



14/6/2\_2022

2022-02-23

## Exchange Control Circular No. 8/2022

### Capital transfers: private individuals resident in South Africa

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, the criteria for South African resident individuals who wish to invest abroad have been expanded upon.

In this regard, tax compliant South African resident individuals may now invest authorised foreign capital in excess of R10 million foreign capital allowance per calendar year via foreign domiciled and registered trusts.

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

#### Section B.2(B)(i)(m)

The subsection has been amended as follows:

- (m) The Financial Surveillance Department will consider applications by private individuals who wish to invest in excess of the R10 million foreign capital allowance limit, in different asset classes. Such investments, if approved, could be facilitated via a foreign domiciled and registered trust. This dispensation would also apply to private individuals who have existing authorised foreign assets, irrespective of the value thereof. In terms of the TCS system, a TCS PIN letter will be issued to the taxpayer that will contain the tax number and TCS PIN. Authorised Dealers must use the TCS PIN to verify the taxpayer's

tax compliance status via SARS eFiling prior to effecting any transfers. Authorised Dealers should note that the TCS PIN can expire and should the Authorised Dealers find that the TCS PIN has indeed expired, then the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance.

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**