

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 120 [NW125E]
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120. Ms N W A Mazzone (DA) to ask the Minister of Finance:

- (1) Has the SA Reserve Bank (SARB) frozen any payments that are due to a certain company (name and details furnished); if not why not; if so, (a) why did the SARB freeze the specified payments and (b) when was the decision to freeze the specified payments taken;
- (2) has the SARB conducted any investigations into two specified companies (names furnished);, if not, why not in each case; if so, what are the relevant outcomes of investigations?

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REPLY:

The South African Reserve Bank (SARB) is the regulatory authority responsible for the administration of the Exchange Control Regulations (“the Regulations”), as promulgated in terms of section 9 of the Currency and Exchanges Act (Act No 9 of 1933). The SARB has provided the following response to my department in response to this question, based on the publication of Notice and Order of Forfeiture in Government Gazette number 40526 of 2016-12-30 (as attached) in terms of Exchange Control Regulation 22B.

- (1) (a) and (b) The Financial Surveillance Department of SARB (FinSurv) issued an order on 29 May 2015, in terms of the provisions of Exchange Control Regulations 22A and 22C, prohibiting the withdrawal of all funds standing to the credit of an entity styled Homix (Pty) Limited (“Homix”) in an account held with Mercantile Bank Limited. At the relevant time, Homix had made an application to Mercantile Bank for the transfer of foreign currency to Morningstar International Trade Limited in Hong Kong, ostensibly for the purposes of paying for previously imported goods. The balance in the account amounted to R14 472 075 at the time in question. The relevant order was issued on suspicion that Homix had contravened the Exchange Control Regulations in that it had presented false documentation to Mercantile Bank in support of, inter alia, these pending foreign exchange transactions.
- (2) An investigation was conducted by FinSurv and finalised during December 2016, the findings of which included that Homix had unlawfully transferred foreign currency from the republic on numerous occasions. Pursuant to the findings of this investigation, the matter was reported to the South African Police Service (Wierdabrug CAS 548/12/2016) for further steps deemed necessary from a criminal

prosecution point of view. The above-mentioned amount of R14 472 075,00, together with all interest earned thereon, was, furthermore, declared forfeit to the State in terms of Exchange Control Regulation 22B and the relevant Notice and Order of Forfeiture published in Government Gazette number 40526 of 2016-12-30.