

Exchange Control Department

2010-07-09

Exchange Control Circular No.26/2010

Miscellaneous Transfers

Authorised Dealers are advised that as a further administrative reform, the following amendments to Section B.14 of the Exchange Control Rulings have been made:

The entire subsection (E) has been deleted and substituted with the following:

“(E) INSURANCE AND ROAD ACCIDENT FUND CLAIMS DUE TO NON-RESIDENTS

Claims payable to non-residents as a result of injury, loss or damages suffered whilst visiting South Africa. In the event of the recipient being an emigrant, the matter must be referred to Exchange Control.”

The first paragraph of subsection (H)(ii) has been deleted and substituted with the following:

“Foreign exchange may also be provided in advance or against an advanced payment guarantee issued by the beneficiary’s bankers. Authorised Dealers must satisfy themselves from the production of documentary evidence supplied by the overseas supplier of the services to be rendered that the service would otherwise be refused and that such payment is normal in the service industry concerned.”

A new subsection (Y) has been added as follows:

“(Y) EMPLOYMENT CONTRACTS INVOLVING NON-RESIDENTS

Where South African entities are required to remit funds abroad in respect of employment contracts involving non-residents, Authorised Dealers may allow such transfers, provided that the payments are commensurate with the work undertaken and that the provisions of subsection B.5(A)(i) are adhered to by the individual contract workers.”

A new subsection (Z) has been added as follows:

“(Z) MISCELLANEOUS PAYMENTS

Miscellaneous payments within a limit of R50 000 per transaction to non-residents not specifically dealt with elsewhere in the Rulings. Suitable documentary evidence must be viewed substantiating the amount and nature of the liability.

The nature of these transactions must be correctly reported to Exchange Control via the Reporting System.”

Authorised Dealers are reminded that the SARBAuthNo field must always reflect the appropriate section of the Exchange Control Rulings, in terms of which the transactions is permitted, in the following format, e.g. B14Z.

Replacement pages of the Exchange Control Rulings, incorporating the relevant amendments, are attached hereto.

Deputy General Manager