

Theme		What the Bank look for in addition to a fully completed BOP form (Manual or Electronic)
Imports 101 to 109	Import Permit	The client must confirm whether the goods requires an import permit. A copy of the permit is no longer a requirement.
	Advance payment types	Goods not yet shipped or, Goods in transit or, Goods received in South Africa but payment as Cash on Delivery
	Goods Received in the Republic	Goods fully cleared to the importer or, Goods cleared into a bonded warehouse
	Letter of Undertaking	The bank would require a copy of the Exchange Control Approval. These transactions would be reported under BOP categories 102 or 104
	Consumables acquired in Port	These transactions would be reported under BOP category 105 and requires prior SARB Finsurv approval
	Trade Finance	Financier's detailed invoice A trade finance agreement A copy of the SARS Customs Declaration These transactions would be reported under BOP category 106
		The bank would typically look at the following on the supporting documents: <ul style="list-style-type: none"> • Seller's Name and Address • Whether the manufacturer is the same as the seller • Importer's Name and Address • Date of invoice • Amount and currency • Description of Goods • Payment Terms • Incoterm • Destination of goods • Invoice or Reference number

		<ul style="list-style-type: none"> • Agreements / Contracts • Third Party details
<p>Advance payments for goods not yet shipped may be supported by one or a combination of the following documents:</p> <ul style="list-style-type: none"> • A contract of sale or purchase contract (sometimes called an agreement) • Pro-Forma invoice • Sales confirmation • Quotation • Or any other document confirming an agreement between a buyer and a seller for the sale / purchase of goods that calls for payment in advance. 		
<p>Advance payments for goods in transit may be supported by one or a combination of the following documents:</p> <ul style="list-style-type: none"> • Commercial invoice • A contract of sale or purchase contract (sometimes called an agreement) • A Transport document (see paragraph 6.2.1 on pages 34 and 35/78 of the Currency and Exchanges guidelines for business entities) • Or any other document confirming an agreement between a buyer and a seller for the sale / purchase of goods that calls for payment whilst the goods are in transit 		
<p>Payment may not be classified as an advance payment if goods have been received in the Republic. A copy of the SARS Customs Declaration is mandatory in these circumstances (see page 11/78 of the Currency and Exchanges guidelines for business entities). The same would apply to payments declared as BOP category 107</p>		
<p>Advance Payment for Capital goods</p> <ul style="list-style-type: none"> • Ex-Factory cost of the Capital goods not exceeding R 10 million - Payment up to 100% • Ex-Factory cost of the Capital goods exceeding R 10 million - Payment up to 50% in advance with the balance payable after the goods have been shipped. • The Bank requires the following confirmations <ul style="list-style-type: none"> ○ That the order would otherwise be refused and ○ That such payment is normal in the trade concerned. 		

Merchandising 110	<ul style="list-style-type: none"> • See page 42/78 of the Currency and Exchanges guidelines for Business Entities. • No more than 1 party to the transaction may be resident in the CMA. 	
	Documentary evidence	<ul style="list-style-type: none"> • Seller's invoice • Buyers invoice • An agreement or contract of sale / purchase is mandatory under the following circumstances <ul style="list-style-type: none"> ○ If the relevant transaction is recorded in a written agreement or, ○ If reference is made thereto on any of the supporting documents, or ○ If the supporting documents (invoices, etc.) contains insufficient information to have a complete view of the transaction
	Prepaid	<ul style="list-style-type: none"> • The above documentary evidence and • Proof of payment <ul style="list-style-type: none"> ○ If payment is received via SBSA, the TRN number ○ If payment is received via another SA Bank account, a copy of the bank statement and Inward SWIFT message. • If funds received but proof of payment is not exhibited, payment must be declined.
	Advance Payment	<p>Out of pocket period must be within</p> <ul style="list-style-type: none"> • 60 days from outward payment – Trade with African countries • 14 days from outward payment – Trade with any other country
Royalties / License fees 201 to 213	Related to the Local Manufacture of goods	<p>Payment permissible against presentation of the following:</p> <ul style="list-style-type: none"> • Documentary evidence in compliance with the definition (see page 1 of this guideline) that must include, • An invoice from the licensor (the relevant non-resident party), verifying the purpose and the amount involved • A valid approval letter issued by the DTI (Department of Trade and Industry) • An auditor's letter verifying that the amount payable has been correctly calculated and is reasonable in the trade concerned (may be presented to the bank on an annual basis)

		<ul style="list-style-type: none"> • The Bank should be satisfied that the payments fall within the terms of the relative agreement and comply with any conditions laid down in the authority granted by the DTI • May be paid to a related party
	Acquisition of Intellectual property (including computer software)	Payment permissible against presentation of the following: <ul style="list-style-type: none"> • Documentary evidence in compliance with the definition (see page 1 of this guideline) that must include, • An agreement is mandatory • An auditor's letter confirming: <ul style="list-style-type: none"> ○ the valuation ○ that the transaction was conducted on an arm's length basis
Computer Software 231 to 236	The documentary evidence presented has to be clear in regard to the following: <ul style="list-style-type: none"> • Is the software customised or commercially available? • How will the software be shipped / delivered to the buyer? • Is this an outright purchase or is the license for a restricted period? 	
	Imports on physical media	<ul style="list-style-type: none"> • The requirements applicable to imports would apply (see pages 10 and 11 of this guideline) • Includes the purchase of additional licenses
	Imports on non-physical media	<ul style="list-style-type: none"> • Require confirmation on the invoice / agreement / supporting documentation that goods will be delivered electronically • Includes the purchase of additional licenses • Also includes payment for electronic keys / access codes
	Maintenance	<ul style="list-style-type: none"> • Payments are allowed in advance • Documentary evidence has to confirm the purpose and amount payable

<p>Services 220 to 226 240 to 243 265 to 266 287 to 297</p>	<ul style="list-style-type: none"> • All services between related parties require prior SARB Finsurv approval. • R&D funding require prior SARB Finsurv approval. • The invoice presented needs to clearly describe the nature of the services. • The reimbursement of air fares, accommodation and other costs directly associated with the rendering of the services may be included in the payment. • We have to understand where the services were provided as this has a bearing on the Section of the CEMAD that would apply. • Certain sections of the CEMAD does not allow for the advance payment of services and these either have additional requirements or require prior SARB Finsurv approval. • Invoices related to technical services have to clearly state whether it relates to importation of Capital Goods, goods under warranty, commissioning, maintenance contracts, etc. • If services are related to the fulfilment of a foreign contract, a copy of the contract must be exhibited.
<p>Freight 270 to 273</p>	<ul style="list-style-type: none"> • Refer to page 35/78 of the Currency and Exchanges guidelines for business entities - paragraph 6.2.2 • Reporting of carriage and services related to the carriage of the goods have to be separate. • No advance payments of freight are allowed. This includes freight services not mentioned under B.14(Q)(ii) of the CEMAD. • The roles of each party to the transaction is important as this has a bearing on the different requirements of the CEMAD. • Supporting documents that may be requested to support the transaction are: <ul style="list-style-type: none"> ○ Export Invoice - where exporter has an obligation to pay for carriage or freight services ○ Confirmation that goods were exported on consignment basis – in cases where goods are exported as consignments stock and are not sold when carriage or freight services obligation becomes due. ○ Transport document – where invoice contains insufficient information on the carriage. ○ Full SARS Customs declaration - where importer pays exporter for carriage or freight services separate from the EXW value or where goods are exported free of payment and will be returned to the Republic. ○ Auditors certificate (may be presented on an annual basis) by Shipping or Airline companies doing bulk transfers.

Freight Payments between local entities – ZZ1	<ul style="list-style-type: none"> ○ Letters from the company confirming freight collections (if section B.9(B) of the CEMAD applies to the payment). ○ Charter party agreements ○ Details of demurrage claim and settlement ● Profit share arrangements require prior SARB Finsurv approval 	
	<ul style="list-style-type: none"> ● The same documentation supplied for the use of BOP categories 270 – 273 would apply ● Invoices between local entities must be directly related to an export or import transaction ● The link between the invoice (local) and the import / export transaction has to be clear 	
Commission / Brokerage 275, 276 and 307	<ul style="list-style-type: none"> ● Commissions (or any other related expenses) may not be set off unless specifically authorised by SARB Finsurv or provided for in the CEMAD 	
	Buying	<ul style="list-style-type: none"> ● The client must confirm in writing that the rate of the commission or fee is normal in the particular trade concerned
	Selling	<ul style="list-style-type: none"> ● The client must confirm in writing that the rate of the commission or fee is normal in the particular trade concerned. ● May also present a statement of account.
	Investments	<ul style="list-style-type: none"> ● The client must confirm in writing that the rate of the commission or fee is normal in the particular trade concerned ● Only applies in instances where investments are introduced into South Africa from abroad.
Diplomatic Transfers 282	<ul style="list-style-type: none"> ● Applies to Embassies, High Commissions, Legations and Consulates. ● The bank has to be satisfied that the transaction is in the normal course of their business. 	
Travel 250 to 261	Land Arrangements	<ul style="list-style-type: none"> ● In addition to the invoice from the beneficiary, we require a copy of the invoice issued by the local travel agent to the traveller. ● This invoice has to contain the name and address of the traveller.

		<ul style="list-style-type: none"> • Payments related to bulk purchases of travel space (not yet booked by individual travellers) require prior SARB Finsurv approval.
	Incentive tours	<ul style="list-style-type: none"> • In addition to the invoice from the beneficiary, we require a copy of the official letter from the firm or company concerned.
Dividends 301		<ul style="list-style-type: none"> • Authorised Dealers may allow the transfer of dividends, profit and/or income distributions from quoted companies, non-quoted companies and other entities to non-residents in proportion to their percentage shareholding and/or ownership • Refer to page 43/78 of the Currency and Exchanges guidelines for business entities - paragraph 10.1
	Dividend declaration	<ul style="list-style-type: none"> • A copy of the dividend declaration has to be provided in support of the transaction.
	Non-Resident Shareholding	<ul style="list-style-type: none"> • The bank confirms that a non-resident holds the shares in an entity by viewing a copy of the Share certificate. • The share certificate has to carry an endorsement (on the face) by an authorised dealer in order to qualify.
	Proportion shareholding	<ul style="list-style-type: none"> • The bank verifies this via the account / relationship manager. • It is also possible to verify this by viewing the Financial statements, but the date of the financial statements might not coincide with the dividend date.
Directors fees		<ul style="list-style-type: none"> • A copy of the resolution of the board of directors of the remitting company confirming the amount to be paid to the beneficiary; • Proof that the beneficiary is a non-resident.
Compensation paid by a resident to an employee 303 to 306		<ul style="list-style-type: none"> • A copy of the contract of employment • A copy of the Passport or ID document for SA Residents temporarily abroad • A copy of the foreign national declaration (for foreign nationals temporarily in SA) prescribed in terms of Section B.5(A)(i) of the CEMAD. • Intercompany reimbursement of salaries for seconded personnel would require prior SARB Finsurv approval.

Interest on Loans 309	<ul style="list-style-type: none"> • An interest calculation • A copy of the SARB Finsurv / Authorised Dealer Internal approval showing the loan reference number and interest rate applicable. • The bank will run an internal check to ensure that the loan was drawn down in line with the interest calculation. 							
Tax 411	<ul style="list-style-type: none"> • Documentary evidence issued by the Tax authority confirming the amounts payable / refund due • Supporting documents showing the underlying obligation (e.g. a request for the payment of income tax should be supported by a copy of the employment contract evidencing the SA company employing someone in the country where the tax is payable) • If claim / payment is handled by a third party, documentary evidence in support of their appointment as an agent for the non-resident. 							
Insurance 412 to 415	<ul style="list-style-type: none"> • Refer to pages 49 to 54/78 of the Currency and Exchanges guidelines for business entities - paragraph 14 • As a general rule, business entities are not allowed to enter into any insurance contracts with foreign insurance companies <table border="1" data-bbox="454 906 2040 1375"> <tr> <td data-bbox="454 906 927 1262"> Applications to the Financial Services Board (FSB) </td> <td colspan="2" data-bbox="927 906 2040 1262"> <ul style="list-style-type: none"> • All premiums not allowed in terms of the aforementioned paragraphs must be referred to the FSB. • The Financial Services Board, P O Box 35655, Menlo Park, Pretoria, 0102. • Such applications must be accompanied by a duly completed Form MPI and documentary evidence (e.g. invoice, a statement of account). • The FSB will communicate their response to the Authorised Dealer concerned who may effect transfer against suitable documentary evidence, provided that the request was recommended by the aforementioned board. </td> </tr> <tr> <td data-bbox="454 1262 927 1375"> Acceptable forms of documentary evidence </td> <td colspan="2" data-bbox="927 1262 2040 1375"> <ul style="list-style-type: none"> • Bordereau <ul style="list-style-type: none"> ○ A bordereau is an invoice submitted by an insurer to a reinsurer setting out details of the reinsurance, that have been effected (i.e. name of the </td> </tr> </table>		Applications to the Financial Services Board (FSB)	<ul style="list-style-type: none"> • All premiums not allowed in terms of the aforementioned paragraphs must be referred to the FSB. • The Financial Services Board, P O Box 35655, Menlo Park, Pretoria, 0102. • Such applications must be accompanied by a duly completed Form MPI and documentary evidence (e.g. invoice, a statement of account). • The FSB will communicate their response to the Authorised Dealer concerned who may effect transfer against suitable documentary evidence, provided that the request was recommended by the aforementioned board. 		Acceptable forms of documentary evidence	<ul style="list-style-type: none"> • Bordereau <ul style="list-style-type: none"> ○ A bordereau is an invoice submitted by an insurer to a reinsurer setting out details of the reinsurance, that have been effected (i.e. name of the 	
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		<p>insured, period of insurance, sum insured, premium and reinsurer's proportion of sum insured and premium).</p> <ul style="list-style-type: none"> • Slip <ul style="list-style-type: none"> ○ A slip means a memorandum from the insurer to the reinsurer setting out all salient details of the proposed transaction in terms of the original offer. If acceptable, the original (or master) slip is initialled and dated by the reinsurer and returned to the insurer. • Statement of account <ul style="list-style-type: none"> ○ Would apply where an open account relationship exists between the applicant and beneficiary.
	Claims	<ul style="list-style-type: none"> • All documents related to the claim if not under an open account arrangement.
Institutional Investor 615	<ul style="list-style-type: none"> • Refer to page 23/78 of the Currency and Exchanges guidelines for business entities - paragraph 4.6 • Institutional investors may not transfer Rand offshore • Institutional investors may not repatriate Rand to South Africa • The Bank must confirm the registration of an institutional investor with the Financial Services Board and/or obtain proof of acceptance of the quarterly asset allocation report. If the Bank is not able to the matter must be referred to the Financial Surveillance Department. • The originating institution or its administrator retains the responsibility for ensuring that both its direct and indirect foreign investments remain within the foreign portfolio investment limit • Restriction - No transfers may be effected in respect of costs related to foreign portfolio investments by institutional investors without prior reference to the Financial Surveillance Department. 	
Loan Repayments 801 to 804	<ul style="list-style-type: none"> • Copy of the approval to introduce the loan funds and permission to repay. • If this is contained in the same approval: <ul style="list-style-type: none"> ○ The bank has to ensure that the loan funds were received into SA (proof of Draw Down) before allowing the repayment. 	

	<ul style="list-style-type: none"> ○ It therefore follows that if the loan were approved via another Bank, we will require access to the loan details to verify that the funds now repaid has been received. ● For specific approvals to repay, the bank still has a duty to ensure that the repayment is not duplicated. 	
<p>Local payments between CFC accounts ZZ1</p>	<p>Rough Diamonds, Crude Oil, Wrought Gold, Steel (DOGS)</p>	<ul style="list-style-type: none"> ● Section E of the CEMAD makes provision for payments between local entities involved in the importation and exportation of DOGS. ● Special CFC accounts are to be used to facilitate the local settlement in foreign currency between such account holders ● Transactions must result or have resulted in the direct importation and/or exportation by one of the entities involved of rough diamonds, crude oil, wrought gold and/or steel ● The Bank of the importer and/or exporter must view suitable documentary evidence to confirm that one of the parties to the transaction is a registered importer and/or exporter of the commodity in question. ● The Bank of the importer and/or exporter must view suitable documentary evidence to confirm that the commodities to be so acquired must be destined for exportation or importation by one of the parties concerned. ● Transfer between local entities in settlement of transactions involving DOGS should be reflected in Field 72 as TRF 4 COMMODITIES