

SA approves cross-border mobile money transfers

Cross-border money transfer services have been given the go ahead from South Africa to mobile wallets in Zimbabwe, Nigeria, Mozambique and Uganda.



Ambar Sur

[TerraPay](#), the world's first mobile payments switch, announced this week that it has successfully obtained regulatory approval from the South African Reserve Bank to launch cross-border money transfer services in South Africa.

This makes TerraPay the fifth company to be licensed as a category three Authorised Dealer in Foreign Exchange with limited authority, also known as ADLA 3, to conduct low value international money transfers in the country.

TerraPay is building global payments infrastructure for low-value cross-border transactions. The service interconnects mobile wallet service providers, financial institutions and money transfer operators in key send and receive markets. The license enables the company to enter into cross-border low value person-to-person payments in South Africa.

The South Africa market is highly complementary to TerraPay's international money transfer network in Africa, Europe and Middle-East countries. In the Initial roll-out, TerraPay will enable cross border money transfers from South Africa to mobile wallets in Zimbabwe, Nigeria, Mozambique and Uganda.

According to the World Bank, the global average cost of sending remittances was 7.43% of the amount sent by remitting customers. For remittances sent from South Africa, the average cost was 16.71%; more than double of the global average.

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Ambar Sur, founder & CEO of TerraPay said, “As per a report from FinMark trust, the bulk of remittance flows from South Africa are destined for Zimbabwe, Mozambique and Lesotho, with 85% of all migrants originating from these countries. Moreover, almost 70% of transfers to these countries are conducted informally, since the high cost of formal money transfers is a major barrier to accessing formal remittance channels.

“TerraPay is taking an aim to solve this problem of the migrants, by facilitating instant and cost-effective low value money transfers to mobile wallets. We are now open for business in South Africa and are actively looking to build strategic partnerships to further expand our footprint in the Southern Africa region.”

South Africa is a major send, as well as a receive market. Apart from sending remittances to all neighbouring Southern African countries, the country also receives remittances from UK, Australia and US. TerraPay’s global network is expected to support the growing demand for instant transfers in the region.

TerraPay, the world’s first mobile payments switch is a global transaction processing, clearing and settlement service for mobile wallets. It provides the interoperability engine that enables customers to send and receive real-time transactions across diverse payment instruments, platforms, and regions.

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