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CONFIDENTIAL



South African Reserve Bank

Financial Surveillance Department

2015-10-14

Exchange Control Circular No. 25/2015**Amendment to the Exchange Control Rulings**

Flowing from representations made, Authorised Dealers and Authorised Dealers with limited authority are referred to Exchange Control Circular No. 12/2015 of 2015-04-21 and are advised of the following amendment to the Exchange Control Rulings:

Section A.4(E)(i)(d)

The limit of R25 000 has been increased to R50 000.

A replacement page of the Exchange Control Rulings incorporating the relevant amendment is attached hereto.


Head: Financial Surveillance

account of the South African Reserve Bank, the details of which will be provided to the applicant by the Financial Surveillance Department.

- (ii) The fees as outlined in (i) above may be reviewed at the discretion of the Financial Surveillance Department.

E. Conditions for conducting the business of an ADLA

(i) Business Activities

- (a) The business activities of an ADLA is provided for under three separate categories as outlined in Section B above, which activities are:

(aa) Category one: Bureaux de Change

The business activities are restricted to:

- (1) Buying of foreign currency, including travellers cheques, on a spot transaction basis **for Rand** from travellers, other Authorised Dealers in foreign exchange and businesses directly related to the tourist industry (having been granted the necessary permission as outlined in Section B.21 of the Rulings); and
- (2) selling of foreign currency, in any approved format, on a spot transaction basis **for Rand** to travellers and other Authorised Dealers in foreign exchange.

(bb) Category two: Bureaux de Change as well as money remittance services in partnership with external Money Transfer Operators

- (1) The business activities are broadened from the services provided by category one ADLAs to include transactions under the single discretionary allowance facility, other than travel, as outlined in Section B.4(A) of the Rulings excluding foreign capital allowance; and
- (2) in addition, under this category ADLAs may also be allowed to offer money remittance services via an external Money Transfer Operator to facilitate formal cross-border transfers.

(cc) Category three: Independent Money Transfer Operators

The business activities will only be that of money remittance services i.e. cross-border person-to-person payments of relatively low value.

- (b) An ADLA shall not buy or sell foreign currency which it knows or reasonably ought to have known to be:

- (aa) Counterfeit; or
- (bb) not legal tender in the country of issue.
- (c) With the exception of transactions permissible in terms of Section B.4(C)(iv)(d)(bb)(1) of the Rulings, an ADLA shall not be involved in transferring funds, whether directly or indirectly, in or out of the Republic in whatever manner, on behalf of any other party or parties.
- (d) An ADLA may not accept cash notes or amounts deposited directly into its bank account in settlement of any transaction for residents, foreign nationals, migrant workers and immigrants who apply to enter into transactions in excess of R50 000 and must ensure that:
 - (aa) The funds to be transferred are remitted from the applicant's own local bank account (not the account of a third party) by way of an electronic funds transfer to the ADLA's client bank account;
 - (bb) suitable documentary evidence must be provided to the ADLA verifying that the funds were transferred to the ADLA's client bank account from the applicant's own bank account, whereafter the ADLA may continue to process the transaction;
 - (cc) payment in respect of settlement of a transaction may also be made by either the applicant's credit or debit card. In instances where a non-personalised card, i.e. where the name of the applicant does not appear on the card, is used, suitable documentary evidence must be provided to the ADLA verifying that the applicant is the owner of the card; and
 - (dd) the documentary evidence referred to in (bb) and (cc) above must be retained for a period of five years for inspection purposes.
- (e) When selling foreign currency to visitors to the Republic, the ADLA must satisfy itself that the Rand tendered in payment, originated from the proceeds of foreign currency introduced into the Republic and exchanged into Rand.
- (f) ADLAs will be allowed to offer Mobile, Web Based Money, Card Based, etc. services provided that such products have been approved by the Financial Surveillance Department.
- (g) An ADLA shall only enter into or participate in the interbank foreign exchange market to fund its needs directly related to its approved business. No speculative trading is permissible.
- (h) An ADLA may not maintain a foreign currency float in excess of United States Dollar 50 000, per branch, inclusive of any stockpiled notes held directly or indirectly, as at the close of any business day.