



South African Reserve Bank
Financial Surveillance Department

2019-11-12

Exchange Control Circular No. 23/2019

Individual Foreign Capital Allowance - implementation of the electronic Tax Compliance Status system

Authorised Dealers are advised that with immediate effect, the South African Revenue Service (SARS) will no longer be issuing printed Tax Clearance Certificates (TCCs). An electronic Tax Compliance Status (TCS) system on SARS eFiling has been implemented and requires taxpayers to verify their compliance status through the use of a TCS PIN. The TCS PIN may be shared electronically with any third parties, inter alia, Authorised Dealers. As a result, the following amendments to the Currency and Exchanges Manual for Authorised Dealers have been made:

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

The subsection has been deleted and substituted with the following:

- (d) In terms of the SARS Tax Compliance Status (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 indeed expired, then the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance status.



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

The subsection has been amended as follows:

- (f) Authorised Dealers must retain a printed tax compliance status verification result for a period of five years for inspection purposes.

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 different asset classes offshore in excess of the above-mentioned limit. 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.

Section B.4(A)(i)

The subsection has been amended as follows:

- (i) Residents (natural persons) who are 18 years and older may be permitted to avail of a single discretionary allowance within an overall limit of R1 million per individual per calendar year without the requirement to obtain a TCS PIN letter, which may be used for any legal purpose abroad (including for investment purposes as well as the sending of gift parcels in lieu of cash excluding gold and jewellery). Authorised Dealers must ensure that the purpose for which the funds are used abroad must be reported under the correct category on the FinSurv Reporting System.

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 indeed expired, then the Authorised Dealer must insist on a new TCS PIN to verify the taxpayer's tax compliance status. Also see section B.2(B)(i)(d) and/or (e) of the Authorised Dealer Manual.

The amended Authorised Dealer Manual may be accessed on the SARB website: www.reservebank.co.za by following the links: Home>Regulation and supervision>Financial surveillance and exchange controls>Currency and exchanges documents.



Head of Department: Financial Surveillance