CUSTOMS

External Policy

EXCESS CURRENCY

TABLE OF CONTENTS

1 PURPOSE

a) The movement of South African bank notes and Kruger Rand coins in and out of South Africa is limited to the prescribed amounts as per the Exchange Control Regulations.

2 SCOPE

a) This policy applies to every person entering or leaving the Republic of 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 must adhere to the requirements for importing and exporting currency.

3 POLICY STATEMENT

3.1 Legal provisions

a) Currency is included in the definition of goods. However, used currency carried on a person entering or leaving South Africa cannot be classified in terms of the Customs tariff, which means that no duty or Value-Added Tax (VAT) is payable thereon.

b) Unused imported or exported currency e.g. banknotes is classifiable within tariff heading 49.07 and the goods declaration process as prescribed in SC-CF-55 is applicable.

c) These restricted goods are only allowed to enter or exit South Africa under the conditions as prescribed by the South African Reserve Bank (SARB) and administered by SARS in terms of Section 113(8)(a).

d) In terms of the Exchange Control Regulations published in terms of Section 9 of the Currency and Exchanges Act No. 9 of 1933, the control over South African's foreign currency reserves is vested in the National Treasury.

e) No person shall, except with permission granted by the National Treasury and in accordance with such conditions as the National Treasury may impose, enter into any transaction whereby capital or any right to capital directly or indirectly is exported from South Africa.

f) In terms of the Financial Intelligence Centre (FIC) Act No. 38 of 2001 any cash in excess currency of R 100 000.00 must be reported to the FIC. If there is a reason to believe that smaller amounts are linked to each other and when combined exceeds the prescribed amount such amounts must be reported on.

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 within thirty (30) days of their return to South Africa.

h) The Republic of Botswana does not form part of the CMA and therefore the Exchange Control requirements of non-CMA travellers entering South Africa from or leaving South Africa apply. 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.

3.2 Declaration of currency

a) Every person must declare the currency in his / her possession as follows:

i) On arrival, South African bank notes; and
ii) On departure South African bank notes, securities and gold.

b) Where applicable a traveller must complete the Traveller Card (TD-01) or electronic traveller declaration. Submission by a traveller of an electronic traveller declaration is regarded as submission of form TD-01 for purposes of the Rules under Section 15.

c) The Customs Officer generates the Traveller Declaration (TGD 1) based on the verbal declaration by the traveller to complete the declaration process according to SC-PA-01-11 - Traveller Processing – External Policy.

d) Visitors utilising air transport in transit through South Africa are not obliged to declare any currency. However, once any traveller enters South Africa and passes through immigration i.e. his / her passport is endorsed as entered into South Africa, the traveller is not in transit and must make a declaration.

3.3 Search and Seizure of currency

a) Customs Officers may search for and seize currency in terms of Regulation 3(3) and 3(6) of the Exchange Control Regulations in these circumstances:

   i) When travellers have South African Reserve bank notes in excess of R 100 000.00 unless the traveller is travelling within the CMA;
   ii) Where the foreign currency is not less or equal to what was declared upon arrival by the non-resident; and
   iii) Where the traveller does not have permission granted by the National Treasury.

b) The traveller acknowledges the seizure of the currency by electronically signing the notification of detention on the Passenger Processing System (PPS), refer to SC-PA-01-11.

c) The traveller is also requested to sign for receipt of the Audi Alteram Partem letter by signing a copy of the letter.

d) The traveller is allowed to leave the passenger processing area if he / she is within his / her allowances and no excess currency is found in their possession.

e) Exchange Control Regulations 3(5) and / or 3(8) states that currency seized must be forfeited for the benefit of the National Revenue Fund. The National Treasury may in its discretion, direct that the currency seized 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 detained. Excess currency seized is therefore handed over to SARB.

f) Migrant labourers returning to neighbouring countries are permitted to take with them reasonable amounts in the form of Rand notes representing their earnings in South Africa.

g) Up to fifteen (15) Kruger Rand coins may be exported provided that the coins were acquired with foreign currency brought with them into South Africa.

4 REFERENCES

4.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation, Rules, Regulations and Interpretation Notes administered by SARS	**Customs and Excise Act No. 91 of 1964:** Section 15, 78(1), 101, 101A and 113(8)(a)-(d) **Customs and Excise Rules:** Rule 15 **The South African Revenue Service Act No. 34 of 1997:** All **Value-Added Tax Act No. 89 of 1991:** All **Value-Added Tax Act No. 89 of 1991:** Section 7(1)
Other Legislation	**Currency and Exchanges Act No. 9 of 1933:** Section 9 **FIC Act No. 38 of 2001:** Section 3(2)(a); 30 **Exchange Control Regulations, 1961:** Regulations 1, 2, 3 and 5 **Financial Intelligence Centre Act No. 38 of 2001:** Sections 28, 30 and 70

TYPE OF REFERENCE	REFERENCE
	The Constitution of the Republic of South Africa of 1996: All **Promotion of Administrative Justice Act No. 3 of 2000:** Section 3
International Instruments	**Revised 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

4.2 Cross References

DOCUMENT NUMBER	DOCUMENT TITLE
SC-CO-01-02	Offences and Penalties – External Policy
SC-PA-01-11	Traveller Processing – External Policy

4.3 Reference to Role, Functional Area, or Division

Where an organisational structural change occurs with or without modifications, any reference in this document to a role, functional area, or division under the former organisational structure, unless the contrary intention appears, shall be construed to be a reference to that role, functional area, or division under the new organisational structure.

5 DEFINITIONS AND ACRONYMS

a) Link for centralised definitions and acronyms: Glossary A-M | South African Revenue Service (sars.gov.za)