

South Africa relaxes Exchange Controls

Introduction

For many years South Africa has maintained a system of exchange controls that were introduced during the sanction years. Over the years these allowances have been relaxed and today the Finance Minister announced the following further relaxations in the system:

The offshore investment allowance has been doubled from R2m to R4m per person;
The annual allowance available to South African companies without exchange control permission has been increased from R50m to R500m
The local borrowings restrictions that restricted non resident owned companies to a limit on borrowings of 3 times equity has been scrapped;
Local companies may now open foreign bank accounts without permission;
Local companies now no longer need to remit export income within 6 months has been scrapped.

Key Contact:

If you require advice or assistance in regard to any of the matters raised in this brochure, please contact your usual contact or

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