

Asia Market Intelligence

South Africa

Presence

HSBC established a presence in Sub-Saharan Africa in 1981 and entered the South African market in 1995. In 2003, the Group expanded its regional services with the opening of a corporate and institutional bank in Johannesburg as a branch of The Hongkong and Shanghai Banking Corporation Limited.

The Johannesburg branch now acts as the regional management office for all of HSBC's Sub-Saharan Africa activities. There are two primary operating entities in South Africa, one of which is The Hongkong and Shanghai Banking Corporation Limited, which offers corporate banking, commercial banking, transaction banking, investment banking, treasury and capital markets services to the HSBC Group's major multinationals, large local corporate / commercial clients, financial institutions, and governments. The other is HSBC Securities (South Africa) (Pty) Limited, which provides equities services.

South Africa is a sophisticated financial market, where electronic payment platforms are actively used by most corporate and commercial clients, as paper based transactions are not cost effective and are therefore not encouraged (approximately 5 per cent of the transactions are settled via cheques).

The Johannesburg office (JOH) offers a wide range of payments and cash management services, including local and foreign currency deposits, foreign currency remittances, electronic funds transfers (EFTs) in South African Rand (ZAR) within the Common Monetary Area (comprising South Africa,

Namibia, Lesotho and Swaziland), bulk payment services, pooling and cash concentration.

Population:
47.2 million

Currency:
South African Rand (ZAR)

Capital:
Pretoria

Business centres:
Johannesburg, Pretoria, Cape Town, Durban

Languages:
English (official business language). The Constitution recognises 11 official languages, namely, Afrikaans, English, isiNdebele, isiXhosa, isiZulu, Sesotho sa Leboa, Sesotho, Setswana, siSwati, Tshivenda and Xitsonga, as well as a host of regional languages.

Time zone:
GMT +2 hrs

Central bank:
South African Reserve Bank (SARB)

HSBC network:
1 branch (Johannesburg) and 1 Premier office (Cape Town)
1,310 branches through partner bank alliance



Clearing mechanisms

Our partner bank is NEDBANK, one of the largest local banks with over 1310 offices across the country. We have a service level agreement in place with NEDBANK, which is used by many of HSBC's existing corporate and commercial clients. In addition to the extensive branch network, NEDBANK also handles HSBC's clearing functions. The NEDBANK branch network is used by us to offer an end-to-end payment and cash management solution to our customers. Through this arrangement, we selectively use the relevant services of NEDBANK (including co-branded cheques payable at any branch of NEDBANK).

Account services

ACCOUNT TYPE	LOCAL CURRENT	LOCAL SAVINGS ¹	FOREIGN CURRENT	FOREIGN SAVINGS ¹
Resident	Yes	Yes	Yes ²	Yes ²
Non-resident	Yes	Yes	Yes	Yes
Credit interest	Yes	Yes	Yes	Yes

¹ LCY/FCY Term Deposits/Money Market Accounts are available. In South Africa we offer deposit accounts only to our corporate clients; savings accounts are generally used for personal purposes.

² FCY accounts for residents are subject to exchange control approval

Cash management products and services at a glance

INVESTMENT PRODUCT	TRANSACTION MANAGEMENT		LIQUIDITY MANAGEMENT
	PAYMENTS	COLLECTIONS	
<ul style="list-style-type: none"> Time deposits Current Accounts Money Market Accounts 	<ul style="list-style-type: none"> Cheques payable at par on HSBC and correspondent bank locations Electronic payments (high-value/low-value), e.g. RTGS, EFT, etc Demand drafts Outward foreign currency remittances 	<ul style="list-style-type: none"> Local and outstation cheques collection Inward foreign currency remittances Electronic receipts (RTGS, EFT) 	<ul style="list-style-type: none"> Overdraft facilities Cash Concentration/ Sweeping (local currency in-country for residents only)

Legal and regulatory considerations

All transactions (including account maintenance and documentation) are subject to compliance with the prevailing Exchange Control Regulations stipulated by the South African Reserve Bank (SARB). Detailed guidelines and applicable restrictions can be forwarded on request.

JOH has recruited an experienced Exchange Control Manager from the South African Reserve Bank (SARB) to facilitate better understanding/ resolution of exchange control issues. He has been instrumental in obtaining various approvals from SARB, some of which provide us with a competitive advantage in this area.

Contacts

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Banking hours:

Mon – Fri

8:00am – 5:00pm (office hours)

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