

June 2016

Dear Adviser

Bank accounts in respect of withdrawals from tax-free investments**Background**

In terms of Regulation 7 of section 12T(8) of the Income Tax Act of 1962, "A service provider may not transfer or deposit an amount in respect of a tax free investment that is withdrawn into an account other than in an account that is held in the name of the investor in respect of whom the tax free investment is issued".

How this affects you

Where contributions to a tax-free investment in the name of a minor child are made by the parent or guardian (third party contribution), we do not currently insist on the bank account details of the minor being provided in order to open the account . However, this does not mean that withdrawals into the bank account of the parent or guardian will be allowed.

If we receive an instruction to withdraw funds from a tax-free investment, and we do not have a verified bank account for the investor on record, bank account details for the investor will need to be provided and verified before we will process the withdrawal instruction.

FICA requirements

The identity of both the investor and any third party contributor (such as a parent or guardian contributing to an investment in the name of a minor child) must be verified at the application stage.

If you have any queries, please contact your Investment Specialist or your dedicated Client Service Team.

Kind regards



Cindy Tshabalala
Head of Client Service