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WHAT IS AN INTERNATIONAL PAYMENT?

An International Payment is a money transfer that crosses national borders and usually involves **two different currencies**, for example Rands and Pounds (GBP), Rands and US Dollars (USD) or Rands and Australian Dollars (AUD). All International Payments are governed by Exchange Control regulations, and include the following key elements:

SWIFT

International Payments are made via **Telegraphic Transfers** (TT) between banks using an electronic communication system known as SWIFT (Society for Worldwide Interbank Financial Telecommunication).

This system has built-in security features making it a safe and reliable method of transferring funds electronically.

Foreign Exchange (FX)

The **foreign exchange rate** is the rate at which one currency is exchanged for another.

When making an outward International Payment, Rands are converted to the currency of the destination country.

If you are receiving an inward International payment, the incoming foreign currency is converted to Rands.

BoP Reporting / Exchange Control

All businesses and individuals are required to **provide a reason** for making or receiving an International Payment.

The reason is reported to the South African Reserve Bank (SARB) using a **Balance of Payment (BoP) code**.





TELEGRAPHIC TRANSFERS

Telegraphic Transfers are used for all International Payments, both outward and inward. Depending on whether you are sending or receiving funds, the account information requirements differ as follows:



Outward Telegraphic Transfer

This is the electronic transfer of funds **from your account** to an account outside South Africa. Outward Telegraphic Transfers can be used to pay for goods and services, for tuition fees, to send monetary gifts to family or friends, for travel purposes, etc.

To pay **an individual**, you will need their name, surname and full physical address. To pay **a company**, you will need the company name and their full physical address. You will also need:

- Their **account number** or **IBAN number**
- A valid bank **SWIFT code**.
- Depending on the country, you may need their **SORT or routing code**.
- You may also need to provide a **reason for your payment** (via a BOP code) depending on the exchange control requirements.

Important points to note about incoming International Payments

Once-off incoming payments: Once Standard Bank has received the funds from the sending bank, you may be contacted for disposal instructions, or you may have the funds credited to your account

Recurring payments: If you receive funds on a regular basis from the same person for the same reason, you can set up a Standing Settlement Instruction which will enable us to automatically process your payment without contacting you for further details.

Foreign currency payments: If funds are received in foreign currency it will be converted into local currency at the exchange rate at the time of providing the reason for payment, or you may instruct us to use a pre-booked deal.



Inward Telegraphic Transfer

This is the electronic transfer of funds from an overseas remitter/sender **to your account**. Inward Telegraphic Transfers are used for a variety of reasons, for example payments from debtors for goods supplied, monetary gifts from family or friends, refunds for goods purchased, etc.

To receive an international money transfer, you will need to provide the following account information to the remitter:

- **Account number** (provide your Standard Bank account number)
- **Branch/SORT code:** If this information is requested, please advise the sender of the **universal Standard Bank Code (051001)** to ensure that the branch code is not provided in the same field as your account number
- **Account type:** It is recommended that you use a cheque / savings account to receive international payments
- **Standard Bank's SWIFT address**, which is **SBZAJJ**



INTERNATIONAL PAYMENT FEES

All International Payments incur fees. Depending on the type of transaction, the following fees will apply:



Outward Telegraphic Transfer fees

- **Commission fee:** Standard Bank charges a commission fee which is a small percentage of the amount you send.
- **SWIFT fee:** Standard Bank charges a SWIFT fee to send international payments via the SWIFT network.



Inward Telegraphic Transfer fees

An inward payment incurs fees from the **sending bank**, **the beneficiary bank** (Standard Bank) and an **intermediary bank** in the event that the payment could not be sent directly to the beneficiary bank.

Please note:

Beneficiary bank fees vary from bank to bank and the amount is not known to Standard Bank. You can choose to pay the beneficiary bank's fees or have the beneficiary pay for their own bank fees. If you choose to pay, your account will be debited with a separate fee once the beneficiary bank has processed the payment. The options that determine how bank fees are paid are as follows:

- **SHA:** The sender and the beneficiary pay their own bank fees. This is the most popular option.
- **OUR:** The sender will pay both the sending and beneficiary banks fees.
- **BEN:** The beneficiary will pay for both the sending bank and his/her own bank fees.
Should there be any intermediary bank fees, these will be deducted off the amount sent to the beneficiary.



FOREIGN CURRENCY EXCHANGE SOLUTIONS

Foreign currency can be bought and sold in two ways: on a spot basis, or on a forward basis for delivery on a specified future date.

Spot Cover transactions - a foreign exchange spot transaction, also known as FX spot, is an agreement between two parties to buy one currency against selling another currency at an agreed price, for settlement within two business days. The exchange rate at which the transaction is done is called the spot exchange rate.

A Forward Exchange Contract, commonly known as an FEC or forward cover, is a contract between a bank and its customer, whereby a rate of exchange is fixed immediately for the buying and selling of one currency for another, for delivery at an agreed future date. A forward exchange contract (FEC) is an effective hedging tool, tantamount to an insurance policy, in that it protects traders and clients from unfavourable exchange rate fluctuations.

There are three types of Forward Exchange Contracts:



Fixed contract

This contract's rate of exchange is fixed and specified for a specific date in the future, known as the **maturity date**. The delivery of the foreign currency takes place on this date and at the exchange rate specified in the contract. A Fixed contract is suitable if you know the exact date on which a transaction will be finalised. For example, if you know that you will need to pay for merchandise on 15 December 2021, you can establish a fixed contract for that date.



Partially optional contract

In a partially optional contract, the terms of the contract are fixed from the establishment date until the option start date. After the option start date, the delivery of the foreign currency at the exchange rate specified in the contract can take place at any time **before the maturity date**. This contract would be suitable if you are certain that a transaction will not take place prior to the option start date, but you may need some flexibility thereafter.



Fully optional contract

In a fully optional contract, the delivery of the foreign currency can take place at the contract rate **at any time** during the existence of the contract. These contracts may be utilised either in whole or in part, at any time between the establishment date and the maturity date of the contract. These contracts are suitable if you do not know the exact date on which a transaction will take place, or if you wish to take out one contract for multiple transactions.



EXCHANGE CONTROL REGULATIONS

All cross-border foreign exchange transactions executed by South African residents are subject to the Exchange Control Regulations. The Financial Surveillance Department of the South African Reserve Bank ("SARB") is responsible for the administration of Exchange Controls applicable on inward and outward cross-border foreign exchange transactions. The SARB has issued the Currency and Exchanges Manual for Authorised Dealers ("CEMAD") which contains the permissions and conditions applicable to cross-border foreign exchange transactions that may be undertaken by Authorised Dealers (i.e. Standard Bank) on behalf of their clients (i.e. Business Entities and Private Individuals). Where Standard Bank is not empowered to approve the cross-border foreign exchange transaction a suitably motivated application must be submitted to the SARB for their consideration and approval.



Exchange Controls on business entities

The foreign exchange restrictions on South African resident business entities has, over the last few years, been liberalised with the intention to reduce the administrative burden for businesses undertaking foreign exchange transactions. The CEMAD as issued by the SARB outlines all the permissions and conditions applicable to business entities that conduct cross-border foreign exchange business.

Standard Bank will assess all cross-border foreign exchange transactions of business entities against the permissions and conditions outlined in the CEMAD, and where Standard Bank is not empowered to approve the cross-border foreign exchange transaction of business entities, a suitably motivated application must be submitted to the SARB for consideration and approval. Standard Bank has a team of Exchange Control specialists who will support clients with the process and the formulation of a suitable Exchange Control application to the SARB.



Exchange Controls on private individuals

The foreign exchange restrictions applicable on Private Individuals has, similar to restrictions on Business Entities, been reformed over the years to reduce the administrative burden when undertaking foreign exchange transactions. The CEMAD outlines all the permissions and conditions applicable to private individuals, including private individuals who have ceased to be residents for tax purposes in South Africa, immigrants, foreign nationals and CMA residents.

Private individuals resident in South Africa have a specific allowance made available to them by the SARB as outlined in the CEMAD. Private Individuals resident in South Africa are allowed to avail of a Single Discretionary Allowance (SDA) limit of R1 million per calendar year which may be used for any legal purpose abroad including international payments. Private individuals may also avail of the Foreign Capital Allowance of up to R10 million per calendar year subject to production of the SARS Tax Compliance Status (i.e. TCS Pin Letter issued by SARS).

For assistance with your exchange control requirements and International Payments please contact your Relationship Manager and/or Banker.



MAKING INTERNATIONAL PAYMENTS DIGITALLY

Our digital banking channels make International Payments **safe, fast, and easy** for both individuals and businesses. You will be able to:

- **Pay beneficiaries** anywhere in the world, at any time, directly from your personal transaction or business banking account.
- **View the latest foreign exchange rates.**
- Make payments in **any Standard Bank traded and settled currency.**
- View **past transactions** and track pending International Payments.

Using our digital channels to make International Payments is **completely secure**, as all transactions are authenticated and protected by advanced security features. You will also enjoy the following benefits:



Convenience

Make international payments and more, anytime, anywhere. Plus, **select who pays the transaction fees** (you, the recipient, or split).



Confidence

Use our easy step-by-step guide to make **secure payments** that comply with exchange control regulations.



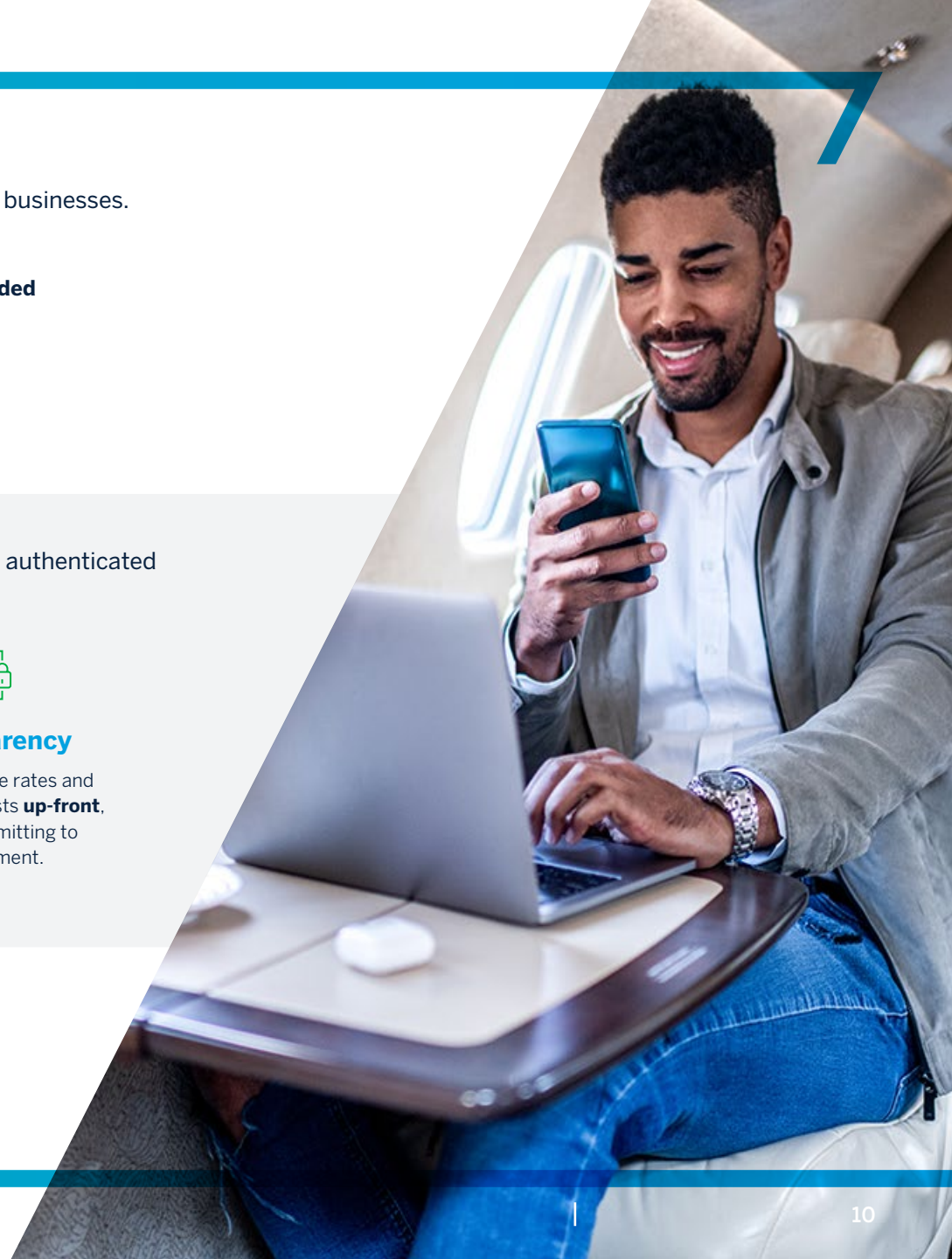
Control

Track payments, view your transaction history and repay beneficiaries without having to re-enter information.



Transparency

View exchange rates and transaction costs **up-front**, before committing to the payment.



DIGITAL CHANNELS FOR INDIVIDUALS

Personal International Payments can be made on:



Internet Banking

Making International Payments online is not only faster than manual payments, it is also **safer and more convenient**. With Internet Banking you can:

- Make **International Payments** anytime
- **Move funds** to offshore accounts
- Make **transfers** to third party beneficiaries
- Access more than **30 currencies**
- **Get guidance** with choosing the Reason for Payment (BoP), as well as the supporting documents required for your payments
- **Receive automated support** and guidance while you capture your payment



Mobile Banking App

Make international payments, view forex rates and even purchase your foreign exchange, all **from the palm of your hand**. With our Mobile Banking App you can:

- Make International Payments **instantly** on your smartphone or tablet
- **View the latest foreign exchange rates** without having to sign-in to the App
- **Move funds** to offshore accounts
- Make **transfers** to third party beneficiaries
- View **past transactions** and track pending international payments
- Access more than **30 currencies**



Shyft

Our award-winning Shyft App makes Forex fast and easy – **no queues, no paperwork, no hassle!** Download Shyft from your app store and you can:

- Make **international payments** to anyone, anywhere in the world.
- Buy selected forex in **US Dollars, Pounds, Euros and Australian Dollars**, directly from your mobile device.
- Enjoy **all-inclusive**, highly competitive live rates.
- View **balances and exchange between currencies** – all at the touch of a button.
- Create multiple **virtual cards** for online shopping.
- Order a **multi-currency physical card** which you can use for purchases while travelling.

DIGITAL CHANNELS FOR BUSINESSES

Business International Payments can be made on:



Internet Banking (suitable for Small Enterprises)

- View exchange rates upfront and book competitive SPOT rates
- View international payment history
- Track the status of current payments
- Repay past beneficiaries without re-entering all the details
- Upload the requested documents online
- No registration needed for existing Online Banking clients
- Make payments of up to R1.5 million per transaction
- Detailed FAQs available to guide you through every step of the process.



Business Online (suitable for Business and Commercial clients)

- Enables segregation of duties and individual limits.
- Integrates with mainstream accounting packages.
- Facilitates Balance of Payments (BoP) reporting required under exchange control regulations.
- CFC Account Management including funds transfers, statements, etc.
- Allows you to make future dated payments
- Suitable for businesses who make more than 15 International Payments per year, or those who are utilising Business Online for their Domestic Payments.

The Business Online platform also offers a comprehensive and highly efficient foreign exchange dealing service, including:

Electronic trading (Spot and Forward)
Real-time dealing and execution
Indicative rates
Online confirmations

Market to market reporting
Archive search and record
of historical and related deals
Price transparency and consistency

e-MARKET TRADER

eMarketTrader is Standard Bank's advanced cross-asset electronic trading platform, bringing together market intelligence and research, real-time pricing, trade execution and post-trade services through a single web-based platform. eMarketTrader offers a range of capabilities, with features and benefits designed to suit your trading style and needs. These include:



Features

- Foreign Exchange rates in 64 major currencies across Africa, Asia, Latin America and emerging Europe
- Precious Metals pricing for gold, silver, platinum and palladium
- Customisable interface and workflows
- Pre-configured as well as customisable groups of instruments
- Easy navigation to market leading research and post-trade services
- Archive search and record of historical and related deals
- Trading from any internet-based computer



Benefits

- Real-time dealing and execution
- Executable live streaming spot and forwards
- Executable streaming pricing ladders
- Indicative rates
- Sophisticated order and deal management
- One-way and two-way pricing allows visibility and access to the sides of the market that affect your business
- Limit orders, including stops, linked and profit-take
- Price transparency and consistency
- Online confirmations

eMarketTrader is built using state of the art technology and runs in popular web browsers with no need to download or install any software. All you have to do is go to emarkettrader.standardbank.com and register with your username and self-selected password. Then just select the currency to be traded, choose a settlement date and click to get an FX quote!

To find out more about how eMarketTrader can make your international trading experience more intuitive and more effortless, click [here](#).

e-MARKET TRADER MOBILE

eMarketTrader Mobile brings all the convenience you are familiar with on the web directly to your mobile device. eMarketTrader is a **free app** which can be downloaded from your preferred mobile app store (Android and iOS supported).

eMarketTrader Mobile enables you to leverage the power of your mobile to support your business activities, allowing you to track market movement and buy or sell currency directly through the app (both SPOT and Forward Exchange Contracts).



Features and benefits

- Real-time (indicative) currency prices, updated each minute from the trading desk
- Graphing history (day, week, month)
- Currency price alerts in-app, or via sms and email
- Market commentary

It's easy to get started

All you have to do is search for eMarketTrader in your app store. Once you have downloaded the app, click '**Register Now**' and follow the easy steps to create a profile.

Please note that if you have an existing eMarketTrader web account, you will still need to register. Once this is done, just click on 'Trade' and follow the steps to link your trading profile.



CONTACT US

Our extensive experience in Trade and Forex means we can provide you with comprehensive solutions to meet all your Foreign Exchange and International Payment needs. For more information please contact:

- International Payments Desk Email:
InternationalPaymentService@standardbank.co.za
- For information on our Foreign Exchange solutions, visit
<https://www.standardbank.co.za/southafrica/business/products-and-services/bank-with-us/foreign-exchange>
- For information on Shyft, visit
www.getshyft.co.za or email **support@getshyft.co.za**

For information about International Payments for Individuals,
[click here](#) to visit our International Payments website

For information about International Payments for Business,
[click here](#) to visit our International Payments website



GLOSSARY OF TERMS

International Bank Account Number (IBAN)

The IBAN consists of an alphabetical country code, followed by two numbers and up to 35 characters. Together, these identify the country, bank and the beneficiary's account number. Most European countries use IBAN account formats.

Example: GB25SBIC40523378945612.

Some countries, such as South Africa and America, do not use IBAN and a normal account number is used for International Payments. The account number only identifies the account at a bank and holds no additional information.

SWIFT Code

A SWIFT code is a code used to identify the country, bank and branch that an account is registered to. When you send money to a bank account overseas, you'll need this code to ensure that your money's going to the right place. A SWIFT code is sometimes called a BIC (Bank Identifier Code), e.g. Standard Bank South Africa's SWIFT address is SBZAZAJJ.

Beneficiary

The individual or entity who will receive the funds you're sending.

BoP / Balance of Payment / Reason for Payment

South African legislation requires you to provide a reason why you're making an International Payment. The South African Reserve Bank (SARB) uses a set of predetermined codes for this, called Balance of Payment (BoP) codes.

BoP Category Code

A BoP code relates to a unique type of payment (inward or outward). When making payments, you must associate every inward or outward payment to a BoP category. This process assists the SARB in identifying the country's surplus or deficit in the country's current account.

Example: 101-01 – Import advance payment (excluding capital goods, gold, platinum, crude oil, refined petroleum products, diamonds, steel, coal, iron ore and goods imported via the South African Post Office).

Customs Client Number (CCN) / Importers code

If you import goods into South Africa, you need to register as an importer with SARS and apply for a Customs Client Number (CCN), also known as an Importers code. The Customs Client Number (CCN) must be supplied/ completed for import transactions, and a valid CCN of the relevant importer must be reported. To obtain a CCN, please contact SARS.

Exchange Control (EXCON)

Exchange controls are government-imposed restrictions on the purchase and/or sale of currencies. These controls allow countries to better stabilise their economies by limiting in-flows and out-flows of currency, which can create exchange rate volatility.

An authorised dealer must handle cross-border foreign exchange transactions as set out in the Currency and Exchanges Manual for Authorised Dealers (CEMAD) as issued by the SARB.



*Terms and conditions apply.

The Standard Bank of South Africa Limited (Registration Number 1962/000738/06) is an authorised financial services and credit provider (NCR CP15). SBSA GMS 15604

Standard Bank **IT CAN BE™**