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WHAT TO DO ABOUT UNAUTHORISED FOREIGN ASSETS INHERITED FROM A DECEASED ESTATE

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If you inherited foreign assets from the estate of a late South- African resident, you must be able to answer the following two questions in the affirmative:

1. The foreign assets were acquired by the deceased during his/her lifetime in compliance with the Exchange Control Regulations of the South African Reserve Bank (“**SARB**”);
2. As the heir, you have placed the foreign assets on record with the Financial Surveillance Department of SARB.

If this is not the case, the executor, on behalf of the estate will have to apply for regularisation of the foreign assets with SARB. This could have severe penalty implications for the estate.

The good news is that there is now a **special voluntary disclosure period** available which allows an executor on behalf of an estate to apply for Voluntary Disclosure of unauthorised foreign assets. This application must be submitted before **31 August 2017**. **A levy of 10% (ten percent) of the value of the unauthorised foreign asset as at 29 February 2016 will be payable by the estate and in such a case, the foreign asset can then remain abroad.** For more information, you are welcome to contact Sonja Frank.