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PAYMENT OF PROCEEDS INTO A FOREIGN BANK ACCOUNT

A transferring attorney has an obligation to make payment of the seller's proceeds after registration of the property occurs. In some instances, where a seller is situated abroad, the transferring attorney often receives a request to make payment into a foreign bank account. Clients must take note of the special procedure and additional costs involved should proceeds be paid into a foreign bank account.

There is an additional charge that differs from bank to bank, that will be deducted from the seller's proceeds before payment is made into the specified foreign bank account. The transferring attorney gives instruction to the relevant bank from which payment is to be made that the funds must be paid into a foreign bank account. The transferring attorney is furthermore then required to submit certain documents as requested by the South African Reserve Bank to process the funds, namely:

1. Copy of the sale agreement
2. Proof of introduction of foreign funds to purchase the property if applicable
3. Copy of the title deed(s)
4. Attorney's reconciliation statement
5. A letter confirming that the property was sold at a fair and market related price
6. Copy of beneficiary passport

This process takes approximately 6 – 8 weeks to have the funds transferred into the foreign bank account. We advise that clients make use of a company that specializes in foreign currency transactions to assist with a quicker process for the transfer of the funds in or out of South Africa.