

Financial Surveillance Department

2014-09-09

Exchange Control Circular No. 26/2014**Amendments to the Exchange Control Rulings**

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

Section A.2(B)

The entire sub-section has been deleted and substituted with the following:

“The offices in the Republic of the under mentioned institutions are authorised to act, for the purposes of the Regulations, as ADLAs:

Name of Institution (ADLA)	Category of appointment
Ace Currency Exchange (Pty) Limited	One
Ayoba Foreign Exchange (Pty) Limited	One
EuroDollar Foreign Exchange (Pty) Limited	Two
Forex World (Pty) Limited	One
Global Foreign Exchange (Pty) Limited	Two
Imali Express (Pty) Limited	One
Inter Africa Bureau de Change (Pty) Limited	Two
Interchange RSA (Pty) Limited	One
Master Currency (Pty) Limited	Two
Rand Bureau de Change (Pty) Limited	One
Sikhona Forex (Pty) Limited	Two

Name of Institution (ADLA)	Category of appointment
Tourvest Financial Services (Pty) Limited trading as American Express Foreign Exchange Services	Two
Tower Bureau de Change (Pty) Limited	Two
Travelex Africa Foreign Exchange (Pty) Limited	Two

Section B.1(D)(vi)

The reference to “category 108” has been changed to read “category 102-01 to 102-11”

Section B.3(D)(i)(d)

The entire sub-section has been deleted and substituted with the following:

“an auditor’s statement verifying that the amount transferred has been correctly calculated must be submitted to the Authorised Dealer on an annual basis.”

Section B.3(D)(ii)(d)

The entire sub-section has been deleted and substituted with the following:

“An auditor’s statement verifying that the amount transferred has been correctly calculated must be submitted to the Authorised Dealer on an annual basis.”

Section B.4(E)(iv)(d)(bb)(2)

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

“The eligible parties referred to in subsection (ii) above, who are not utilising the services of a travel agent or tour operator may be allowed to make advance payments or payments in full in respect of passenger tickets for travel between destinations outside of the Republic, tours, hotel accommodation, vehicle rental and to cover the cost of admission to events, e.g. music, drama, provided that

documentary evidence from the foreign beneficiary is submitted in support of the request.”

Section B.4(H)

The limit of “R1 million” has been increased to “R10 million”.

Section B.14(A)

The entire sub-section and heading have been deleted and substituted with the following:

“(A) ADVERTISING, EXHIBITION, SPONSORSHIP AND TRADE FAIR EXPENSES

Advertising and exhibition fees, inclusive of sponsorship fees, in respect of participation in trade fairs outside the CMA.”

Section B.14(S)

A third paragraph has been added as follows:

“Authorised Dealers may also make advance payments in foreign currency, not exceeding the limit mentioned above, to non-resident petroleum and concession companies where cards will be issued to allow for the payment of petrol and toll fees, respectively. The accounts may be replenished against the presentation of documentary evidence confirming the purposes for which the funds were utilised.”

Section B.15(C)

A new sub-section (iii) has been added as follows:

“(iii) Authorised Dealers may effect payment in respect of guarantee fees payable on guarantees issued by non-residents, provided that the fee is market related

or falls within an approved percentage of the guarantee amount based on existing market practice.”

Section E.(B)(ii)(g)(aa)

The entire sub-section has been deleted and substituted with the following:

“If proceeds are transferred between C.F.C. accounts, Field 72 of the appropriate S.W.I.F.T. customer transfer message type should clearly indicate TRF SPOT and/or TRF HEDGE. In the event of funds being transferred in bulk, this information should be broken down into the specific amounts, making up the total transferred;”

Section E.(B)(iii)(a)

The entire sub-section has been deleted and substituted with the following:

“Imports and software electronically downloaded, including all costs related thereto;”

Section I.3(A)(iii)(f)

The entire sub-section has been deleted and substituted with the following:

“the loan funds may not be invested into foreign sinking funds; and”

Section I.3(B)(i)(a)(bb)

The final sentence has been deleted and substituted with the following:

“In all instances the draw down of the facility may only take place on or after date of shipment, except for advance payments where the draw down can be done prior to the goods being shipped, provided that the advance payment complies with the provisions outlined in Section B.1(D)(i) and (ii) of the Rulings;”

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

Deputy Head: Financial Surveillance