

Export Bank Formalities

At present, all exports above R50 000,00 need some exchange control in the form of F178 or NEP forms.

Form F178 (Exchange Control Declaration) is the key form on which the exchange controls are based so far as goods exported from the republic. An agent on behalf of the exporter may not sign it.

This form achieves several purposes:

1. It consists of a declaration made by the exporter of goods declaring what goods he is exporting, by what means he is exporting them, to whom the goods are exported and the value in South African currency which he expects to receive for the goods. It also indicates in what time span the exporter anticipates receiving the proceeds from abroad.
2. By his signature on the form F178, the exporter undertakes to sell the foreign currency proceeds of the transaction to an authorised dealer in foreign currency (i.e. a commercial bank) and to accept in exchange the Rand equivalent for the benefit of his account.
3. These forms must be "attested" by a commercial bank as an indication that the declaration made by the exporter is authentic and that the bank so attesting will account for the foreign currency proceeds to the SA Reserve Bank.
4. It is obvious that form F178 must be submitted fully completed with the bill of entry export in order that Customs may be satisfied that the exporter has undertaken to comply with the exchange control regulations of the SA Reserve Bank.
5. There are, however, certain circumstances in which form F178 is not required:
 - a. When goods are exported to countries in the Common Monetary Area - Lesotho, Swaziland and Namibia.
 - b. When goods are exported as ship's or aircraft spares, and
 - c. When goods are exported without the accrual of foreign exchange. Under these circumstances, form NEP (No Exchange Proceeds) must be completed.

Form NEP is the alternative form which must be used in the instances where there will be no foreign currency due to be received in the Republic as a result of the export transaction.

There are many circumstances where goods may legitimately move out of the country without compensating receipt of foreign currency. A few examples are indicated:

1. Household and personal effects of an emigrant;
2. Imported plant and machinery, exported to the overseas supplier for renovation/repair and subsequently re-imported;
3. South African manufacturers goods exported for special proceedings abroad and subsequent re-importation;
4. Exhibition goods sent abroad for display at international trade fairs; etc.

None of these export movements may take place without the prior permission of the SA Reserve Bank - or of an appointed commercial bank in certain instances where the Reserve Bank has granted delegated authority.

The form N.E.P. acts as an application by the exporter for permission to export without the accrual of foreign currency and when countersigned by the Bank, as the permit to do so.

Methods of payment from other countries.

1. Cash in South African Rand may be accepted, but the deposit must be made at the bank that attested the F178 to prove that the money has been received,
2. A "Draft" from the consignee's bank,
3. A T.T. (Telegraphic Transfer) from the consignee, or
4. If a Letter of Credit is involved, all the requirements from the L/C must be complied with before the money will be transferred from the bank that raised the L/C.

At present, the SA reserve Bank and Customs are working on a paperless method by means of the Unique Consignment Reference (UCR) number, which must appear on the customs declaration for export and in time to come, it will replace the bank forms currently used.

