



South African Reserve Bank

Financial Surveillance Department

Guidelines for new applicants

The requirements stipulated by the Financial Services Board must be met for investment offshore, including Rand denominated instruments, by institutional investors under their respective foreign portfolio investment allowances. In addition, institutional investors may hedge the currency exposure pertaining to inward and outward transfers, subject to certain conditions.

Specific reference is made to point (iii)(a) of the Guidelines : South African Institutional Investors document which states that "It should be noted that compliance with the foreign portfolio investment limit does not preclude an institutional investor from also having to comply with any relevant prudential regulations as administered by the Financial Services Board." This would entail, inter alia, the permissibility of the investment as well as ensuring that the institution is registered with the Financial Services Board.