



South African Reserve Bank

Financial Surveillance Department

2014-02-27

**Exchange Control Circular No. 12/2014**

**Technology, media, telecommunications, exploration and other research and development companies**

Authorised Dealers are advised that unlisted technology, media, telecommunications, exploration and other research and development companies, may apply to the Financial Surveillance Department for approval to primary list offshore or raise foreign loans and capital for their operations.

In view of the aforementioned, a new sub-section (viii) has been added to Section B.2(B) of the Exchange Control Rulings:

“(viii) Technology, media, telecommunications, exploration and other research and development companies

(a) Authorised Dealers are advised that unlisted technology, media, telecommunications, exploration and other research and development companies, may apply to the Financial Surveillance Department for approval to primary list offshore or raise foreign loans and capital for their operations subject to the following conditions:

(aa) Registration with the Financial Surveillance Department;

(bb) such a company must operate as a South African tax resident and be incorporated and effectively managed and controlled in South Africa;

- (cc) Intellectual Property must remain registered in South Africa but may be assigned offshore, subject to appropriate tax treatment;
- (dd) the offshore listed entity must secondary list in South Africa within two years following the successful offshore listing;
- (ee) a report must be submitted to the Financial Surveillance Department on the status of the offshore listing; and
- (ff) an annual report must be submitted to the Financial Surveillance Department on the operations including details of funds raised offshore."

Replacement pages of the Exchange Control Rulings and the index pages incorporating the above-mentioned amendments as well as those outlined in Exchange Control Circulars No. 9/2014, 10/2014 and 11/2014 of 2014-02-27 respectively, are attached hereto.



Head of Department