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Exchange Control Circular No. 12/2025

Private individuals resident in South Africa

Flowing from representations made by the Authorised Dealers, the South African Revenue Service (SARS) and other market participants, certain amendments, relating to tax compliance, are required to sections A.1, B.2(B), B.4(G) and H.(H) of the Currency and Exchanges Manual for Authorised Dealers (Authorised Dealer Manual).

The following amendments to the Authorised Dealer Manual are outlined:

Section A.1

The following have been added under definitions:

AIT means Approval International Transfer in line with SARS rules.

TCS means Tax Compliance Status (TCS) in line with SARS rules

Section B.2(B)(i)(a)

The subsection has been amended as follows:

- (a) Authorised Dealers may allow the transfer, as a foreign capital allowance via an AIT, of up to a total amount of R10 million per calendar year per private individual who is a taxpayer in good standing and is 18 years or older, for investment purposes abroad. The funds to be transferred must be converted to foreign currency by the Authorised Dealer and may also be held in a resident foreign currency account in the name of the resident with any Authorised Dealer.

Section B.2(B)(i)(d)

The subsection has been amended as follows:

- (d) In terms of the SARS TCS system that was introduced on 2016-04-18 and enhanced on 2023-04-21 with the introduction of the AIT, 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 must ensure that the amount to be transferred does not exceed the amount approved by SARS. Authorised Dealers should note that the TCS PIN can expire and should the Authorised Dealers find that the TCS PIN has expired, then the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance status. Authorised Dealers should not transfer any amount if the resident's tax compliance status indicates non-compliance. The resident should approach SARS to resolve the non-compliance issues.

Section B.2(B)(i)(e)

The subsection has been deleted.

Section B.2(B)(i)(f)

The subsection has been renumbered as B.2(B)(i)(e).

Section B.2(B)(i)(g)

The subsection has been renumbered as B.2(B)(i)(f) and amended as follows:

- (f) Private individuals who are tax residents in South Africa and do not have a tax reference number will have to register with SARS.

Section B.2(B)(i)(h) and (i)

The subsections have been renumbered as section B.2(B)(i)(g) and (h).

Section B.2(B)(i)(j)

The subsection has been renumbered as B.2(B)(i)(i) and amended as follows:

- (i) Upon completion of the transaction in (h) above the Authorised Dealer must submit a report to the Financial Surveillance Department which should, inter alia, include the name(s) of the South African affiliated foreign investor(s), a description of the assets to be acquired (including inward foreign loans, the acquisition of shares and the acquisition of property), the name of the South African target investment company, if applicable and the date of the acquisition as well as the actual foreign currency amount introduced including a transaction reference number.

Section B.2(B)(i)(k) and (l)

The subsections have been renumbered as section B.2(B)(i)(j) and (k).

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

The subsection has been renumbered as B.2(B)(i)(l) and amended as follows:

- (l) The Financial Surveillance Department will consider applications by private individuals who wish to invest in excess of the R10 million foreign capital allowance limit via an AIT, 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. Authorised Dealers should not transfer any amount if the resident's tax compliance status indicates non-compliance. The resident should approach SARS to resolve the non-compliance issues.

Section B.2(B)(i)(n) and (o)

The subsections have been renumbered as sections B.2(B)(i)(m) and (n), respectively.

Section B.2(B)(i)(p)

The subsection has been renumbered as section B.2(B)(i)(o) and subsections (aa) and (ee) have been amended as follows:

- (aa) An applicant must furnish the following information through an Authorised Dealer, at the time of submitting a request for a confirmation letter and/or approval letter to the Financial Surveillance Department:
 - (1) the full names and identity number of the applicant;
 - (2) the name of the company that issued the securities that are to be exported as well as the number of securities and the market value thereof; and
 - (3) domicilium and name of the target foreign register on which those securities are to be listed.

- (ee) Private individuals who export securities with a market value of more than R10 million are subject to a more stringent verification process by SARS as well as an approval process from the Financial Surveillance Department. Such transfers will trigger a risk management test that will, *inter alia*, include verification of the tax status and the source of funds, as well as risk assess the private individual in terms of the anti-money laundering and countering terrorism financing requirements, as prescribed in the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001).

Section B.2(B)(i)(q) and (r)

The subsections have been renumbered as sections B.2(B)(i)(p) and (q).

Section B.4(G)(i)(d)

The subsection has been amended as follows:

- (d) 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 must ensure that the amount to be transferred does not exceed the amount approved by SARS. Authorised Dealers should note that the TCS PIN can expire and should the Authorised Dealers find that the TCS PIN has expired, then the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance status. Authorised Dealers should not transfer any amount if the resident's tax compliance status indicates non-compliance. The resident should approach SARS to resolve the non-compliance issues. Also see section B.2(B)(i)(d) of the Authorised Dealer Manual.

Section H.(H)(i)(b)

As a result of the amendments made to section B.2(B)(i), the cross-references in section H.(H)(i)(b) have been amended as follows:

- (b) as an exception to (a) above, private individuals may, as part of their single discretionary allowance and/or foreign capital allowance, export multi-listed domestic securities (including inward listed shares) to a foreign securities register in a jurisdiction where such securities are listed, subject to tax compliance and reporting to the Financial Surveillance Department via a Central Securities Depository Participant, in conjunction with an Authorised Dealer. In this regard see section B.2(B)(i)(n) and (o) of the Authorised Dealer Manual.

The amended Authorised Dealer Manual 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.

Head of Department: Financial Surveillance