



South African Reserve Bank

Financial Surveillance Department

2018-08-02

Exchange Control Circular No. 12/2018

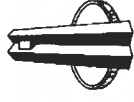
Amendments to the Currency and Exchanges Manuals and the guideline documents

Flowing from representations made, various amendments to the Manuals and guideline documents are hereby implemented.

For ease of reference, attached is a schedule highlighting the amendments made to the applicable Manuals.

The amended Manuals and guideline documents may be accessed on the SARB website: www.reservebank.co.za by following the links: Home>Regulation and supervision>Financial surveillance and exchange controls>Currency and exchanges documents.

 Head of Department: Financial Surveillance



South African Reserve Bank
Financial Surveillance Department

A. Currency and Exchanges Manual for Authorised Dealers

Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers
1.	A.1	Definition of foreign currency The definition of foreign currency has been amended as follows: Foreign currency means any currency other than currency that is legal tender in South Africa, but excludes the currencies of Lesotho, Namibia and Swaziland. Foreign currency is deemed to include any bill of exchange, letter of credit, money order, postal order, promissory note, travellers' cheque or any other instrument of foreign exchange.
2.	A.1	Definition of non-resident Rand The definition of non-resident Rand has been added in the section as follows: Non-resident Rand means Rand to or from a non-resident account that may be deemed, in certain circumstances permissible elsewhere in the Authorised Dealer Manual, as an acceptable payment mechanism in lieu of foreign currency. It should be noted that non-resident Rand cannot in any manner be defined as foreign currency. It is purely Rand held in a non-resident account or Rand received from a non-resident source.
3.	A.4(B)(ii)	Treasury outsourcing companies and foreign exchange brokers The subsection has been deleted and substituted with the following:

Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers
		The treasury outsourcing company and foreign exchange broker application form may be downloaded from the South African Reserve Bank's website: www.reservebank.co.za by following the links: Home>Regulation and supervision>Financial surveillance and exchange controls>Guidelines>Treasury outsourcing companies/foreign exchange brokers application form.
4.	A.4(C)(i)(a) &(b)	Treasury outsourcing companies and foreign exchange brokers The subsections have been amended as follows: (a) the treasury outsourcing company or foreign exchange broker must at all times be in possession of a valid Financial Services Provider license issued by the Financial Sector Conduct Authority. (b) a letter of compliance, on the official letterhead of the treasury outsourcing company or foreign exchange broker signed by two senior officials, must be submitted to the Financial Surveillance Department on an annual basis, for the period ending 31 December of each year. The letter of compliance must be emailed to SARBTtoC@resbank.co.za, specifying the wording 'Treasury Outsourcing Company/Foreign Exchange Broker Letter of Compliance' in the subject field. The format of the letter of compliance can be downloaded from the South African Reserve Bank's website: www.reservebank.co.za by following the links: Home>Regulation and supervision>Financial surveillance and exchange controls>Guidelines>Treasury outsourcing company/foreign exchange broker letter of compliance.
5.	A.4(C)(i)(l)	Treasury outsourcing companies and foreign exchange brokers The subsection has been amended as follows: (l) the requirements of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) must be complied with by the Authorised Dealer and the treasury outsourcing company or foreign exchange broker concerned. In addition, the treasury outsourcing company or foreign exchange broker must comply with the requirements of the Financial Advisory and Intermediary Services Act, 2002 (Act No.37 of 2002);

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Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers
6.	B.2(G)(iv)	South African private equity funds Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
7.	B.2(H)(i)(d)	South African institutional investors Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
8.	B.2(H)(iii)(a), (e), (i) & (j)	South African institutional investors Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
9.	B.2(H)(iv)(a)(aa) & (d)	South African institutional investors Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
10.	B.2(I)(i), (iii) & (x)	Macro-prudential limit for Authorised Dealers Reference to 'Bank Supervision Department' has been deleted and replaced with Prudential Authority of the South African Reserve Bank.
11.	B.2(I)(xii)	Macro-prudential limit for Authorised Dealers The subsection has been amended as follows:

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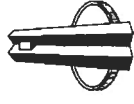
Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers
		(xii) The Macro-Prudential Foreign Exposure Limit Return must be submitted under cover of an application to the Financial Surveillance Department.
12.	B.2(K)(i)(a) & (b)	Legacies and distributions from deceased estates and testamentary trusts (i) Estates of residents (a) Cash bequests and the cash proceeds of legacies and distributions from resident estates due to non-resident private individuals, non-resident entities and/or trusts with no direct and/or indirect South African interest, including emigrants, may be remitted abroad, provided that the Liquidation and Distribution Account bearing a Master of the High Court reference number has been viewed. (b) In cases where the total assets of the resident estate is less than R250 000, cash bequests and the cash proceeds of legacies due to non-resident private individuals, non-resident entities and/or trusts with no direct and/or indirect South African interest, including emigrants, may be remitted abroad, provided that the Last Will and Testament and Letter of Executorship or Authority have been viewed.
13.	B.10(C)(iv), (iv)(a)&(c)	Insurance and pensions - Applications to the Financial Services Board Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
14.	B.10(C)(vii)(b)	Insurance and pensions - Refund of pro rata worldwide corporate group insurance Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
15.	B.10(D)(ii)(a)	Insurance and pensions - General

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Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers
		Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.
16.	G.(A)(iii)(k)	Securities control – Authorised banks Authorised Dealers are advised of the following amendment to the branch or entity appointed as Authorised bank under the heading of Nedbank Limited. Name deleted: Non-Resident and Embassy Banking (NREB) – KwaZulu Natal
17.	H.(A)(ii)	Inward listings on the JSE Limited - Introduction Reference to 'Financial Services Board' has been deleted and replaced with 'Financial Sector Conduct Authority'.

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B. Currency and Exchanges Manual for Authorised Dealers with limited authority (ADLAs)

Item no	Section of the Manual	Amendment in the Currency and Exchanges Manual for Authorised Dealers with limited authority
18.	A.1	Definition of foreign currency The definition of foreign currency has been amended as follows: Foreign currency means any currency other than currency that is legal tender in South Africa, but excludes the currencies of Lesotho, Namibia and Swaziland. Foreign currency is deemed to include any bill of exchange, letter of credit, money order, postal order, promissory note, travellers' cheque or any other instrument of foreign exchange.
19.	A.1	Definition of non-resident Rand The definition of non-resident Rand has been added in the section as follows: Non-resident Rand means Rand to or from a non-resident account that may be deemed, in certain circumstances permissible elsewhere in the Authorised Dealer Manual, as an acceptable payment mechanism in lieu of foreign currency. It should be noted that non-resident Rand cannot in any manner be defined as foreign currency. It is purely Rand held in a non-resident account or Rand received from a non-resident source.

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