

INTERNATIONAL HEAD QUARTER COMPANIES (IHQ) AND SOUTH AFRICAN HOLDING COMPANY (HoldCo) FOR AFRICAN AND OFFSHORE OPERATIONS

(A) With reference to **Section B.2(D) of the Currency and Exchanges Manual for Authorised Dealers** and in order to report all transactions on behalf of the head quarter company in terms of the FinSurv Reporting System, Authorised Dealers must ensure that the following reporting rules are adhered to when reporting a transaction on behalf of the head quarter company:

(i) **Cross-border transactions**

- (a) The resident legal entity name must always be the name of the head quarter company.
- (b) The non-resident legal entity name must always reflect the name of the foreign entity and if an individual is involved, the surname and name of the non-resident individual must be reflected in the non-resident individual element.
- (c) The registration number or the head quarter company issued by the Companies and Intellectual Property Commission must be used.
- (d) The application number of the Authorised Dealer and the authority reference number issued by the SARB must be supplied in the applicable fields.
- (e) The loan reference number must be the number allocated in terms of the original application (one default number is applicable to all loans received from abroad).
- (f) The location country must reflect the country from which the funds originated in respect of funds received and in the case of funds disbursed, the country to which the funds will flow must be reflected.

- (g) The account identifier under the additional customer data element must be FCA RESIDENT.
- (h) The subject must be IHQ followed by the number of the head quarter company allocated by the Financial Surveillance Department in the format IHQnnn must be supplied without any spaces.

(ii) **Local transactions**

- (a) The resident legal entity name must always be the name of the local entity and not the name of the head quarter company.
- (b) The non-resident legal exception name must be IHQ.
- (c) The registration number of the local entity, not the head quarter company, issued by the Companies and Intellectual Property Commission must be supplied in the registration number field.
- (d) The application number of the Authorised Dealer and the authority reference number issued by the SARB must be supplied in the applicable fields.
- (e) The location country must be ZA.
- (f) The account identifier under the additional customer data element is that of the resident account and not the account identifier of the IHQ entity.
- (g) The subject must be IHQ followed by the number of the head quarter company allocated by the Financial Surveillance Department in the format IHQnnn (Capitals and no spaces).

(B) With reference to Section B.2(E) of the Currency and Exchanges Manual for Authorised Dealers and in order to report all transactions on behalf of HoldCo's in terms of the FinSurv Reporting System, Authorised Dealers must ensure that the following reporting rules are adhered:

(i) **Transactions between a South African entity and HoldCo.**

- (a) HoldCo refers to a South African registered entity, which is regarded as a “non-resident” entity for Exchange Control and reporting purposes. HoldCo must conduct a non-resident FCA account and/or a non-resident Rand account in the books of an Authorised Dealer.
- (b) Reporting of transactions between a South African entity and the non-resident FCA account in the name of HoldCo:
- The non-resident legal entity name must always reflect the name of HoldCo in the Non-Resident Entity element.
 - The Account Identifier under the Additional Non Resident Data Element must be NON RESIDENT FCA.
 - The Subject must be HOLDCO.
 - The description details will be announced in future. In the meanwhile, it is suggested to capture the registration number of the HoldCo in the Description field.
 - The applicable BoPCategory and SubBoPCategory must be supplied.
 - The application number of the Authorised Dealer and the authority reference number issued by the Financial Surveillance Department must be supplied in the applicable fields.
 - In cases where a short term loan is made available by the HoldCo to a South African Entity within the group of companies , a loan reference number must be issued by the Financial Surveillance Department to the South African entity availing of the loan.

- (c) Transactions between the non-resident FCA account of HoldCo and any other non-resident must be reported under the NON REPORTABLE module of the FinSurv Reporting System.
- (d) Reporting of transactions between the non-resident Rand account of HoldCo and foreign parties:
- The non-resident party to the transaction must be reflected in the Non Resident Element.
 - The AccountIdentifier under the Additional NonResident Data element must be NON RESIDENT RAND.
 - The Exception Name under the Resident Element must be NON RESIDENT RAND.
 - The applicable BoPCategory and SubBoPCategory must be supplied.
 - The Subject must be HOLDCO.
 - The description details will be announced in future. In the meanwhile, it is suggested to capture the registration number of the HoldCo in the Description field.
 - The application number of the Authorised Dealer and the authority reference number issued by the SARB must be supplied in the applicable fields.
 - In cases where a short term loan is made available by the HoldCo to a South African Entity within the group of companies, an application reflecting the drawdown of funds must be submitted to the Financial Surveillance Department to be processed in the Loan Reporting System.