

# DIGITAL TOOLS REDEFINE CROSS-BORDER BANKING IN EA

By Vision Reporter

**A**s regional trade within the East African Community (EAC) accelerates, banks are deploying cutting-edge digital tools to simplify cross-border transactions, fundamentally redefining how capital moves between nations. This transformation is particularly vital for Uganda, an economy highly dependent on trade and diaspora remittances.

According to Mark Muyobo, the chief executive officer of NCBA Bank Uganda, digital technology is not just transforming how people bank, but redefining how businesses trade across borders.

Banks, he said, are embracing open banking principles by exposing their core systems through Application Programming Interfaces (APIs).

"This allows companies to initiate bulk cross-border payments directly from their own Enterprise Resource Planning (ERP) software, cutting out manual processes and allowing businesses to execute complex transactions with a single click," he noted. While these developments are supposed to make customers' transactions seamless, players need

to develop robust systems to protect them from increased cyber attacks and third-party risks.

To serve the region's remittance-driven economy, Muyobo said banks are strategically linking formal finance with popular mobile money platforms.

By forming deep partnerships with Mobile Network Operators (MNOs) or developing proprietary Apps, he said, banks facilitate seamless bank-to-mobile money transfers across borders.

Traditional Letters of Credit (LCs) and guarantees, once burdened by slow, paper-based processes, are also now being digitised. According to Muyobo, banks are leveraging platforms based on Distributed Ledger Technology (DLT), which significantly reduces operational risk and cuts processing times from days to mere hours for importers and exporters.

## OVERCOMING CHALLENGES

Despite the technological leaps, major structural hurdles remain. Muyobo pointed out that a reliance on legacy infrastructure and limited interoperability between national payment systems creates friction. This is further complicated by differing Know-Your-Customer



NCBA Bank CEO Mark Muyobo

(KYC) and foreign exchange regulations across EAC countries, which slow down real-time banking. "Despite these challenges, the rise of digital technology is creating new possibilities. APIs, instant payment rails and straight-through processing (STP) are helping us eliminate manual steps, lower costs and improve efficiency," Muyobo observed.

For Uganda's growing SME sector,

## DIGITAL TRADE FINANCE PORTAL

NCBA has integrated with partners like MTN to enable digital lending even while clients are transacting across borders. The digital trade finance portal on the soon-to-be launched new internet banking platform - NCBA ConnectPlus will also

change the way importers and exporters submit documents and track LCs. By integrating with FinTechs, the bank is also enabling exporters to access pre-shipment and post-shipment financing based on real-time sales data, ensuring faster access to crucial funds.

these advances are crucial, allowing small exporters and importers to transact regionally without prohibitive fees or delays.

Muyobo also said NCBA gives customers a unified account experience across multiple countries (Uganda, Kenya, Tanzania, Rwanda), allowing them to operate seamlessly with harmonised on-boarding and account management.

Herbert Kafeero, the programmes and communications manager at SEATINI Uganda, believes the future of cross-border banking is being shaped by a powerful blend of technological innovation and regulatory modernisation.

According to Kafeero, regional central banks are supporting this

through the adoption of new messaging standards (like ISO 20022) and the use of sandbox initiatives to test new payment solutions.

He predicted that the introduction of Central Bank Digital Currencies (CBDCs), interoperable mobile money corridors, and sophisticated blockchain-based trade finance systems will further redefine how value moves across the region.

"The future is about making trade seamless, inclusive and affordable. Banks are building the kind of infrastructure that empowers customers to transact across borders with the same ease they enjoy locally, and that is what counts," he said.