

SUPPORTING DOCUMENTS FOR FOREIGN INVESTMENT ALLOWANCE

When you apply for a Tax Compliance Status (TCS) in respect of foreign investment allowance for individuals, you are required to submit the following supporting documents:

- Relevant material that demonstrates the source of the capital to be invested. For more information regarding the supporting documents required in relation to the source of capital that you have specified on your application, refer to the section below detailing the requirements per source.
- Statement of assets and liabilities for the previous three tax years (this should include disclosure of all investments, loan accounts and distributions from local and foreign companies, trusts, etc.)
- Applicable Power of Attorney where the TCS application is submitted by a person other than the taxpayer.

Supporting documents regarding the source of the capital to be invested

When you apply for a Tax Compliance Status (TCS) in respect of foreign investment allowance for individuals, you are required to submit the following documents in relation to source of capital.

- **Loan:**
Where the parent lends money to the child to invest offshore:
 - Loan agreement; and
 - Bank statement of parent, not older than 3 months.

The trust lends money to the trustee or beneficiary to invest offshore:

- Loan agreement;
- Bank statement of trustee or beneficiary, not older than 3 months;
- Latest Trust Financials;
- Three months bank statements of trust, not older than 3 months; or
- Trust's latest share portfolio statement (not older than 3 months). This statement will also include the amount of shares and current market value.

The company lends money to a director of the company to invest offshore:

- Loan agreement between the company and the director;
- Bank statement of the director, not older than 3 months; and
- Company's latest annual financial statements.

- **Donation:**
If the donation is between spouses:

- A declaration (IT144); and
- Bank statement of donee, not older than 3 months

If the donation is not between spouses:

- A Declaration (IT144)
- Proof (Copy of the receipt) of donations tax paid; and
- Bank statement of donor and donee, not older than 3 months.

- **Inheritance:**
 - Letter from the executor of the estate;
 - A copy of the Liquidation & Distribution account; and
 - Bank statement, not older than 3 months.

- **Savings / Cash / Bank Account / Fixed Deposits:**
 - Bank statement, not older than 3 months; and
 - Proof of source (i.e. where and how you obtained the money).

- **Shares:**
 - Portfolio statement not older than 3 months. This statement will also include the amount of shares and current market value.

- **Sale of property:**
 - A copy of the transfer duty.
 - Original letter of the Conveyancer to confirm the transfer of the property and that the money will be transferred from the trust account; or
 - Proof of receipt of the proceeds together with applicant's bank statement not older than 3 months.

- **Royalty Income:**
 - Source of royalty income; and
 - Proof of royalty payment.

- **Earnings:**
 - Where you have recurring foreign investments not exceeding R30 000 per annum a copy of a salary slip is needed once a year;
 - The policy number; and
 - It must be noted that the institution (e.g. Sanlam / Old Mutual) will apply on behalf of the taxpayer.

- **Distributions from a trust:**
 - Resolutions from the Trust making the distributions;
 - Details of the source from the Trust making the distribution;
 - Bank statement of Trust, not older than 3 months; or
 - Trust's latest share portfolio statement (not older than 3 months); this statement will also include the amount of shares and current market value.

- **Other:**
 - Documentary proof and explanation.