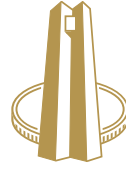


# GUIDE FOR THE COMPLETION OF THE B30 FORM: FOREIGN DIRECT INVESTMENT SURVEY

April 2021

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SOUTH AFRICAN RESERVE BANK





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# 1. Introduction

The purpose of this guide is to explain the meaning of each line item and column when completing the B30 Form. Guidance is also provided on general issues such as relevant transactions, currency of completion, date of transaction, and so on.

## 2. Guidelines

### 2.1 Purpose of B30 Form

The B30 survey is conducted for statistical purposes, in order to compile official statements of South Africa's balance of payments and international investment position. The required data are used to compile macroeconomic statistics which are guided by internationally agreed upon statistical manuals.

### 2.2 Authority

The South African Reserve Bank (SARB) is assigned the function to collect information required for the purposes of compiling official statements of South Africa's balance of payments and international investment position in terms of Government notices 702, read with 703, of 20 April 1956, issued in terms of *Government Gazette 5663 of 20 April 1956* under the Currency and Exchanges Act 9 of 1933. Further, in terms of section 11 of the Financial Sector Regulation Act 9 of 2017 (FSR Act), the SARB is responsible for protecting and enhancing financial stability. This includes monitoring the environment for risks to financial stability, gathering information concerning financial stability and taking steps to mitigate the risks identified. In fulfilling its responsibility, the SARB may utilise any power vested in it as the Republic's central bank or conferred on it in terms of the FSR Act or any other legislation.

### 2.3 Confidentiality

In terms of paragraph 4 of the regulations of section nine of the Currency and Exchanges Act 9 of 1933, all employees of the SARB involved in this survey are sworn to secrecy. Over and above this provision, assurance is given that no action of any kind will be taken under the Exchange Control Regulations against any organisation or person on the grounds of information provided in this survey.

### 2.4 Accounting conventions

In general, the information required to generate statistical data for the B30 Form is sourced from financial accounting data of the entity surveyed. The statistics required are based on accrual accounting. Foreign direct investment (FDI) transactions are to be recorded when a change of equity ownership occurs between a resident and a non-resident entity in a direct investment relationship.

### 2.5 Valuations

Transactions should be recorded at **market prices** at which the transactions were conducted (i.e. transaction value). If the market price is not available, fair value estimates should be used.

### 2.6 Currency of completion

Monetary values must be completed in **full South African rand**, and where a foreign currency is used it should be converted to South African rand.

### 2.7 Formatting of field values

The currency fields in the survey will only accept positive monetary values with no decimals as input values.



## 2.8 Relevant transactions

All transactions between residents and non-residents in a direct investment relationship (see definitions under section 3 below) must be reported. Report all dividends, equities and loan transactions between South African entities and their non-resident subsidiaries/associates.

## 2.9 Transaction date and completion

If the exact date on which the transaction was concluded is unknown or the transaction is a consolidation, please select the last day of the reporting period. All fields in the transaction rows should be completed.

## 2.10 Residents and non-residents

A **resident** is any individual, enterprise or other organisation that has a predominant centre of economic interest in South Africa – that is, when it has premises within the economic territory of South Africa where it engages or intends to engage in economic activity. Corporations legally registered in South Africa are deemed to be resident even if they have no ‘physical presence’. A **non-resident** is any individual, enterprise or other organisation ordinarily domiciled in a country other than South Africa. Non-resident branches and subsidiaries of South African enterprises are regarded as non-residents.

# 3. Definitions

## 3.1 Foreign direct investment

An FDI relationship is established when a direct investor (i.e. an individual, enterprise or group of related enterprises) resident in one country owns 10% or more of the ordinary shares or voting stock of an enterprise resident in another country. Direct investment enterprises (DIE) comprise those entities that are **subsidiaries** (a non-resident investor owns more than 50%), **associates** (an investor owns 50% or less) and **branches** (wholly owned unincorporated enterprises) either directly or indirectly owned by the direct investor. It is important to note that direct investment comprises not only the initial transaction establishing the relationship between the investor and the enterprise, but also all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated.

## 3.2 Subsidiary/associate

- a. **Subsidiary:** a direct investor owns more than 50% of a DIE. The direct investor is able to exercise control.
- b. **Associate:** a direct investor owns 50% or less of a DIE. The direct investor is able to exercise a significant degree of influence, but not control.

## 3.3 Outward flows

- a. Equity or shareholder loan injections into a non-resident subsidiary/associate of the reporting entity.
- b. Dividend payment by the reporting entity to a non-resident parent entity.
- c. Shareholder loans repaid/granted to a non-resident parent entity by the reporting entity.

## 3.4 Inward flows

- a. Equity or shareholder loan repayments to a South African parent entity by a non-resident subsidiary/associate.



- b. Dividend payments to a South African parent entity by a non-resident subsidiary/associate.
- c. Injections of equity or shareholder loans to a South African subsidiary/associate by its non-resident parent entity.

### 3.5 Listed equity

Equity securities listed on stock exchanges or other organised financial markets.

### 3.6 Unlisted equity

Equity securities not listed on a stock exchange. Unlisted shares can also be called private equity and venture capital usually takes this form.

### 3.7 Other equity

Equity that is not issued in the form of securities, such as participation in unincorporated funds or limited liability in quasi-corporations.

### 3.8 Long-term loans

A non-negotiable financial asset created when a creditor lends funds directly to a debtor and comprise loans that have an original maturity of more than one year, such as mortgage loans, hire-purchase credit and long-term repurchase agreements.

### 3.9 Short-term loans

A non-negotiable financial asset created when a creditor lends funds directly to a debtor and comprise loans that have an original maturity of one year or less, such as overdrafts, loans to finance trade credit and short-term repurchase agreements. Loans repayable on the demand of the creditor should be classified as short term even when these loans are expected to be outstanding for more than one year.

### 3.10 Dividends

These are distributed earnings allocated to the owners of equity for placing funds at the disposal of enterprises.

## 4. Tables and columns description (tables 1 to 4)

### 4.1 Outward FDI flows

These are flows from either a South African parent entity to a non-resident subsidiary/associate or from a South African subsidiary/associate to a non-resident parent entity.

#### 4.1.1 Table 1: Outward FDI flows from a South African parent entity into a non-resident subsidiary/associate

##### 4.1.1.1 Name of South African entity making the outward investment (Column 1)

The name of South African parent entity making an investment into a non-resident subsidiary/associate.



#### 4.1.1.2 Name of non-resident entity into which the investment is made (Column 2)

The name of the non-resident subsidiary/associate receiving the investment from the South African parent entity.

#### 4.1.1.3 Country into which investment is made (Column 3)

The name of the country of origin of the non-resident subsidiary/associate receiving the investment.

#### 4.1.1.4 Original transaction currency (Column 4)

The original currency in which the transaction was concluded. It can either be in a foreign currency (i.e. USD/EUR/YEN) or South African rand (ZAR).

#### 4.1.1.5 Transaction value in South African rand (Column 5)

If the original transactional currency was in foreign currency, the value of the original transaction currency should be converted into full South African rand using the exchange rate on the date of the transaction.

For transactions that are consolidated, but in a foreign currency, the average exchange rate for the reporting period should be used.

Exchange rates can be found on the South African Reserve Bank website on the link below:

<https://www.resbank.co.za/en/home/what-we-do/statistics/key-statistics/selected-historical-rates>

#### 4.1.1.6 Type of transaction (Column 6)

The transactions which must be recorded in Table 1 are short-term and long-term loans, listed and unlisted equity and other equity. Commission fees, inventory, license fees, and so on, are to be excluded, as they reflect the daily operations of an entity and do not form part of FDI.

#### 4.1.1.7 Date on which the funds were transferred out of South Africa (Column 7)

The exact date of the transaction on which funds were transferred. However, if the exact date is not known, the last day of the reporting period may be used. For transactions which have been consolidated, the last day of the reporting period should be used.

### 4.1.2 Table 2: Outward FDI flows from a South African subsidiary/associate into a non-resident parent entity

#### 4.1.2.1 Name of South African subsidiary/associate responsible for the outward flows (Column 1)

The name of the South African subsidiary/associate making an investment into a parent entity in a foreign country.

#### 4.1.2.2 Name of non-resident entity into which the payment is made (Column 2)

The name of the non-resident parent entity receiving the investment from the South African subsidiary/associate.

#### 4.1.2.3 Country into which investment is made (Column 3)

The name of the country of origin for the non-resident subsidiary/associate receiving the investment.

#### 4.1.2.4 Original transaction currency (Column 4)

The original currency in which the transaction was concluded. It can either be in foreign currency (i.e. USD/EUR/YEN) or ZAR.





#### 4.1.2.5 Transaction value in South African rand (Column 5)

If the original transactional currency was in foreign currency, the value of the original transaction currency should be converted into full South African rand using the exchange rate on the date of the transaction.

For transactions that are consolidated, but in a foreign currency, the average exchange rate for the reporting period should be used.

#### 4.1.2.6 Type of transaction (Column 6)

The transactions which must be recorded in Table 2 are short-term and long-term loans, listed and unlisted equity, other equity and dividends. Commission fees, inventory, license fees, and so on, are to be excluded, as they reflect the daily operations of an entity and do not form part of FDI.

#### 4.1.2.7 Date on which the funds were transferred out of South Africa (Column 7)

The exact date of the transaction on which funds were transferred. However, if the exact date is not known, the last day of the reporting period may be used. For transactions which have been consolidated, the last day of the reporting period should be used.

## 4.2 Inward FDI flows

Investment into a South African parent entity or a South African subsidiary/associate from either a non-resident parent entity or a non-resident subsidiary/associate.

### 4.2.1 Table 3: Inward FDI flows to a South African parent entity from a non-resident subsidiary/associate

#### 4.2.1.1 Name of South African parent entity receiving the inward flows (Column 1)

The name of the parent entity residing in South Africa receiving the investment from a non-resident subsidiary/associate.

#### 4.2.1.2 Name of non-resident entity from which the flow originates (Column 2)

The name of the non-resident subsidiary/associate making the inward investment.

#### 4.2.1.3 Country from which flow originates (Column 3)

The name of the country of residence of the non-resident subsidiary/associate making the inward investment.

#### 4.2.1.4 Original transaction currency (Column 4)

The original currency in which the transaction was concluded. It can either be in foreign currency (i.e. USD/EUR/YEN) or ZAR.

#### 4.2.1.5 Transaction value in South African rand (Column 5)

If the original transactional currency was in a foreign currency, the value of the original transaction currency should be converted into full South African rand using the exchange rate on the date of the transaction.

For transactions that are consolidated, but in a foreign currency, the average exchange rate for the reporting period should be used.

#### 4.2.1.6 Type of transaction (Column 6)

The transactions which must be recorded in Table 3 are short-term and long-term loans, listed and unlisted equity, other equity and dividends. Commission fees, inventory, license fees, and

so on, are to be excluded, as they reflect the daily operations of an entity and do not form part of FDI.

#### 4.2.1.7 Date on which the funds were transferred to South Africa (Column 7)

The exact date of the transaction on which funds were transferred. However, if the exact date is not known, the last day of the reporting period may be used. For transactions which have been consolidated, the last day of the reporting period should be used.

### 4.2.2 Table 4: Inward FDI flows to a South African subsidiary/associate from a non-resident parent entity

#### 4.2.2.1 Name of South African subsidiary/associate into which the investment flows are made (Column 1)

The name of the South African subsidiary/associate receiving the inward investment.

#### 4.2.2.2 Name of non-resident parent entity that made the investment (Column 2)

The name of the non-resident parent entity making the inward investment.

#### 4.2.2.3 Country from which investment is made (Column 3)

The name of the country of residence of the non-resident parent entity making the inward investment.

#### 4.2.2.4 Original transaction currency (Column 4)

The original currency in which the transaction was concluded. It can either be in foreign currency (i.e. USD/EUR/YEN) or ZAR.

#### 4.2.2.5 Transaction value in South African rand (Column 5)

If the original transactional currency was in a foreign currency, the value of the original transaction currency should be converted into full South African rand using the exchange rate on the date of the transaction.

For transactions that are consolidated but in a foreign currency, the average exchange rate for the reporting period should be used.

#### 4.2.2.6 Type of transaction (Column 6)

The transactions which must be recorded in Table 4 are short-term and long-term loans, listed and unlisted equity and other equity. Commission fees, inventory, license fees, and so on, are to be excluded, as they reflect the daily operations of an entity and do not form part of FDI.

#### 4.2.2.7 Date on which the funds were transferred to South Africa (Column 7)

The exact date of the transaction on which funds were transferred. However, if the exact date is not known the last day of the reporting period may be used. For transactions which have been consolidated the last day of the reporting period should be used.

