



14/6/2\_2022

2022-02-23

## **Exchange Control Circular No. 12/2022**

### **South African holding company for African and offshore operations**

We refer to Exchange Control Circular No. 4/2022 and the announcement made by the Minister of Finance in Annexure F of the 2022 Budget Review, wherein it was mentioned that with effect from 2022-02-23, Authorised Dealers may process transfers from the parent company to domestic treasury management companies up to a maximum of R5 billion (an increase from R3 billion) per calendar year for listed entities; and up to R3 billion (an increase from R2 billion) per calendar year for unlisted entities. Funds transferred under this dispensation may be used for new investments, expansions as well as other transactions of a capital nature.

The following amendments to the Currency and Exchanges Manual for Authorised Dealers (Authorised Dealer Manual) are outlined:

#### **Section B.2(E)(i)(b)(ff)**

The limit of R3 billion has been increased to R5 billion and the subsection reads as follows:

- (ff) the Authorised Dealer concerned may authorise transfers from the South African parent company to the DTMC up to R5 billion per calendar year in respect of new investments, expansions as well as other transactions of a capital nature. These transfers should not be undertaken to avoid tax;

### **Section B.2(E)(ii)(b)(ff)**

The limit of R2 billion has been increased to R3 billion and the subsection reads as follows:

- (ff) the Authorised Dealer concerned may authorise transfers from the parent company to the DTMC up to R3 billion per calendar year in respect of new investments, expansions as well as other transactions of a capital nature;

### **Section B.2(E)(iii)(b)(dd)**

The limit of R3 billion has been increased to R5 billion and the subsection reads as follows:

- (dd) the Financial Surveillance Department may authorise transfers from the parent company to the DTMC up to R5 billion per calendar year in respect of new investments, expansions as well as other transactions of a capital nature. There will be no restriction up to this amount on transfers in and out of the DTMC, provided that such transfers are not undertaken to avoid tax;

The amended Authorised Dealer Manual and guidelines document may be accessed on the South African Reserve Bank website, [www.resbank.co.za](http://www.resbank.co.za) by following the links: Home>What we do>Financial Surveillance>Financial Surveillance documents.

**Head of Department: Financial Surveillance**