



South African Reserve Bank

Financial Surveillance Department

2012-02-20

Exchange Control Circular No. 3/2012

Amendments to the Exchange Control Rulings

Flowing from representations made and with specific reference to Exchange Control Circular No. 17/2011, Authorised Dealers are advised of the following amendments to the Exchange Control Rulings:

Section D.1(B)(i)(j)

The entire subsection has been deleted and substituted with the following:

“Authorised Dealers may allow South African corporates to cover forward up to 75 per cent of budgeted import commitments or export accruals, in respect of the following financial year, subject to the following conditions:

- (aa) All matured sales contracts must relate to firm and ascertainable underlying commitments and the underlying documentation must be viewed at the time of settlement, in accordance with Sections B.1(B) and (F) of the Rulings;
- (bb) in respect of exports, all matured contracts must relate to firm and ascertainable underlying accruals and the requirements of Section B.18 of the Rulings must in each instance be adhered to;
- (cc) under no circumstances may the contracts be used as a mechanism to speculate against the Rand;

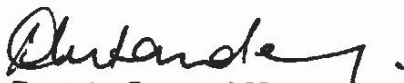
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- (dd) proceeds of matured Forward Exchange Sales Contracts may only be credited to the applicant's C.F.C. account in terms of the provisions of Section E.(B)(ii)(f) of the Rulings; and
- (ee) any unutilised portion of the contracts must be swapped in terms of the provisions of Section D.1(F) of the Rulings.

Authorised Dealer(s) with whom the applicant company transact must ensure that the conditions outlined above are strictly adhered to.

Authorised Dealers must be furnished with a written letter from their customers, signed by two senior officials, confirming that the above conditions were adhered to, together with a detailed schedule of utilisation to ensure compliance with the limit authorised, prior to considering a request for the next financial year."

Replacement pages of the Exchange Control Rulings incorporating the relevant amendments are attached hereto.


Deputy General Manager