

International currency conversion and cross-border card fees

FREQUENTLY ASKED QUESTIONS

What changes are being made to the cross-border card fees?

The following changes are being made to the cross-border card fee that was introduced on 10 August 2023:

- The cross-border card fee for foreign currency card transactions has been replaced with an international currency conversion fee of 2%.
- The cross-border card fee of 2% will be capped at R100 per transaction and will only be charged on rand-based transactions where the merchant or cash provider is outside of South Africa.
- We have also updated how we identify foreign merchant and cash provider transactions that are subject to a cross-border card fee. These transactions can easily be identified on statements as the transaction descriptor will not end in 'ZA'.
- The changes will be effective 14 November 2023.

Why are changes being made to the cross-border card fees?

As a leading, international private bank, we believe in providing our clients with fair and affordable fees. Our clients make international card payments for a variety of reasons, such as subscriptions and travel. We strive to be as transparent as possible with any fees associated with these transactions.

Based on our client feedback, we have decided to make these changes ahead of the busy travel season rather than to wait for our annual fee review.

What is the international currency conversion fee?

The international currency conversion fee is charged on all card transactions that debit your Private Bank Account in foreign currency (not South African rand).

The fee is calculated as 2% on the rand value of the transaction, charged across all account types (including the Youth Account) and is included in the rand value of the transaction i.e. does not show as a separate entry on your statement and transactional history.

What exchange rate is applied to foreign currency card transactions?

Visa apply the exchange rate conversion on Investec's behalf, and Investec has no share in that conversion..

What is the cross-border card fee?

The cross-border card fee is charged on all card transactions that debit your Private Bank Account in South African rand where the merchant or cash provider has its banking service provider outside of South Africa. These foreign merchant and cash provider transactions can be easily identified on your statement and transactional history as the transaction descriptor will **not end** in 'ZA'.

The fee is calculated as 2% on the rand value of the transaction, charged across all account types (including the Youth Account) and is capped at R100 per transaction. The cross-border card fee reflects as a separate entry on your statement and transactional history.

How will I know if a rand-based card transaction is going to be charged the cross-border card fee?

Unless the merchant or cash provider notifies you that their banking service provider is outside of South Africa, it is not possible to confirm if the card transaction will be charged the cross-border card fee before processing the transaction.

Are the international currency conversion and cross-border card fees Visa fees?

No, the international currency conversion and cross-border card fees are not Visa fees – these are Investec fees.

FREQUENTLY ASKED QUESTIONS

Why are the international currency conversion and cross-border card fees charged

The international currency conversion and cross-border card fees are charged to cover the processing costs that Investec incurs for transactions that are in a foreign currency or where the merchant or cash provider charges in South African rand and has its banking service provider outside of South Africa.

Can you give me an example of merchants that may charge in rand, but have banking service providers outside of South Africa?

Examples include (but are not limited to) Netflix, Amazon, Microsoft, Apple Music, Booking.com, Google, Facebook etc. Please note that these examples are subject to change

What type of card transactions incur the international currency conversion fee?

The international currency conversion fee is charged on all:

- Investec Visa card purchases (in-store and online).
- Cash deposits into your Private Bank account at a point-of-sale using your Investec Visa Card.
- Cash withdrawals (ATM and branch).
- Refunded card transactions.

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- Cash deposits into your Private Bank account at a point-of-sale using your Investec Visa Card.
- Cash withdrawals (ATM and branch).

Why are refunded card transactions charged the international currency conversion fee?

Refunds are processed as new transactions and incur processing costs, which the international currency conversion fee then covers.

When are the international currency conversion and cross-border card fees charged?

The international currency conversion fee is included in the the rand value of the transaction from when the transaction is pending.

The cross-border card fee is only charged when the card transaction is settled from your Private Bank Account and is **not** charged on pending card transactions.

Are international currency conversion and cross-border card fees inclusive of VAT?

Yes, the international currency conversion and cross-border card fees are inclusive of VAT.

Can I claim VAT on the international currency conversion and cross-border card fees?

Please consult your tax advisor to confirm if you can claim VAT on the international currency conversion and cross-border card fees.

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FREQUENTLY ASKED QUESTIONS

Do the international currency conversion and cross-border card fees impact my single discretionary allowance (SDA)?

The international currency conversion fee **does** impact your SDA as it is included in the the rand value of the transaction.

The cross-border card fee **does not** impact your SDA, but the cross-border card transaction will add to your SDA.

What are the differences between the international currency conversion and the cross-border card fees?

1. The international currency conversion fee is charged on all card transactions that debit your Private Bank Account in foreign currency (not South African rand). The cross-border card fee is charged on all card transactions that debit your Private Bank Account in South African rand where the merchant or cash provider has its banking service provider outside of South Africa.
2. There is no cap on the international currency conversion fee. The cross-border card fee is capped at R100 per transaction.
3. The international currency conversion fee is included in the rand value of the transaction and not shown as a separate entry on your statement and transactional history. The cross-border card fee reflects as a separate entry on your statement and transactional history.
4. The international currency conversion fee is included in the the rand value of the transaction from when the transaction is pending. The cross-border card fee is only charged when the card transaction is settled from your Private Bank Account and is not charged on pending card transactions.
5. The international currency conversion fee **does** impact your SDA as it is included in the the rand value of the transaction. The cross-border card fee **does not** impact your SDA, but the cross-border card transaction will add to your SDA.

