

June 2012

Dear Advisor

REDUCTION OF SOUTH AFRICAN CHEQUE ITEM LIMIT TO R500 000

The Payments Association of South Africa ("PASA") has approved the reduction of the Cheque Item Limit from R5 million to R500 000 (per client per day), effective **14 July 2012**. The South African Reserve Bank ("SARB") has endorsed this decision on the basis that it reduces risk and protects clients, as well as the fact that there are alternative payment methods available in the form of electronic fund transfers ("EFT").

The primary reason for the reduction is to address the risks within the cheque payment system due to the significant amount of fraud committed using cheques. The limit decrease is not restricted to PSG Asset Management, but a concerted industry effort to address fraud.

In practice the effect is that, for investments in excess of R500 000, the deposit into the relevant product account may be done using one of the following options:

1. Do an EFT into the relevant product account printed on "Fees - Appendix 1" of the application form. The maximum per client per day is R5 million.
2. Do a Real Time Clearing ("RTC") – This transaction is processed within 60 seconds across banks via internet or telephone banking. The maximum per client per day is R5 million, but reduces to R250 000 after 21:00.
3. Credit card payments – The maximum is R5 million per client per day.
4. Deposit cheques (maximum R500 000 per day) over multiple days into the relevant product account printed on "Fees – Appendix 1" of the application form.
5. Real Time Line ("RTL") – This is an electronic solution that banks offer to corporate online banking clients who make regular payments in excess of R5 million. The RTL provides direct access to the SARB's SAMOS system, for which there are no item limits.

Should you have any enquiries, please contact your PSG AMAS Business Development Manager or one of our Client Service Consultants on 0800 117 180 or clientservice@psgam.co.za.

Yours faithfully,



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