

Simplifying FX is all about good guidance!

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Foreign exchange (FX) allowances and investments play a key role for anyone dealing on an international level, but it can be, for the uninitiated, sometimes confusing, if not downright challenging.

South Africa will always be facing change and challenges. There is a positive change from the point of view of business and leisure travel returning to normal and being less challenging and our foreign trade from both an import and export perspective is active and buoyant. On the negative side, though, we still face much internal political conflict, unrest, and of course the inconvenience of load shedding, which is quite crippling for some businesses.

Foreign exchange (FX) allowances and investments, therefore, play a key role for anyone dealing on an international level, but it can be, for the uninitiated, sometimes confusing if not downright challenging. To begin with, there is a significant difference regarding your offshore allowances.



Beulah Brown, Forex relationship manager

Your single discretionary allowance (SDA) is a maximum of R1m per calendar year and no SARS tax clearance is required. Foreign exchange for travel and other foreign transactions form part of this R1m allowance. Your Foreign Investment Allowance (FIA) on the other hand is R10m per calendar year. In this case, a compliant SARS tax clearance for foreign investment is required before funds may be converted from ZAR to the nominated foreign currency. If you would like to trade above this R11m, you have to go to SARS and SARB for approval.

Some of the challenges

There are several challenges that those dealing with foreign exchange need to overcome, but fortunately there are solutions too. For example, nobody likes dealing directly with SARS or the SARB, so these liaisons are best left to professional foreign exchange specialists.

These are people who apply for your SARS tax clearance on your behalf (no need to stand in queues) and take care of all the paperwork related to your trade and reporting to SARB, ensuring that you are remaining compliant with SARS and SARB, something that cannot be overlooked!

Additional challenges include ensuring that you have competitive and transparent exchange rates. You can easily be misled in this area and you need to have a seamless flow which includes: same-day trades and quick turnaround times, onboarding from anywhere in the world, quicker transfers to your offshore account, and ease of transacting with direct access to book a trade or withdraw funds easily.

Enter a guiding light!

It is pretty obvious that to provide solutions for these challenges and achieve your foreign exchange objectives it will take a partnership with a business well versed in such matters and very importantly, direct and personal access to your Forex Relationship Manager and FX team, not just some call centre!

“ *We are accessible and understand that what we do for our clients is important to them.*

Our motto is 'In your corner' and that's exactly

where we strive to be on a very personal level. ”

A company that provides these solutions and had in the last 10 years gained a reputation as a leader in the FX industry is Kuda Foreign Exchange. Kuda FX offers multiple benefits for those looking for foreign exchange services including: Lowest possible rates on all transfers, seamless conversions of the currency you require, swift international payments with no hidden fees or charges, access to industry experts who know their way around South African markets, comprehensive risk management tools to help protect against unexpected currency fluctuations.

The question still arises though that in a highly competitive industry, what has seemingly placed this company head and shoulders above its competition? It appears it's a combination of a lot of experience in the industry coupled with a very personal approach and constant innovation to find more ways to simplify the process through good guidance.

Says Gilbert Punt, CEO of Kuda Foreign Exchange: "We are accessible and understand that what we do for our clients is important to them. Our motto is 'In your corner' and that's exactly where we strive to be on a very personal level. Just some impressive statistics that account for our impeccable track record and excellent reviews from our clients are: Over 60 years combined experience in pure foreign exchange, continually improving our processes to enable easier transactions for our clients, and seeking a solution for those facing the common challenges that arise with trading or investing foreign exchange."

As it is always about the bottom line, however, possibly the prime reason that Kuda FX has built a very solid customer base over the past 10 years is by not only giving bank beating transparent rates, but clients feel they can trust a business that moves over R4bn annually for them. There is no doubt about it, simplifying FX is all about good guidance, so maybe it's time to get Kuda FX in your corner.

For more information, <https://kuda.co.za/fx/>.

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