



South African Reserve Bank
Financial Surveillance Department

2019-11-12

Exchange Control Circular No. 24/2019

Emigrants - implementation of the electronic Tax Compliance Status system

Authorised Dealers are advised that with immediate effect, the South African Revenue Service (SARS) will no longer be issuing printed Tax Clearance Certificates (TCCs). An electronic Tax Compliance Status (TCS) system on SARS eFiling has been implemented and requires taxpayers to verify their compliance status through the use of a TCS PIN. The TCS PIN may be shared electronically with any third parties, inter alia, Authorised Dealers.

Furthermore, Authorised Dealers must note that all assets that were previously not declared on emigration, excluding where the assets represent an inheritance and/or insurance policies, must be referred to SARS for a tax directive. Subsequently, an application must be submitted to the Financial Surveillance Department accompanied by a printed tax compliance status verification result obtained via the TCS system reflecting the compliance status of the applicant(s) including the value of the capital assets declared to and approved for transfer by SARS.

As a result, the following amendments to the Currency and Exchanges Manual for Authorised Dealers have been made:

Section B.2(J)(i)(b)

The subsection has been amended as follows:



- (b) All emigration applications must be accompanied by a duly completed Form MP 336(b) signed by the applicant, together with a printed tax compliance status verification result obtained via the SARS Tax Compliance Status (TCS) system reflecting the compliance status of the applicant(s) including a breakdown of the remaining capital assets held in South Africa. It should be noted that all subsequent transfers by emigrants will depend on the current tax compliance status at the date and time the TCS PIN is used. A TCS PIN will be issued where the remaining value of the assets on emigration are above the limits outlined in subsection (ii)(a) below and a TCS PIN Good Standing will be issued where the remaining value of the assets on emigration are within the limits outlined in subsection (ii)(a) below.

Section B.2(J)(v)(a)(hh)

The subsection has been amended as follows:

- (hh) Emigrants wishing to avail of the dispensation in (gg) above must furnish the Authorised Dealer with a TCS PIN issued letter to enable the Authorised Dealer to print a tax compliance status verification result obtained via the TCS system reflecting the compliance status of an emigrant including the value of the capital assets authorised for transfer by SARS. The aforementioned printout must accompany an application to the Financial Surveillance Department for consideration.

Section B.2(J)(v)(a)(ii)

The subsection has been amended as follows:

- (ii) If approval has been granted by the Financial Surveillance Department, the Authorised Dealer must verify the taxpayer's tax compliance status via the TCS system prior to effecting any transfers. Authorised Dealers should note that the TCS PIN can expire and should the Authorised Dealers find that the TCS PIN has indeed expired, the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance status. Authorised Dealers must retain the printout referred to in (hh) above for a period of five years for inspection purposes.

Section B.2(J)(v)(a)(II)

A new subsection has been inserted as follows:

- (II) All previously undeclared assets, excluding where the assets represent an inheritance and/or insurance policies, must be referred to SARS for a tax directive. Subsequently, an application must be submitted to the Financial Surveillance Department accompanied by a printed tax compliance status verification result obtained via the TCS system reflecting the compliance status of the applicant(s) including the value of the capital assets declared to and approved for transfer by SARS.

Section B.2(J)(vi)(a)(aa)

The subsection has been amended as follows:

- (aa) in respect of single persons and family units emigrating the net value of the assets (excluding household and personal effects, caravans, motor vehicles, motor cycles and trailers to be exported) does not exceed the sum of R10 million in the case of a single person or R 20 million in the case of a family unit. Where the aforementioned respective amounts are exceeded, an application supported by a completed Form MP 336(b) together with a printed tax compliance status verification result obtained via the TCS system reflecting the compliance status of the applicant(s) as well as a breakdown of the remaining capital assets held in South Africa must be submitted to the Financial Surveillance Department for consideration;

Section B.2(J)(vi)(a)(hh)

- (hh) Authorised Dealers are furnished with a printed tax compliance status verification result obtained via the TCS system reflecting the compliance status of the applicants including a breakdown of the remaining capital assets held in South Africa. However, the aforementioned requirement is not applicable in respect of applicant(s) who resided permanently outside South Africa for a period longer than five years and where they have no assets other than inheritance or insurance policies; and

Section B.2(J)(vi)(c)

- (c) Each branch must retain such Forms MP 336(b) and a printed tax compliance status verification result obtained via the TCS system reflecting the compliance status of the applicants including a breakdown of the remaining capital assets held in South Africa for a period of five years after all the remaining assets of the emigrants have been transferred abroad and should submit details of these emigrants to their head office.

The amended Authorised Dealer Manual 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