

# Your annual Offshore allowances will expire soon



This serves as a kind reminder that there are a limited number of days to make use of your annual Offshore allowances in 2022.

Here are a few things to keep in mind for investors who wish to transfer funds Offshore for investment purposes or leisure:

### Single Discretionary Allowance (SDA):

- Every South African tax resident over the age of 18 has a Single Discretionary Allowance of R1 000 000 per calendar year to move funds offshore without having to apply for tax clearance. This allowance can be utilised for any legal purpose abroad without any documentary evidence pertaining to the funds being transferred.
- Allowances that are not utilised within the calendar year do not get “carried” over to the following year. E.g: If you transferred R500 000 in 2022 offshore and in 2023 you would want to transfer R1 500 000 offshore, you can only utilize your R1 000 000 Single Discretionary Allowance of 2023 and you will need to apply for tax clearance for the balance.
- All funds that are transferred form part of your Single Discretionary Allowance whether you are paying from your credit card for goods purchased offshore, transferring to an offshore hotel to pay for accommodation, buying foreign currency etc.
- South African Residents under the age of 18 have a travel allowance of R200 000 per annum, documentary proof of travel is required should this be utilised.

### Foreign Capital Allowance (FCA):

- In addition to the SDA, South African citizens may also make use of their Foreign Capital Allowance of up to R10 000 000 which is valid for a 12 month period on approval of a tax compliance certificate.
- Only citizens over the age of 18 with an active tax number can apply.
- Should you wish to invest more than R10 000 000, your bank would have to submit an application to South African Reserve Bank for approval.

With a number of public holidays and bank holidays (internationally recognised) there are a limited number of business days left in 2022 to make use of your single discretionary allowance.

Any trade completed will settle 2 days after trade date. If the trade is done on the 28th, 29th or 30th of December, it will settle in 2023 and count against the 2023 Single Discretionary Allowance.

**Last day for Offshore trading is the 27th of December to settle in 2022.**

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Our CCM & Forex Specialist, Shanne, and her team are ready and waiting to assist you with your foreign exchange needs.