

# How to invest offshore

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South African residents over the age of 18 who have a green bar-coded ID or smart ID and a South African income tax number can use their individual offshore allowance of up to R11 million per calendar year (1 January to 31 December) to invest offshore.

This individual offshore allowance is made up of R1 million single discretionary allowance and a R10 million foreign investment allowance.

In this guide we outline:

- [Types of Allowances](#)
- [Approaches to offshore investing for individuals](#)
- [Approaches to offshore investing for entities](#)

## Types of Allowances

### Single Discretionary Allowance – SDA (R1mil)

- An individual can spend/externalise up to R1 million offshore in a calendar year without applying for tax clearance.
- This includes any offshore spending such as use of a credit card for offshore online purchases, use of ATMs outside of SA, offshore investments, offshore donations, etc.

### Foreign Investment Allowance – FIA (<R10mil)

- An individual can externalise an additional R10 million, with prior South African Revenue Service (SARS) approval.
- The individual must provide SARS with proof of the source of funds and be tax compliant both at the time of application as well as at the time of externalising the funds.

### Special clearance (R10mil +)

- You can request special clearance from the South African Reserve bank (SARB).

- This is a complex application process and may take months before SARB issues you with the special tax clearance. Once you obtain the special tax clearance the funds are subject to restrictions and you are responsible for annual reporting to SARB.

## Approaches to offshore investing for individuals

### Externalise funds using above-mentioned allowances

To externalise your funds using the above allowances, you will need to get in contact with a foreign exchange services provider or your bank. Should you not have a preferred provider, Glacier can refer you to various [foreign exchange service providers](#) for assistance with externalising your funds.

These providers can assist with each of the above-mentioned allowances, including special clearance for amounts exceeding R11 million.

### Existing offshore investment/funds

- You can transfer an existing offshore investment directly to Glacier via a unit transfer without liquidating the assets. You may be required to do a switch before transferring the units if the same class of a collective investment fund is not available on the Glacier platform.
- You can transfer cash from an offshore investment or bank account. Once we've accepted your application, we will provide you with bank account details.
- Additional documentation may be requested.

### Asset swap

- You can make use of an asset swap facility from an authorised South African institution. The asset swap provider will arrange for the externalisation of the funds. There are no limits to the amount that can be invested offshore via an asset swap provider.
- Investments made via asset swap need to be paid back to the investor in South Africa in Rands when withdrawals are made.
- The asset swap process may differ between providers.

## Approaches to offshore investing for entities

### Local entities

- South African entities can only invest offshore by making use of an asset swap facility from an authorised South African institution. The asset swap provider will arrange for the externalisation of the funds. There are no limits to the amount that can be invested offshore via an asset swap provider.

- Investments made via asset swap need to be paid back to the investor in South Africa in Rands when withdrawals are made.
- The asset swap process may be different between providers; please contact your Glacier BDM/BDC for more information.

## Offshore entities

- If you have an existing offshore investment, you can transfer this directly to Glacier via a unit transfer. The unit transfer allows you to move your assets to our platform without liquidating the assets. You may only transfer a fund where the exact share class is available on the Glacier platform. For this reason, you may be required to a switch before transferring the units to our platform. For more information on this process please refer to the unit transfer process document available on the Glacier International website.
- Should you wish to transfer cash from an offshore investment or bank account, you can make payment to the bank details we provide you with once we accept your application.

## [View our recommended foreign exchange service providers](#)

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