Operating a non-resident account

Investec

Who is a non-resident?

A non-resident means a person who is not born in South Africa (i.e. a natural person or legal entity) whose normal place of residence, domicile or registration is outside the common monetary area (CMA), i.e. Namibia, Lesotho, Swaziland or South Africa.

What is a non-resident account?

This is an account opened with an authorised dealer (bank) in South Africa by a non-resident (i.e. a natural person or legal entity). A non-resident individual does not hold a South African passport nor a South African identity document and a non-resident entity is not registered in the Republic of South Africa.

What is the duty of an authorised dealer over non-resident accounts?

Rand accounts opened by non-residents must be designated and conducted as non-resident accounts.

Authorised dealers are requested to exercise extreme care over deposits to non-resident accounts. Such accounts must be kept separately under the supervision of a responsible officer conversant with the principles of exchange control and the provisions of the rulings.

Non-resident accounts may not be overdrawn without the permission of the Financial Surveillance Department of the South African Reserve Bank. Applications for overdrafts and credit card limits greater than R20 000 can be applied for via the banks Financial Surveillance (Exchange control) Department.

All transactions require prior approval from the Financial Surveillance Department.

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The below list is the most common non-resident credit transactions, together with a list of documentation required:

Transaction Type	Documentation Required
The sale of foreign cash notes	Proof of conversion from the authorised party, including bureau de change, who converted the funds.
Credits from other non-resident accounts (between banks)	S.W.I.F.T. message which confirms in field 72 that the originating account is a non-resident account or a letter from the authorised dealer where the originating account is held confirming that the account is a non-resident account.
Redeposit of unused rand notes withdrawn while visiting the CMA	Proof of the original withdrawal from account.
Rental income	Valid lease agreement signed by both parties. Please note that every time the lease expires, a new one must be submitted to the Financial Surveillance Department timeously. If a lease agreement is not available or the property is a holiday home, an invoice will be required for each time funds are credited.
Services rendered/salaries	A detailed invoice confirming the rate per hour or a copy of the contract of employment. If the client does not want to supply a copy of the contract of employment, we will require a copy of the payslip on a monthly basis. We reserve the right to request a copy of the payslip periodically when the client supplies a contract of employment. When a bonus is paid, we require proof on a company letterhead or payslip confirming this payment.

Transaction Type	Documentation Required
Refunds	• Proof of the original purchase • Documentary evidence of purchase cancellation • Proof of refund (statement from the refunding entity) • SARS refunds require a SARS income tax statement as evidence of the amount received
Sale of vehicle	• Proof of ownership (copy of vehicle registration certificate) • Documentary evidence of inward flow of funds (from offshore) to purchase the vehicle • Proof of sale (sale agreement) • Copy of passport
Sale of property	• Proof of initial inflow for purchase of property • Certificate of fair value (obtain from estate agent). Wording must contain the words … property sold at market related, fair value and transaction concluded at arm's length • Sale agreement signed by both parties • Final statement from transferring attorneys • Copy of passport if jointly owned both passports required
Inheritance	• Copy of passport • Death Certificate • Last will and testament • Letter of Executorship • Final Distribution and • First and Final Distribution and Liquidation account bearing the Master of the high court • Beneficiaries' passport • Proof of emigration please include or confirmation that Tax residency has been ceased

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The below list is the most common non-resident credit transactions, together with a list of documentation required:

Transaction Type	Documentation Required
Proceeds from a Pension/Provident fund	• Copy of passport • Confirmation funds introduced into SA • Statement confirming amount due • Proof of emigration • Confirmation of tax residency ceased Kindly note if SA born, we require proof of emigration, if funded from offshore a copy of the (MT103 swift confirmation) is required. Funding originating from employment in SA (FTR) the below is required. • Passport • Work permit • FTR declaration form completed by the primary bank • Work contract (copy of payslip)
Income distribution/dividends	• Board resolution confirming the distribution of funds • Share certificate (non-resident endorsed) • Auditor's certificate • Copy of passport

Transaction Type	Documentation Required
Directors' fees	An auditor's letter will be required confirming the relationship with the entity • A resolution stating the distribution from the board of directors. ** If it is not stipulated on the resolution that it will be a monthly/ quarterly distribution, and the amount to be paid, then a resolution will be required for each payment. • Copy of passport
Loan repayment – loan by non-resident to a South African	1. This loan needs to be registered with the South African Reserve Bank when the original transfer is done to the South African person/entity 2. The South African party must have the loan registered with the authorised dealer they bank with 3. We will require proof that this loan was registered with the South African Reserve Bank before repayment can be accepted into the non-resident account 4. If the South African party holds an account with Investec Bank a foreign loan application form needs to be completed and submitted to Financial Surveillance Department for registration of the loan with the South African Reserve Bank 5. A fee is applicable for this service (please liaise with FX Excon) not available or the property is a holiday home, an invoice will be required for each time funds are credited.
Sale of shares	• Share sale agreement • Original share certificate – needs to be cancelled • Board Resolution from the South African entity; confirming the amount be disinvested; for how much shares and to whom("non-res") • South African entity letter confirming: ◦ Fair market related ◦ Transaction concluded at arm's length

Kindly forward all non-resident related queries to the following FXNonRes@investec.co.za for endorsement of non-resident shares kindly forward your request to FXExcon FXExcon@investec.co.za / FXEmigration@investec.co.za (which forms part of the Financial Surveillance Department) team.

NB* Once we have all supporting documentary evidence and confirmation that the transaction is permissible in terms of current exchange control requirements, we will credit the funds to your account within two business days.

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