

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 2384 [NW2867E]  
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**2384. Mr N L Kwankwa (UDM) to ask the Minister of Finance:**

Whether any progress has been made in allowing companies listed on the Johannesburg Securities Exchange (JSE) to set up a holding company in South Africa that will be exempt from all exchange controls; if not, why not; if so, what are the relevant details?

NW2867E

**REPLY:**

Substantial progress has been made with regard to allowing companies listed on the Johannesburg Stock Exchange to set up a holding company in South Africa. I announced the holding company regime during the 2013 Budget speech. The holding company regime policy is intended to incentivise companies to manage their African and offshore operations from South Africa. Following my announcement, the South African Reserve Bank released a circular on 27 February 2013 calling on all interested and qualifying companies to submit applications for consideration under the new dispensation.

A number of companies have shown interest in the holding company regime but are awaiting finalisation and promulgation of the Taxation Laws Amendment Bill, 2013 (TLAB), which was released on 4 July 2013 for public comments. The TLAB, 2013 will give effect to the complementary tax incentive attached to the holding company regime. The complementary tax incentive to the holding company regime will take effect once the TLAB has been promulgated, with an effective date of 27 February 2013. South African corporates have shown interest in the holding company dispensation and the South African Reserve Bank has received a number of enquiries on the dispensation from potentially interested applicants.

The South African government continues to reform its regulatory policies in order to make South Africa an attractive investment destination and also to support South African companies seeking to expand into Africa and beyond.