national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SOUTH AFRICAN RESERVE BANK

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MEDIA STATEMENT

PUBLICATION OF THE DRAFT CAPITAL FLOW MANAGEMENT REGULATIONS, 2026 (FORMERLY KNOWN AS THE EXCHANGE CONTROL REGULATIONS, 1961) FOR PUBLIC COMMENT

National Treasury has published the draft Capital Flow Management Regulations of 2026 for public comment, as conveyed in Government Notice No. 54520 in Government Gazette No. 7375 that was published on 17 April 2026. The draft regulations, which will replace the Exchange Control Regulations of 1961, can be accessed on the National Treasury website (www.treasury.gov.za). The due date for submitting public comments is 18 May 2026.

History of capital flows management

Since the abolition of the financial rand in 1991, South Africa has adopted a prudent approach to managing cross-border capital flows by gradually recalibrating exchange controls to reflect the macroeconomic policy stance. In recent years, National Treasury and the South African Reserve Bank (SARB) have been reviewing the country's exchange control framework under the Exchange Control Regulations of 1961. These reviews aimed to refine policies and support South Africa's growth and global integration, while also acknowledging the economy's susceptibility to volatile capital flows and exchange rate swings. Global integration drives foreign investment growth and technology exchange, while also developing human capital and knowledge and mitigating investment risks through diversification.

A new approach to manage cross-border capital flows

In this context, the Minister of Finance announced in the 2026 Budget Speech that amendments to the Exchange Control Regulations of 1961, under the Currency and Exchanges Act 9 of 1933, would be published for public comment. The amendments signal South Africa's readiness to modernise and adopt a 'positive bias' approach to managing cross-border capital flows through fewer transaction pre-approvals, a focus on reporting, the surveillance of high-impact and high-risk cross-border transactions, and the combating of illicit financial flows. This shift will align South Africa with international best practice, while also managing various risks using a risk-based approach and existing macroprudential tools.

Key features of the draft regulations
These amendments address gaps in the current regulations, including in relation to cross-border crypto asset transactions, which will complement existing regulation by the Financial Sector Conduct Authority and Financial Intelligence Centre. They also provide for new and amended definitions; transitional arrangements; administrative sanctions on regulated entities; increased penalties; the

MEDIA STATEMENT

removal of any ambiguity with regard to the declaration of foreign assets; and the removal of restrictions on dealing in securities belonging to non-residents. The amendments also address uncertainty regarding local businesses controlled from outside of South Africa.

Practical implementation

The promulgation of the final Capital Flow Management Regulations of 2026, and their replacement of the Exchange Control Regulations of 1961, will enable the implementation of the capital flow management framework announced by the Minister of Finance. The relevant manuals will be updated, and various exemptions will be considered and granted to enable the transition. Certain measures that are common in other countries could still be retained in the interest of supporting South Africa's economy.

Public comment submissions

Written comments on the draft regulations must be sent to National Treasury at Commentdraftlegislation@treasury.gov.za by close of business on Monday, **18 May 2026**.

Following the deadline, National Treasury and the SARB will consider the written comments and make appropriate revisions where necessary.

For any queries, please email: Media@treasury.gov.za and Media@resbank.co.za.

Jointly issued by National Treasury and the SARB
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