



OFFSHORE

INVESTING OFFSHORE

Using your foreign investment allowance
(externalised funds)

INVESTING OFFSHORE USING YOUR FOREIGN INVESTMENT ALLOWANCE (EXTERNALISED RANDS)



The South African Reserve Bank allows each adult South African citizen to invest up to R5 million per year in foreign assets - an attractive option for investors seeking to further diversify their investment holdings.

The process of investing in one of Coronation's foreign currency denominated funds has 4 simple steps:

- 1 Choose the right fund and submit your completed application form to Coronation Client Service
- 2 Apply for tax clearance from the South African Revenue Service (SARS)
- 3 Visit your bank to arrange for a transfer of funds
- 4 Submit your proof of payment and Tax Clearance Certificate to Coronation Client Service

STEP 1 CHOOSE THE RIGHT FUND AND COMPLETE THE CORONATION APPLICATION FORM

Coronation offers a range of [foreign currency denominated international funds](#) that are available directly from us or through selected offshore platforms offered by Alexander Forbes, Allan Gray, Glacier by Sanlam, Investec, Old Mutual and RMBI/Momentum.

Matching your needs to the right fund is vitally important, so if you are unsure as to which fund is right for you, speak to your financial advisor or contact Coronation Client Service on 0800 86 96 42 where one of our consultants will gladly provide you with further details on the various fund options.

Once you've made your fund/s decision, visit our website and click on [Invest Now](#). Alternatively you can download and complete the [Application Form](#) or request that one of our client service consultants email or post this form to you.

If you are not an existing Coronation investor, you will need to include the following FICA documentation with your application form:

- A copy of your South African identification document (ID) bearing ID number and photograph
- Proof of residential address less than three months old (e.g. utility bill or telephone account)
- Proof of banking details (e.g. bank statement or cancelled cheque less than three months old)
- Proof of SA income tax number if applicable (e.g. SARS issued document bearing name and tax number)

Completed forms and supporting documentation should then be faxed to us on (021) 680 2181 or emailed to OffshoreInvestments@coronation.co.za.



Steps 2 and 3 can be completed by you, or you can make use of an independent foreign exchange provider who will facilitate the process of obtaining tax clearance and the transfer of funds. These providers can assist you with the following:

- Assistance in completing the required exchange control and tax clearance forms
- Applying for tax clearance on your behalf (within 1-2 days)
- Preferential foreign exchange rates
- Zero transfer and administration fees
- Forward cover on exchange rates
- Applying for an offshore allowance in excess of the current R5 million allowance

Coronation has identified two potential independent foreign exchange providers. Please see their contact details below.

Global Treasury Solutions

Patricia Rossouw
012 658 0515 / 082 499 0537
patricia@globalts.co.za
www.globalts.co.za

Exchange 4 Free

Matthew Lawson
011 453 7818/082 391 5494
matt@exchange4free.com
www.exchange4free.co.za

STEP 2 APPLY FOR TAX CLEARANCE

Tax clearance from SARS is required prior to investing in any foreign currency denominated international fund. To do this, simply download and complete the [Tax Clearance Certificate \(i.r.o. Foreign Investment Allowance for Individuals\) \(FIA 001\)](#) available on the SARS website at www.sars.gov.za, or request the certificate from Coronation Client Service.

You will be required to submit the following documents together with your completed certificate at your nearest SARS office:

- A statement of your assets and liabilities
- A copy of your bank statement indicating availability of funds (SARS will only grant clearance on the amount that is available in your bank account).
- A certified copy of your ID

Approval time depends on your specific SARS office and your tax status, but typically takes between two and four weeks. The Tax Clearance Certificate is valid for a period of 12 months from date of issue.



STEP 3 TRANSFER OF FUNDS

Once you've obtained tax clearance, you need to visit your bank to arrange for a transfer of funds into the Coronation bank account. You will be required to complete the following two forms available at your bank:

- 1) Application for an overseas bank transfer of funds/outward balance of payment form (OTT form)
- 2) Original MP1423 form (form from the South African Reserve Bank Exchange Control indicating a foreign investment by a natural person resident in South Africa)

In order to complete these forms, you need to have the following documents and details available:

- Bank account details (available in section F of the Application Form or from Coronation Client Service)
- Your original SARS Tax Clearance Certificate
- Your ID (and Power of Attorney, if applicable)

STEP 4 SUBMIT YOUR FINAL DOCUMENTATION TO CORONATION

Once you've arranged for the transfer of funds, kindly send Coronation Client Service the following documentation and we will process your application:

- Proof of payment
- A copy of your Tax Clearance Certificate

FREQUENTLY ASKED QUESTIONS

Coronation has prepared a set of [frequently asked questions](#) and answers with the objective of providing you with a general overview of the basic exchange control and tax consequences of investing in one of our foreign denominated international funds. If you are in any way uncertain, we recommend that you obtain appropriate independent advice prior to making such an investment.

For further assistance, please contact Client Service on **0800 86 96 42** or OffshoreInvestments@coronation.co.za