



**MINISTRY: FINANCE  
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**PRESS STATEMENT**  
**ON THE ANNOUNCEMENT OF THE AMNESTY UNIT BY**  
**THE HONORABLE TREVOR ANDREW MANUEL, MP**  
**MINISTER OF FINANCE**  
**REPUBLIC OF SOUTH AFRICA**

**THURSDAY, 29 MAY 2003**

In the 2003 Budget Speech, I proposed to the National Assembly that an Exchange Control Amnesty with an accompanying Income Tax amnesty be offered.

Yesterday Parliament enacted the Exchange Control Amnesty and Amendment of Taxation Laws Act, 2003.

The enactment of this Bill enables us to announce the establishment of an independent Amnesty Unit to administer the amnesty process in terms of this new legislation.

The Amnesty process is well on track and we can confidently say that the amnesty window will run from Sunday 1 June to Sunday, 30 November 2003.

We have now come to the stage where we have set up the Amnesty Unit and have appointed distinguished professionals to manage it. I will introduce all these persons, shortly.

For a moment, I would like to briefly share with you the thinking behind the Exchange Control Amnesty and Amendment of Taxation Laws Act, 2003 and the Amnesty Unit.

Despite the existence of exchange controls, South African individuals and businesses have a history of shifting assets offshore illegally, in a variety of ways and for a variety of motives. The income of the shifted assets has gone unreported in terms of certain Tax Laws.

Government has rightfully taken the position that these contraventions should not be tolerated. It has become apparent in the recent years that many individuals and businesses wish to repatriate their foreign held assets voluntarily and regularise their affairs.

The regulatory considerations have played a key part in this. Since 1994, Government has greatly expanded its tax treaty network, which facilitates international information exchange. Government has also enacted legislation to tax offshore earnings. We have also introduced a deemed income charge for failure to report foreign earnings. Changes in tax legislation, together with anti-money laundering measures, have increased the risk of holding illegal foreign assets.

Turning now to the Amnesty Unit, we have listened carefully for the call for an independent Unit to administer the amnesty process and the need for prospective applicants to feel comfortable with the process. The Amnesty Unit has therefore been crafted in the Act to adequately cater for these concerns, particularly that of independence and secrecy surrounding the process. With

regard to a time frame for its existence, we envisage the Amnesty Unit ceasing to exist after processing all successful applications and after all appeals on unsuccessful applications have been determined. The Exchange Control Amnesty and Amendment of Taxation Laws Act, 2003, also provides for the issuance of speedy guidance through regulations to address unintended consequences.

The Unit will only make successful applications available to the South African Reserve Bank and the South African Revenue Services, so that the applicants will receive the desired amnesty protection.

The Amnesty Unit will formally commence its duties on Monday, 2 June 2003. The Unit will be located in secure premises at the National Treasury's 240 Vermuelen Street Building, Pretoria.

Full contact details for the Unit will be available on the National Treasury web page in the next few days. Regarding the application form for the amnesty, this form will be made available electronically on the web. The detailed amnesty procedures are as follows:

- Any South African resident natural person, including the deceased estate of a person, a close corporation or trust may apply for amnesty relief.
- Amnesty applicants may apply from 1 June 2003 through to 30 November 2003.
- The Amnesty will only apply to individuals and entities that come voluntarily forward – those who are already under investigation by the authorities involving their foreign assets are precluded from the amnesty process.

And now, it gives me great pleasure to announce to you, the Chairperson of the Amnesty Unit, and its Panel Members.

After consideration and discussion with the President, I hereby announce the appointment of Advocate Mbuyiseli Madlanga SC, as designate Chairperson to the Unit. Advocate Madlanga SC is well qualified for the position as chairperson. He is a practicing senior counsel and a former Transkei High Court Judge and former acting Constitutional Court Judge.

The other eight designate members who would comprise the Amnesty Unit were drawn equally from the South African Reserve Bank and the South African Revenue Services. They are, as follows:

Mr J. J. Rossouw - Deputy General Manager;

Mr M.F. Kirsten - Senior Manager;

Mr T.C. Nevhutanda – Manager;

Mr K.A. Stone - Senior Control Officer,

from the South Africa Reserve Bank, and

Ms D Ferreira – Manager, VIP Section;

Ms C Van Zyl - – Branch Manager, Roodepoort;

Ms E Ramphal - – Administrator Operations;

Mr V Nyamate - – Auditor, Enforcement Centre.

from the South African Revenue Service.

I must also inform the general public that the long sought after exemption from the Financial Intelligence Centre Act, 2001 has been gazetted, on Monday 26 May 2003. The exemption will apply to professional advisors by operation of law

and will not have to be applied for. The category of professional advisors to which the exemption will apply is those who render assistance or advice to clients in connection with the amnesty.

In concluding, I must state that I have confidence that under the guidance of Adv Madlanga, the Amnesty Unit would do an outstanding job and ensure that we have a successful amnesty process.

I thank you for your commitment.