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Attorneys Notaries Conveyancers

1st Floor, 2 Albury Park, Albury Road, Dunkeld West, 2196. Docey 11 Hyde Park. t +27 11 560 7100 f +27 11 759 7960. Stellenbosch Office: t +27 82 287 3173

EMIGRATION ADVICE

Who is this intended for?

Single or family unit permanently resident and/ or an immigrant who has been resident for more than 5 years in South Africa

Forms Required:

Anyone who intends to emigrate from South Africa must inform their authorised dealer

- The completed Form MP 336(b) declaring all assets, liabilities and personal details is required to be handed to the South African Revenue Services to obtain a tax clearance certificate
- Once the authorised dealer has accepted the Form MP 336(b), tax clearance certificate and is satisfied that all the remaining South African assets are controlled the following will apply

Emigration Allowances

Private individuals or family units emigrating to any country outside the Common Monetary Area (Namibia, Swaziland, Lesotho, South Africa ("Republic") ("CMA"), will qualify at the time of emigration for the following facilities

Family units:

- A foreign capital allowance of up to R8 000 000 after all liabilities including the cost of the relative passenger tickets and the applicable travel allowances have been provided
- A widow or widower or a single parent with accompanying dependant(s) may also be regarded as a family unit
(this allowance is reduced to the extent that the R4 000 000 per person foreign capital investment allowance has been taken up)

Single persons:

- A foreign capital allowance of up to R4 million after all liabilities including the cost of the relative passenger ticket and the applicable travel allowance have been provided

Travel allowance:

Resident (natural persons) over 18 years of age are allowed a single annual allowance limited to R750 000 per calendar year and each child under 18 years of age is allowed R160 000 per calendar year

Household goods:

- A Form N.E.P is required to be completed and attested by an authorised dealer for household, personal effects, motor vehicles, caravans, trailers, motorcycles, stamps and coins (excluding coins that are legal tender in the Republic), within the overall insured value of R1 million

Your assets in excess of your allowances constitutes "blocked assets" and must be surrendered to an authorised dealer and may be used in the manner prescribed by Exchange Control

Special matters to consider prior to your departure:

- Consider executing a Power of Attorney in terms whereof a trusted third party is appointed to take care of your affairs in your absence. Refer to a conveyancing attorney for assistance in this regard,

as the wording needs to be very specific and special reference needs to be made to the grantor's powers in respect of the immovable property that you are selling or have sold. Should you not wish to appoint a third party to sign documents relative to the sale of your immovable property, you will need to attend thereto personally, and note that there are particular rules applicable to the execution of documents outside of South African borders which could make matters costly and complicated

- Ensure that you have an accredited Electrician attend to your property to either check that your current Electrical Compliance Certificate has not been invalidated alternatively he needs to issue you with a valid Electrical Compliance Certificate. Refer to the Gauteng Electrical Inspection Authority should you require additional guidance – www.geia.co.za
- After registration of transfer of your property payment of proceeds of your sale must be attended to by your conveyancer into a South African account, whereafter the proceeds can be dealt with by you in terms of your allowances referred to above or invested under the control of an authorised dealer to the extent that it represents "blocked" funds
- Note that in terms of the Municipal Property Rates Act, rates and taxes on immovable property has to be paid at least 60 days in advance prior to transfer. After your property has been transferred to your buyer, there is an average delay of between three to nine months with the processing of your rates clearance refund by the local authority. In due course the local authority will transmit the refund to your appointed conveyancer who will act as an intermediary for the local authority and deposit the refund to your account identified for these purposes
- South African citizens cease to be local residents when they leave South Africa with a view to settling permanently overseas and when this occurs SARS deems all assets to have been disposed of which will have immediate capital gains tax implications. If you are already a non-resident at the time of selling your immovable property note that your purchaser is obliged to retain a percentage of the purchase price and remit it directly to SARS on account of your potential tax liabilities. You are advised to consult with your tax advisor and conveyancer in regards to these matters to avoid unpleasant surprises
- As the amount of cash you can take with you is limited and buying a car will make big hole in your budget, you should consider taking your car, even if you are going to a country where they drive on the right-hand side of the road. Take into consideration though that a right-hand drive car in a left hand drive country presents certain safety and resale challenges. Ask the Automobile Association for advice first as in some countries there are strict roadworthy requirements for cars imported by immigrants and there may be difficulties getting spare parts for South African models
- It will take several months for your goods to arrive. If you need certain items sooner, they can be airfreighted or sent as unaccompanied baggage by air
- Ensure that your insurance pays out in the currency of your destination and not in rands
- If you take pets, take careful note of the strict quarantine regulations applicable to your destination and liaise with a company that deals with the transportation of animals
- Note that your television set and other electrical appliances will not necessarily work in your destination country
- Before importing sensitive items like furs or ivory, make sure there is no import ban on them
- Consider the export documents required for cars, motorcycles, pets, grass mats or basketweave, firearms and wines. Refer to your reputable international removal company for guidance in this regard

- Provide for a Will in South Africa in respect of your "blocked assets" as it is necessary to have a Will in each Country where you have assets
- If you leave "blocked assets" behind you will need to open a non-resident transferable account for future remittance overseas of income earned from those assets and remember that you will need to file a tax return in South Africa each year if you generate taxable income from your local assets even though you may be exempt as a non-resident
- There are anecdotal reports that suggest that some people leave South Africa without formally declaring themselves as emigrants to avoid probing tax and Reserve Bank authorities into their financial affairs and to make it easier to return if things do not work out in their new country

More Information

- [Who do I contact?](http://exchangecontrolcontact.html/) <http://exchangecontrolcontact.html/>
Visit the South African Reserve Bank website - www.reservebank.co.za

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