

CUSTOMS AND BORDER MANAGEMENT

EXTERNAL POLICY

EXCESS CURRENCY

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1 SCOPE

- a) This policy outlines the limitations on the movement of:
 - i) Bank notes and foreign currency in and out of South Africa; and
 - ii) Kruger Rand coins.
- b) This policy applies to every person who is about to enter / has entered, who is about to exit / has exited South Africa from / to a country outside the Common Monetary Area (CMA) through any recognised place of arrival / departure and who has in his / her possession South African banknotes, any foreign currency or Kruger Rand coins.
- c) This policy does not apply to:
 - i) Bearer Instruments, for example, bills of exchange, cheques, promissory notes, bearer bonds, travellers cheques, money orders or postal orders; or
 - ii) The movement of foreign currency and / or Rand within the CMA.

2 POLICY

- a) Although currency is included in the definition of goods, it cannot be classified in terms of the Customs tariff which means that no duty is payable thereon. Value-Added Tax (VAT) is also exempt thereon.
- b) No person may, except with permission granted by the Treasury and in accordance with such conditions as the Treasury may impose enter into any transaction whereby capital or any right to capital directly or indirectly is exported from South Africa.
- c) The Exchange Control Regulations published in terms of Section 9 of the Currency and Exchanges Act No. 9 of 1933 vests the control over South Africa's foreign currency reserves in the Treasury.
- d) Exchange Control Regulation 3(1) stipulates that subject to any exemption which may be granted by the Treasury, no person shall, without permission granted by the Treasury or a person authorised by the Treasury and in accordance with such conditions as the Treasury or such authorised person may impose –
 - i) Take or send out of South Africa any bank notes, securities and foreign currency, or transfer any securities from South Africa elsewhere;
 - ii) Send, consign or deliver bank notes, securities or foreign currency to any person for the purpose of taking, sending or removing such bank notes, securities or foreign currency out of South Africa;
 - iii) Take any South African bank notes into South Africa or send or consign any such notes to South Africa; or
 - iv) Make any payments to, or in favour, or on behalf of a person resident outside South Africa, or place any sum to the credit of such person.
- e) Customs Officers are empowered in terms of Regulation 1 of the Exchange Control Regulations to search for and seize bank notes, securities and / or foreign currency that exceed the amounts allowed. The seizure is in terms of the above-mentioned Exchange Control Regulations on behalf of the South African Reserve Bank (SARB) and not in terms of the Customs and Excise Act.
- f) Exchange Regulations 3(5) and / or 3(8) states that bank notes, securities and / or foreign currency seized must be forfeited for the benefit of the National Revenue Fund. The Treasury may, in its discretion, direct that it be refunded or returned, in whole or in part, to the person from whom it was taken or who was entitled to have custody or possession thereof at the time it was seized. Excess currency seized must therefore be handed over to SARB.
- g) When providing foreign exchange, authorised dealers must inform their customers that:
 - i) Foreign exchange provided may only be utilised for the purpose for which it was made available;
 - ii) Foreign currency may be purchased by a traveller sixty (60) days before the date of departure;

- and
- iii) Any unused foreign exchange must be resold forthwith to an authorised dealer on their return to South Africa.
- h) The Republic of Botswana does not form part of the CMA and therefore the same requirements apply to South African residents and visitors entering South Africa from or leaving South Africa to Botswana, as is set out in this document. Even in cases where business transactions are concluded between South African and Botswana enterprises (goods delivered and payment received) which results in receiving payment in cash, the same conditions will apply.
 - i) When visitors are in transit there is no obligation on them to declare any foreign currency however, a visitor / traveller entering South Africa and passing through immigration i.e. his/her passport endorsed as entered into South Africa, cannot claim to be in transit and must make a formal declaration.
 - j) Under no circumstances may any excess currency be paid into SARS's bank account.
 - k) On release of the excess money to the SARB or traveller the normal State warehouse rent applies
 - l) Limitations on the movement of bank notes and foreign currency:

TYPE OF CURRENCY	SOUTH AFRICAN RESIDENTS		VISITORS	
	IN	OUT	IN	OUT
South African bank notes	R 10 000	R 10 000	R 10 000	R 10 000
Foreign Currency	Amount above \$10 000 to be declared.	To the value of R 160 000 per adult and R 50 000 per child under the age of twelve (12) , per calendar year out of South Africa . Prior clearance from an authorised dealer (on an official letterhead) must be produced to Customs as proof. Without such clearance only an amount equalling R 10 000 is allowed per person.	Amount above \$ 10 000 to be declared.	Unlimited on condition that the amount was originally declared when entering South Africa .
Kruger coins	No coins will be accepted without the prior approval of the SARB.		Up to 15 coins provided that the visitor can prove that the coins were acquired with foreign currency brought with them into South Africa	

- m) The movement of bulk foreign currency and Rands from South Africa requires the prior approval of the Exchange Control Department.
- n) South African residents who become entitled to sell or to procure sale of any foreign currency must within thirty (30) days after becoming so entitled make a declaration in writing of such foreign currency to the Treasury or to an authorised dealer.
- o) Record keeping
 - i) The resident / visitor must keep for record purposes for a period of five (5) years:
 - A) Books, accounts and documents in respect of all transactions relating to the Rules for the purpose of any acquittal procedure; and
 - B) Any data related to such documents created by means of a computer.

- ii) The five (5) year period is calculated from the end of the calendar year in which the document was created, lodged or required. (Sections 101 and 101A)
- iii) Every client must produce such books, accounts and documents on demand.

p) Penalties

- i) Failure to adhere to the provisions of the Act, as set out in this document, is considered an offence.
- ii) Offences may render the recipient / importer liable to, as provided for in the Act:
 - A) Monetary penalties;
 - B) Criminal prosecution; and / or
 - C) Suspension / cancellation of registration / license / accreditation.

q) Appeals against decisions

- i) Where currency has been seized the resident / visitor and / or his / her legal representative may make representations to the Exchange Control Department of SARB as to why the whole or part of the bank notes should be refunded or returned to him / her.
- ii) The Reserve Bank can be contacted at (012) 313 3911 requesting the Exchange Control Department.

- r) For more information on exchange controls an Exchange Control Manual has been published and can be accessed at the following website address www.reservebank.co.za.

3 REFERENCES

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 78(1) Customs and Excise Rules: None
Other Legislation:	Currency and Exchanges Act No. 9 of 1933: Section 9 Exchange Control Regulations, 1961: Regulations 1, 2, 3 and 5 Financial Intelligence Centre Act No. 38 of 2001: Sections 28, 30 and 70 The Constitution of the Republic of South Africa of 1996 All The South African Revenue Service Act No. 34 of 1997: All Value-Added Tax Act No. 89 of 1991: All
International Instruments:	Kyoto Convention: Specific Annex J Chapter 1: Travellers - Standards.1-4; 10-13; 18-25 and 28-36 Recommended Practice: 5-9; 14-17; 26-27; 37 and 39

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-PA-01-06-S1	External Standard Operating Procedure – Excess Currency	All

4 DEFINITIONS AND ACRONYMS

Act	Customs and Excise Act No. 91 of 1964
Authorised Dealer	A person authorised by the Treasury to deal in foreign exchange
CMA	Common Monetary Area, which consist of: The Republic of South Africa; The Kingdom of Lesotho; The Republic of Namibia; and The Kingdom of Swaziland.
Foreign Currency	Any currency which is not legal tender in South Africa, including bills of exchange, letters of credit, money orders, promissory notes, traveller's cheques or any other instrument for payment in a currency unit which is not legal tender in South Africa
SARB	South African Reserve Bank

Securities	Shares, stock, bonds, debentures, debenture stock, unit certificates or any document conferring or containing any evidence of rights in respect of any security
Treasury	The Minister of Finance or an officer in National Treasury who by virtue of the division of work in that Department deals with the matter on the authority of the Minister of Finance
VAT	Value-Added Tax

5 DOCUMENT MANAGEMENT

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