

FINANCIAL SERVICES BOARD

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DATE:	17 December 2010	E-MAIL:	altam@fsb.co.za

INFORMATION CIRCULAR 6 OF 2010

PENSION FUNDS ACT, 1956

REGULATION 28 – EXEMPTION IN RESPECT OF INVESTMENTS HELD OUTSIDE THE REPUBLIC

The South African Reserve Bank has issued Exchange Control Circular No. 44/2010 on the increased prudential limits for foreign investment allowance. The relative limit in respect of retirement funds have increased from 20% to 25%.

Until the amendments to regulation 28 have been effected, to give effect to the increased exposure limit, funds would be required to apply for exemption to be able to utilise such increased limit. However, those funds that were previously exempted by the Registrar for purposes of the increased 20% limit need not apply, as they will be granted the exemption to the increased limit of 25%, by way of a letter shortly.

Yours faithfully

JA BOYD

For: Registrar of Pension Funds