



Financial Surveillance Department

2011-08-29

Exchange Control Circular No. 10/2011

Withdrawal of the Form F178

Authorised Dealers are referred to Exchange Control Circular No. 46/2010 dated 2010-12-20 and are advised of the following amendments to the Exchange Control Rulings:

Contents

The reference to "CONTROL OF EXPORTS: FORMS F178 AND N.E.P." has been deleted and substituted with: "CONTROL OF EXPORTS: FORM N.E.P."

Section A.3 (F)

The reference to "F178" has been deleted.

Section B.1(F)(ii)

The entire subsection has been amended by the deletion of any reference to "export and/or Exports Undertaking in the format of the auditors' limited assurance report."

Section B.18

The entire Section has been deleted and substituted with the following:



**"CONTROL OF EXPORTS
GENERAL**

(A) EXPORT DECLARATION ON FORM N.E.P.

- (i) All exports to countries outside the CMA must be supported by the prescribed SARS Customs export declaration form.
- (ii) All exports in excess of R50 000 to countries outside the CMA, for which no payment is to be received, must be supported by an attested Form N.E.P.

(B) REGULATIONS IN RESPECT OF GOODS EXPORTED FOR SALE ABROAD

Authorised Dealers must ensure that all exporters are aware of their legal obligation in terms of the provisions of Regulations 6, 10 and 11, to:

- (i) Sell goods exported within a reasonable time, but no later than six months from the date of shipment;
- (ii) receive the full foreign currency proceeds not later than six months from the date of shipment. Authorised Dealers may, however, without reference to the Financial Surveillance Department authorise South African exporters to grant credit up to a total of 12 months to foreign importers, provided that the Authorised Dealer granting the authority is satisfied that the credit is necessary in the particular trade or that it is needed to protect an existing export market or to capture a new export market. In this regard, Authorised Dealers are requested to specifically draw the attention of exporters to the provisions of Regulation 6(1) and (5);
- (iii) receive payment in foreign currency or Rand from a Non-Resident Account;

- (iv) offer for sale to an Authorised Dealer the full foreign currency proceeds within 30 days after becoming entitled thereto or dealt with in accordance with the rules applicable to C.F.C. accounts; and
- (v) report in writing to an Authorised Dealer the non-receipt of the full foreign currency proceeds, within the prescribed period, as well as the failure to sell the goods exported within six months from the date of shipment.

(C) EXPORTS AGAINST PAYMENT IN RAND

Authorised Dealers must refer all export transactions with a value in excess of R10 000 per transaction to the Financial Surveillance Department where payment is tendered in Rand notes. Such Rand notes must be deposited to the credit of a suspense account in the name of the exporter until approval has been obtained from the Financial Surveillance Department for the release thereof.

(D) SCRUTINY OF EXPORT DECLARATIONS

Authorised Dealers must scrutinise export declarations on Forms N.E.P. to ensure that:

- (i) The insurance value of goods exported is reasonable in relation to current market prices for the commodity concerned. Where any doubt exists in this respect, documentary evidence of the insurance value should be called for; and
- (ii) where any exemptions have been granted, the provisions of such exemption are strictly adhered to.

(E) CONTROL OF EXPORT PROCEEDS

Authorised Dealers must inform their exporting customers that the Financial

Surveillance Department will, through the use of an electronic monitoring system, monitor the receipt of export proceeds. Authorised Dealers must emphasise to their exporting customers, the importance of accurately completing the prescribed SARS Customs export declaration form and export proceeds transactions reported by Authorised Dealers (including the Custom Client/Code Numbers and Unique Consignment References).

(F) GOODS EXPORTED BY RAIL

Authorised Dealers must inform their exporting customers, who export goods by rail, to complete the prescribed SARS Customs export declaration form.

(G) EXPORTS ON CONSIGNMENT

- (i) While it is not desired to prevent the export of goods on consignment where this is the normal practice in any particular trade, Authorised Dealers should advise their exporting customers of the provisions of Regulation 11.
- (ii) General usance of the trade should be borne in mind and Authorised Dealers should be on their guard against attempts to unduly delay repatriation of proceeds having regard to the provisions of Regulation 6(5)(a).

(H) ATTESTATION OF FORMS F178 ON BEHALF OF LESOTHO AND SWAZILAND EXPORTERS

Only the following branches of the under mentioned banks are permitted to attest Forms F178 on behalf of the above-mentioned exporters:

First National Bank, a division of FirstRand Bank Limited

Adderley Street, Cape Town
Durban Main

East London
 Kempton Park
 Port Elizabeth
 Richards Bay

Standard Bank of South Africa Limited

Brandwag
 Foreign Trade Services, Cape Town
 Foreign Trade Services, Durban
 Foreign Trade Services, East Rand
 Foreign Trade Services, Johannesburg
 Foreign Trade Services, Port Elizabeth
 Foreign Trade Services, Pretoria
 Foreign Trade Services, East London
 Greenstone Bureau de Change
 Richards Bay

(I) EXPORT OF MOTOR VEHICLES

Motor vehicles principally designed for the transport of persons and goods, but excluding vehicles exported by diplomatic and foreign representatives and new vehicles exported by local manufacturers or their appointed agents, may not be exported for sale outside the South African Customs Union, i.e. Botswana, Lesotho, Namibia and Swaziland except by virtue of an export permit issued in terms of the International Trade Administration Act, 2002 (Act No. 71 of 2002).

In respect of the temporary export of motor vehicles to all countries outside the CMA, Authorised Dealers may attest Forms N.E.P. without viewing an export permit."

Section B.19

The reference to "F178 and" in the heading has been deleted.

The entire subsections (A) and (B) have been deleted and subsections (C) and (D) have been renumbered (A) and (B), respectively.

Sections B.(20)(H)(i) and I(ii)

The wording "subject to the Form F178 procedure" has been deleted and substituted with "subject to the completion of the prescribed SARS Customs export declaration form."

Section B.20(K)

The reference to "Form F178" in the first paragraph has been deleted and substituted with the wording "prescribed SARS Customs export declaration form."

Section B.20(L)

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

"Goods imported into the Republic and paid for, may be exported subject to the completion of the prescribed SARS Customs export declaration form."

Section B.20(M)(i)

The reference to "F178 or" has been deleted.

Section C.(A)(ii)

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

"the applicant will be required to furnish a written declaration to the effect that the

gold articles to be exported are in fully manufactured form and that the gold content of each article does not exceed the limit laid down in (iii) below;"

Section C.(A)(iv)

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

"each shipment for export must be supported by the prescribed SARS Customs export declaration form; and"

Section C.(F)(i)

The reference to "and Forms F178 attested" has been deleted and substituted with "supported by the prescribed SARS Customs export declaration form."

Section C.(F)(ii)

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

"Non-resident visitors may export up to 15 Krugerrand coins or the equivalent in fractional Krugerrand coins, supported by the prescribed SARS Customs export declaration form, provided that they can prove that the coins were acquired with the proceeds of foreign currency introduced."

Section I.2(A)(i)(a)

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

"The facilities must relate to the post-shipment finance of the export of a specific shipment of goods and at the time of drawdown, the local bank extending these facilities must view the prescribed SARS Customs export declaration form."

Section I.2(A)(ii)(c)

The wording "reconciliation to the attested Forms F178" has been deleted.

Section I.3(B)(i)(b)(cc)

The wording "reconciliation of attested Forms F178" has been deleted.

Section J(B)(v)(d)

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

"The "import/export control number" is a mandatory field to be completed with inward payment transactions when using categories 101, 102, 103, 104, 105, 114 or 201.

The Unique Consignment Reference ("UCR") for each export shipment must be reported in this field.

The UCR must be a minimum of 12 characters but not exceeding 35 characters and must be in the following format:

nZA12345678a...a where

- n refers to the last digit of the year of export, i.e., 0 if the year is 2010 or 2020 etc.
- ZA refers to the S.W.I.F.T. country code of South Africa from which the goods are exported.
- 12345678 refers to the (8) numeric Customs Client Number allocated by Customs to the exporter.
- a...a refers to the alpha numeric reference allocated by the exporter to a specific foreign buyer or shipment. The maximum number of characters for this reference is 24."

Section J.B(v)(e)

Category "114" has been inserted in the first paragraph.

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


Deputy General Manager