



14/6/2\_2025

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## **Exchange Control Circular No. 11/2025**

### **Borrowing abroad by residents – foreign loans originating from Non-resident Rand accounts**

Flowing from representations made, certain amendments to sections E.(A) and I.3(B) of the Currency and Exchanges Manual for Authorised Dealers (Authorised Dealer Manual) are required to allow Authorised Dealers to adjudicate applications for inward foreign loans whereby the funds originate from a Non-resident Rand account. Similarly, the repayment of interest and capital on the foreign loan may be effected to a Non-resident Rand account.

A change request must be submitted by the Authorised Dealer on the Financial Surveillance Department's Loan Reporting System, confirming that loan funds will be received from a Non-resident Rand account. In addition, the Authorised Dealer must submit a change request on the Loan Reporting System of any drawdowns from the Non-resident Rand account as well as any capital or interest payments to the Non-resident Rand account.

The rationale behind the above is to simplify the administration process for the Authorised Dealers by reducing the need to submit applications to the Financial Surveillance Department for these types of requests.

The following amendments to the Authorised Dealer Manual are outlined:

#### **Section E.(A)(i)(b)**

The subsection has been amended as follows:

- (b) Authorised Dealers must refer any transactions other than those specified in the table below that pass through these accounts, to the Financial Surveillance Department.

<b>Debits</b>	<b>Credits</b>
(1) Rand payments to residents for any purpose.	(1) The proceeds of sales of foreign currency made by a

<b>Debits</b>	<b>Credits</b>
	non-resident to an Authorised Dealer.
(2) Payments to other Non-resident Rand accounts.	(2) Payments from other Non-resident Rand accounts.
(3) Payment for foreign currency purchased.	(3) Rand payments that are eligible for transfer abroad in terms of the applicable sections of B.1 through to B.20, as well as G. of the Authorised Dealer Manual or for which approval of the Financial Surveillance Department has been obtained and after all requirements have been met.
(4) Rand payments to the account holder while visiting the CMA.	(4) Re-deposits of unused Rand withdrawn while visiting the CMA.
(5) Rand payments in respect of investment in local debt instruments in terms of the provisions of section G.(D) of the Authorised Dealer Manual.	(5) Capital and interest payments on foreign loans.
(6) Transactions by Authorised Dealers in terms of section B.2(I) of the Authorised Dealer Manual.	
(7) Foreign loans to residents.	

### **Section E.(A)(ii)(d)**

The following has been added to the subsection:

- (d) A change request must be submitted by the Authorised Dealer on the Loan Reporting System, confirming that loan funds will be received from a Non-resident Rand account. In addition, the Authorised Dealer must submit a change request on the Loan Reporting System of any drawdowns from the Non-resident Rand account as well as any capital or interest payments to the Non-resident Rand account. Also see section I.3(B)(iv)(a)(ii) of the Authorised Dealer Manual.

### **Section I.3(B)(iv)(a)(ii)**

A new subsection has been added as follows:

- (ii) A change request must be submitted by the Authorised Dealer on the Loan Reporting System, confirming that loan funds will be received from a Non-resident Rand account. In addition, the Authorised Dealer must submit a change request on the Loan Reporting System of any drawdowns from the Non-resident Rand account as well as any capital or interest payments to the Non-resident Rand account. Also see section E.(A)(ii)(d) of the Authorised Dealer Manual.

**Section I.3(B)(v)(a)(bb)**

The subsection has been deleted.

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 path: Home>What we do>Financial Surveillance>Financial Surveillance documents.

**Head of Department: Financial Surveillance**