

Frequently asked questions

Below you will find a list of frequently asked questions with answers which will assist in understanding the requirements for BoPCUS Version 3.

1. What is BoPCUS?

- › Balance of Payments Customer Transaction Report Message (BoPCUS) means an electronic data interchange which is the agreed message standard used by banks to send balance of payment messages in respect of customers to the South African Reserve Bank (SARB).

2. What is a cross-border foreign exchange transaction?

- › The purchase or sale of foreign exchange with or for Rands (flow of money between South Africa and other countries).

3. Why do we have to report Balance of Payment (BoP) details when transferring funds abroad or receiving funds from abroad?

- › The information is used by the South African Reserve Bank (SARB) to inform macro-economic decisions.

4. How does BoPCUS Version 3 impact me as a client?

The changes include, but are not limited to:

- › Change in BoP category codes
- › Additional data to be provided for personal as well as payment details
- › Third party details to be provided where a resident third party is involved in a transaction.

5. What is the target date for the implementation of the new BoP reporting requirements?

- › 19 August 2013

6. What is the bank's role in BoP Reporting?

- › We are an authorised dealer in foreign exchange. We report all cross-border transactions to the SARB for statistical, regulatory and information purposes.

7. Why is it mandatory to provide the information when making a payment abroad or receiving funds from abroad?

- › BoP data is most important for national and international policy formulation. The SARB uses the information to understand the factors that influence the BoP of South Africa.
- › To be in compliance with the International Monetary Fund (IMF) standards.
- › To comply with Financial Intelligence Act (FICA) requirements.

8. Please provide more details on the change in BoP category codes

The BoP codes will inform the SARB of the type of payment the client is making or receiving. The client is fully accountable for supplying the correct and accurate BoP category or BoP description.

Changes to the current BOP codes:

- › Categories are completely different
- › Sub-categories are applicable in some instances

Examples:

1. Current BoP category for freight payments is: 301

As from 19 August 2013, the BoP categories for freight will be as follows:

- › 270/01: Payment for passenger services – road
- › 270/02: Payment for passenger services – rail
- › 270/03: Payment for passenger services – sea
- › 270/04: Payment for passenger services – air

- › 271/01: Payment for freight services – road
- › 271/02: Payment for freight services – rail
- › 271/03: Payment for freight services – sea
- › 271/04: Payment for freight services – air

- › 272/01: Payment for other transport services – road
- › 272/02: Payment for other transport services – rail
- › 272/03: Payment for other transport services – sea
- › 272/04: Payment for other transport services – air
- › 272/04: Payment for other transport services – air

- › 273/01: Payment for postal and courier services – road
- › 273/02: Payment for postal and courier services – rail
- › 273/03: Payment for postal and courier services – sea
- › 273/04: Payment for postal and courier services – air

2. Current BoP category for Gift payments is: 501

As from 19 August 2013, the BoP category for Gifts will be: 401

9. Please provide more details on the third party details required

Where a resident third party is involved in a transaction, their details must be provided.

Examples:

- › Where the father is paying for the travel on behalf of the family, the details of the wife and children must be provided as third party details.
- › Where an agent is making an import or export payment on behalf of various South African entities, details of the SA entities must be provided.
- › Where a financial institution is making payment in respect of foreign investments for various South African parties, the details of the SA parties must be supplied.

10. Please provide more details on the additional information required

Some additional information to be provided to your Bank as from 19 August 2013, is as follows:

In the case of Entities:

- › Trading name, if applicable
- › Institutional sector (The main institutional sector of each entity: Financial Corporate / Non financial Corporate / general Government / Household such as partnerships, trusts and one man businesses)
- › Industrial classification (The main production activity of each entity: Agriculture, Mining, Transport, Construction, etc)
- › Loan tenor and interest rate (in the case of foreign loans)
- › Transport document number (in the case of the importation of goods)
- › Sub BoP category, where applicable
- › Third party details, where applicable

In the case of Individuals:

- › Gender
- › Date of birth
- › Foreign ID number, where applicable
- › Tax clearance certificate reference (in the case of individual foreign investment allowances)
- › Loan tenor and interest rate (in the case of foreign loans)
- › Transport document number (in the case of the importation of goods)
- › Sub BoP category, where applicable
- › Third party details, where applicable

11. Will I need to provide all my information again? (Know Your Client (KYC) process)

- › No, but to enable us to keep your records accurate and updated, we need to be provided with any changes to your details (i.e. street and postal addresses, contact name and numbers, etc.).

12. Is there a change to the BoP rules that specify which transactions are reportable?

- › There is no change to the current reporting rules. The non resident reporting rules will change in phase 2 of the project which is to be implemented in 2014.

13. Has BoPCUS version 3 introduced an impact or change to Exchange Control?

- › No, current Exchange Control rules and regulations remain the same.

14. Is there any additional documentation I need to provide?

- › The BoP details are required to be captured on an integrated form (paper-based or electronic or any other format approved by the SARB). The form will cater for all fields required by the SARB. The integrated form is a contract between the Bank and its customer and includes a declaration to the effect that the information provided is true and correct and that the information may be supplied to the SARB, SARS and FICA.

15. What about my privacy?

- › The data submitted is intended to satisfy regulatory SARB, SARS and FICA requirements. Data will not be divulged to other third parties.

16. What are the implications of not providing the information required by the SARB?

- › In accordance with our mandate as an Authorised Dealer, we will not be able to process a payment without the required information being supplied.

Let's talk

For more information on BoPCUS Version 3, please contact your dedicated Relationship Manager.

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