

14/6/2_2015

Financial Surveillance Department

2015-12-15

Exchange Control Circular No. 35/2015**Compliance with Section J.(D)(i) and J.(F)(i) of Exchange Control Rulings**

Following various inspections that were conducted on the FinSurv Reporting System, it was found that not all Reporting Entities comply fully with the requirements of Section J.(D)(i) and J.(F)(i) of Exchange Control Rulings.

In terms of the aforementioned sections, Reporting Entities must ensure to correctly report all cross-border transactions within two business days from the value date of the transaction. For transactions rejected by the Financial Surveillance Department (FinSurv) of the South African Reserve Bank (SARB), Reporting Entities must correct and resubmit the said transactions in the agreed format within one business day from the date of such rejection.

However, with regard to the high volume of transactions which were rejected in relation to error code 220 (Transaction already stored on SARB database), Reporting Entities are advised that as an interim arrangement and until further notice these rejections should be ignored.

Error 220 was caused by, inter alia, the following:

- 1) The transaction reference numbers were being duplicated in the Card system of the Reporting Entities. FinSurv is in the process of identifying these transactions that have the same reference numbers but with different data content from the original XML files received. Once these transactions have

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been identified, a complete list will be provided to the affected Reporting Entities to allocate a new unique reference number for resubmission to FinSurv. Reporting Entities are also urged to investigate the uniqueness of transaction reference numbers submitted to FinSurv and in particular in the Visa / Master Card environment.

- 2) Due to a time-out error in the FinSurv Reporting System, some transactions with the same reference number were stored on our database. These transactions include:
 - a) “True” duplications, which are transactions with the same transactional data.
 - b) Duplications representing different transactional data.

These transactions will be identified and forwarded to the affected Reporting Entities together with a procedure as to how the FinSurv database must be corrected.

Head of Department: Financial Surveillance

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