



South African Reserve Bank

Financial Surveillance Department

2019-10-31

## Exchange Control Circular No. 17/2019

### Statement on exchange control

The attention of Authorised Dealers is drawn to the further exchange control reforms announced by the Minister of Finance in the 2019 Medium Term Budget Policy Statement, a copy of an extract is attached for ease of reference.

Circulars, in amplification of the foregoing, have been issued accordingly.

The amended Manuals and guideline documents may be accessed on the SARB website: [www.reservebank.co.za](http://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**

We will take stronger measures to fight illegitimate cross-border flows and tax evasion. Our approach to money laundering will be reviewed by the Financial Action Task Force.

Steps are also being taken to strengthen co-operation between the Financial Intelligence Centre, the South African Reserve Bank and SARS.

To promote investment and reduce unnecessary burdensome approvals, by Budget Day, the South African Reserve Bank will propose a more modern, transparent and risk-based approvals framework for cross-border flows. Rules on active currency hedging, loops, and mortgages for individuals living and working in South Africa will be reformed. To support regional integration, the HoldCo regime will be extended to all banks.

Madam Speaker, the South African Reserve Bank has, during a very difficult period, kept inflation stable. They also declared a substantially increased profit share to the government. The Bank is a strange creature of statute – even though we do not own it, the National Revenue Fund receives 90 per cent of the profits, after provisions ordinarily made by bankers.

It is a beautiful arrangement – we do not have to invest any money in the Bank, but we get almost all the profits plus taxes.

*2019 Medium Term Budget Policy Statement Speech*