



South African Reserve Bank
Financial Surveillance Department

2012-11-28

Exchange Control Circular No. 19/2012

Amendments to the Exchange Control Rulings

Flowing from representations made, Authorised Dealers are advised of the following amendments to the Exchange Control Rulings:

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

The entire first paragraph has been deleted and substituted with the following:

“Authorised Dealers may approve requests by mandated parastatals, as defined in Schedule 2 of the Public Finance Management Act, 1999 (Act No.1 of 1999) and companies wishing to make bona fide new outward foreign direct investments into companies, branches and offices outside the CMA, including requests that fall outside their current line of business, where the total cost of such investments does not exceed R500 million per company per calendar year.”

Section B.2(B)(ii)(a)(dd)

A new paragraph (16) has been added as follows:

“(16) South Africa must remain the place of effective management for the applicant company and under no circumstances may the applicants re-domicile without the specific prior approval of the Financial Surveillance Department.”

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Section B.2(B)(ii)(b)

The entire first paragraph has been deleted and substituted with the following:

“Foreign direct investments outside the CMA by mandated parastatals, as defined in Schedule 2 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and companies, including requests that fall outside their current line of business, where the total cost of such investments exceed R500 million per investment, require prior Financial Surveillance Department approval. At least 10 per cent of the foreign target entity’s voting rights must be obtained.”

Section E.(B)(ii)(a)

A second sentence has been added as follows:

“Customers are permitted to retain funds in their C.F.C. accounts without the obligation to convert the funds into Rand. The current repatriation requirement remains extant;”

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



Deputy General Manager