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Exchange Control Circular No. 4/2023

Foreign direct investment by South African companies - guarantees

Flowing from representations made, the following amendments to the Currency and Exchanges Manual for Authorised Dealers (Authorised Dealer Manual) are outlined:

Section B.2(C)(i)(b)

The subsection has been amended as follows:

- (b) Foreign currency denominated facilities may be extended by Authorised Dealers to South African companies for the financing of approved foreign direct investments. In instances where the South African parent company wishes to directly issue a foreign denominated guarantee to cover the borrowing facilities of its authorised foreign subsidiary abroad and not through an Authorised Dealer, the matter must be referred to the Financial Surveillance Department for consideration.

The amended Authorised Dealer Manual and guideline documents may be accessed on the South African Reserve Bank website, www.resbank.co.za by following the path: Home>What we do>Financial Surveillance>Financial Surveillance documents.

Acting Head of Department: Financial Surveillance