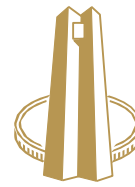




 P O Box 3125 Pretoria 0001 South Africa  
 370 Helen Joseph Street Pretoria 0002  
 +27 12 313 3911 / 0861 12 7272  
 [www.resbank.co.za](http://www.resbank.co.za)



**SOUTH AFRICAN RESERVE BANK**  
Financial Surveillance Department

14/6/2\_2022

2022-02-23

## **Exchange Control Circular No. 7/2022**

### **Retention of foreign gifts and other authorised foreign assets abroad**

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 announced that resident individuals may, effective from the date of this Circular, receive and retain abroad monetary and other legitimate gifts and donations received from a non-resident source without having to declare it to an Authorised Dealer.

In addition, resident individuals may without reference to the Financial Surveillance Department retain foreign assets inherited from a South African estate, and residents with authorised foreign assets may also lend and/or dispose of such authorised foreign assets to other South African residents, subject to local tax disclosure and compliance.

These dispensations shall not apply retrospectively and any contravention before the date of this Circular must still be regularised with the Financial Surveillance Department.

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

#### **Section B.5(A)(i)(a)(aa)**

The subsection has been amended to read as follows:

(aa) whether they are in possession of foreign assets.

### **Section B.5(B)(i)(a)**

The subsection has been amended to read as follows:

- (a) On arrival in South Africa, immigrants are required to declare to an Authorised Dealer, whether they possess any foreign assets.

### **Section B.17(B)(iii)**

Subsection (iii) has been deleted and replaced as follows:

- (iii) Residents may with effect from 2022-02-23 donate, lend and/or dispose of authorised foreign assets to other South African residents, subject to local tax disclosure and compliance by both parties.

### **Section B.17(B)(iv)**

A new subsection has been included as follows:

- (iv) Any contravention before the dates mentioned in (i) and (iii) above must still be regularised with the Financial Surveillance Department.

### **Section B.17(C)(i)**

This subsection has been amended to read as follows:

- (i) Any foreign asset received by a resident from a non-resident as a gift or donation on or after 2022-02-23 is exempted from the provisions of Regulations 6 and 7, subject to local tax disclosure and compliance.

### **Section B.17(C)(ii)**

A new subsection has been included as follows:

- (ii) Contraventions that occurred before 2022-02-23 must still be regularised with the Financial Surveillance Department.

### **Section B.17(D)**

Subsection (i) has been amended, subsections (ii) and (iii) have been deleted and subsection (iv) has been amended and renumbered (ii) to read as follows:

- (i) Residents, who on or after 2022-02-23 became entitled to a foreign inheritance from the estate of a resident, are exempted from the provisions of Regulation 6 and 7, subject to local tax disclosure and compliance.
- (ii) However, in respect of assets that accrued to residents prior to 2022-02-23 or where the foreign assets inherited were held by the deceased in a manner contrary to the provisions of the Regulations, an application for regularisation of such assets must be submitted via an Authorised Dealer to the Financial Surveillance Department.

### **Section B.17(F)(i)**

This subsection has been moved and renumbered as (E)(ii) as follows:

- (ii) Cognisance must be taken of the obligations imposed on residents by Regulation 6 and a serious view will be taken by the Financial Surveillance Department of any unauthorised retention of foreign currency balances, whether with foreign banks, overseas principals, agents or shippers.

### **Section B.17(G)(i)**

The subsection has now been renumbered (F)(i) as follows:

- (i) Residents with authorised foreign assets may donate, lend and/or dispose of such assets to other residents without the specific prior written approval of the Financial Surveillance Department subject to local tax disclosure and compliance by both parties.

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**