

FSCA COMMUNICATION 8 OF 2022 (RF)

Regulation 28: Increased foreign portfolio investment limits

1. Purpose

The purpose of this communication is to inform the retirement funds industry of the allowable increase in foreign portfolio investment limits.

2. Background

On 23 February 2022, following the 2022 Budget announcement by the Minister of Finance, the South African Reserve Bank (“SARB”) has issued Exchange Control Circular No. 10/2022, indicating that the foreign investment limits have been revised upward.

3. Allowance Increase

3.1 Regulation 28(3)(i) states that the aggregate exposure to foreign assets must not exceed the maximum allowable amount that a fund may invest in foreign assets as determined by the SARB, or such other amount as may be prescribed. Based on the SARB’s Exchange Control Circular No.10/2022, retirement funds may therefore now acquire foreign exposure up to the revised single limit of **45%** in respect of foreign portfolio investments.¹

3.2 Where necessary, the Board of the fund may revise their investment policies and mandates in accordance with the principles contained in Regulation 28.

4. Enquiries

For more information regarding this Communication contact the FSCA by emailing Ms Wilma Mokupo at Wilma.Mokupo@fsc.co.za.



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¹ Regulations means the Regulations made under section 36 of the Pension Funds Act, 1956 (Act No. 24 of 1956).