money (n.d.). Available at: <https://www.mamamoney.co.za/blog/all-you-need-to-know-about-mama-moneys-r250-welcome-voucher>

⁶⁷The Herald (n.d.). EcoCash boosts diaspora remittances. Available at: <https://www.herald.co.zw/ecocash-boosts-diaspora-remittances-with-new-free-cash-out-service>

⁶⁸Bizcommunity (2023). Mukuru's drive-thru service fires up Zimbabwe's financial service sector. Available at: <https://www.bizcommunity.com/Article/196/518/237494.html>

⁶⁹Euronet (2022). Ria Money Transfer Expands Presence in South Africa through Acquisition of Sikhona. Available at: <https://www.euronetworldwide.com/use-cases/ria-acquires-sikhona/>

⁷⁰MamaMoney (2024). Available at: <https://www.mamamoney.co.za/blog/mama-money-innovates-with-whatsapp-for-efficient-cross-border-payments>

⁷¹Cenfri (2024). IFAD Remittance Innovation Toolkit.

⁷²SADC (2024). SADC Adopts Technology to Drive Financial Inclusion Initiatives within the Region.



Potential disrupters in the market

The COVID-19 pandemic and ensuing lockdowns significantly disrupted many existing informal remittance channels. As shown in Section 2, the SARB data analysis indicated a sharp increase in total remittance outflows from South Africa between 2019 and 2020, coinciding with the onset of the pandemic. During the initial phases of lockdown, methods that relied on physically carrying money across borders were not feasible, leading migrants to either shift to formal products or access them through informal intermediaries. This created a regulatory grey area, where transactions moved across formalised digital platforms but remain outside the direct oversight of central banks. Travel restrictions further limited migrants ability to return home, and factors such as high costs and limited trust in formal systems contributed to the use of alternative solutions. One example, as discussed, involved using mobile money platforms like M-PESA to transfer funds to agents, who then withdrew and delivered cash to recipients. This approach bypassed formal remittance channels but did not fall entirely within informal systems, illustrating the adaptability of migrants and agents alike. These developments may represent emerging business models for mobile money agents and highlight the need for further research.

Blockchain technologies are beginning to influence remittance services across the SADC region, with potential applications at the first-, middle- and last-mile segments of cross-border payments.

- In the first and last mile: Digital payment platforms, cryptocurrencies, and fintech innovations are making remittance services more accessible by reducing transaction costs and increasing efficiency. For example, Yellow Card has introduced cryptocurrency-based remittance services in Botswana and South Africa, offering an alternative to traditional banking channels and enabling users to bypass intermediaries.⁷³ However, challenges such as regulatory constraints and limited infrastructure continue to restrict the scalability of these technologies in the region.
- In the middle mile: Application programming interface (API) integrations and blockchain solutions, remain underutilised, largely due to regulatory uncertainty and the absence of clear policy frameworks. One potential use case is the adoption of crypto payment rails such as stablecoins pegged to the US dollar, which may provide a secure and cost-effective mechanism for clearing and settling cross-

border transactions. Experiences in other regions, such as Southeast Asia demonstrate the potential of stablecoin-based remittance systems to address inefficiencies in cross-border payments. In the Philippines, for example, companies such as Coins.ph have integrated stablecoins like USDC to facilitate seamless cross-border transactions, offering faster and more cost-effective remittance services.⁷⁴ Nonetheless, the volatility of cryptocurrencies and ongoing regulatory challenges increase the risks associated with these models.

The broader adoption of such innovations will depend on regulatory clarity, infrastructure development, and collaboration among stakeholders to enable adoption and scalability. Box 6 below outlines initiatives by South African regulators in this area.

South African regulators are developing policies for stablecoins and blockchain applications within financial services to align with evolving global standards. The Intergovernmental Fintech Working Group (IFWG), a collaborative initiative involving regulatory bodies, is leading efforts to assess the use cases and regulatory approaches for cryptocurrencies and related assets. As part of this process, the IFWG Sandbox Initiative, launched in 2020, provides a controlled environment for testing innovative fintech solutions.

Recent tests within the sandbox include Xago Technologies, which examined the regulatory treatment of crypto assets like Ripple XRP under South Africa's Exchange Control Regulations, and Standard Bank's Aroko Blockchain Platform, designed for reporting cross-border foreign exchange transactions.⁷⁵

Central Bank Digital Currencies (CBDCs) have been identified as a possible avenue for improving efficiency in cross-border payments, though implementation timelines remain uncertain. From 2021 to 2022, the SARB participated in Project Dunbar, a cross-border CBDC pilot with the Reserve Bank of Australia, Bank Negara Malaysia, and the Monetary Authority of Singapore. The pilot demonstrated the technical feasibility of shared platforms enabling direct cross-border transactions between financial institutions using multiple CBDCs, with the potential to reduce intermediaries and correspondingly lower costs and transaction times. However, while the concept proved technically feasible, the optimal governance arrangements and regulatory frameworks remain under consideration,⁷⁶ and further research, including lessons from other pilots globally, will inform the SARB's strategy.

Box 6: South Africa's stance on blockchain innovations

⁷³ Yellow Card (2023). How Yellow Pay Works to Send Money Across Africa. Available at: <https://yellowcard.io/blog/how-yellow-pay-works/>

⁷⁴ Partz (2023). USDC issuer partners with Philippines exchange to promote stablecoin. Available at: <https://cointelegraph.com/news/usdc-stablecoin-issuer-partners-philippines?utm>

⁷⁵ IFWG (2022). Feedback on the Intergovernmental Fintech Working Group's first regulatory sandbox initiative. Available at: <https://www.resbank.co.za/content/dam/sarb/publications/media-releases/2022/fintech-ifwg-sandbox-report/IFWG%20First%20Regulatory%20Sandbox%20Report%20October%202022.pdf>

⁷⁶ BIS Innovation Hub (2022). Project Dunbar: International settlements using multi-CBDCs.

In the middle mile, traditional foreign exchange settlement models predominantly rely on the US dollar as the intermediary currency. This structure contributes to increased transaction costs and exposure to exchange rate volatility when neither the origin nor destination currency is USD.⁷⁷ TCIB settlement occurs in South African Rand, through the SADC RTGS. To address these challenges, the Pan-African Payment and Settlement System (PAPSS) was designed to enable direct currency pair exchanges between African countries. By facilitating payments in local currencies, PAPSS seeks to reduce reliance on the US dollar, thereby lowering foreign exchange costs and improving the efficiency of cross-border transactions within Africa.⁷⁸ Resolving these middle-mile inefficiencies requires coordinated action from regional central banks and monetary authorities, including harmonisation of payment system standards, development of bilateral currency arrangements, and regulatory frameworks to support direct local currency settlements.

Centralised payment hubs are transforming intra-African transactions by streamlining connections among diverse payment providers, thereby reducing reliance on complex bilateral agreements. Onafriq (formerly MFS Africa) is one such platform, providing a central platform to conduct cross-border payment services across the continent.⁷⁹ To align with regulatory requirements, Onafriq has obtained operating licences in several jurisdictions, including Mauritius, Ghana, Nigeria, the DRC and Tanzania.⁸⁰

2024 Pricing and Service Quality

Methodology

The 2024 market outcome assessment focuses primarily on understanding the pricing of remittance services across the region, in order to better understand prevailing costs and trends. A secondary objective of the study is to evaluate the quality of service offered, with particular attention to transaction speed and fee transparency. Consistent with previous remittance market assessments, two transaction values were used in the pricing analysis: USD200 and USD55.⁸¹ The USD200 benchmark facilitates comparison with the World Bank's remittance price database, while the USD55 transaction size is more reflective of typical remittance behaviour in the SADC region, as illustrated by the graphs in Annexure A. At current exchange rates, USD55 equates to approximately R990.

The study applied a combination of mystery shopping and desktop-based research to meet the research objectives. Assessment of service quality required real transactions, and therefore a sample of transactions was undertaken across all AD and ADLA licence types and all country pairs. For most RSPs, binding quotes could be accessed directly from their websites without completing a transaction, enabling desktop-based data collection for all country pairs served.⁸² For other operators, however, binding quotes were not available, and in these cases the pricing sample was limited to real transactions. Annexure E provides further detail on the mystery shopping approach per RSP. The sample of mystery shopping transactions is shown in the table that follows.

⁷⁷ AfricaNenda (2023). *The State of Instant and Inclusive Payment System in Africas*. Available at: https://www.africanenda.org/uploads/files/SIIPS2023_EN_FullReport_FINAL.pdf

⁷⁸ AfricaNenda (2023)

⁷⁹ AfricaNenda (2023)

⁸⁰ Onafriq (n.d.). Available at : <https://onafriq.com/about?utm>

⁸¹ See FinMark Trust Remittances Market Assessment 2021 and Remittances Values and Volumes 2020 and Pricing Report 2020.

⁸² In certain instances, creating an account with the operator was required to retrieve binding quotes; however, this could still be done without completing a transaction.

	Banks				ADLA 2				ADLA 3	ADLA 4		Sample Size ⁸³	
	Capitec	FNB	Standard Bank	Nedbank	Inter Africa Bureau de Change	Mukuru	Sikhona	Travel Forex	Shoprite Send	Hello Paisa	Mama Money	Target	Actual*
Angola			✓		✓				✓			3	7
Botswana			✓			✓	✓		✓	✓	✓	6	28
Comoros		✓			✓			✓				3	5
DRC				✓		✓			✓	✓	✓	5	36
Eswatini		✓	✓			✓	✓		✓			5	14
Lesotho		✓	✓			✓	✓		✓	✓		6	28
Madagascar			✓		✓				✓		✓	4	15
Malawi		✓	✓			✓	✓		✓	✓	✓	7	36
Mauritius	✓				✓			✓				3	5
Mozambique	✓		✓			✓	✓		✓	✓	✓	7	31
Namibia	✓	✓					✓					3	9
Seychelles	✓				✓			✓				3	5
Tanzania		✓	✓			✓	✓		✓		✓	6	28
Zambia	✓	✓				✓	✓		✓	✓	✓	7	35
Zimbabwe			✓	✓		✓	✓		✓	✓	✓	7	27
Grand Total												75	309

Table 10: Mystery shopping planning

Source: Own research

* Binding quotes included in actuals (validity was tested for Mukuru and Hello Paisa, where no discrepancies were found between the quotes and actual transactions).

For each SADC country, the research team identified an individual to receive real transactions into their account. Each recipient was sent a small sum, USD22 to USD23 (depending on exchange rate) or R400 for AD transactions, and the minimum value allowed for ADLA transactions. Transactions were conducted in October and November 2024. The exchange rate applied to these transactions was compared against a reference exchange rate to calculate the foreign exchange margin. Fees were calculated for transaction sizes of USD200 and USD55, or the closest equivalent amount permitted by the specific system under review, based on list pricing from the respective institutions.

⁸³ The achieved sample size (n = 309) exceeds the 75-participant target by incorporating additional binding quotes from supplementary outreach, thereby enhancing robustness without duplicating providers.

Pricing outcomes

The following section presents the detailed results of the mystery shopping exercise. Results are disaggregated into exchange rate margins and direct fees, with distinctions drawn between CMA and non-CMA countries, as well as between AD and ADLA transaction fee structures.

Findings – exchange rate margins

Exchange rate margins refer only to the premium (or discount) charged on currency conversion and exclude other transaction costs. Where multiple prices have been collected for a single provider in a specific country, these were averaged. Consistent with previous reports, these margins are estimates and may not exactly reflect the rates applied by the providers. In particular, the reference exchange rate used by the research team may differ from the actual prevailing exchange rate at the time the transaction was made.⁸⁴ Malawi is sometimes excluded from the analysis due to an ongoing currency crisis, which distorts results; these instances are noted where relevant.

Table 11 on the next page presents exchange rate margins by service provider and country, with results from the previous mystery shopping exercise shown in the row titles “2021 Results”. As can be seen, the results for Malawi are strongly negative,⁸⁵ which biases the unweighted average. At present, Malawi’s formal market exchange rates diverge substantially from informal parallel market rates.⁸⁶ Interviews with RSPs confirmed that exchange rate instability is a significant feature in the Malawi channel, although respondents did not specify how they determine exchange rate pricing in this market. Given these issues, the average excluding Malawi is considered more representative of overall results.

For the region, the unweighted exchange rate margin (excluding Malawi) has increased from 2.01% in 2021 to 2.50% in 2024. This increase reflects the inclusion of four additional RSPs in the sample, two of which reported comparatively high margins. Travel Forex reported the highest unweighted average margin at 7.41%, followed by Sikhona at 4.22%. Both are ADLA 2 licensees. Without these four additional licensees, the average margin decreases to 1.90%, below the 2021 result.

⁸⁴ Reference exchange rates were obtained from xe.com, at the time the transaction was initiated.

⁸⁵ In effect, RSPs sampled were offering consumers a Malawian exchange rate which appeared to deviate from the official exchange rate, to the consumer’s benefit. The reasons for this are not known.

⁸⁶ Malawi Nation News Online (2025) <https://mwntion.com/informal-remittances-continue-to-increase/> <https://mwntion.com/informal-remittances-continue-to-increase/>

Among the non-banks (ADLAs) included in the 2021 sample, Sikhona continues to record some of the highest exchange rate margins across several countries, notably in Lesotho and Mozambique. In contrast, Mukuru and Shoprite Spend report near-zero or negative margins in some countries and maintain low average margins overall. This indicates considerable variation in exchange rate margins among non-bank providers.

Among the banks (ADs), exchange rate margins are more tightly clustered generally below 2%. FNB and Standard Bank recorded average margins of 0.90% and 1.0%, respectively, increasing to 1.66% and 1.97% when Malawi is removed from the sample. Nedbank reported the lowest average margin at 0.66%, although this result is based on only two transactions.

For CMA countries (Lesotho, Eswatini and Namibia), exchange rate margins increased over the review period. This is noteworthy, given the shared currency mechanism within the CMA, which obviates the need for currency conversion and, would normally preclude exchange rate margins. Regulatory changes to the reporting of CMA transactions, discussed in earlier sections, are likely to be driving this increase. Namibia, in particular, recorded a substantial increase in exchange rate margins over this period. Sikhona also applied a margin to transactions in all CMA countries, which differs from the approach of other providers.

At the country level, Angola recorded the highest average exchange rate margin at 7.78%, followed by Seychelles at 7.61%, Comoros 3.63% in 2021 and Mauritius 5.04% in 2021. These elevated margins may reflect liquidity constraints related to the lower volume of these currencies traded in the South African market. It should also be noted that there appears to be a smaller number of operators active in these smaller markets, which may reduce competitive pressure.

Negative margins recorded for some providers in certain countries remain a recurring observation and are also reflected in external datasets, such as the World Bank remittance price database. As with in previous reports, the reasons for these negative margins are not fully clear but may reflect localised market strategies or operational circumstances.

	Capitec	FNB	Hello Paisa	Inter Africa Bureau de Change	Mama Money	Mukuru	Nedbank	Shoprite Spend	Sikhona	Standard Bank	Travel Forex	2024 Unweighted average	2021 Unweighted average	2024 Unweighted average comparable sample*
Angola				11.00%				1.04%		11.31%		7.78%	1.5%	6.18%
Botswana			1.10%		0.92%	-0.39%		0.64%	2.78%	1.68%		1.12%	3.6%	1.12%
Comoros		2.14%		4.18%							4.55%	3.63%	5.3%	2.14%
DRC			1.90%		1.89%	1.09%	0.67%	0.85%				1.28%	2.4%	1.43%
Eswatini		0.00%				0.00%		0.00%	7.06%	0.00%		1.41%	0.0%	1.41%
Lesotho		0.00%	0.02%			0.00%		0.00%	3.06%	0.00%		0.51%	0.0%	0.51%
Madagascar				-8.33%	1.59%			0.27%		0.39%		-1.52%	2.7%	0.75%
Malawi		-3.70%	-38.41%		-18.63%	-50.92%		-56.42%	-26.34%	-2.26%		-28.10%	1.3%	-28.10%
Mauritius	1.90%			7.58%							5.65%	5.04%	4.8%	n/a
Mozambique	0.61%		-2.24%		1.06%	0.98%		0.97%	7.68%	0.39%		1.35%	2.8%	1.47%
Namibia	0.51%	1.46%							3.50%			1.82%	0.8%	2.48%
Seychelles	6.51%			4.27%							12.04%	7.61%	-0.7%	n/a
Tanzania		1.95%			4.46%	0.13%		0.93%	3.70%	1.36%		2.09%	3.5%	2.09%
Zambia	0.49%	4.42%	-0.94%		4.05%	-0.17%		0.62%	3.59%			1.72%	2.7%	1.93%
Zimbabwe			1.48%		1.53%	0.51%	0.64%	1.15%	2.36%	0.59%		1.18%	1.4%	1.27%
Unweighted Average	2.00%	0.90%	-5.30%	3.74%	-0.39%	-5.42%	0.66%	-4.54%	0.82%	1.50%	7.41%	0.46%	-	0.51%
2021 Results	-	1.7%	1.4%	n/a	3.8%	1.2%	n/a	-0.04%	4.6%	1.4%	n/a	2.01%	2.3%	-
2024 excluding Malawi	2.00%	1.66%	0.22%	3.74%	2.21%	0.27%	0.66%	0.65%	4.22%	1.97%	7.41%	2.50%	-	1.90%

Table 11: Exchange rate margins

Source: Mystery shopping exercise, FinMark Trust 2024, DNA extrapolations

*Note: Comparable sample excludes RSPs that were not included in the 2021 sample – Inter Africa Bureau de Change, Nedbank, Travel Forex and Capitec.

Findings – direct transaction fees

Direct transaction costs, shown in Table 12, include all non-exchange rate fees charged by providers for sending remittances of USD55 and USD200. The analysis captures key patterns across service providers, highlighting those with the highest and lowest fees, as well as changes between smaller and larger transaction sizes.⁸⁷

For USD55 transactions, Sikhona consistently reported the lowest fees, averaging 4.4%, although this result should be considered alongside its higher exchange rate margins. This is followed by Shoprite Send, with an average fee of 5.4%. These providers are more affordable for smaller transfers, contrasted with banks such as Nedbank and Standard Bank, which reported the highest average fees for smaller transactions, at 34.8% and 26.4% respectively. Among non-bank RSPs, Mukuru had the highest direct cost for USD55, with fees averaging 9.1%. These results indicate wide variation in costs across providers, with traditional banks tending to have higher price premiums for smaller non-CMA transactions.

For USD200 transactions, Sikhona again recorded the lowest direct costs, averaging 2.4%. Mama Money reported the second-lowest fee at 3.1%, demonstrating stable pricing strategies across transaction sizes. In contrast, Standard Bank charged the highest fees, averaging 11.4%, which represents a reduction compared to its smaller transaction costs but still places it among the more expensive options. Mukuru marginally reduced its fees for USD200 transactions compared to 2021, averaging 8.7%, but remained among the higher-cost providers. Mukuru was shown to offer several value-adding services and have a good brand reputation, which may contribute to its ability to charge higher fees.

Providers such as Sikhona and Shoprite Send recorded consistently lower in direct fees across both transaction sizes. By contrast, banks like Standard Bank and non-banks like Mukuru showed notable reductions in fees for larger transactions, reflecting economies of scale effects in their pricing structures. These results highlight the variation in fee structures across providers, with some applying comparatively lower (and more competitive) fees and others maintaining higher costs, particularly for smaller-value remittances.

Overall, between 2021 and 2024, remittance providers have generally increased their prices, particularly for smaller-value transactions. However, when controlling for new market entrants and comparing a more consistent sample, the average direct fee for USD55 transactions decreased from 10.7% in 2021 to 9.9% in 2024, indicating an overall reduction in costs for smaller transactions within the comparable group.

When comparing the consistent sample for USD200 transactions, the average direct fee was 5.8% in 2024, marginally higher than the 5.1% recorded in 2021. This suggests that while there has been a modest increase in costs for larger transactions, the fee regime remains relatively stable over the period for higher-value remittances. Other than general fee increases among CMA countries, much of the increase is attributable to higher direct fees for USD200 transfers to Zimbabwe, Mozambique and Madagascar.

Overall, the results suggest that while smaller-value transactions have seen some cost reductions in like-for-like comparisons, fees for larger-value transactions have remained broadly stable over the period.

⁸⁷ In the 2021 update study an amount of R200 was used for all transactions, except where there was a minimum amount larger than this. This report relied on a minimum transaction size of R400.

	Capitec	FNB	Hello Paisa	Inter Africa Bureau de Change	Mama Money	Mukuru	Nedbank	Shoprite Send	Sikhona	Standard Bank	Travel Forex	2024 Unweighted average	2021 Unweighted average	2024 UA comparable sample
	USD55													
Angola								8.1%		26.0%		17.0%	11.5%	17.0%
Botswana			5.5%		2.6%	10.0%		5.0%	2.6%	26.8%		8.8%	15.6%	8.1%
Comoros		13.0%										13.0%	6.5%	13.0%
DRC			10.1%		5.1%	6.5%	34.8%	5.5%				12.4%	15.0%	12.4%
Eswatini		3.0%				10.0%			6.0%			6.4%	3.2%	6.4%
Lesotho		3.0%	2.5%			10.0%			6.3%			5.5%	3.6%	5.5%
Madagascar					5.1%			5.6%		26.9%		12.5%	21.3%	12.5%
Malawi		2.6%	11.1%		15.0%	8.1%		5.1%	2.6%	26.7%		10.2%	18.7%	10.2%
Mauritius	17.6%											17.6%	8.9%	17.6%
Mozambique	17.9%		6.1%		4.1%	9.1%		4.4%	2.4%	26.5%		10.1%	8.1%	10.1%
Namibia	18.0%	3.0%							7.6%			9.5%	1.7%	9.5%
Seychelles	17.6%											17.6%	19.9%	17.6%
Tanzania		13.0%			5.0%	8.3%		4.7%	2.5%	25.7%		9.9%	10.4%	9.9%
Zambia	17.9%	15.1%	10.3%		2.6%	10.0%		4.7%	2.6%			13.0%	11.2%	13.0%
Zimbabwe			10.1%		5.0%	9.9%	34.8%	7.0%	2.6%	26.6%		13.7%	10.0%	10.2%
Unweighted Average	17.8%	7.5%	7.8%	n/a	6.1%	9.1%	34.8%	5.4%	4.4%	26.4%	n/a	13.5%	10.7%	9.9%
2021 Results	n/a	25.3%	8.2%	n/a	5.0%	8.8%	n/a	6.2%	5.5%	25.7%	n/a	-	10.7%	-
	USD200													
Angola								8.1%		7.1%		7.6%	3.2%	7.6%
Botswana			5.5%		0.7%	9.0%		4.9%	0.7%	7.4%		4.7%	7.1%	4.7%
Comoros		4.1%										4.1%	1.8%	4.1%
DRC			2.7%		5.0%	3.0%	9.6%	5.5%				5.1%	5.8%	4.0%
Eswatini		0.8%				10.0%			5.5%			5.5%	2.7%	5.5%
Lesotho		0.8%	2.5%			10.0%			6.3%			4.9%	3.2%	4.9%
Madagascar					5.0%			5.6%		36.0%		15.6%	7.4%	15.6%
Malawi		7.3%	10.0%		2.2%	10.0%		5.1%	0.7%	7.4%		6.1%	8.2%	6.1%
Mauritius	4.8%											4.8%	2.5%	n/a
Mozambique	4.9%		6.0%		4.0%	9.2%		4.4%	0.7%	7.3%		5.2%	4.6%	5.3%
Namibia	4.9%	0.8%							5.3%			3.7%	1.7%	3.1%
Seychelles	4.8%											4.8%	5.5%	n/a
Tanzania		4.1%			2.4%	7.3%		4.7%	0.7%	7.2%		4.4%	5.2%	4.4%
Zambia	4.9%	4.1%	7.6%		0.7%	10.0%		4.7%	0.7%			4.7%	5.6%	4.6%
Zimbabwe			10.1%		5.0%	10.0%	9.6%	7.0%	0.7%	7.3%		7.1%	6.1%	6.7%
Unweighted Average	4.9%	3.2%	6.3%		3.1%	8.7%	9.6%	5.6%	2.4%	11.4%		6.1%	5.1%	5.8%
2021 Results	n/a	8.2%	5.1%	n/a	4.6%	8.6%	n/a	6.2%	1.6%	7.1%	n/a	-	5.1%	-

Table 12: Direct fees

Source: Mystery shopping exercise, FinMark Trust 2024, DNA extrapolations

*Note: Comparable sample excludes RSPs that were not included in the 2021 sample – Inter Africa Bureau de Change, Nedbank, Travel Forex and Capitec.

Findings – total remittance costs

As illustrated, remittance prices vary significantly among service providers. Simple unweighted averages do not necessarily reflect actual remittance pricing, as most remitters are likely to use the channels that are most cost-effective for their specific transaction profile. For completeness, unweighted averages are included in Annexure E. However, this section focuses on weighted prices in order to provide a more representative picture of the overall average remittance prices.

Due to data limitations, the study used the same proportions of remittance outflows by licence type as in 2020 (shown in Table 13) to calculate weighted averages. Although the specific distribution of remittance flows may have shifted since then, this approach provides a consistent approximation of the current landscape, as the overall structure of remittance channels and market behaviour is likely to remain similar. The weights reflect the proportion of remittances, by value, sent through each licence type during the most recent period for which data were available, and have been applied consistently throughout the report to ensure comparability.

	AD	ADLA CAT 2	ADLA CAT 3	ADLA CAT 4	Total
Angola	91%	8%	1%	0%	100%
Botswana	72%	25%	1%	2%	100%
Comoros	82%	18%	0%	0%	100%
DRC	40%	40%	2%	18%	100%
Eswatini	49%	2%	49%	0%	100%
Lesotho	36%	27%	37%	0%	100%
Madagascar	82%	15%	4%	0%	100%
Malawi	1%	78%	0%	21%	100%
Mauritius	99%	1%	0%	0%	100%
Mozambique	5%	25%	1%	69%	100%
Namibia	96%	2%	2%	0%	100%
Seychelles	99%	1%	0%	0%	100%
Tanzania	21%	8%	4%	67%	100%
Zambia	44%	48%	2%	5%	100%
Zimbabwe	3%	86%	3%	8%	100%
Total	11%	68%	5%	17%	100%

Table 13: Proportion of remittance outflows per licence type, January to September 2020

Source: SARB data provided to FinMark Trust 2024, DNA extrapolations

In this study, the researchers were able to remit using an AD in every country within the sample, enabling the calculation of weighted averages for each country. This represents broader coverage compared to previous studies, where full inclusion was not achieved.

One factor influencing the analysis is the presence of outlier values in Malawi. These anomalies largely reflect the country’s recent currency crisis and a large parallel market for foreign exchange. Determining accurate exchange rate margins was challenging, as the reference rate used was tied to the official central bank rate, while many RSPs likely relied on informal market rates that were not consistently available for validation. To address this, the study reports a “SADC Adjusted” calculation, which excludes Malawi from the final averages. This adjustment reduces the risk of distortion and provides a more representative estimate of fees for the region as a whole.

Table 14 on the next page estimates average remittance prices across RSP licence categories. This is weighted by the 2021 licence category weights to derive a weighted average for each country in the SADC region. The data indicates variation in pricing by provider type, transaction size, and country-specific market conditions. When comparing 2024 to 2021, some countries show reductions in average costs, although outliers remain.

⁸⁸ The price per licence category is calculated as a simple unweighted average of all sampled RSPs in that country and licence category

	AD	ADLA CAT 2	ADLA CAT 3	ADLA CAT 4	Weighted Average 2024	Weighted Average 2021	Weighted Average 2024 Comparable ⁸⁹
USD55							
Angola	28.44%		9.17%		28.33%	n/a	28.33%
Botswana	28.41%	9.77%	5.03%	5.38%	22.97%	37.4%	22.60%
Comoros	14.12%				14.12%	n/a	14.22%
DRC	35.48%	7.52%	5.83%	10.32%	19.23%	21.1%	19.07%
Eswatini	3.02%	10.02%	12.83%		7.97%	1.6%	7.96%
Lesotho	3.01%	10.00%	10.20%	2.51%	7.54%	3.8%	6.97%
Madagascar	27.23%		5.18%	8.03%	22.43%	39.9%	26.82%
Malawi	13.39%	-39.78%	-51.50%	-13.37%	-33.75%	9.0%	-34.04%
Mauritius	21.13%				21.13%	n/a	21.12%
Mozambique	22.60%	6.26%	5.58%	5.83%	6.76%	8.4%	6.59%
Namibia	10.75%	14.62%			10.84%	0.1%	12.44%
Seychelles	20.86%				20.86%	34.6%	20.92%
Tanzania	23.66%	5.87%	3.34%	8.88%	11.52%	15.3%	11.58%
Zambia	18.96%	9.15%	5.33%	9.45%	13.41%	22.3%	24.82%
Zimbabwe	31.34%	7.91%	7.17%	9.56%	8.76%	9.2%	6.64%
USD200							
Angola	9.98%		9.17%		9.98%	n/a	9.97%
Botswana	9.16%	8.21%	4.86%	4.88%	8.78%	14.5%	8.38%
Comoros	5.22%				5.22%	n/a	5.32%
DRC	10.25%	4.19%	5.83%	5.38%	6.86%	7.9%	7.03%
Eswatini	0.83%	10.01%	12.33%		6.65%	0.6%	6.65%
Lesotho	0.83%	10.00%	10.12%	2.50%	6.72%	3.0%	6.13%
Madagascar	7.74%		5.09%	8.17%	6.50%	12.8%	6.55%
Malawi	3.70%	-38.54%	-51.50%	-19.83%	-34.24%	8.0%	-34.18%
Mauritius	8.32%				8.32%	n/a	8.32%
Mozambique	6.55%	5.68%	5.63%	4.86%	5.15%	7.2%	6.63%
Namibia	3.13%	12.27%			3.35%	0.1%	4.34%
Seychelles	8.10%				8.10%	10.9%	8.10%
Tanzania	9.94%	4.18%	3.28%	6.27%	6.75%	9.0%	6.81%
Zambia	7.03%	8.89%	5.41%	7.43%	7.90%	9.7%	7.88%
Zimbabwe	9.06%	8.63%	7.17%	9.03%	8.63%	7.1%	8.36%

Table 14: Remittance prices per licence category, and weighted remittance price per country

Source: Mystery shopping exercise, FinMark Trust 2024, DNA extrapolation

*Note: Comparable sample excludes RSPs that were not included in the 2021 sample – Inter Africa Bureau de Change, Nedbank, Travel Forex and Capitec.

⁸⁹ Excluded firms which were not in the previous study.

For USD55 transactions, the 2024 weighted averages show that Angola, Botswana, Madagascar, Mauritius and Seychelles all recorded average transaction fees above 20%, while the DRC was close at 19.23%. These countries were also among the higher cost (or excluded from the sample) in 2021. However, some reductions were observed in higher-cost countries, particularly Botswana, Madagascar, and Seychelles, which all recorded average fees above 30% in 2021.

In 2021, the CMA countries were the only ones with transaction fees below 5%. By 2024, all CMA countries recorded fees above this threshold. Namibia, in particular, saw an increase from 0.1% in 2021 to 10.84% in 2024.

Mozambique and Zimbabwe both recorded USD55 pricing outcomes below 10% in 2021, and have improved on those outcomes in 2024. Mozambique’s weighted average declined ‘from 8.4% in 2021 to 6.76% in 2024, with ADLA Category 3 providers averaging 5.58%. Zimbabwe’s weighted average declined from 9.2% in 2021 to 8.76% in 2024. These improvements appear to be associated with increased competition among ADLA providers, particularly Category 4 operators, which has contributed to lowering remittance costs in non-CMA countries.

For USD200 transactions, the non-CMA weighted averages show a decline across all countries except Zimbabwe and Malawi. Angola recorded the highest average at 9.98%, while Namibia recorded the lowest at 3.35% (excluding Malawi’s negative margin). Namibia was also the only country with average prices below 5%, and none have average prices below 3%. While the CMA countries continue to record some of the lowest costs in the sample, they no longer meet the 3% SDG target, which they achieved in 2021.

Malawi remains a notable outlier, with weighted averages of -33.75% for USD55 and -34.24% for USD200 transactions. These negative margins reflect the country’s ongoing currency crisis and the divergence between official and informal exchange rates.

Table 15 provides an overview of regional average remittance prices, with country weightings based on 2024 SARB data. In unweighted regional averages, CMA countries show an increase from under 2% for both transaction sizes in 2021 to over 5% in 2024. Both the increases in CMA prices and the negative Malawian results affect the comparability of averages. When the CMA and Malawi are excluded from the unweighted regional averages, decreases are observed for both transaction sizes. For Lesotho, Mozambique and Zimbabwe, unweighted prices fall for USD55 transactions, but increase for USD200 transactions.

When prices are weighted by country size, the results are more mixed. The average price for SADC (excluding Malawi and the CMA) falls for USD55 transactions, but increases slightly for USD200 transactions. Prices in the CMA increased, and in the Lesotho, Mozambique and Zimbabwe (LMZ) corridors, the price for USD55 remains stable, but there is an increase in the USD200 price. Overall, the results show limited downward movement in weighted averages, broadly aligning with the slow growth observed in the total value of formal remittances over the period.

	USD55		USD200	
	2024	2021	2024	2021
Average prices				
SADC total	12.8%	15.2%	4.3%	7.3%
SADC total excl. Malawi	15.7%	14.4%	7.4%	6.5%
SADC total, excl. Malawi & CMA	17.5%	20.2%	7.0%	9.5%
CMA only	6.8%	1.8%	5.7%	1.2%
LMZ	6.7%	7.6%	7.0%	6.3%
Average prices, weighted by country size				
SADC total	4.7%	9.6%	7.9%	7.2%
SADC total excl. Malawi	9.3%	7.2%	7.9%	4.9%
SADC total, excl. Malawi & CMA	9.6%	10.2%	8.1%	7.6%
CMA only	7.8%	2.9%	6.6%	2.9%
LMZ	8.5%	8.5%	8.0%	7.0%

Table 15: Regional average prices 2024, weighted by channel and then country

Source: Mystery shopping exercise, FinMark Trust 2024, own extrapolation

The World Bank’s RPW database provides several remittance price estimates for South Africa and is, in principle, a resource for validating the results of this pricing exercise. However, direct comparison is complicated by the RPW’s use of a fixed USD/ZAR exchange rate of 6.85, whereas the current market exchange rate is close to R19 to the USD dollar. As a result, rand transaction sizes are underestimated, and because transaction costs tend to be proportionally higher for smaller values, this approach overstates remittance costs. In practice, the RPW’s USD200 price estimate is more comparable to the study’s USD55 price estimate.

The RPW produces both an unweighted price estimate and a SmarT index price estimate, which “aims to reflect the cost that a savvy consumer with access to sufficiently complete information could pay to transfer remittances in each corridor,” and is calculated as a simple average of the three lowest-cost qualifying services. On both measures, South Africa is reported as the most expensive sending country in the G20.

Table 16 on the next page contrasts the World Bank’s pricing results with those of this study. The comparison uses the three lowest-cost estimates to calculate an equivalent SmarT measure and compares the RPW’s USD200 price with this study’s USD55 price. Differences between the two sets of results likely reflect variation in the RSPs sampled in each exercise. On average, however, this study’s estimates are lower, including for the SmarT-equivalent measure, which should be less affected by sampling differences.

Box 7: Comparing SADC remittance prices internationally

	RPW average price, USD200	FinMark Trust average price, USD55 *	RPW SmaRT price estimates	FinMark Trust SmaRT price estimates **
Angola	17.35%	19.15%	8.90%	12.85%
Botswana	14.94%	9.87%	10.19%	3.55%
Eswatini	15.85%	8.69%	6.76%	7.79%
Lesotho	14.70%	6.22%	7.26%	4.23%
Mozambique	9.75%	11.42%	7.28%	4.73%
Tanzania	13.32%	11.96%	7.54%	5.36%
Zambia	13.62%	10.75%	9.95%	4.79%
Zimbabwe	13.18%	14.89%	8.29%	5.83%
Unweighted average	13.81%	9.05%	7.87%	5.07%

Table 16: Comparison of RPW and FinMark Trust data, USD200 and USD55, 2024

Source: Own extrapolation, <https://remittanceprices.worldbank.org/data-download>

* Calculated as simple average of all RSPs sampled

** Calculated as simple average of three cheapest RSPs sampled

Pricing and service quality findings

Formal remittance markets depend not only on competitive pricing but also on transparency, predictability, and speed of transaction processing. These factors are essential to building trust and ensuring accessibility, particularly for low-income users who are affected by unexpected delays or unclear fees. Inconsistent service quality can complicate financial planning and limit the reliability of remittances for covering essential expenses.

Service quality results varied between AD and ADLA licensees. Some challenges remain evident in the AD segment, consistent with findings from the 2021 analysis Table 17 on the following page summarises the results of 23 account-to-account transactions conducted during the study. While many transactions were completed successfully, in a few cases confirmation of receipt from recipients was not obtained, resulting in incomplete data.

Although improvements have been observed in some areas, certain inefficiencies remain within the AD market. These include occasional delays and inconsistencies that can detract from the overall remittance experience. A number of themes in service quality were experienced, which can be summarised as follows:

- **Capitec:** During the mystery shopping exercise, Capitec provided binding quotes upfront, supporting transparency in the transaction process and aligning its approach more closely with typical ADLA practices. No hidden fees were identified, and no charges were applied to the sender for the specific account type tested.

- **FNB Forex:** FNB Forex does not provide binding quotes, and the exchange rate being offered is not stated upfront. Commission fees are only disclosed in the second-to-last step of the payment process, which may limit transparency for users trying to assess the total cost of a transaction before proceeding. This could be improved to align with user expectations for clear and predictable pricing.
- **CMA countries:** Transactions to CMA countries were generally processed within the same or next day. This efficiency aligns with the benefits of shared currency systems within the CMA. However, the decoupling of certain payment systems has introduced complexities, as certain transfers now require in-branch interactions rather than app-based processing. Despite these changes, the overall experience for CMA countries remains one of the most reliable in terms of transaction speed.
- **Standard Bank:** A transaction to Zimbabwe via Standard Bank failed several weeks after it was initiated due to the absence of a correspondent banking relationship. The reason for the failure was only provided after follow-up inquiries indicating limited proactive communication. Additionally, CMA payments through Standard Bank required in-branch processing for Lesotho and Eswatini, as electronic transfers via the app were not presented as options. This involved completing multiple forms, including declarations of sender and recipient details and public official status. Some uncertainty regarding fees was observed, although these could not be definitively attributed to specific transactions.⁹¹
- **Fees charged to recipient:** In all cases, the sender chose the option to cover all transaction costs, and confirmation was then generally received that no fees had been charged to recipients. An exception was observed in a transaction to Angola, where the recipient incurred additional fees despite the sender's selection to cover all charges. This raises potential concerns from a consumer protection and transparency perspective.
- **Mozambique:** In Mozambique, certain banks required recipients to provide a formal letter from the research team explaining the purpose of the funds. This requirement caused delays in completing the transaction. The post-election context also limited the feasibility of in-branch visits, which further contributed to delays. These challenges were specific to certain recipient banks and do not appear to reflect systemic challenges across all banks in Mozambique.
- **Comoros:** A transaction to Comoros was affected by currency compatibility challenges. The transaction was made in USD, as local currency transfers were not possible. However, the recipient's bank, located in France, required payments to be made in Euros. Although FNB confirmed completion on the sender's side, the recipient was unable to access the funds due to this currency mismatch. This illustrates how recipient bank requirements can affect transaction outcomes.

In high-volume corridors, cash continues to dominate the first and/or last mile (see Figure 10 in Section 2), whereas smaller-volume markets rely primarily on digital channels. The cost of cash handling is implicitly factored into remittance fees. Greater use of the TCIB platform for low-value cross-border transfers could reduce reliance on cash in high-volume markets, with potential implications for lowering overall remittance costs.

	Country	Amount sent	Date of transaction	Date received*	Fees on the day	Additional fees to recipient	Additional fees to sender	Total fees
1	Angola	400	31/10/2024	31/10/2024	259	USD12.29**	n/a	480
2	Botswana	400	22/10/2024	24/10/2024	259	n/a	n/a	259
3	Comoros	400	18/11/2024	23/10/2024	100	n/a	n/a	100
4	DRC	408.4	23/10/2024	23/10/2024	340	n/a	n/a	340
5	Eswatini	400	22/10/2024	23/10/2024	30	n/a	n/a	30
6	Eswatini	400	22/10/2024	23/10/2024	44	n/a	n/a	44
7	Lesotho	400	15/10/2024	15/10/2024	30	n/a	n/a	30
8	Lesotho	400	22/10/2024	23/10/2024	101	n/a	n/a	101
9	Madagascar	400	14/10/2024	11/11/2024	259	n/a	n/a	259
10	Mauritius	400	08/11/2024	11/11/2024	175	n/a	n/a	175
11	Mozambique	400	17/10/2024	29/11/2024	175	n/a	n/a	175
12	Mozambique	400	17/10/2024	21 /10/2024	259	n/a	n/a	259
13	Namibia	500	21/10/2024	24/10/2024	30	n/a	n/a	30
14	Namibia	400	21/10/2024	08/11/2024	175	n/a	n/a	175
15	Seychelles	399.97	08/11/2024	11/11/2024	175	n/a	n/a	175
16	Tanzania	500	08/11/2024	08/11/2024	100	n/a	n/a	100
17	Tanzania	400	11/11/2024	13/11/2024	256	n/a	n/a	256
18	Zambia	400	23/10/2024	TBD	175	n/a	n/a	175
19	Zambia	300	23/10/2024	TBD	100	n/a	n/a	100
20	Malawi	400	16/10/2024	18/10/2024	24,99	n/a	n/a	24,99
21	Malawi	400	16/10/2024	28/10/2024	259	n/a	n/a	259
22	Zimbabwe	400	24/10/2024	24/10/2024	340	n/a	n/a	340
23	Zimbabwe	400	23/10/2024	TBD	259	n/a	n/a	259

Table 17: Breakdown of sender and recipient fees on banking transactions

Source: Mystery shopping exercise, FinMark Trust 2024, DNA extrapolation
*Some recipients either have not sent this information or were unable to ascertain the exact day the transaction entered their bank account
**Levied by recipient's banking institution.

The 2024 mystery shopping exercise included 52 real transactions conducted through ADLA Category providers. Table 18 shows a breakdown of these transactions. As in 2021, none of the ADLAs charged additional fees beyond the amount quoted to the sender, nor were any fees applied to recipients. Fees were consistently transparent, with no hidden charges or unexpected deductions, ensuring predictability for users. Transaction speeds varied: some payments, particularly mobile money transfers, were processed instantly, while others required several days for completion. Specific insights and experiences included the following:

- **Shoprite Send:** A transaction through Shoprite Send to Botswana revealed some challenges with recipient accessibility. While the recipient received a notification confirming the funds, they struggled to locate an outlet to withdraw the money, visiting four outlets where staff were unfamiliar with Shoprite Send. This suggests gaps in service awareness or training at some outlets. In a separate instance, Shoprite Send's compliance team contacted a research to request information on the purpose of transactions. The account remained active and no restrictions were applied.

⁹¹ The researcher made the Lesotho and Eswatini payments on the same day – these payments were made in person. The researcher was informed that they would need to check their bank account statements after 2-3 days to ascertain the fees charged per transaction. However, when verifying these fees, the detail on the account statement did not indicate whether the fees pertained to the Eswatini or the Lesotho transaction.

Source: Mystery shopping exercise, FinMark Trust 2024, own extrapolation
 *Some recipients either have not sent this information or were unable to ascertain the exact day the transaction entered their bank account

	Country	Amount sent	Date of transaction	Date received*	Fees on the day	Additional fees to recipient	Additional fees to sender	Total fees
1	Angola	258.18	24/10/2024	24/10/2024	128.82	n/a	n/a	128.82
2	Angola	403.2	24/10/2024	24/10/2024	32.69	n/a	n/a	32.69
3	Botswana	426.11	16/10/2024	17/10/2024	24.99	n/a	n/a	24.99
4	Botswana	400	16/10/2024	16/10/2024	44	n/a	n/a	44
5	Botswana	399.19	16/10/2024	16/10/2024	18.81	n/a	n/a	18.81
6	Botswana	415	16/10/2024	18/10/2024	25	n/a	n/a	25
7	Botswana	500	16/10/2024	16/10/2024	25	n/a	n/a	25
8	Comoros	407.1	24/11/2023	24/11/2024	148.9	n/a	n/a	148.9
9	Comoros	441.26	10/11/2024	10/11/2024	155.92	n/a	n/a	155.92
10	DRC	408	23/10/2024	23/10/2024	26	n/a	n/a	26
11	DRC	418.18	23/10/2024	23/10/2024	12.55	n/a	n/a	12.55
12	DRC	415	23/10/2024	23/10/2024	25	n/a	n/a	25
13	DRC	394.69	23/10/2024	23/10/2024	100	n/a	n/a	100
14	Eswatini	400	31/10/2024	31/10/2024	40	n/a	n/a	40
15	Eswatini	440	22/10/2024	23/10/2024	30	n/a	n/a	30
16	Eswatini	400	22/10/2024	22/10/2024	25	n/a	n/a	25
17	Lesotho	400	15/10/2024	17/10/2024	40	n/a	n/a	40
18	Lesotho	430.85	15/10/2024	15/10/2024	29.73	n/a	n/a	29.73
19	Lesotho	400	22/10/2024	22/10/2024	25	n/a	n/a	25
20	Lesotho	500	16/10/2024	16/10/2024	0	n/a	n/a	0
21	Madagascar	400	15/10/2024	16/10/2024	25	n/a	n/a	25
22	Madagascar	398.81	14/10/2024	14/10/2024	23.21	n/a	n/a	23.21
23	Madagascar	392	14/10/2024	14/10/2024	30	n/a	n/a	30
24	Madagascar	400	14/10/2024	14/10/2024	23	n/a	n/a	23
25	Mauritius	449.13	10/11/2024	11/11/2024	173.07	n/a	n/a	173.07
26	Mauritius	443.21	08/11/2024	10/11/2024	155.96	n/a	n/a	155.96
27	Mozambique	433.27	17/10/2025	18/10/2024	24.99	n/a	n/a	24.99
28	Mozambique	400	17/10/2024	17/10/2024	40	n/a	n/a	40
29	Mozambique	399.64	17/10/2024	17/10/2024	12.36	n/a	n/a	12.36
30	Mozambique	375	17/10/2024	21/11/2024	25	n/a	n/a	25
31	Mozambique	399.5	17/10/2024	17/10/2024	25.5	n/a	n/a	25.5
32	Namibia	373.53	22/10/2024	23/10/2024	24.99	n/a	n/a	24.99
33	Seychelles	355	24/10/2024	25/10/2024	36.81	n/a	n/a	36.81
34	Seychelles	414.13	25/10/2024	28/10/2024	157.81	n/a	n/a	157.81
35	Tanzania	420	11/10/2024	11/11/2024	20	n/a	n/a	20
36	Tanzania	419.38	08/11/2024	08/11/2024	16.78	n/a	n/a	16.78
37	Tanzania	430	08/11/2024	08/11/2024	25	n/a	n/a	25
38	Zambia	400	23/10/2024	23/10/2024	24.99	n/a	n/a	24.99
39	Zambia	400	23/10/2025	23/10/2024	40	n/a	n/a	40
40	Zambia	400.84	23/10/2024	23/10/2024	16.7	n/a	n/a	16.7
41	Zambia	415	23/10/2024	23/10/2024	25	n/a	n/a	25
42	Zambia	500	07/11/2024	TBD	112.5	n/a	n/a	112.5
43	Malawi	400	18/10/2024	18/10/2024	24.99	n/a	n/a	24.99
44	Malawi	400	16/10/2024	16/10/2024	40	n/a	n/a	40
45	Malawi	399.19	16/10/2024	16/10/2024	18.81	n/a	n/a	18.81
46	Malawi	405	16/10/2024	16/10/2024	25	n/a	n/a	25
47	Malawi	400.5	16/10/2024	16/10/2024	89.5	n/a	n/a	89.5
48	Zimbabwe	400	23/10/2024	24/10/2024	24.99	n/a	n/a	24.99
49	Zimbabwe	355	24/10/2024	24/10/2024	36.5	n/a	n/a	36.5
50	Zimbabwe	413.53	23/10/2024	23/10/2024	22.74	n/a	n/a	22.74
51	Zimbabwe	405	24/10/2024	24/10/2024	25	n/a	n/a	25
52	Zimbabwe	352.18	23/10/2024	23/10/2024	35.22	n/a	n/a	35.22

- **Mukuru:** A minor error occurred when the surname and given name of the recipient were reversed. The recipient was initially unable to withdraw funds at the Mukuru branch, as the name on the transaction notification did not match their ID. The error was corrected through the Mukuru app, which updated the recipient notification and resolved the issue without further delay to the transaction process.
- **Travelex:** A similar name entry error occurred in a transaction to Comoros, where the recipient's details were entered incorrectly. The issue was resolved within a day through Travelex's systems.
- **Mama Money:** A transaction using Mama Money's M-PESA channel to Mozambique remained pending for three to four hours before failing without notification. The recipient was able to access funds through a second transaction using an alternative mobile money account with E-mola, highlighting benefit of offering several payout options. Transactions to other countries were completed without incident. Despite this issue, Mama Money's services to other countries were generally transparent and efficient, highlighting the importance of offering multiple payout options.
- **Sikhona:** Sikhona's compliance team flagged one team member and blocked access to the app, citing the use of the service for research purposes as inappropriate. While there is no explicit regulatory prohibition on such use, the platform applied its own compliance discretion. Separately, a Sikhona payment to Mozambique was processed successfully, though the recipient faced challenges in accessing funds due to the current post-election political context.
- **Hello Paisa:** Transactions to Lesotho, Malawi, Botswana and Zambia through Hello Paisa required a minimum transfer amount of R500. In Lesotho, these payments incurred no transaction charges, indicating a fee structure tailored to specific countries.

Overall, the ADLA transactions generally showed transparent fee structures and efficient processing, though variability was observed in accessibility and occasional challenges with compliance and payout network familiarity.

Both the ADLA and AD mystery shopping exercises were affected by AML-related restrictions, though in different ways. For ADs, AML requirements were more likely to be applied uniformly, such as the request for a formal letter explaining the purpose of funds for some Mozambican banks. In contrast, AML screening at ADLAs appeared to be more tailored to an assessment of the individual risks of a specific transaction. Overall, the research team encountered more AML-specific issues with ADLAs, which may reflect the fact that most ADLA accounts were newly opened for the study, whereas the personal bank accounts used had longer transaction histories.

As part of the mystery shopping exercise, the research team opened accounts with several RSPs. Onboarding methods varied by provider and included digital channels, such as websites, WhatsApp and proprietary apps, as well as in-person processes at branches or agent counters. Table 19 below summarises the onboarding method used for each provider in this study.

ADLA Type	RSP	Onboarding options	Onboarding method experienced
ADLA 2	Inter Africa Bureau de Change	- Branch	- Branch
	Travelex	- Branch	- Branch
	Mukuru	- Mukuru App - Mukuru Agent/ Branch - USSD - WhatsApp	- Mukuru App - WhatsApp
ADLA 3	Shoprite Send	- Website - WhatsApp - Agent	- Website - Agent
	Sikhona	- Sikhona App - Website	- Sikhona App
ADLA 4	Mama Money	- Website - Mama Money App - USSD	- Mama Money App
	Hello Paisa	- Hello Paisa App - USSD - Agent	- Hello Paisa App - Agent

Table 19: Mystery shopping – account opening

Note: Pre-existing bank (AD) accounts held by the researchers were used for the purpose of this study, and thus the experiences of opening these accounts cannot be reported.

Overall, the majority of digital registration methods proved efficient and user-friendly when core systems functioned as intended. Most providers offered streamlined digital onboarding capabilities, with registration times typically ranging from 10 minutes to 24 hours for successful digital applications. WhatsApp and proprietary apps were commonly used channels, and in these cases the registration steps and communication processes were generally clear.

These findings, however, reflect user experiences conducted under favourable conditions: researchers had access to reliable internet connectivity, advanced mobile devices, and sufficient digital literacy to navigate the platforms and address technical issues. The research does not capture potential challenges faced by customers attempting registration from areas with limited connectivity, basic mobile devices, or constraints on data access.

Difficulties were observed in the case of Hello Paisa, where two researchers encountered repeated verification failures. Issues arose when attempting to upload identification documents and verification selfies via the app, with no option provided to retry failed uploads. Attempts to resolve the problem through the website’s contact form did not receive a response.

When researchers subsequently attempted to register via the mobile app, system errors occurred, with messages indicating that phone numbers were already linked to accounts, despite no successful prior registration. Resolution required multiple follow-ups through different channels, including the helpline and WhatsApp. In one case, registration was completed after 22 days.

Branch-based registration introduced additional considerations. Inter Africa Bureau de Change and Travelex require exclusively in-person registration with queuing necessary to see agents. Although the verification process itself was straightforward, overall registration time was affected by waiting periods. At Inter Africa specifically, researchers noted that exchange rate quotes received while queuing could change before reaching the counter, requiring re-quotation.

Shoprite Send’s in-branch registration was mixed, with some challenges in terms of locating the correct branch, but upon doing so, the process was seamless. At some retail outlets, staff at money market counters were unfamiliar with the service, requiring researchers to visit multiple branches. Where the service was available, the in-person process was completed within approximately 10 minutes, depending on queue length.

For Hello Paisa’s in-person onboarding process, agents verify each document in the presence of the customer. After the initial submission, customers may receive a follow-up call from an agent to confirm details and address any discrepancies. Researchers noted that, in some cases, agents use WhatsApps groups to expedite communication and resolve outstanding issues.



Conclusion

The 2024 South Africa-SADC Remittance Market Assessment provides a comprehensive examination of the cross-border remittance landscape, identifying both areas of progress and continuing challenges in improving the efficiency, accessibility and affordability of financial transfers within the region. Analysis of SARB data shows that formal remittance outflows from South Africa to SADC countries increased from R6 billion in 2016 to over R19 billion in 2024, with the most significant growth occurring during the COVID-19 pandemic in 2020. However, this growth has not been uniformly sustained across all SADC markets, with some countries recording a decline in formal remittance volumes in recent years. Evidence also suggests increased activity in 'grey' markets, an area that warrants further examination.

Pricing outcomes from the mystery shopping exercise indicate that they remain above global benchmarks. The weighted average cost of a USD200 transaction for the region, excluding Malawi and the CMA, stands at 8.1%, compared to 7.6% in 2021 and well above the SDG target of 3% by 2030. However, there has been some improvement in the weighted average price for a USD transaction across the same group of countries. However, costs in the CMA have risen from 2.9% to 6.6%, potentially partly reflecting regulatory adjustments.

The mystery shopping exercise revealed differences in service quality and transparency between license categories. ADLA providers generally demonstrated better transparency, with no unexpected fees or charges to recipients, and consistently communicated fee structures upfront. In contrast, the AD segment showed lower levels of transparency, including an absence of binding quotes, late disclosure of commission fees, and instances of failed transactions with limited communication. The exercise highlighted that while ADLA services typically processed transactions quickly and transparently, traditional banks often required additional documentation, applied higher fees and provided less predictable service experiences.

The first-, middle-, and last-mile framework employed throughout this report highlights intervention opportunities across the remittance value chain that address the G20 objectives:

- **First-mile interventions** should focus on reducing access barriers while maintaining appropriate regulatory oversight. The research indicates that documentation requirements and AML compliance practices continue to limit access for some migrant populations from formal channels, despite the RBA's intention to improve financial inclusion. Cost remains a key factor in provider selection, suggesting that simplified onboarding and lower transaction costs in the first mile are important for achieving broader formalisation objectives.
- **Middle-mile improvements** require coordinated regional action to address fragmented payment infrastructure and inconsistent regulatory frameworks. Cost increases in CMA countries following regulatory changes show how compliance requirements can affect pricing. Regional initiatives such as TCIB implementation and ISO 20022 adoption offer potential for reducing middle-mile costs, but their success depends on harmonised implementation across SADC member states.
- **Last-mile accessibility** remains constrained by infrastructure limitations, particularly in rural areas where cash continues to dominate high-volume corridors. The decline in formal remittance volumes in some countries, coupled with evidence of growing grey markets, suggests that last-mile service gaps contribute to the use of alternative channels that operate outside traditional regulatory frameworks. Expanding accessible payout options and improving rural financial infrastructure would help sustain the role of formal channels.

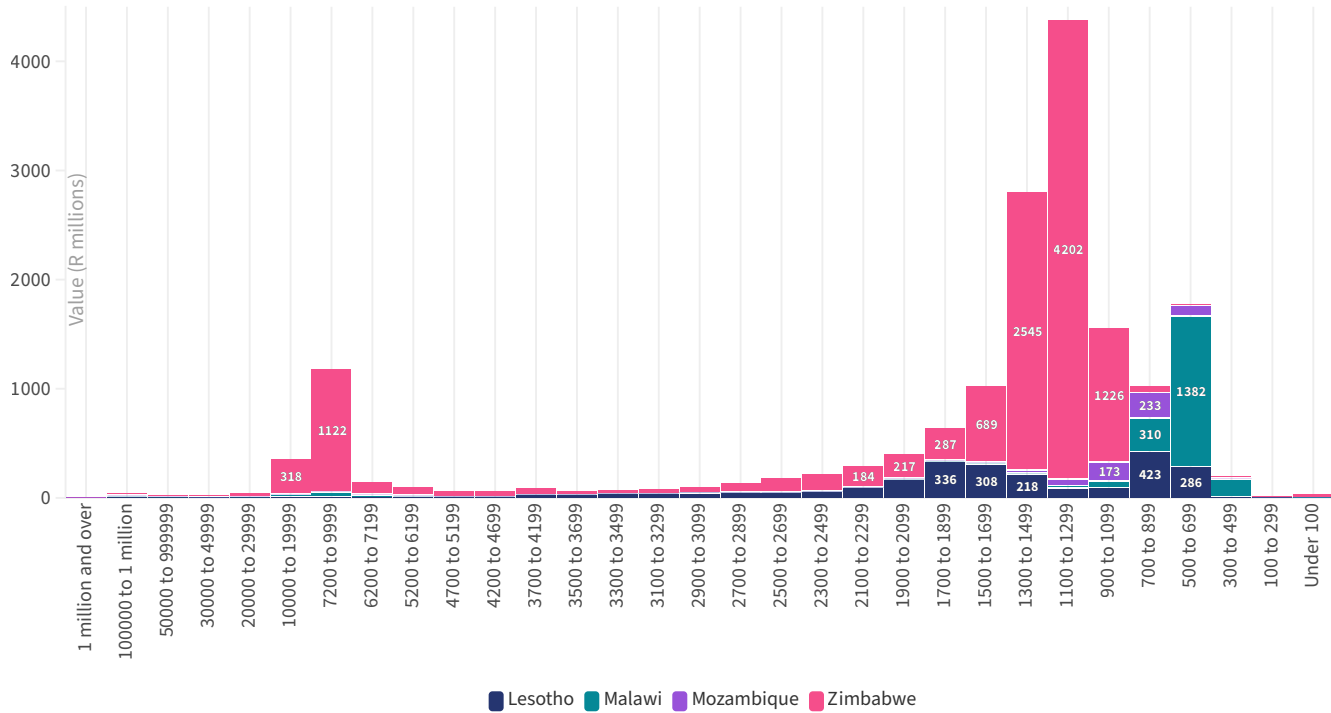
The findings of the study illustrate the interaction between regulatory change and remittance market outcomes. The increase in CMA costs, potentially linked to AML/CFT measures, underlines the need for policy approaches that weigh financial integrity objectives alongside the affordability and accessibility of remittance services. Evidence-based regulatory design will be important in minimising unintended impacts on remittance markets.

Annexure A: Key informant interviews

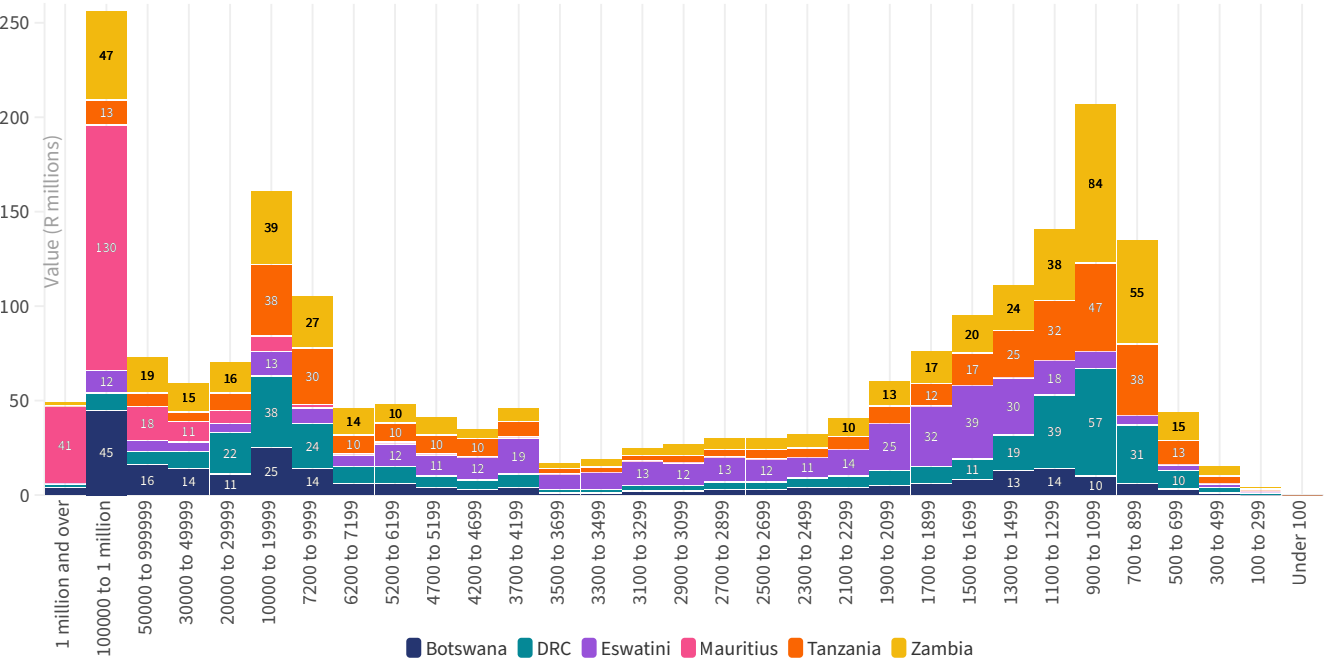
Annexure B: Total value sent by average transaction size in 2023-24, per SADC country

The research team is grateful for the insights and perspectives shared across policymaker and industry stakeholders.

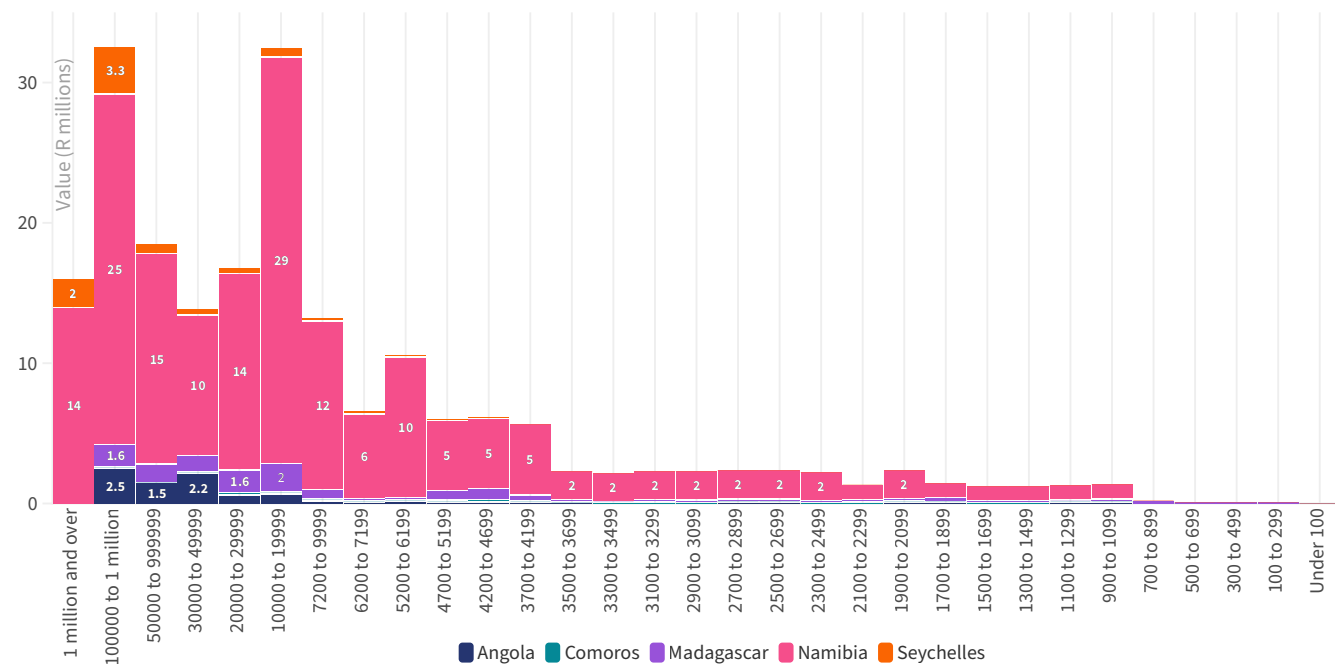
Stakeholder type	Sub-type	No. interviews conducted
Industry providers	AD	1
	ADLA 2	2
	ADLA 4	2
	Other	2
Industry experts	Development agency	2
	International financial institution	1
Regulators/policymakers	South Africa	4
	SADC countries	2
	Regional	2
Total		18



Large SADC markets



Intermediate remittance markets



Smallest SADC markets

Annexure C: Primary research: Consumer behaviour findings

The following section presents the findings from eight focus group discussions carried out with SADC remittance senders living in South Africa in November 2024. Since the sample of participants is not statistically representative of migrants living in South Africa, it should not be over-interpreted. Focus groups allow for in-depth discussions and more nuanced qualitative insights into remittance channels that cannot be gained from desktop research or quantitative surveys. Focus groups are thus an important complementary form of research.

The discussions conducted were wide-ranging reviews of the experience of cross-border remitting from South Africa. Particular attention was paid to the changing experience of remitting over time, and the factors which affected the decision to use formal or informal remittance channels.

Methodology

The focus groups targeted three countries with large migrant populations in South Africa: Zimbabwe, Mozambique and Malawi. A total of eight focus groups were conducted, with three focus groups each for Zimbabwean and Malawian migrants and two for Mozambican migrants. Recruitment targeted areas with a high presence of foreign nationals within Gauteng, Limpopo, KwaZulu-Natal and the Western Cape. Municipalities within these provinces were selected based on the percentage of foreign residents in those areas. The approach also ensured representation from both urban and rural areas to capture the diversity of experiences and challenges faced by remittance senders.

Country	Zimbabwe			Malawi		Mozambique			Total
Province	Gauteng	KwaZulu-Natal	Limpopo	KwaZulu-Natal	Gauteng	Western Cape	Gauteng	Western Cape	
Location	Johannesburg	Durban	Giyani	Verulam	Johannesburg	Cape Town	Pretoria	Cape Town	
Recruited participants	11	8	10	9	9	10	10	10	77
Target	8	8	8	8	8	8	8	8	64
Attendance	4	8	8	9	7	7	8	10	61

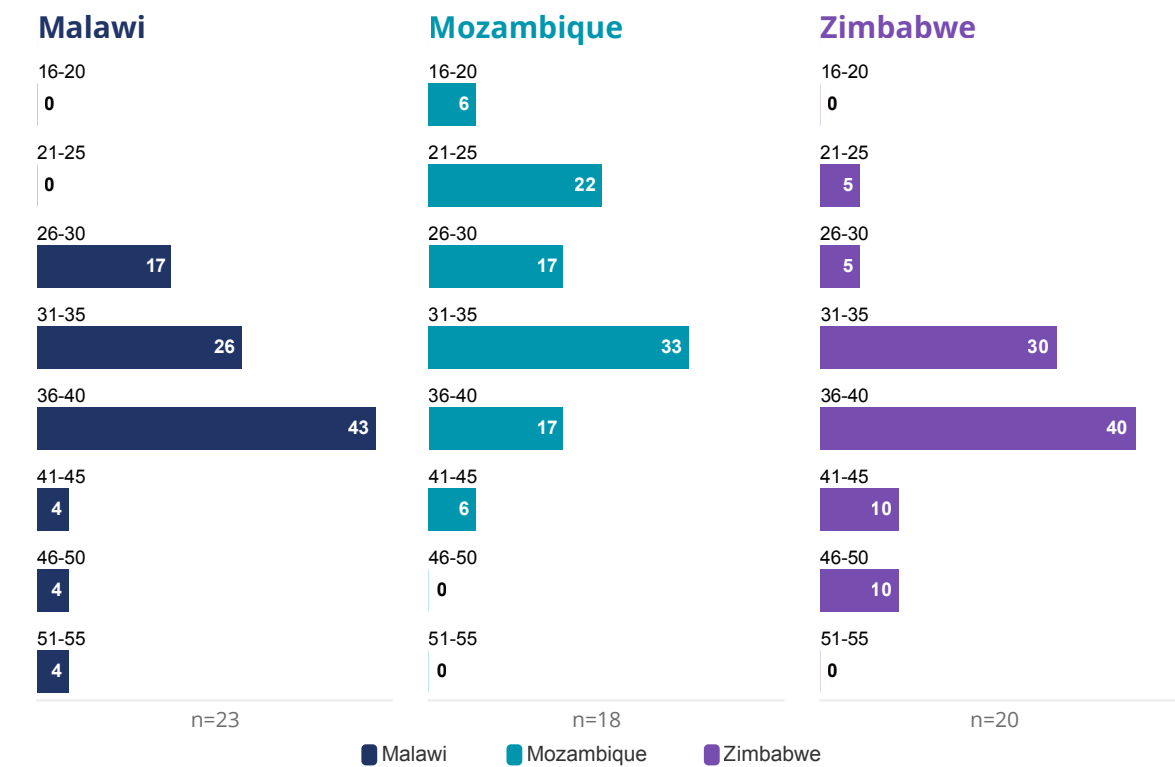
Focus group recruitment summary

A total of 77 participants were initially recruited, and 61 participants ultimately attended the discussions, as shown in the table. The participant pool was intentionally balanced to ensure adequate representation of women and men. Overall, 57% of participants who showed up to the discussions were women.

Country	Women	Men	Total
Malawi	13	10	23
Mozambique	9	9	18
Zimbabwe	13	7	20
Total	35	26	61

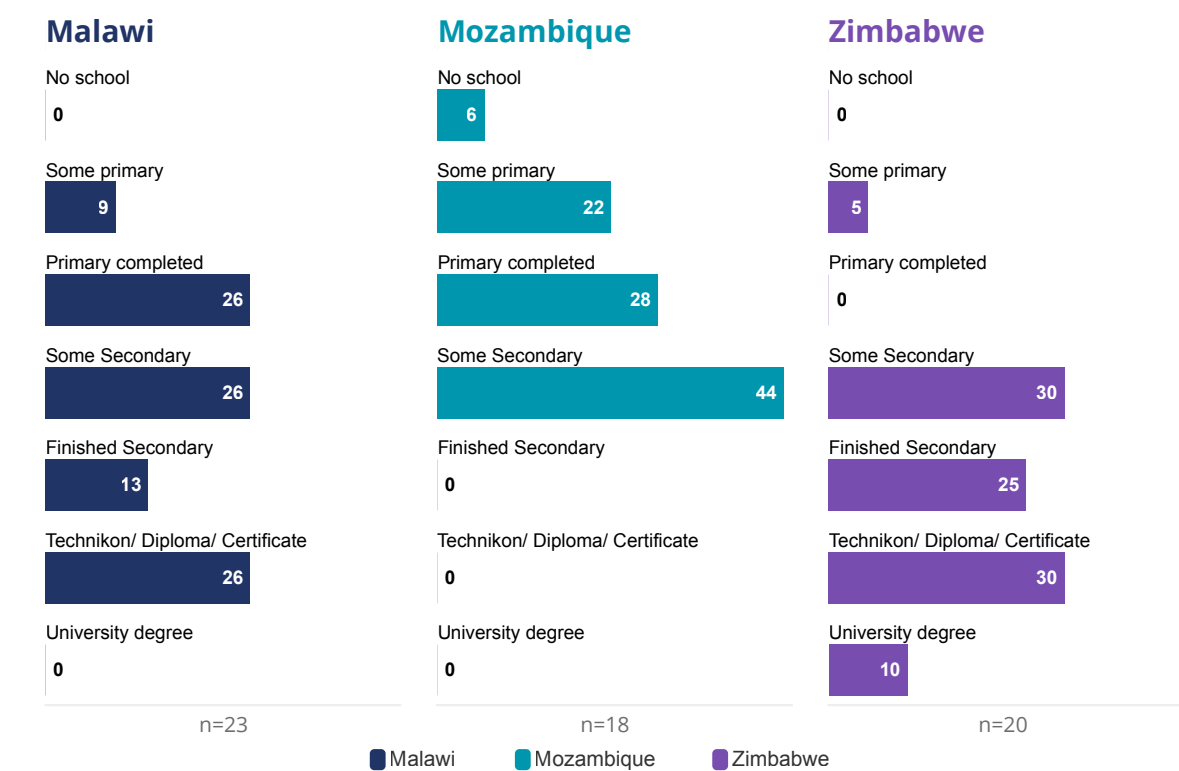
Gender breakdown of participants, by country of origin

The age distribution of focus group participants is shown in the figure below. Most respondents fell within the 31-40 age range, with smaller numbers of younger or older individuals. This age range is highly economically active and often overrepresented in migrant groups, so this was not unexpected. However, it did mean that, across all three countries, there were relatively few interviewees over 45. In Malawi and Zimbabwe, there was also limited representation of those under 25. As a result, viewpoints from older participants who might be less inclined to use newer digital methods for remittances are underrepresented, and insights from younger people who might be more open to such technology were also limited.



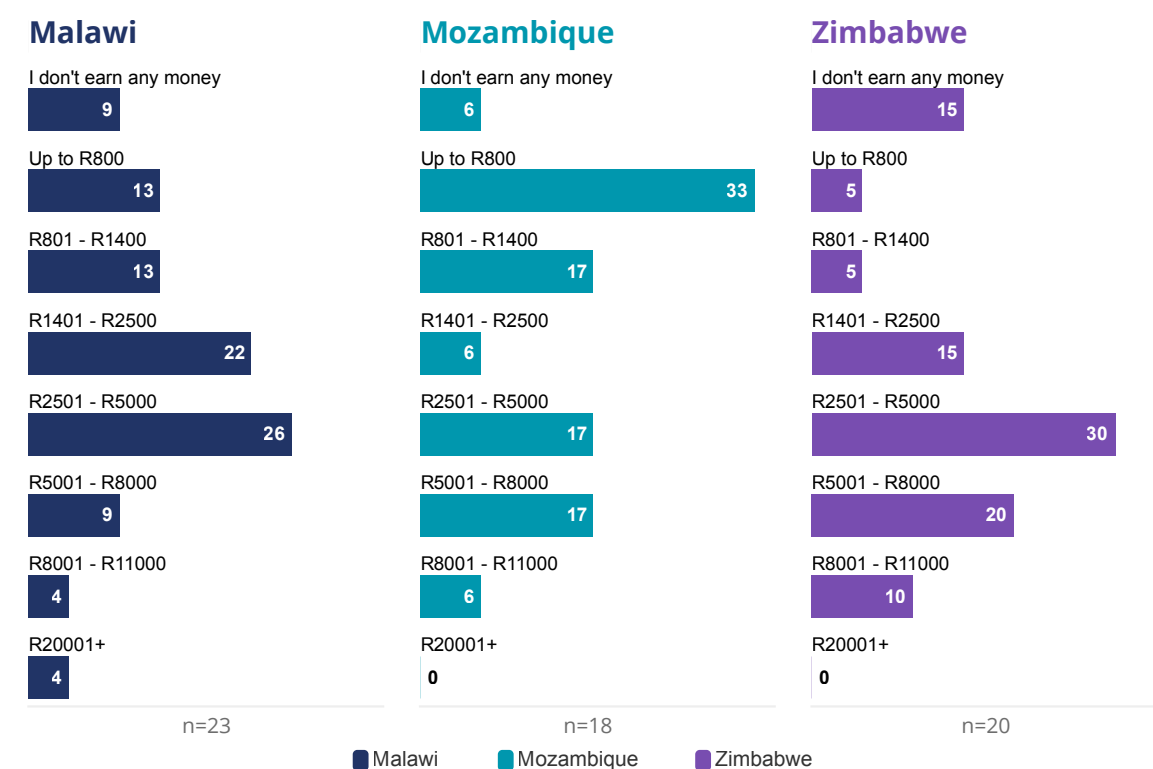
Age profile of participants (%)

The data indicated that, across participants from Malawi, Mozambique, and Zimbabwe, most had achieved only primary or secondary education, with relatively few completing secondary school or advancing to higher qualifications. In Mozambique, in particular, the sampled individuals had particularly low levels of formal schooling, including a small subgroup who had never attended school, and with no interviewees having a diploma, certificate, or university degree. In the Malawian group, some respondents held technikon credentials, but none held a university degree. The Zimbabwean participants presented a slightly broader spread of education levels, with a small number who had finished diplomas or university studies.



Highest level of education (%)

Income constitutes a critical determinant of remittance behaviour: when earnings are limited, migrants are simply less able to send money home. In terms of income, the Mozambican group reported the lowest earnings, with 56% of Mozambican participants reporting earnings below R1,400 per month. Interviewees from the other two countries earned slightly more – 57% of Malawians earned R2,500 per month or less, while 60% of Zimbabweans earned more than R2,501. These results confirm that the sampled group can be regarded as comprising lower income remitters.



Average monthly income of participants (%)

Motivations for sending remittances

The primary motivation for sending remittances is the financial support of family members. Across all focus groups, participants emphasised that their contributions were essential to sustain daily needs such as food, education and healthcare. For parents, education emerged as a driver, with school fees, books and uniforms dominating their priorities, particularly at the start of the school year. Participants often discussed sacrificing their own financial stability to meet these familial responsibilities, underlining the depth of obligation felt toward their families.

“So, basically, I’m a breadwinner. So, I have my parents there at home. I take care of them, my sisters and everyone. So, I work here, and I do send them money, you know.” – Zimbabwean FG participant

Across all three countries, the socio-economic realities of the senders’ families back home were very similar, with many describing large, multigenerational households where many family members were unemployed. Mozambican participants described their families’ reliance on remittances to meet essential needs and “avoid suffering.” Recipients typically reside in rural/semi-rural areas, characterised by low access to essential services, such as electricity and transportation. This context often exacerbates their reliance on remittances as a primary source of financial support, as formal employment opportunities in these areas remain scarce. Where recipients lived in rural areas, there was frequent mention of small-scale agriculture helping to supply household needs. One participant observed,

“They don’t have to worry about rent like I do, but for water, they must pay—if there’s no money, they’ll stay without.” – Mozambican FG participant

The Mozambican respondents largely worked in informal or precarious jobs and navigated a tight budget to provide for their families back home. Many are employed in manual labour or small-scale trading, with incomes that fluctuate based on market demand or seasonal work availability. The motivation to remit is often steeped in a sense of familial responsibility, and it is evident from the discussions that senders sacrifice their own needs to support their families. As one explained,

“You can’t eat when you know that the children have not had food.” – Mozambican FG participant

For Malawian participants, a similar sense of familial obligation is evident, with many citing food, education, and medical needs as primary drivers for sending money. One participant explained their contribution toward their mother’s weekly medical expenses as follows:

“I send money because my mother is sick. It’s a must, and I have to do it.” – Malawian FG participant

Respondents with children or elderly parents shouldered heavier financial responsibilities and often expressed the pressure of balancing their own needs with their remittance obligations. On the other hand, respondents without children were likely to send less frequently to support parents or siblings.

“It’s like it’s not all people from Zimbabwe who send money because they are working. There are people who have been here for 10 years, and they have never sent even 200 rands. It depends on you, on the situation where you come from. You know that where I come from, there are people I left behind. Especially when you have left kids behind. The situation forces you to send money home, whether you like it or not.” – Zimbabwean FG participant

“How do I balance my needs? I already know that, if I get paid 5,000, I know that in this 5,000, every month I have to see to it that 2,000 goes home. Whether I like it or not.” – Zimbabwean FG participant

Seasonality and specific events were identified as key factors affecting remittance patterns. The start of the school year was described as a particularly challenging time, with participants across the FGDs noting the financial strain of paying for school fees, uniforms and books. Zimbabwean participants emphasised a clear seasonal pattern, with January and December identified as a critical remittance period due to the festive season and the start of the school year. As the research took place in November 2024, these looming events would have been of pressing concern to respondents.

“... everyone knows that December is coming, money is needed.”
– Zimbabwean FG participant

“January is difficult because of school fees, books, and uniforms.”
– Zimbabwean FG participant

Malawian participants also highlighted seasonal remittances, emphasising agricultural and business cycles. Some participants supported farming activities back home, noting that planting and harvesting seasons required financial input.

While some wish to use remittances for small businesses or trade, these plans are often set aside due to the urgency of immediate needs. In some cases, senders even borrow money to meet additional demands from their families, stating:

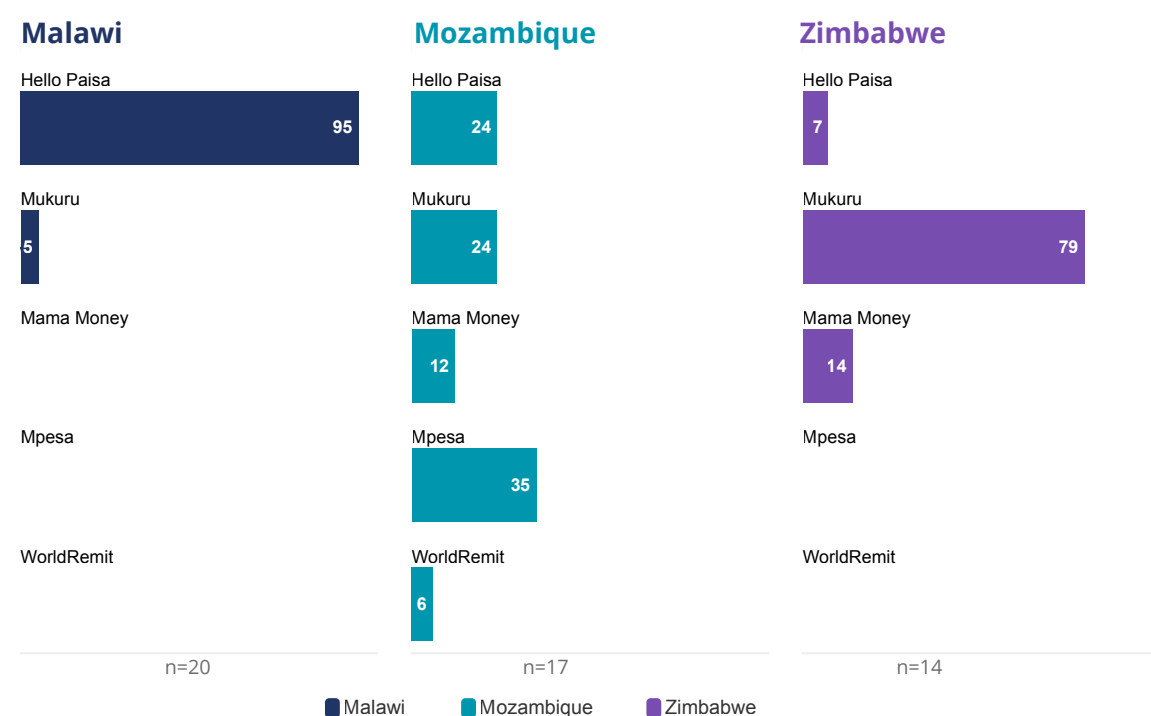
“I ask why they need it, then I make a plan. Sometimes I will borrow it and send it, then I will pay back the debt.” – Mozambican FG participant

Often, the decision to send money is reactive, depending on requests from recipients, as reflected by a participant:

“I wait for them to tell me what they need.” – Mozambican FG participant

Channel choice

As shown in the figure below, the pattern of service provision in each of the three countries was very different. The majority of Malawian and Zimbabwean remitters sampled used one company to send money home, while Mozambican respondents seemed to have a wider choice of service providers.



Which service provider do you use most often to send the money? (%)

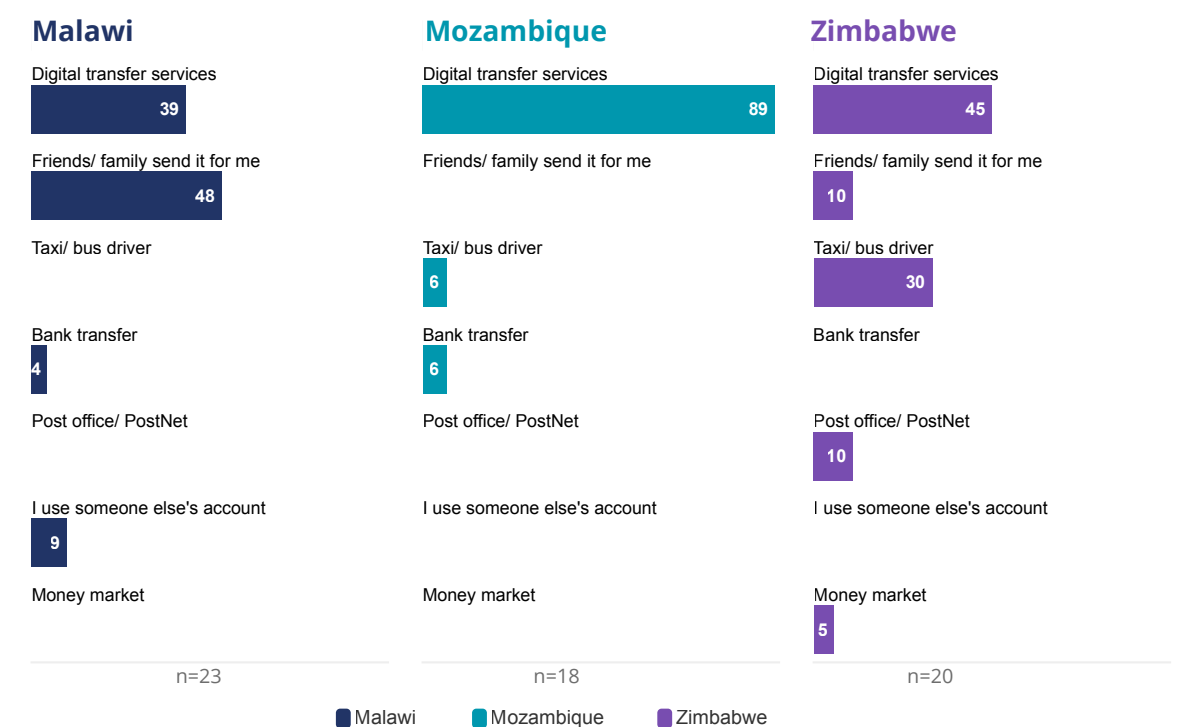
Formal remittance channels such as Mukuru and Mama Money were widely used by the focus group participants within the South Africa to Zimbabwe corridor due to their reliability, speed and convenience. Mukuru emerged as a particularly popular option because of its established infrastructure and the ease with which funds could be accessed, even in rural areas. Participants valued the transparency and security of formal methods, especially when compared to informal channels. Trust in formal channels was strongly tied to the ability to resolve issues quickly and transparently, with participants praising services that offered effective customer recourse. One Mozambican participant explained as follows:

“What I like is that they are quick to update you and tell you what the problem is. You are also able to send proof to the people who are waiting for the money to show them that you have actually sent it, you are just waiting for them to fix the problem.” – Mozambican FG participant

For Malawian participants, Hello Paisa was the most used channel. However, many participants mentioned that they did not have their own accounts because their passports had expired, and therefore, they could not register. Instead, they relied on friends or family members who had active accounts.

As shown in the figure below, while formal channels are most often used by participants, informal remittance channels are still used in specific contexts. These channels are often chosen for their perceived convenience for the recipient, especially when considering the lack of payout services in rural areas in receiving countries, where their families reside. This suggests that informal channels, while less reliable, continue to fill gaps in the formal remittance ecosystem.

“In the rural areas there are no ATMs. There are smartphones, but they are scarce. We have brick phones. You have to go on a tree to get network.” – Mozambican FG participant



When you send money, how do you send the money? (%)

Informal methods also allowed migrants to send goods alongside cash, which was especially valuable for rural families. However, informal channels were increasingly viewed as risky and inconvenient due to delays and theft.

“I changed to Mukuru because sometimes I would send the money with someone, and they have like, many things they need on the road and end up using that money. So, it doesn’t all get home.” – Zimbabwean FG participant

Mozambican participants described ongoing use of informal channels when opportunities arose to send money home with trusted individuals. As such, the use of informal methods was driven by convenience rather than necessity, as formal channels were generally accessible. Similarly, Malawian participants noted the Easter period, when many migrants travel home, as an occasion where informal channels would be used. Informal channels were preferred when immediacy was not required or when additional goods could be sent alongside money. The specific method involved entrusting a specific person whom they knew in the community with the cash.

“I don’t just give anyone. I give someone I trust.” – Mozambican FG participant

When this method was used, respondents said that the payment for the services consisted simply of ‘money for a cooldrink’ – in other words, a token of appreciation rather than a payment in proportion to the value of the service received. However, senders were very aware that in this method, there is no means of recourse available for the sender:

“The person said it got lost, and I could no longer contact them.”
– Malawi FG participant

Access to recourse mechanisms was thus one of the reasons respondents provided for a transition away from informal services. However, most participants suggested that the primary reasons for their choice of formal channels were the speed of the transaction and the perceived transparency around the cost of the services.

“When you send money with M-PESA, they get it the same time”
– Mozambican FG participant

“When I do it on the phone, they tell me the exchange rate first, then I know how much to send. Then I will go to Pick n Pay or Shoprite”
– Mozambican FG participant

When deciding between formal service providers, the decision often boils down to the price of the services. It was evident from the discussions that senders would tend to change service providers if they felt they could get a cheaper service elsewhere. In effect, respondents expressed little loyalty to any one platform. Banks are therefore not a common choice among participants, given that the bank charges are reportedly very high. In addition, participants indicated they seldom have bank accounts.

“You check the rates on the different platforms. Hello Paisa has higher rates so that’s why I prefer M-PESA.” – Mozambican FG participant

“If there are better ways that charge less than I will switch to another platform”
– Malawian FG participant

In cases where participants expressed a preference for a particular provider, this was largely due to network effects, with friends and family playing a role in introducing them. Several participants explained that they initially learned about providers, such as Mukuru and Mama Money, through recommendations from others who had positive experiences:

“Someone helped me to use Mama Money, and now I can do it myself.”
– Mozambican FG participant

Agents similarly come across as important factors driving channel choice. Some participants mentioned that local agents came to their neighbourhoods to explain how the services worked and assisted with registration. Lastly, the recipients’ preferences also determined the choice of provider to some extent, especially with agents nearby to the recipient’s place of residence.

In several instances, the Mozambican respondents discussed the use of ‘grey’ remittance channels, which operate in a space that blends informal and formal mechanisms. Given the informal nature of focus group discussions, it was at times difficult to determine exactly how these mechanisms were alleged to work, but there was certainly a consistent and sustained narrative, such that it would be appropriate for regulators to spend more time investigating this issue. The specific allegations made were as follows:

- That some agents recruit others during travel between South Africa and Mozambique, creating networks for distributing remittances. Agents in South Africa then collect funds and coordinate with foreign-based counterparts to ensure the money reaches recipients. This method was commonly used by participants who lacked valid documentation. While there are channels that would allow for senders to pay for transactions at physical stores, many noted the convenience and speed of using an agent, particularly during the workday.
- Participants reported that some individuals who had loaded Mozambican mobile wallet apps on their phones while in Mozambique were then able to use their Mozambican numbers in South Africa, and continue to access remittance services despite residing in South Africa. In practice, someone in South Africa hands them cash, and then they execute a transfer from their app directly to a recipient in Mozambique.

In the second example, a transaction of this nature would not register as a cross-border transaction to financial regulators but would instead look like a domestic transaction in Mozambique. Certain external events have influenced the way in which senders and receivers alike interact with remittances to some extent.

Among Mozambican senders, there is some indication that digital channels gained traction during the COVID-19 pandemic, given the restrictions on physical interactions. This is consistent with the large increases in formal remitting seen in the SARB data over this time, as shown in Section 2.1. However, it was also revealed that participants felt that service providers had increased transaction fees during this time. One participant noted, “During COVID, we paid R20 per R100,” compared to the usual R10 per R100.

Recent civil unrest in Mozambique has also impacted the way remittance services are leveraged. Participants explained that the civil unrest had affected the reliability of remittances, due to service downtime and network connectivity issues. This has resulted in delayed or complicated money transfers. As one participant noted,

“It takes time that side now...the war disturbs it”.
– Mozambican FG participant

Shifts from informal to formal methods

Many remitters described a clear transition from informal practices towards formal channels over time. For some participants, informal methods were once their only option due to a lack of readily available alternatives. As one Zimbabwean focus group participant recalled: “I was using it because there was no... any other way of sending money.” This sense of having no choice in earlier years points to gaps in the remittance ecosystem, where informal routes provided the most accessible way of getting money across the border. However, as formal providers have become more widespread and accessible, migrants have often gravitated to them in search of safer, more predictable services.

A key catalyst for switching from informal to formal channels was the negative experiences that some participants encountered when relying on friends, family, or acquaintances to deliver cash. Several respondents shared stories of entrusted individuals using the remittance funds themselves and leaving the sender’s family without support. One Zimbabwean participant recounted: “I sent with someone, and he... he started to report: ‘I was stranded, and I used your money.’” Similarly, a participant from another group explained the impact of a negative experience sending money with people:

“Yes, it made me change and look for another way.”
– Mozambican FG participant

These direct testimonies underscore how trust can be undermined by a single negative event, prompting migrants to abandon informal routes altogether.

Although formal channels are increasingly preferred, not everyone is equally willing to change. Some participants suggested that long-standing habits and a lack of awareness can keep migrants using the same providers or methods despite known risks. As one respondent expressed:

“I think there is a challenge and you need to be educated because it is difficult to change someone who relies on a service provider, which he was using for a long time.”
– Zimbabwean FG participant

Familial influence also plays a role, particularly when recipients are used to a certain system. Another participant noted that they continued with the same service because it was what their parents were accustomed to, indicating that convenience and familiarity on the recipient’s side can outweigh potential cost benefits or security concerns.

Overall, the decision to move away from informal channels appears closely linked to negative personal experiences, along with the growing availability of formal systems offering reliable transfers and quicker resolutions when problems do arise. At the same time, habit, lack of information, and the recipient’s comfort with a particular provider can slow down that transition. This suggests a nuanced landscape in which formal and informal channels coexist, but where trust, convenience, and past experiences all shape how and when participants choose one option over the other.

Challenges and barriers to sending remittances

Affordability remains the largest challenge for most remitters. The combination of low incomes and supporting multiple dependents made it particularly difficult to afford remittance fees:

“If I send R100, I have to add R10 for the charges. It feels like a lot when you don’t have much to start with.” – Mozambican FG participant

Over and above affordability, a complex set of accessibility issues continues to be experienced by many remitters. Respondents sent to rural Zimbabwe were among the most vocal on these issues. Specific issues cited included limited financial infrastructure, which required recipients to incur additional transport costs to travel to cash-out points, and poor network connectivity hindering the use of mobile-based remittance platforms.

Similarly, in Mozambique and Malawi, participants reported delays or failed transactions using formal channels caused by poor network coverage, especially in rural areas. In some cases, this was cited as a reason for switching providers.

“Sometimes the money doesn’t go through because of the network. They have to wait, and it’s frustrating because they need it for food or school fees,” – Mozambican FG participant

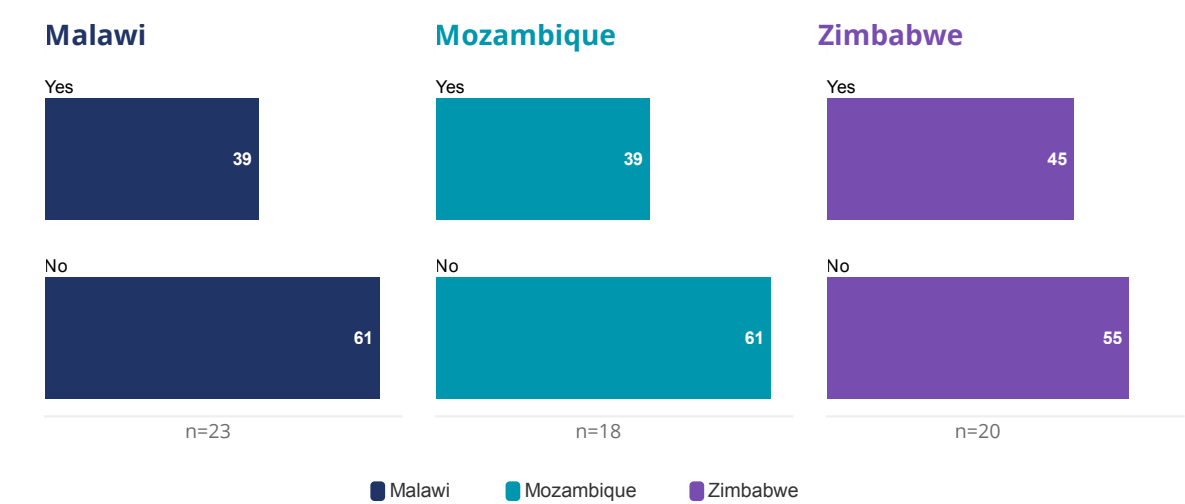
The need for proper documentation to meet KYC requirements was cited as a barrier by participants in several focus groups. Mozambican migrants in South Africa without the right papers often find it harder to access banking services, and that lack of access can, in turn, reduce their ability to access cheaper, higher-quality formal services.

“I don’t have the papers for the bank, so I can’t use some of the cheaper services.”
– Mozambican FG participant

Similarly, Malawian participants explained that expired passports had prohibited many of the participants from using formal remittance channels. Participants explained that without valid passports, they were unable to open bank accounts or use certain remittance services. As a result, these individuals needed to rely on informal arrangements or accounts owned by friends or family members, as discussed above.

“When I started here, and I was having an account. It was, it was going very well. But I quit because my passport was expired.” – Malawian FG participant

The responses from participants are in line with the group data that was collected during focus groups, where most participants from all three countries did not have a South African bank account.



Do you have a bank or money transfer account in South Africa? (%)

The remittance market between South Africa and SADC countries is a lifeline for many households in recipient countries, driven by strong familial obligations and the economic realities of unemployment and poverty. Migrants sacrifice their own financial stability to ensure that their families have access to basic needs.

Among the participants, informal channels were uncommon, reflecting a preference for more reliable and secure options. However, this represents only a small sample, and informal channels may still be more prevalent in broader migrant communities using the South Africa-SADC corridor. The risks associated with informal methods, such as theft and delays, have driven many participants toward formal or grey channels in cases where they lack appropriate documentation.



Annexure D: Migrant population estimate

The best available source of information on migrant populations resident in South Africa is the 2022 census conducted by Statistics South Africa. The table below shows the number of migrants from major SADC sending countries estimated to reside in South Africa in the 2011 and 2022 census exercises. The largest single sending country in both years is found to be Zimbabwe, followed by Mozambique and Lesotho, and in both years, SADC migrants are found to comprise the bulk of total migrants residing in South Africa.

	2011	2022	% change
Botswana	12 316	8 976	-27%
DRC and Rep of Congo	51 691	40 963	-21%
Lesotho	160 806	227 770	42%
Malawi	86 606	198 807	130%
Mozambique	393 231	416 564	6%
Namibia	40 575	36 140	-11%
Eswatini	36 377	14 624	-60%
Zambia	30 054	24 625	-18%
Zimbabwe	672 308	1 012 059	51%
SADC sub-total	1 485 975	1 982 550	33%
Other countries	700 444	437 669	-38%
Total	2 184 408	2 418 197	11%

SADC migrants in South Africa in 2011 and 2022 census estimates

In theory, the census should fully capture both formal and informal migrant populations, and thus form a reliable basis for remittance market size estimates. In practice however the 2022 Census in particular has raised some concerns. Commentators have suggested that the enumeration process was heavily affected by the COVID-19 pandemic, with the result that the census undercount has been estimated at 31%. Adjustments can be made to the data to mitigate against the impact of the undercount, but ideally undercount should be minimised as much as possible. Instead, the 31% undercount is the highest census undercount of all countries recorded by the United Nations Population Division. This strongly suggests that the quality of the census results has been materially affected by it.

As noted in previous reports, historically Stats SA has acknowledged that its surveys probably underestimate the true number of migrants in South Africa, given the propensity of migrants to evade enumeration. In the context of an undercount of all population groups, there must thus be concerns that undercount issues in more difficult migrant populations have been exacerbated.

These concerns are supported by analysis of the census data. Specifically, demographic experts have found significant anomalies in the census data on immigration, which are inconsistent with known immigration trends and the results of the 2011 census. As is evident in the previous table, the estimated size of certain migrant populations in South Africa has fluctuated very materially from the 2011 census to the 2022 census. For example, the size of the Malawian population is estimated to have more than doubled in ten years, while the Eswatini population is estimated to have dropped by 60% over the period. While migrant populations can fluctuate rapidly over time, very large changes are likely to be associated with specific events like political or economic instability, which are arguably not present for these two countries.

A specific problem also appears to be evident as regards the estimate of Congolese migrants. The 2022 Census reports the number of migrants from Congo (presumably the Republic of the Congo) separately from those from the DRC. The Republic of the Congo, which has approximately 6 million citizens, is reported as having 23,328 citizens in South Africa; while the DRC, which has a population of 115 million, is reported to have only 17,635 citizens in South Africa. It is implausible that the much smaller Republic of the Congo should have significantly more people in South Africa than the DRC. Instead, the study strongly suspects that census takers have confused the two countries, and that the bulk of individuals recorded in both categories are in fact from the DRC. This issue appears to have been experienced in the 2011 census as well, where 26,061 individuals were reported to be from the Republic of Congo and 25,630 from the DRC.

Given these issues, the approach taken was to assess what is known about immigration from the various SADC countries from other data sources, contrast it to the census data, and make adjustments as seems prudent. This approach will, as in previous research exercises, adopt the four-quadrant approach to analysis, as illustrated below.



Four quadrants of immigration

The quality of data on migrants in each of the four quadrants varies substantially. The best data is that for quadrant 3, as regards asylum seekers, refugees, and recipients of immigration exemptions. Multilateral bodies track asylum seeker and refugee data to a high degree of accuracy, and during immigration exemption processes, the number of applicants provides a useful snapshot of migrant populations. The quadrant with the least available data is, unsurprisingly, quadrant 4, for migrants who are completely undocumented. Data availability on quadrants 1 and 2 is, unfortunately, not much better. Typically, data on permits issued is available as a flow indicator of how much migration has occurred in a given year, rather than as an estimate of the total stock of migrants. Levels of formal migration from SADC countries are also often quite low.

Quadrant 1: Migrants with work permits

In the 2020 estimate of the size of the population of migrants with work permits, the researchers relied on Stats SA release P0351.4, Documented immigrants in South Africa. Unfortunately, no new editions of that report have been released, and thus, the best available data on this population remains unchanged. As shown in the table that follows, 32,688 work or business permits were issued to SADC nationals over the period 2011 to 2015, with the vast majority of those permits going to Zimbabweans.

	Permits issued, 2011-2015
Angola	846
Botswana	525
Comoros	9
DRC	1 708
Lesotho	607
Madagascar	41
Malawi	1 093
Mauritius	241
Mozambique	439
Namibia	96
Seychelles	6
Eswatini	448
Tanzania	244
Zambia	870
Zimbabwe	25 515
Total	32 688

Issued business and work permits by country, 2011–15 total

While updated figures are not available, it is nevertheless clear that quadrant 1 migration from SADC is a fairly small proportion of total migrant stocks. It is possible that significant additional immigration occurs through corporate permits, but the last time an update on this permit type was released by the Department of Labour appears to have been 2016, at which point only 9,073 foreign workers were involved.

The final available data source on this form of migration covers foreign mineworker numbers and is released from time to time by TEBA. As shown in the table below, in 2022, there were 20,171 SADC-born mineworkers registered with TEBA. Approximately 80% of these individuals were of Mozambican origin.

	Mineworkers
Botswana	428
Eswatini	1 724
Lesotho	1 433
Mozambique	16 202
Zimbabwe	384
Sub-total	20 171
South Africa	252 344
Other	1 345
Total	273 860

TEBA mineworkers, 2022

Source: TEBA NEWS, February 2023, available at <https://www.teba.co.za/wp-content/uploads/2023/06/TEBA-February-Newsletter-2023.pdf>

Quadrant 2: Legal entry but no right to work

No information is available as regards the number of migrants from SADC who enter the country legally, but then overstay, or work when their permit does not allow it. Stats SA does, however, compile data on total tourism arrivals, which comprise the bulk of legal entry, and thus capture these individuals at the point at which they enter the country. Total tourism arrivals for 2023 are shown in the table below. As can be seen, in 2023, approximately 6.3 million SADC migrants entered South Africa on a tourist permit, comprising approximately three-quarters of all tourist permits to South Africa. The largest sending countries were Zimbabwe, Mozambique and Lesotho, in that order, which are also three of the four largest formal remitting countries.

	2023 tourism arrivals
Angola	39 265
Botswana	363 025
DRC	23 211
Eswatini	733 949
Lesotho	1 163 826
Madagascar	3 727
Malawi	138 918
Mauritius	17 879
Mozambique	1 341 037
Namibia	160 078
Seychelles	4 680
Tanzania	34 240
Zambia	145 244
Zimbabwe	2 106 940
SADC total	6 276 019
All tourism arrivals	8 483 333

2023 tourism arrivals

Source: Stats SA statistical release P0351, Tourism and migration, December 2023

The remaining large remittance country, Malawi, saw only 138,918 tourism arrivals in 2023. Botswana, Eswatini, Namibia and Zambia all had more tourism arrivals than this, but are much smaller formal remittance markets.

Quadrant 3: Asylum seekers, refugees and permit exemptions

Data on refugees and asylum seekers is tracked by the United Nations High Commissioner for Refugees (UNHCR). The table below shows the latest UNHCR data on SADC refugees and asylum seekers in South Africa. As can be seen, this group comprises an estimated 52,811 individuals, of whom approximately 85% originate in the DRC. The estimated number of DRC refugees and asylum seekers alone exceeds the Census 2022 estimate of the number of these individuals from DRC and the Republic of Congo resident in South Africa.

Country of origin	Refugees	Asylum-seekers	Total
Angola	23	5	28
Comoros	-	9	9
Dem. Rep. of the Congo	20 624	24 135	44 759
Eswatini	9	5	14
Malawi	7	634	641
Mozambique	-	33	33
United Rep. of Tanzania	23	240	263
Zambia	51	103	154
Zimbabwe	3 408	3 502	6 910
Total	24 145	28 666	52 811

SADC refugees and asylum seekers in South Africa, 2024, by country of origin

Source: United Nations High Commissioner for Refugees website, date extracted 29/11/2024

A much larger source of immigration in this quadrant is associated with the periodic issuance of immigration amnesties and special permits, starting after the 1994 democratic transition. These amnesties have been of particular benefit to irregular migrants from Zimbabwe, Mozambique and Lesotho. The table that follows summarises known amnesty programmes in that period, by country. The study assumes 3.5% annual attrition in these numbers (due to death and emigration). This is roughly in line with the extent of attrition that seems to typically be experienced in these programmes over time. This brings the total number of amnesty applicants currently resident in South Africa to an estimated 326,470 individuals, the vast majority of whom are from Zimbabwe, Lesotho and Mozambique.

	Amnesty and year	Amnesty applicants	3,5% annual attrition to 2023	Total country estimate, 2023
Angola	SADC amnesty, 1996	93	36	1 357
	ASP, 2015	1 757	1 321	
Botswana	SADC amnesty, 1996	1 321	505	1 938
	Mining amnesty, 1995	3 886	1 433	
Lesotho	SADC amnesty, 1996	8 193	3 131	92 345
	Mining amnesty, 1995	34 017	12 545	
	LSP, 2017	94 941	76 669	
Malawi	SADC amnesty, 1996	5 913	2 260	2 389
	Mining amnesty, 1995	350	129	
Mauritius	SADC amnesty, 1996	107	41	41
Mozambique	SADC amnesty, 1996	85 520	32 682	72 623
	Mining amnesty, 1995	9 159	3 378	
	Mozambican amnesty, 2000	82 969	36 563	
Namibia	SADC amnesty, 1996	79	30	30
Eswatini	SADC amnesty, 1996	2 015	770	2 279
	Mining amnesty, 1995	4 092	1 509	
Tanzania	SADC amnesty, 1996	108	41	41
Zambia	SADC amnesty, 1996	822	314	314
Zimbabwe	SADC amnesty, 1996	19 902	7 606	153 115
	ZEP, 2017	180 188	145 509	
Total		535 432	326 470	326 470

Immigration amnesties since 1994, and assumed attrition

Sources: FinMark Trust 2020, SADC Remittance values and volumes, 2018; Department of Home Affairs

Quadrant 4: Undocumented migrants and informal remittance estimates

These available data sources can now be used to test Census 2022 data, to see if the migrant population size estimates produced by the census seem reasonable. As has already been discussed, it is clear that there are problems with the DRC migrant estimate in the Census, as the refugee and asylum seeker numbers for DRC exceed the Census estimates of DRC and Republic of Congo migrants. There are thus particularly strong grounds for adjusting estimates of this population size.

The table that follows contrasts the Census data with the SARB remittance data in order to determine whether this highlights any other discrepancies. The SARB data includes the number of transactions per country, which allows the average transaction size to be calculated per country, as shown in column C. Census data is then used to estimate how much each migrant sends per year, using a rough initial estimate of 40% of migrants remitting in any given year, which is in line with the proportions estimated in previous research. This is shown in column D. Column E uses these estimates to derive the implied average annual remittance made per migrant, while column F contrasts these two data points, specifically in order to see how many transactions the average migrant would need to be making a year, at the average transaction size. This is shown in column F.

	Census 2022	Total SARB remittances, Rm, 2024	Avg SARB transaction size, 2024	Assumed % of migrants remitting formally	Implied avg annual remittance per migrant	Implied average number of transactions per migrant per year
	A	B	C	D	E=(1 000 000xB)/(AxD)	F=E/C
Botswana	8 976	239,34	3 168	40%	66 661	21,0
DRC	40 963	364,78	1 713	40%	22 263	13,0
Lesotho	227 770	2 439,52	1 235	40%	26 776	21,7
Malawi	198 807	2 093,37	616	40%	26 324	42,7
Mozambique	350 463	733,82	933	40%	5 235	5,6
Namibia	36 671	469,51 *	6 919 *	40%	32 008	4,6
Eswatini	14 624	363,87	2 166	40%	62 205	28,7
Zambia	24 625	528,08	1 706	40%	53 613	31,4
Zimbabwe	1 012 059	11 817,34	1 392	40%	29 191	21,0

Implied remittance behaviour, Census data tested against SARB data

** Namibian data is adjusted, the last three months of the year times four, to estimate the annual market size post the regulatory change discussed in Box 2*

In previous research, which reviewed available evidence on the remitting patterns of migrants, while there appear to be differences over time and between countries, a number of broad conclusions can be drawn on such patterns. As has already been noted, a reasonable ballpark estimate is that around 40% of migrants remit, either formally or informally, although the percentage likely varies by country. Formal and informal channels are, in essence, substitute products, and migrants choose between them. This implies that, if a large proportion of migrants are remitting formally, it can be assumed that the proportion remitting informally will be lower, and vice versa. The second broad conclusion from the analysis is that it is relatively unusual for migrants to remit more than once a month, and many remit less than once a month. As a result, one would expect the average migrant to be remitting less than 12 times per year.

When looking at the results in column F of the table above, these broad conclusions allow us to identify anomalies. In most countries in the sample, and particularly for Malawi and Zambia, the implied number of transactions per year for the average migrant is unfeasibly high. This confirms that the Census estimates of total migrant population size are systematically too low. It also suggests that in some cases, it is appropriate to adjust the proportion of migrants remitting, particularly where the SARB data suggests that the formal remittance market is quite underdeveloped. In essence, the study is adjusting the population size estimates from the Census and the assumed proportion of migrants remitting until a more realistic estimate of the average number of transactions a year is produced.

These adjustments are shown in column E of the below table. Specifically, the study has applied a multiplier of 1.8 to most of the Census population estimates, with the exceptions being Malawi, Eswatini and Zambia, where the multiplier was increased to 4, 2.5 and 3, respectively. The study has allowed for greater variation in the proportion of migrants remitting formally (in Lesotho, the proportion has been increased to 50%, while in less developed remittance markets, the proportion of remitting migrants has been adjusted to below 40%). For countries where no Census 2022 estimate is available, Stats SA data on 2023 tourism arrivals have been used with the assumption that the population of migrants was approximately 10% of tourism arrivals (adjusted up to 60% for Madagascar and 175% for Tanzania). No Stats SA data is available for Comoros, so the working assumption is that the population of individuals from Comoros is similar to the next smallest country, namely, Seychelles.

	Census 2022/ Total tourism entrants. 2023	Census/ Tourism arrivals multiplier	Adjusted population size estimate	Formal remittances. 2024 annualised. Rm	% of migrants remitting formally	Implied average annual remittance per migrant	Avg formal remittance, 2024 (SARB data)	Implied avg # of transactions per migrant per year
Population estimate based on adjusted Census 2022 data								
	A	B	C=AxB	D	E	F=(1 000 000xD) / (Cx E)	G	H=F/G
Botswana	8 976	1.8	16 157	239.3	40%	37 034	3 168	11.7
DRC	40 963	1.8	73 733	364.8	30%	16 491	1 713	9.6
Lesotho	227 770	1.8	409 986	2 439.5	50%	11 900	1 235	9.6
Malawi	198 807	4	795 228	2 093.4	40%	6 581	616	10.7
Mozambique	350 463	1.8	630 833	733.8	20%	5 816	933	6.2
Namibia	36 671	1.8	66 008	469.5	20%	35 565	6 919	5.1
Eswatini	14 624	2.5	36 560	363.9	40%	24 882	2 166	11.5
Zambia	24 625	3	73 875	528.1	40%	17 871	1 706	10.5
Zimbabwe	1 012 059	1.8	1 821 706	11 817.3	40%	16 217	1 392	11.7
Population estimate based on adjusted 2023 tourism arrivals data								
	A	B	C=AxB	D	E	F=(Dx1 000 000) / (Cx E)	G	H=F/G
Angola	39 265	10%	3 927	8.6	5%	43 977	10 181	4.3
Comoros	na	na	468	1.9	10%	40 099	3 644	11.0
Madagascar	3 727	60%	2 236	13.7	20%	30 627	4 074	7.5
Mauritius	17 879	10%	1 788	221.1	20%	618 432	62 433	9.9
Seychelles	4 680	10%	468	8.2	10%	175 574	29 346	6.0
Tanzania	34 240	175%	59 920	382.9	40%	15 976	1 676	9.5
Total			3 992 893	19 686				

Adjusted population size estimates

* Namibian data is adjusted, the last three months of the year times four, to estimate the annual market size post the regulatory change discussed in Box 2

In effect, the researchers adjusted estimates until the number in column H seemed plausible – in other words, the implied number of transactions for remitting migrants is below 12 per year, but well above 1. This methodology produces a tentative estimate of the total SADC migrant population size in South Africa of just under four million individuals. This is a small increase over the last estimate of 3.7 million in 2018. As shown in the table below, the overall proportion of undocumented SADC migrants is estimated at 89% of the total stock, but fluctuates substantially between countries. For 12 of the 15 countries, undocumented migrants are estimated to comprise more than 80% of the population in South Africa.

	Estimated population size	Estimated formal population size	Estimated % migrants undocumented
Angola	3 927	2 231	43%
Botswana	16 157	2 891	82%
Comoros	468	18	96%
DRC	73 733	46 467	37%
Lesotho	409 986	94 384	77%
Madagascar	1 118	41	96%
Malawi	695 825	4 123	99%
Mauritius	1 788	282	84%
Mozambique	630 833	89 297	86%
Namibia	66 008	126	100%
Seychelles	468	6	99%
Eswatini	29 248	4 465	85%
Tanzania	51 360	548	99%
Zambia	61 563	1 338	98%
Zimbabwe	1 821 706	185 924	90%
Total	3 864 187	432 140	89%

Undocumented migrants estimate

It should be clear from the description of the estimation technique used that this estimate should be regarded as ballpark rather than precise. This approach is necessitated by the substantial data limitations inherent in estimating undocumented populations. A number of further points should be noted:

- The estimate of formal remittances for Namibia is based on the last three months of 2024 only. This is because the volumes recorded jumped sharply around October 2024, after a regulatory change discussed in the text box that follows, on the hawala remittance market.
- SARB reports very high average remittance transaction sizes for Mauritius and Seychelles. This suggests that remittance behaviour patterns in these markets may be quite different from the rest of SADC, and thus that the estimation methodology used may be of particularly low accuracy for these two markets
- Tanzanian formal remittances appear to be very high when compared to available data on the number of Tanzanians in South Africa. For this reason, it is assumed that the population of Tanzanians is 1.75 times as large as the annual number of Tanzanian tourist arrivals. Further research may be needed to understand the dynamics in the Tanzanian sub-sector, and again there is some concern that the estimation methodology used may be less accurate in this market.

The SARB commissioned primary research into informal money or value transfer services (informally, hawalas) in 2024. This research, which covered Zimbabwe, Malawi, Mozambique, Tanzania and DRC, provides some interesting insights into the informal remittance market in SADC as a whole.

The survey sampled 1 008 hawala users from 13 countries, resident in South Africa and using hawala to remit. 33 hawaladars were also sampled. The top five reasons given by hawala users for using hawalas are trust, convenience, speed, low fees and lack of access to banks, and just over half of users were found to work in the informal or cash economy. Nevertheless, the survey did find substantial overlap with use of formal financial services, and just under a third of users of hawala reported formal sector employment.

Survey responses included information on transaction size and frequency of remitting. In the SADC countries sampled, users reported that the minimum transaction size handled by hawaladars was typically between R2,000 and R5,000. The table below shows the self-reported amount sent per individual annually, using hawala. As can be seen, this clusters between R10,000 and R20,000 annually, with DRC remitters reporting the lowest totals, and Tanzanians the highest.

	Number of responses	Average sent per individual, annually
DRC	36	R 12,347
Malawi	46	R 15,210
Mozambique	48	R 17,264
Tanzania	21	R 19,699
Zimbabwe	69	R 17,295
Total	220	R16,272

Estimated amount of money sent annually by surveyed individuals, by country



Annexure E: Mystery shopping approach per RSP

The following provides more detail on the mystery shopping research method used per remittance sending institution:

Standard Bank: Twenty-five transactions were made using a Standard Bank account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender’s account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender’s side.

FNB: Nineteen transactions were made using an FNB account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender’s account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender’s side.

Capitec: Fifteen transactions were made using a Capitec account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender’s account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender’s side. However, a Mozambican payment has been received by the bank, but the recipient must present a letter to the bank to have it enter their bank account, as per local AML requirements. But due to political unrest in Mozambique the recipient has not been able to present this document to their bank.

Nedbank: Six transactions were made using a Nedbank account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender’s account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender’s side.

Travelex and Inter Africa Bureau de Change: There is no formal onboarding process for Travelex and Inter Africa Bureau de Change, as users do not create an account or profile. Instead, each remittance transaction is processed individually and requires the sender to visit a branch in person. For every transaction, users must present a valid form of identification, such as a passport or ID, and occasionally proof of address. They are required to complete a form detailing their personal information, including name and address, as well as the recipient's name, address, and identification or passport number. This process is repeated for every transaction, as there is no system to store user or transaction information for future use.

Sikhona: The onboarding process for Sikhona involves a partnership with Ria, requiring users to register a Ria account to send money and a Sikhona account to receive money. Both app and website options are available for registration. The process began by inputting personal details into the app, followed by uploading photos of identification documents and a photo of the user holding the ID. Accepted forms of identification include a foreign passport, asylum documentation, South African ID, or a foreign ID. A cellphone number and physical address were also required as part of the KYC process. After submitting these details, the user was contacted by an agent. While the initial call was missed, the agent followed up via WhatsApp to confirm personal details such as name, surname, and date of birth. Additional questions included whether the user intended to send or receive money and, if sending, the destination country. The entire registration process took approximately 15–20 minutes, including agent verification via WhatsApp. The process was straightforward and included a follow-up request for service feedback, ensuring the completion and functionality of the account.

Requirements to open an account - time taken and general experience

Mukuru: The onboarding process for Mukuru was initiated via their browser interface, where four registration options were presented: WhatsApp, App, Free USSD, and in-person at branches. The WhatsApp option was chosen for registration, and the process involved a series of structured questions to collect personal and identification details. Key steps included providing information such as the type of identification document (e.g. South African Identity Document), country of origin from a predefined list, the identification number on the ID, full name(s) as they appear on the document, gender, and date of birth (entered in the format DD.MM.YY). Users were then asked to confirm these details, ensuring accuracy before proceeding. Following the identity verification, the registration captured residential details, including suburb, street address, and confirmation of the address recorded in Mukuru's system. The process concluded with users agreeing to Mukuru's terms and conditions and opting in (or out) to receive product promotions and offers. The entire process was completed in less than a day, making it a quick and efficient experience for users. The WhatsApp platform proved accessible and well-structured for a seamless onboarding experience.

Shoprite Send: The onboarding process for Shoprite Send was initiated via the platform's WhatsApp line using a cellphone number. Registration was straightforward, with clear instructions, and the entire process took approximately 10 minutes to complete. Key KYC requirements included an identity document (South African ID, foreign passport, or temporary residence permit), full names matching the ID, physical address, source of funds (e.g. salary or bank account savings), and occupation. Applicants were also required to upload photos of their ID document and a photo of

themselves holding the ID document. These documents were easily submitted as phone camera pictures via WhatsApp, without the need for additional software or an in-person interaction. Registration confirmation was received within an hour, with a notification sent to confirm successful onboarding. The entire process was fully digital and efficient, requiring no interaction with an agent.

However, sending money to Lesotho or Eswatini via Shoprite requires using the Money Market counters located in Shoprite or Checkers stores, which are not linked to the Shoprite Send platform. Team members experienced challenges locating branches with operational counters, as several tellers cited issues with scanning required documents. Once a functional branch was found, the process of completing the transaction was simple and efficient. While the registration process for Shoprite Send was seamless, this disconnect between the digital platform and physical Money Market counters for specific cross-border transactions presented an inconvenience.

Hello-Paisa: The onboarding process for Hello Paisa began on 23 September 2024 through the "self-sign up" option on the Hello Paisa website. Initial steps included entering personal details—name, surname, nationality, and cellphone number—followed by OTP verification to proceed. Challenges arose during the ID verification stage, with repeated upload failures for ID pictures and a photo of the user holding the ID. The website did not provide an option to retry or amend submissions. Attempts to resolve the issue through the website's contact form, including requests for callbacks on 23 and 24 September, did not receive a response.

Subsequently, the Hello Paisa app was downloaded to reattempt registration. However, the process could not be completed due to an error indicating that the cellphone number was already linked to an account. On 7 October, the helpline was contacted, and the user was directed to send ID photos and a selfie holding the ID via WhatsApp. The agent confirmed that the registration was complete and that confirmation would follow. After no confirmation was received, a follow-up call to the helpline on 9 October was made, where ID details were verified, and further follow-up was promised. The registration was eventually confirmed on 15 October 2024, concluding the process after 22 days.

The onboarding required multiple interactions across the website, app, helpline, and WhatsApp, with delays occurring at several stages. No explanation was provided for the time taken to confirm the registration, and the overall process involved several points of escalation.

Mama Money: The onboarding process for Mama Money was conducted entirely digitally through the app, which is approximately 42 MB in size. Registration began with the user entering a cellphone number and verifying it using an OTP, with the option to include an email address. The process was seamless and efficient, requiring no contact with agents. KYC requirements included providing any of the following identification documents: foreign or non-South African ID, passport, asylum or refugee documentation, South African ID book, South African ID card, or voter card. A physical address was captured automatically via the phone's location services, and the user was required to upload a photo of themselves. Once registration was completed, users were immediately able to send money through the platform. The entire process took under 10 minutes, and the steps were straightforward and easy to follow, making it possible to complete the process without assistance.



Annexure F: Company profiles

Authorised Dealers

An AD in South Africa refers to a financial institution or entity that is authorised by the Financial Surveillance Department of the SARB to deal in any transaction in respect of foreign exchange. This means they are permitted to buy, sell, and transfer foreign currency in accordance with South Africa's exchange control regulations. Each transaction, the sender explicitly specified that all fees should be for the sender's account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender's side.

The following commercial banks were used for the purpose of the mystery shopping exercise:

- **Standard Bank:** Twenty five transactions were made using a Standard Bank account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender's account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender's side. At this point there are at least 1 known failed transaction from Standard Bank accounts during this exercise.
- **FNB:** Nineteen transactions were made using an FNB account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender's account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender's side. FNB quotes needed to be extrapolated from their pricing guides, which acted as a barrier to transparency for those shopping around for the most competitive fees.
- **Capitec:** Fifteen transactions were made using a Capitec account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender's account. The transactions were conducted during October and

November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender's side. However, a Mozambican payment has been received by the bank, but the recipient must present a letter to the bank to have it enter their bank account, as per local AML requirements. But due to political unrest in Mozambique the recipient has not been able to present this document to their bank.

- **Nedbank:** Six transactions were made using a Nedbank account, with transaction values ranging from USD22 to USD200. All transactions were denominated in USD, and for each transaction, the sender explicitly specified that all fees should be for the sender's account. The transactions were conducted during October and November 2024. All necessary recipient details were successfully sourced, ensuring the completion of every transaction within the dataset from the sender's side.

As of November 2024, commercial banks continue to utilise Society for Worldwide Interbank Financial Telecommunication (SWIFT) networks to effect international payments. To make payments to SADC countries, senders are required to input information such as the recipient's account number/ IBAN number, valid bank SWIFT code, and a reason for the payment (via a BOP code). Mystery shopping experience indicated that the recipient's home address was also needed. It is interesting to note that although a valid SWIFT code was provided for Zimbabwe, a Standard Bank payment made to the recipient was 'bounced' due to a lack of correspondent banking relationships.

FNB and Nedbank utilise MoneyGram's services to facilitate cross-border remittance transactions, providing customers with access to over 200 countries. Customers can load their beneficiaries through in-branch services or via MoneyGram's integrated platform on the digital banking systems. Transactions are processed seamlessly, with customers receiving a reference number that must be shared with the beneficiary. Beneficiaries can then visit any MoneyGram agent in their country with the reference number and identification to collect the funds.

To make payments via banks, senders are required to have a pre-existing bank account with the provider. To affect the payment, senders can either use the bank's digital payment options (including proprietary Apps or web browsers), or branch payments.

CMA transactions have been decoupled, as discussed above, and are now treated as international transfers. At the time the team was undertaking the mystery shopping exercise, Standard Bank, senders making electronic payments to Namibia, Eswatini and Lesotho (CMA countries) were required to make in-person payments at Standard Bank's Forex Branches, where online payments were originally allowed. Senders are required to complete SWIFT application forms – which requires information such as the sender's name, surname, identity number, residential status and address, as well as the beneficiary's bank account and personal details.

	Commission Fee - Online	Swift fee - Online	Commission Fee - Branch	Swift fee - Branch
Standard Bank				
Percentage	0.5%		0.6%	
Minimum	R151	R108	R240	R141.90
Maximum	R690		R850	
First National Bank				
Percentage	0.55%		0.60%	
Minimum	R160	R115	R210	R115
Maximum	R675		R780	
Nedbank				
Percentage	0.55%		0.74%	
Minimum	R172	R140	R205	R140
Maximum	R700		R140	
Capitec				
Percentage				
Minimum	R175 flat fee			
Maximum				

The following unique experiences for each bank are provided below:

- Capitec charges a R175 flat fee, and does not provide information on the breakdown of the fee.
- Standard Bank charges a R269 flat fee for all international transfers, besides Lesotho and Eswatini, where charges are based on the correspondent banking relationships. The quote also provides information on the foreign exchange rate as well as the amount received in the selected currency. Interestingly, the only applicable currency option for most countries, besides Tanzanian Shilling, is US dollars.

Mystery shoppers experienced issues receiving information on 'bounced' payments, given either the lack of correspondent banking relationships or the incorrect recipient details. In two instances, it was realised that the payments were taking an unusually long time for the payment to reflect on the receiving end. However, the senders' banks did not provide this information proactively – instead, the senders had to follow up with their banks to inquire as to why the payments had not reflected.

ADLA Category 2

An ADLA category 2 is authorised to operate as a Bureau de Change, provide specific transactions under the single discretionary allowance limit of R1 million per applicant within the calendar year and offer money remittance services in partnership with external money transfer operators.

Sikhona

Sikhona Forex (Pty) Ltd, established in 2010, is a South African financial services company specialising in foreign exchange and international money transfers. In 2017, Sikhona partnered with Ria Money Transfer, a global leader in cross-border remittances, to process outbound transactions using Ria's extensive payout network. In November 2022, Ria Money Transfer acquired Sikhona Forex, enhancing its presence in South Africa. As of November 2024, Sikhona has over 700 agents.

The registration process for Sikhona Ria transfers involves creating both a Ria account (to send money) and a Sikhona account (to receive money), available via the Sikhona app or website. Users are required to provide a cell phone number, physical address, and a valid identification document such as a passport, asylum document, South African ID, or foreign ID, along with a photo of themselves holding the ID. Verification is conducted through a phone call or WhatsApp, confirming details such as name, surname, date of birth, and intended transaction purposes. After submitting these details, the user was contacted by an agent. While the initial call was missed, the agent followed up via WhatsApp to confirm personal details such as name, surname, and date of birth. Additional questions included whether the user intended to send or receive money and, if sending, the destination country. The entire registration process took approximately 15–20 minutes, including agent verification via WhatsApp. The process was straightforward and included a follow-up request for service feedback, ensuring the completion and functionality of the account.

The payment process for remittances includes using the payment reference sent via notification to complete the transaction through bank deposits, cash deposits, or pay-in partner services. Once payment is processed, a collection reference is issued, which must be shared with the beneficiary for fund collection at authorised locations.

South African residents aged 18 and above can remit funds under the single discretionary allowance (SDA) of up to R1,000,000 per calendar year without requiring a tax clearance certificate for foreign investments. Students under 18 years may utilise an SDA limit of R200,000 per calendar year. The SDA covers money transfer services and travel-related expenses, and it is the user's responsibility to ensure compliance with the allowance limits. These limits are valid from January 1 to December 31 each year, resetting annually, ensuring a secure and regulated remittance process while adhering to compliance frameworks.

In most cases, the currency pay out options include the local currencies. However – in some countries (such as DRC), US dollar is provided as the only option.

Pay out option varies by country, as shown in the table that follows, and ranges across three options, including bank deposit, cash payout, and mobile wallet. Interestingly, since 2021, Sikhona has expanded to include CMA countries – Eswatini, Lesotho and Eswatini.

SADC Country	Bank Deposit	Cash Pay Out	Mobile Wallet
Angola	- Banco Angolano de Investimentos SA - Banco BIC, S.A. - Banco Caixa Geral Angola SA - Banco Comercial Angolano SA - Banco de Comercio e Industria SARL - Banco de Desenvolvimento de Angola - Banco de Fomento Angola - Banco de Poupanca e Credito SA - Banco Economico SA - Banco Keve S.A. - Banco Millennium Atlantico - BCS Banco de Credito do Sul SA - Finibanco Angola SA - Standard Bank de Angola SA - Standard Chartered Bank Angola SA	Banco De Negocios Inter-national	
Botswana	- ABSA Bank - Access Bank - Bank Gaborone - Bank of Baroda - FNB - Stanbic - Standard Chartered	Unknown	Orange Money
DRC	- BFGI Bank - Equity Bank	Unknown	- M-PESA - Airtel - Orange Mobile
Eswatini	- FNB - Nedbank - Standard Bank		
Lesotho	- FNB - Lesotho Post Bank - Nedbank - Standard Bank		Ecocash
Madagascar	- AccessBank Madagascar - Bank of Africa - Madagascar - Banque Malgache de l'Océan Indien S.A. - Banque SBM Madagascar	Unknown	Orange Mobile
Malawi		Victoria Forex Bureau Limited	- Airtel - Mpamba TNM
Mauritius	- Maubank Ltd - SBI (Mauritius) Limited - ABC Banking Corporation Ltd - ABSA Bank (Mauritius) Limited - AfrAsia Bank Limited - Bank of Baroda - Bank One Ltd - BCP Bank (Mauritius) Ltd - Habib Bank Ltd Mauritius - Investec Bank (Mauritius) - SBM Bank (Mauritius) Ltd - Silver Bank Limited - Standard Bank (Mauritius) Limited - Standard Chartered Bank (Mauritius) Ltd - The Hongkong and Shanghai Banking Corporation Limited - The Mauritius Commercial Bank Limited	Unknown	
Mozambique	- ABSA Bank - BCI Bank - Ecobank - FBN - Standard Bank - ICB International de Commercio	Unknown	M-PESA
Namibia	- Bank BIC - Bank of Namibia - Bank Windhoek - FNB - Letshego - Nedbank - Standard Bank - Trustco Bank		
Seychelles		Unknown	
Zimbabwe	- First Capital Bank - Steward Bank - ZB Bank	Unknown	Ecocash

In terms of the duration of the payment, the time it takes for the funds to reflect varies across country. In general, it takes several minutes – however, in some cases, recipients only received the notification the next day.

The transparency and visibility quotes shows several key items and clearly outline the total charges associated with each transaction. This includes:

- Fees including transaction charges and VAT
- Exchange rate display
- Total amount to pay
- Declaration and terms (reporting under BPO Code 401)

Mukuru

Opening a Mukuru account is a straightforward process designed to be accessible and user-friendly. Customers are required to provide a valid identification document (such as a passport, national ID, or refugee/asylum papers) and proof of residence in some cases, depending on regulatory requirements. The account can be set up online, via the Mukuru mobile app, or in-person at designated Mukuru branches or agents. Once registered, users are verified and can immediately access services such as sending remittances, purchasing airtime, or paying bills.

For the purpose of the mystery shopping exercise, the onboarding process for Mukuru was initiated via their browser interface, where four registration options were presented: WhatsApp, App, Free USSD, and in-person at branches. The WhatsApp option was chosen for registration, and the process involved a series of structured questions to collect personal and identification details. Key steps included providing information such as the type of identification document (e.g. South African identity document), country of origin from a predefined list, the identification number on the ID, full name(s) as they appear on the document, gender, and date of birth (entered in the format DD.MM.YY). Users were then asked to confirm these details, ensuring accuracy before proceeding. Following the identity verification, the registration captured residential details, including suburb, street address, and confirmation of the address recorded in Mukuru’s system. The process concluded with users agreeing to Mukuru’s terms and conditions and opting in (or out) to receive product promotions and offers. The entire process was completed in less than a day, making it a quick and efficient experience for users. The WhatsApp platform proved accessible and well-structured for a seamless onboarding experience.

Money is sent in South African Rands only, converted to the local currency unit of the destination country, with US dollar pay out options available in select countries.

The daily limits permitted per transaction vary by the type of account the user holds. The following table breaks down the transaction limits associated with the various KYC requirements:

Account name	Limit	Requirements
Lite	R2 000 per month	• Basic personal information • Number from legal identification document (RSA ID, foreign passport, asylum paper) • Home address
Core	R25 000 per month	• Basic personal information • Number from legal identification document (RSA ID, foreign passport, asylum paper) • Home address • Selfie holding ID • Job title
Max	Nationals: More than R25 000 per month (up to R1 million per year) Foreign Nationals: 12x month income per year	• Basic personal information • Number from legal identification document (RSA ID, foreign passport, asylum paper) • Home address • Selfie holding ID • Job title • Nationals: Proof of address • Foreign Nationals: Proof of income

There are many options available for senders to initiate payments – including WhatsApp, Mukuru’s Proprietary App, USSD, in branch, and Mukuru’s web browser. At this stage, the sender is required to ‘place an order’, providing information such as the recipient’s name (name and surname as per identity document), the amount, and pay out option of choice.

Senders are able to pay in at a variety retail partners – including, Ackermans, Builders, Game, Makro, Boxer, Pep, Pick ‘n Pay, and Shoprite stores. Alternatively, senders can use one of the digital pay in methods.

For pay out, recipients can either request to be paid into their mobile wallets, bank accounts or at certain pay out points (as shown in the table that follows). When collecting cash in person, the recipient is required to bring their ID as well as the notification number they received. Mukuru agents are stringent about the order/spelling of names provided on the notification message matching with that in their ID.

The table that follows provides an overview of recipient countries available to Mukuru users. SADC countries not supported by Mukuru include, Comoros, Madagascar, Mauritius, Namibia and Seychelles. Mukuru has started sending funds to Angola as of February 2025.

SADC Country	Bank Deposit	Cash Pay Out	Mobile Wallet
Botswana		Mukuru booth	Mukuru Wallet Orange Mobile
DRC		Moneytrans Soficom Maxicash (Kinasha)	Airtel Mobile M-PESA Orange Mobile
Eswatini		Mukuru booth	MTN Mobile
Lesotho	Ecocash	Mukuru booth	M-PESA
Malawi	Bank Top UP	Mukuru booth	Mukuru wallet Airtel Mobile TNM Mpamba
Mozambique		Mukuru booth	M-PESA
Tanzania	Bank Top Up		Tigo Pesa M-PESA Airtel Mobile HaloPesa Zantel
Zambia	Bank Top Up	Mukuru booth	Airtel Mobile MTN Mobile Zantel Mobile
Zimbabwe		Mukuru booth	

Mukuru provides detailed quotes – including the transaction fee, exchange rate publication and the payout structure. A flat fee of 10% is generally applied for all transactions. The exchange rate is transparently provided.

Inter Africa Bureau de Change

Inter Africa Bureau de Change was authorised by SARB as an ADLA in 1999. The company specialises in foreign exchange services and facilitates cross-border payments from South Africa to other SADC countries. Inter Africa Bureau de Change partners with both MoneyGram and Western Union. Depending on the receiving country, either one or the other, or both, can be leveraged.

Inter Africa Bureau de Change does not require senders to ‘open’ an account as done with other RSPs. Instead, senders are required to visit the branch in-person to make the payment – whereby they are required to bring the following:

- Valid Identification – including South African ID, passport or asylum permit
- For South African residents: Proof of address not older than 3 months
- For Foreign Nationals: Proof of residence and proof of income
- Recipient details including their name as per their ID, their ID number, and their address. If sending to a bank account, bank account details are also required

Transfer limits per transaction is up to R5,000 per transaction, and a cumulative monthly limit per sender of up to R25,000.

Experience from one of the study’s senders reveals the process to be straightforward and easy, although may require waiting in a queue to see the agent. Payments are made in South African Rands and quoted in US dollars. Senders receive a quote which shows the exchange rate, which the sender has to accept, as well as the fees. The quoted amount to pay in includes the fees and the amount the recipient receives. Interestingly, one of the senders received a quote. However, after stepping away for several minutes and returning to the counter to make the transaction, the quoted exchange rate had changed.

Senders receive a Money Transfer Control Number (MTCN) upon transaction completion, which should be shared with the recipient. Payments into bank accounts reflect in the respective account, and may take several days to reflect. To collect the cash, recipients are required to bring the 8-digit reference number. This pertains to both Western Union and MoneyGram services.

Travelex

Travelex is a globally recognised foreign exchange and remittance service provider, established in 1976. The company operates in several countries, including South Africa, where it holds an ADLA license. Travelex offers money transfer services across the SADC region. Travelex partners with Western Union.

To access Travelex remittance services, customers must visit a Travelex branch. At the teller, the sender must present the following documentation requirements, which include:

- A valid identification document (e.g. South African ID, passport, or asylum document).
- Proof of address (in compliance with FICA requirements).
- A registered mobile number and email address.

Travelex, in partnership with Western Union, facilitates international money transfers, allowing individuals to send and receive funds globally. The service supports transactions where funds are sent in the sender’s local currency and received in the local currency of the recipient at Western Union agent locations in over 200 countries and territories.

The maximum allowable amount per transaction is R 30,000, with additional annual limits set by South African Reserve Bank regulations. Payment into the system can be made via cash or card at Travelex locations or through bank transfers, subject to branch-specific service offerings. Recipients can collect funds in cash from Western Union agent locations or have them deposited directly into their bank accounts in locations where this option is available.

Funds are generally available for collection within minutes after the transaction is completed. Fees are transparently communicated to the sender at the time of the transaction, with no hidden charges. Exchange rates are provided upfront, ensuring clarity on the exact amount the recipient will receive.

ADLA Category 3

An ADLA category 3 is authorised to operate as an independent money transfer operator and/or value transfer service provider, facilitating single remittance transactions not exceeding R5,000 per transaction per day within a limit of R25,000 per applicant per calendar month.

Shoprite Send

Shoprite Send is a remittance service launched by the Shoprite Group to provide affordable and accessible money transfer solutions.

End-users can register through multiple platforms, including digital channels such as WhatsApp and Shoprite Send’s web browser, as well as in-store at any Money Market counters (for instance – Shoprite, Checkers, Usave or K’nect stores). End-users are required to show (or upload a picture for digital channels) a copy of their identity document. For foreign nationals, this includes a passport or temporary resident permit.

Experience obtained during the mystery shopping exercise highlighted the following feedback:

- The onboarding process for Shoprite Send was initiated via the platform’s WhatsApp line using a cellphone number. Registration was straightforward, with clear instructions, and the entire process took approximately 10 minutes to complete.
- Applicants were also required to upload photos of their ID document and a photo of themselves holding the ID document. These documents were easily submitted as phone camera pictures via WhatsApp, without the need for additional software or an in-person interaction. Registration confirmation was received within an hour, with a notification sent to confirm successful onboarding. The entire process was fully digital and efficient, requiring no interaction with an agent.

The process of sending money through Shoprite Send first necessitates the input of the recipient’s details, including the destination currency and the preferred payout method. Next, the sender places an order, specifying the amount to send and confirming the quoted exchange rate. The quote also indicates the total payment and transaction fees, consisting of a service fee, as well as the recipient amount in the local currency. Payment can be made online using a debit or credit card or via instant EFT. For Lesotho and Eswatini, transactions have to be made in store at any Money Market counters. On digital platforms, the recipient profiles can be stored such that the sender can send to these individuals again.

Shoprite Send facilitates transactions in various currencies, depending on the destination country’s payout options. Daily/ monthly limits are set out below:

- South African nationals: Up to R5,000 per day, limited to R25,000 per month.
- Foreign nationals: Up to R3,000 per day, limited to R10,000 per month. With proof of income, this limit increases to R5,000 per day and R25,000 per month.

The minimum amount per transaction is R300.

Recipients can retrieve the money via a variety of payout options. When collecting in person, recipients are required to provide the transaction reference number or registered mobile number. It must be noted that, based on the mystery shopping experience, transaction payout options in Botswana were particularly difficult. In this case, the recipient tried several payout branches only to be informed that these branches could not accommodate the Shoprite Send payout, despite being provided as options on the App/browser.

SADC Country	Bank Deposit	Cash Pay Out	Mobile Wallet
Angola		- Banco Sol - Banco Comercial do Huamb - Banco Keve - Banco Comercial Angolano - Banco de Negocios Internacional	
Botswana	- Capital Bank - CSS Bureau de Change - UAE Exchange - BENI FAME Bureau De Change		- Orange - BTC - Mascom
DRC		- Rawbank - UBA - Advans Banque - SOLIDAIRE TRANSFERT	- Orange - Airtel Money - M-PESA
Eswatini		- Shoprite - Checkers - Usave	
Lesotho		- Shoprite - Checkers - Boxer stores	
Madagascar		- AccesBanque - MICROCRED	- Airtel Money
Malawi	All banks	- FDH - Pakhomo	- Airtel - Mpamba - FDH Wallet
Mozambique	All banks	- Banco Unico - Capital Bank - UBA - Standard Bank	- M-PESA - E-Mola
Tanzania	All banks	- Diamond Trust Bank Limited - Equity Bank - Bank of Africa - Tanzania Posts Corporation - NMB Bank	- Airtel - Tigo - M-PESA
Zambia	- Finance Bank Zambia Limited - UBA - Investrust Bank - Ecobank - Standard Bank		- Airtel Money - MTN - Zamtel Mobile Money
Zimbabwe		- Steward Bank - CBZ Bank - Metbank - GetBucks - First Capital Bank - Hello Paisa Kiosk - Hello Paisa Store - Edgars - Jet - Choppies - Spar - Bellevue Abbatoir - Farm and City - Stanbic Bank - POSB - FBC - EcoCash Agents - CABS - AFC - ZB Bank - NMB Bank - Rolink Buereau - OK Zimbabwe Limited - Bon Marche	- EcoCash - Telecel

Shoprite Send charges a flat fee of R9.99 per transaction, regardless of the amount sent. While this may be the case for all transactions, evidence from the mystery shopping exercise indicated that additional fees are incurred with increasing transaction amounts. In terms of the fee structure:

- Most transactions, especially within the CMA, include flat fees – for instance, Eswatini and Lesotho include a flat fee of R25 for a R400 transaction
- For some non-CMA transactions, fees are expressed as a percentage. However, the proportion differs by country – for instance, the fee is 3.1% in Mozambique, but 5,72% in Zimbabwe.

The quote published by Shoprite Send includes details on the fee structure and exchange rate parity. While the exchange rate is published, the sender cannot directly compare it to market rates.

Transaction notifications are generally received by the recipient the same day, and within minutes of its initiation.

ADLA Category 4

An ADLA Category 4 is authorised as “a combination of the services provided by Category 2 and Category 3.”

Hello Paisa

Hello Paisa, a subsidiary of the Hello Group, was established in 2015 as an independent money transfer operator, authorised by SARB. Hello Paisa has more than 500 agents in South Africa, and 79 branches/kiosks.

To access Hello Paisa’s services, customers must complete a registration process involving personal identification (such as a valid South African ID, foreign passport with a valid passport, or asylum permit). Registration can be completed via Hello Paisa’s propriety App, USSD Code or in person at any Hello Paisa Agent. Although the App option is seemingly available, the mystery shopping exercise proved to be more difficult than expected – in two instances, the shoppers attempted to open an account via the App. Challenges arose during the ID verification stage, with repeated upload failures for ID pictures and a photo of the user holding the ID. The website did not provide an option to retry or amend submissions. Attempts to resolve the issue through the website’s contact form, including requests for callbacks on two days later, did not receive a response.

Subsequently, the Hello Paisa app was downloaded to reattempt registration. However, the process could not be completed due to an error indicating that the cellphone number was already linked to an account. On 10 days later, the helpline was contacted, and the user was directed to send ID photos and a selfie holding the ID via WhatsApp. The agent confirmed that the registration was complete and that confirmation would follow. After no confirmation was received, a follow-up call to the helpline was made, where ID details were verified, and further follow-up was promised.

The registration was eventually confirmed, concluding the process after 22 days.

The onboarding required multiple interactions across the website, app, helpline, and WhatsApp, with delays occurring at several stages. No explanation was provided for the time taken to confirm the registration, and the overall process involved several points of escalation.

The sender has the option to add a recipient via the App, which is stored for future transactions. Upfront, the sender is required to indicate which payout method and partner the recipient requests. The sender must also specify the relationship with the recipient.

There is a minimum limit of R500 per transaction. Based on the level of KYC information a sender provides, the maximum transaction limits are split up as follows, excluding fees/ charges:

- FICA Lite: Maximum daily limit of R3,000 and R10,000 per month
- Full FICA: Maximum daily limit of R5,000 and R25,000 per month
- Self-declaration: Maximum daily limit of R15,000 and R25,000 per month

The user can easily open a FICA Lite account. To upgrade the account, the Hello Paisa App/agent and browsers allow the user to add additional documents, including a proof of address, a selfie and a source of funds.

Hello Paisa allows transfer services from South Africa to several SADC countries. SADC countries not included are Eswatini and Botswana. Payout options range from bank deposits, cash payout and mobile wallet, and differ by SADC destinations.

SADC Country	Bank Deposit	Cash Pay Out	Mobile Wallet
Angola		- Western Union	
Botswana		- First Capital Bank - Western Union	- Orange Mobile
DRC		- Western Union	- Airtel Money - Orange Mobile - Vodacom
Lesotho			- M-PESA - Ecocash
Madagascar			- Orange Mobile - Airtel
Malawi	- CDH Investment Bank - Ecobank - National Bank - FDH Bank Limited - First Capital Bank - Standard Bank - NBS Bank - Centenary Bank	- Hello Paisa agents - Rennie's Foreign Exchange Ltd - Western Union - FMB Bank - First Capital Bank - NBS Bank - Agora Limited - Mybucks Bureau Ltd - National Bank of Malawi - Standard Bank Bureau - Post Dot net - Victoria Forex - FDH Bank Ltd	- Airtel Money - TNM Mobile Money
Mauritius		- Western Union	
Mozambique		- Western Union - First Capital Bank	- M-PESA
Tanzania	- CRDB - National Bank of Commerce - National Microfinance Bank - Akiba Commercial Bank - Stanbic Bank - Barclays Bank - First National Bank - Equity Bank - Exim Bank	- Western Union	- Tigo - Airtel Mobile - M-PESA
Zambia	- Absa Bank - Zanaco - FNB - Access Bank - Atlas Mara - Bank of China - Citibank - First Capital - United Bank for Africa - Ecobank	Western Union	- MTN Mobile - Airtel Mobile
Zimbabwe		- Hello Paisa agents - First Capital Bank - CBZ Banks - Metbank - Steward Bank	- EcoCash

The quote will display the fees/charges as well as the proposed exchange rate, amount paid in both currencies, and the final amount the receiver receives. Senders are also asked to confirm the purpose of the transaction (e.g. 'sending a gift'). After confirming a quote, the sender has 24 hours to pay for the transactions, after which it will expire. Based on the experience from the mystery shopping exercise, transaction fees/charges are based on a percentage of the total transaction amount. The proportion of fees range from 3% to 10%, sometimes as much as 25,3%, of the transaction size. For instance –

- For DRC: A R400 transaction incurs a fee of R100 (25,3%).
- For Zimbabwe: A R400 transaction incurs a fee of R35,22 (10%).

The time it takes for a recipient to receive a transaction can either be immediately or, in other instances, up to 24 hours.

Hello Paisa offers an in-person sign-up process that involves direct interaction with their agents to ensure thorough verification of customer documents. Prospective customers can visit any Hello Store location to initiate the registration. Required documents include a valid South African ID, foreign passport with a permit, or an asylum permit, along with proof of address.

Mama Money

Shoprite Send is a remittance service launched by the Shoprite Group to provide Mama Money was established in 2013, and focuses on offering low-cost digital solutions that enable seamless money transfers. Mama Money started with transfers to Zimbabwe, and has since expanded to eight other SADC countries.

To register, users can download the Mama Money app via the Apple App Store or Google Play Store. Registration involves providing a cell phone number, creating a secure PIN, and uploading documentation for verification. Accepted identification documents include South African ID books/cards, passports, asylum or refugee documents, and voter cards. Additionally, a physical address is captured via the phone's location services, and a photo of the user is required. The process is app-based, making registration accessible and straightforward, and is usually completed within 24 hours. However, the actual experience was much shorter than that (10-15 minutes).

The sending limits for Mama Money users are as follows:

- Standard Limit: Up to R5,000 per transaction and R25,000 per month
- Upgraded Limit: Up to R50,000 per transaction and R100,000 per month after upgrading the account – which entails uploading of proof of residence and proof of income

Mama Money supports multiple currencies, depending on the recipient's country. USD options are available for certain countries – such as Zimbabwe.

SADC Country	Bank Deposit	Cash Pay Out	Mobile Wallet
Botswana			- Orange Mobile
DRC		- Maxicash - Western Union	- Airtel - M-PESA - Orange Mobile
Madagascar			- Airtel - Orange Mobile
Malawi		- TNM - Victora Forex - FINCA - FDH	Airtel
Mozambique			- E-mola - M-PESA
Tanzania	- Access Bank - Akiba Commercial - Barclays Bank - CRBD - Eco Bank - International Commercial Bank - NBC Bank - Peoples Bank of Zanzibar - Standard Chartered Bank - United Bank for Africa	- Western Union	- Airtel - M-PESA - Tigo
Zambia			- Airtel Mobile - MTN
Zimbabwe		- AFC Bank - Access Forex - BankABC - CABS - First Capital Bank - NBS Bank - NMB Bank - O'Mari - POSB - Quest Financial Services - Steward Bank - Western Union - ZB Bank	- EcoCash

Mama Money allows the sender to choose the amount based on the amount to send (quoted in ZAR) or amount to receive (quoted in local currency). Mama Money generally applies a flat fee of R 25 across most countries for transactions, regardless of the transaction amount. This is consistent across Botswana, DRC, Zambia, Malawi, and Zimbabwe. To make the payment, the sender can either use online banking, EFT or cash at retail partners, including Pick 'n Pay and Shoprite.

In terms of the fund reflection, it takes a matter of minutes for the recipient to receive the notification of fund receipt. Especially when money is sent to a mobile money account.

Annexure G: Total cost unweighted by ADLA

Average of Total Cost USD55	AD	ADLA 2	ADLA 3	ADLA 4
Angola	28.44%		9.16%	
Botswana	28.53%	7.91%	5.03%	6.05%
Comoros	14.22%			
DRC	35.47%	7.61%	5.87%	9.25%
Eswatini	3.02%	10.02%	12.83%	
Lesotho	3.01%	10.00%	8.63%	2.54%
Madagascar	27.23%		5.26%	7.87%
Malawi	13.85%	-39.71%	-51.50%	-15.02%
Mauritius	21.12%			
Mozambique	22.65%	12.53%	5.60%	3.31%
Namibia	12.58%	14.65%		
Seychelles	20.92%			
Tanzania	23.57%	5.93%	5.02%	8.88%
Zambia	19.04%	32.62%	5.33%	10.60%
Zimbabwe	31.32%	5.52%	7.20%	8.68%
Average of Total Cost USD200	AD	ADLA 2	ADLA 3	ADLA 4
Angola	9.98%		9.17%	
Botswana	9.16%	6.45%	7.37%	5.24%
Comoros	5.32%			
DRC	10.25%	4.08%	5.86%	6.59%
Eswatini	0.83%	10.01%	12.32%	
Lesotho	0.83%	10.00%	8.50%	2.53%
Madagascar	7.76%		5.79%	8.18%
Malawi	7.38%	-38.53%	-51.35%	-19.79%
Mauritius	8.32%			
Mozambique	6.70%	10.94%	4.58%	5.08%
Namibia	4.21%	12.27%		
Seychelles	8.10%			
Tanzania	9.83%	4.25%	4.93%	6.27%
Zambia	6.97%	8.90%	5.40%	7.46%
Zimbabwe	9.05%	8.36%	7.20%	8.60%

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