present eye to the opportunities on offer.

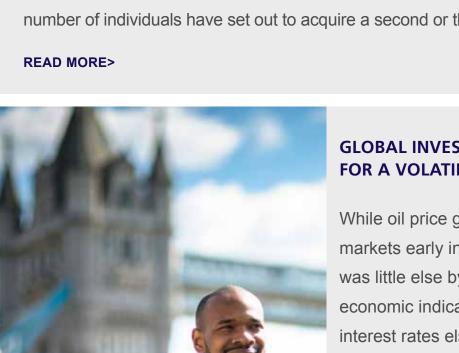
In line with our commitment to help you proactively manage, grow and protect your wealth, RMB Private Bank

is delighted to present our newsletter. Unlocking Wealth, which highlights not only the current state of the world markets, but also opportunities to diversify your wealth in both savings and investment terms. We also explore

the topical issue of acquiring dual citizenship; a novel and increasingly popular way of achieving protection for your wealth. We also talk you though the Special Voluntary Disclosure Programme and what this means for undisclosed assets in terms of the new, global automatic exchange of taxpayer information.

As always we take into account your personal wellbeing and, in this newsletter, we're delighted to unveil a charming travel opportunity to Japan, courtesy of RMB Private Bank and eBucks Lifestyle. We welcome your feedback and input and invite you to help us co-edit this newsletter by emailing

newsletter@rmbprivatebank.com telling us what topics of interest you'd like us to cover in the future.



DEFINE YOUR FUTURE WITH DUAL CITIZENSHIP

GLOBAL INVESTMENT INSIGHTS FOR A VOLATILE WORLD

In an effort to reduce risk and increase international flexibility, an increasing number of individuals have set out to acquire a second or third passport.

In an increasingly globalised world, many individuals have come to realise that

their citizenship options need to be as diversified as their investment portfolio.



slip through the cracks, the time

is now to set the record straight.

years and South Africa is among

automatic exchange of taxpayer

information.

READ MORE>

those countries participating in the

The global financial landscape has

changed drastically over the last few

While oil price gains supported markets early in the quarter there economic indicators or lower

was little else by way of improving interest rates elsewhere to provide the unexpected results of an EU referendum in the UK, the past period became all about Brexit. **READ MORE>**

support for risk assets and following

DIVERSIFY YOUR WEALTH OFFSHORE Cross-border banking with RMB Private Bank is as simple as tapping

into our range of Global Wealth Solutions. Our suite of transactional and investment products are designed to match your unique transactional banking or offshore savings needs,

with Guernsey-based FNB Channel Island experts on hand to help you diversify and protect your hardearned wealth. **READ MORE>** WELCOME TO THE LAND

A melting pot of new and old, tradition and technology, ancient culture, RMB Private Bank and eBucks Lifestyle invite you to tour the **READ MORE>**

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DEFINE YOUR FUTURE WITH

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DUAL CITIZENSHIP

In an effort to reduce risk and increase international flexibility, an increasing number of individuals have set out to acquire a second or third passport. For business owners and professionals who hold a passport from a country with limited visa waiver agreements, a second passport opens up visa-free travel to countries that were previously

restricted by time-consuming visa application processes. This second passport also opens up access to global markets; which in turn create further opportunities for growth. Families, meanwhile, are typically interested in regions that provide them with additional settlement rights and enhanced control over their family's future, as well as improved security and education opportunities.



wealth planning professionals did much relevance. The objective of a citizenship-by-investment **DIVERSIFY YOUR WEALTH OFFSHORE** Cross-border banking with RMB Private Bank is as simple as tapping into our range of Global Wealth Solutions.

programme is for a country to attract economic contributions and investments, in return for citizenship status. This is vastly different than many residence-by-investment programmes (such as that in Portugal). Residence programmes involve a transaction for a residence permit only, which can be terminated or cancelled at any time. Citizenship programmes are far superior, and involve a transaction for naturalization in the country with full legal citizenship status and rights.

Among applicants from Africa, the

investment programme is the Malta

most in-demand citizenship-by-

Individual Investor Programme

(MIIP), the only such initiative in Europe that is fully endorsed by the European Union (EU). Henley & Partners was contracted in 2014 by the government of Malta to design and globally implement the MIIP. Maltese citizens enjoy the right of free movement and settlement rights throughout all EU member states. Maltese passport holders may also travel visa-free to 168 countries. Due to these benefits, Malta ranks highly in the Henley & Partners-Kochenov Quality of Nationality Index (QNI) (22nd globally) and in the Henley & Partners Visa Restrictions Index (HVRI), which ranks Malta as the ninth most powerful passport in the world. The minimum capital requirements for this programme are circa €900 000. It is also important to note the supply and demand for the new MIIP. The MIIP regulations include a cap of 1 800 applications. More than 1 200 applications have already been started and submitted to the Maltese government and approximately 50 applications

programme, however, which can also provide European citizenship in 90 days to those who acquire at least €2.5 million in real estate (which can be re-sold after three have the right to live, work and study in all EU member countries.

per month are currently being

submitted. With the velocity of new

be reached before this year end.

applications increasing, the cap could

access to funds. These accounts offer free banking

if you maintain a minimum balance of £5 000, and

accounts, although both Call and 32-day accounts

there are no monthly account fees on our investment

require a minimum balance of £5 000 and £10 000 for

JAPAN

OF THE RISING SUN -

modern marvels, fine cuisine and, of course, sacred cherry blossoms. unforgettable Land of the Rising Sun.

Cyprus passport holders may travel

With hundreds of beautiful beaches

with clear turquoise waters, Antigua

and Barbuda is another appealing

location for citizenship investors.

waiver agreement with the EU in

2009, which allows its citizens to

visit Schengen countries without a

visa. Its passport provides visa-free

travel to a total of 134 countries

around the world. The minimum

capital required for this programme

is circa US\$300 000 and the time

citizenship is also available in the

Caribbean, providing similar benefits

with visa-free travel to 130 countries

and a route to settle in the USA

under an E2 Visa. It costs in the

the full Grenadian citizenship

process.

region of US\$240 000 to complete

As mentioned previously, the most

successful residence-by-investment

programme in Europe is Portugal.

This is a five-year residence permit

linked to a financial commitment

in Portugal. The residence permit

allows visa-free travel (no right to

Six years of residence is required

in Portugal before you may apply

for citizenship. However, in addition

to the six-year minimum residence

period, further conditions must also

be met in order to be successful

(e.g. passing a basic Portuguese

forming genuine links to Portugal).

language test and successfully

Citizenship in Portugal is not

under the programme for a

certificates and passports.

guaranteed, even after approval

residence permit. This is an inferior

to citizenship programmes, which all

offer naturalization with citizenship

Henley & Partners pioneered the

investment migration industry and,

over the past 20 years, has offered

the best citizenship and residence

option, therefore, when compared

work or settle) in the EU Schengen.

frame is four months. Grenada

The Caribbean island signed a visa

visa-free to 159 countries.

Our suite of transactional and investment products are designed to match your unique transactional banking or offshore saving needs, and our Guernsey-based FNB Channel Island experts are on hand to help you diversify and protect your hard-earned wealth. From the comfort of your local RMB Private Bank you can protect your banking portfolio, invest, and transact in foreign currencies through RMB Private Bank's truly international banking offering. FNB Channel Islands

32-day Notice Accounts – where notice is required before funds are accessed Fixed Deposit Accounts – fixed for three, six or 12 months with no access to funds. Based on your specific needs and preferences, your

RMB Private Banker can help you select the account

best suited to your needs, ensuring that you also

access to their money

offers three types of savings and investment accounts,

Call Accounts – for clients requiring immediate

in three global currencies (Sterling, US dollars and

euro):

benefit from the competitive interest rates available. We also offer an interest-bearing Sterling Current Account with an internationally accepted Mastercard debit card for day-to-day transactions and instant

will be although many economic think tanks suggest that the UK economy would certainly be worse Note that SA financial off especially in the shorter term (as will the Eurozone although the around R1.5tn.

Nobody knows for sure what the

real economic effects of Brexit

There is no cap on the Cyprus solutions to individuals and their families who do not want to be limited by their country of birth. **Experts Sandra Woest and Grant** McLeod are located at the Henley & Partners South Africa office and years) and who meet certain other are available for consultation on requirements. Cypriot citizens also +27 21 850 0524 or via email: sandra.woest@henleyglobal.com grant.mcleod@henleyglobal.com < BACK MATIRIC

> Fixed Deposit Accounts. Convenience and ease are central to our offshore offering; which is why we enable you to transact online as well as make use of our dedicated FNB Channel Islands Service Suite. Once you have registered for online banking on the FNB Channel Islands platform, you can link your accounts to your local online banking profile and banking app to easily view balances and your

With FNB Channel Islands you can make and receive

payments (both international and within the UK) with

can be done online or by calling our dedicated FNB

Finally, FNB Channel Islands is a participant in the

ease. All servicing, payments and account maintenance

transaction history via local online profile.

Channel Islands Service Suite.

request.

information, speak to your Private Banker or call the RMB Private Bank Service Suite.

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wealth). Investment spending and exports are the obvious any weakening of the global channels through which the growth weakness will transpire. in 'risk off" sentiment cannot be seen as a positive. Export investment in UK stands

re-balancing.

Market Outlook

remains largely intact.

more volatile. As with our offshore

positions however we are relatively

cautiously positioned and should

much we would consider further

While markets have weakened on

Brexit our cautious assessment

of global and local growth assets

Uncertain global economics makes

likely remain at low levels for some

increasing earnings uncertainty. On

this basis a conservative approach

increasingly focused on upcoming

elections and the probability

of a credit rating downgrade.

The economy unfortunately

remains hamstrung by a lack of

confidence, low levels of private

and government fixed investment

expenditure and low commodity

Equity market valuations remain

demanding relative to historical

sensitive corporates will continue

the listed property front low yields

term returns.

compared to bonds could limit near

The current account deficit is likely

to remain fairly large although

there are signs that the deficit

is diminishing in response to a

relatively weak currency. While

the rand may experience bouts of

regulations, will be imposed. If the

funds are remitted, a 5% penalty

will be payable. These penalties

must be paid from the offshore

funds and, where there is a lack of

available offshore cash (such as for

property holdings), the penalty can

be paid from rand-based sources.

In this instance, an additional 2%

event that one's tax affairs are not

penalty will be imposed. In the

in order, National Treasury has

advised that taxes owing on 50%

of the total amount used to acquire

the offshore assets, would become

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averages and domestically

prices.

for significant earnings forecast

risk and while interest rates will

time it is unlikely that they can

go meaningfully lower to offset

markets fall too far or rally too

range of outcomes is somewhat less certain here). This event is causing dollops of uncertainty which depletes business confidence which in turn inhibits private sector investment and saps economic vitality. Markets don't like uncertainty. Investors will demand higher risk premiums and that puts downward pressure on risky assets. The economic consequences of Brexit in our view are as follows: **Expected impact on UK:** Sterling weakness.

and financial market volatility. Central Banks increase stimulus (ECB and BoJ), Fed refrains from hiking this year.

Expected impact on global

Negative because of

heightened macro uncertainty

for global productivity. Lower global productivity is negative for ability to repay high levels of debt.

Expected impact on SA:

GBPZAR cross).

Short term:

uncertainty and financial

business confidence and

market volatility (weighs on

DO YOU HAVE A CLEAN SLATE? If you have undisclosed offshore assets, the latestand many believe the last - Special **Voluntary Disclosure**

Programme is a vital

opportunity to disclose

such assets before the

onset of the Common

For those whose offshore asset

disclosures have managed to slip

through the cracks, the time is now

to set the record straight. The global

financial landscape has changed

drastically over the last few years

and South Africa is among those

automatic exchange of taxpayer

In terms of the Common Reporting

Standards (CRS), initiated by

the Organisation for Economic

Cooperation and Development

financial information with local tax

authorities. A further exchange of

information will then flow between

worldwide. The objective is that

to widen the tax base and expose

How can you regularise your

taxpayer information will flow

undisclosed information.

offshore assets?

(OECD), financial institutions

will share account holders'

participating tax authorities

countries participating in the

information.

Reporting Standard.

This increases the likelihood of ratings downgrade (supports our view). Market response

Long term:

Should lower SA growth

because of lower UK and

exports goes to the UK.

global growth. Around 4% of SA

Weaker global equity markets.

The FTSE weakens on

the back of a weakened

economic outlook although a

lot of companies in this index

would benefit from Sterling

A weaker Euro stock market

this market is regarded as

Lower yielding US treasuries

and German bunds as being

the "risk off " destination of

weakness.

about Brexit.

"relatively" expensive. A weaker Sterling and Euro against the US Dollar with Sterling showing the greatest depreciation.

So how are we or should we react to events of this nature from an investment perspective? First off we are not panicking. Risks have gone up and markets heightened uncertainty and an macros. While changing macros

require on-going recalibration on

we are already risk averse in our

positioning. We will be influenced

by the extent of market reaction

If equity markets fall too far we

relative to our assessment of value

(markets always tend to over-react).

our part it should be noted that

long.

and preparing in advance will give taxpayers sufficient time to undertake a thorough analysis of offshore structures. The application must be done voluntarily. Taxpayers will not be allowed to apply for the Special Voluntary Disclosure Programme if SARS is already aware of a pending investigation

Guernsey Banking Deposit Compensation Scheme. The scheme offers protection for 'qualifying deposits' up to £50 000, subject to certain limitations. The maximum total amount of compensation is capped at £100 million in any five-year period. Full details are available on the scheme's website, www.dcs.gg, or on To open an FNB Channel Islands account or for more

GLOBAL INVESTMENT INSIGHTS FOR A VOLATILE WORLD

While oil price gains supported markets early

in the quarter there was little else by way of

improving economic indicators or lower interest

rates elsewhere to provide support for risk assets and following the unexpected results of an EU referendum in the UK, the past period became all From a South African perspective economic environment or increase performance could suffer and the currency would likely become

to global risk assets continues to be although this market already adopted. looks "relatively" cheap. From a more local perspective the A weaker US market but not outlook for the SA economy remains to the same degree as the poor with all eyes becoming Eurozone and UK although

on a greater probability of a to experience earnings headwinds. Euro "break up". This together with a sub-par economic environment is likely to constrain near term performance. In our view bond yields represent reasonable value notwithstanding the probability of a credit rating downgrade (there is a likelihood of a downgrade in December) which we believe is largely priced in. On

would be looking to add and if they strength from oversold conditions rally too hard we might look to top from time to time it is likely to slice. From a currency perspective remain relatively fragile. Offshore the same applies. Should Sterling investment continues to retain depreciate markedly beyond our investment merit. expectations we would look to go

> due and payable for the last five tax years. Interest will also be charged on these outstanding taxes and no penalties will be levied. Although the final legislation has not been published and various other issues are still unclear, it is certain that the process of voluntary disclosure will commence on 1 October 2016. Our advice to you All offshore funds and structures must be fully declared and compliant from both a tax and exchange control perspective. Should you think that you might

have contravened either or both

regulatory provisions, you must

determine the need for a voluntary

disclosure application. The Special

Voluntary Disclosure Programme

companies. Offshore discretionary

trusts are only included insofar as

either the donor or beneficiary of

the trust takes over the ownership

of the trust's assets for purposes of

the programme. Deceased estates

will be open to individuals and

the exchange control and tax

obtain professional advice to

A hit to UK growth in the shortterm because of increase in uncertainty and weaker pound (i.e. Lower consumption spending and investment). Weaker longer term growth due to impact on UK trade openness (although it depends

on the UK trade negotiations

years).

economy:

Short term:

Long term:

with EU members over next few

Another hit to the EU/Eurozone project. Will embolden other "exit" parties/arguments across Europe for exiting Eurozone/ EU.

A gradual reversal of

globalisation which is negative

Negative for ZAR (except for

Negative for equity markets and

bonds (although SA bonds will look more attractive). Negative for growth (which has already tended to 0% for this year) due to heightened

automatically between participating jurisdictions, helping tax authorities

prosecution.

If you have undeclared offshore assets, you will be able to participate in the Special Voluntary Disclosure Programme, a joint programme for taxation and exchange control purposes which is open from 1 October 2016 to 31 March 2017. It is a great opportunity to regularise your undisclosed offshore affairs before the tidal wave of reporting in terms of the CRS reaches the

South African Revenue Service (SARS) from 2017 onwards. The collection of information has already commenced in some countries that are commonly referred to as the "early adopters', of which South Africa is notably present. WELCOME TO THE LAND OF

Japan: A melting pot of new and old, tradition and technology, ancient culture, modern marvels, fine cuisine and, of course, sacred cherry blossoms. RMB Private Bank and eBucks Lifestyle invite you to tour the

unforgettable Land of the Rising Sun.

The Pacific Ocean island nation of Japan is characterised by

high-rise cities, imperial palaces, mountainous national parks, and breath-taking shrines and temples. Throughout the island, the

Japanese spirit is strong, warm and

welcoming; testament to the unique

traditions of this unique civilisation.

This exclusive eBucks Lifestyle tour

will start in Tokyo, a magnificent city

renowned for its neon skyscrapers

and pop culture. The city's rich

history is reflected in numerous

Asakusa, through to its excellent

museums, historic temples and

gardens. Plus you can enjoy a

seemingly unlimited choice of

and mouth-watering dining.

shopping, entertainment, culture

Then you'll continue on to Osaka,

the economic powerhouse of the

Kansai region for many centuries.

Next the tour moves on to Mount

sites, from districts such as

choice. European peripheral country bond yield spreads widening

are reacting negatively to expectation of weaker global

Consequences Non-compliant taxpayers will be exposed through this automated process as the authorities will soon have taxpayer information available at their fingertips and across borders. It is believed that this programme will be the last opportunity for South African taxpayers to disclose their offshore assets. How can you participate? Regularisation under the Special Voluntary Disclosure Programme will result in the applicant's overall cost of compliance, for both tax and exchange control, being more favourable than if pushed into the full force of the law. Although the programme will only open in October 2016, it makes sense to prepare the documents in advance for submission, given the short timelines involved. The process can be lengthy

will not be eligible for the Special Voluntary Disclosure Programme. In relation to an exchange control breach, the owner of the funds will have two options, based on the draft legislation: to retain the funds offshore, or to remit the funds to South

Should the owner wish to retain

the funds offshore, a 10% penalty

on funds that are in breach of the

Africa.

or audit. A successful application

International exchange of

information, exchange control

breaches and the tax impact

Any information which SARS

an international exchange of

has obtained as a result of

will protect taxpayers from criminal

and Shizuoka Prefectures and, on a clear day, can be seen from Tokyo and Yokohama.

until 1868, as well as the 17th century Nijo Castle, the former Kyoto residence of the shogun and a magnificent UNESCO World

You'll also take a ride on the

300km/h bullet train to Tokyo's

Imperial Palace East Gardens,

the Imperial family's residence

Heritage Site. Numerous temples, shrines and other historically priceless structures still mark the city today. Your trip to Japan will include: Flights from Johannesburg to Tokyo and back home from Osaka to Johannesburg

will also be able to participate in the information with other tax authorities process. Contact us RMB Private Bank and FNB are participating in industry commentaries on the Special Voluntary Disclosure Programme. If you have any enquiries, please email us at: SpecialVDPFiduciary andExchange@fnb.co.za < BACK

2016 (excluding 7-13 August, 13 September and 4-5 October). To book or for more information, contact your Private Banker or contact 087 575 0050 and a dedicated eBucks Lifestyle assistant will assist you with all your travel and leisure arrangements.

Nijo Castle, Nara Park and an active volcano that has been Kasuga Shrine worshipped as sacred for many years, and which last erupted in eBucks Lifestyle offer is valid 1708. This impressive peak stands between 1 June and 19 December

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to Kyoto, and a visit to Fuji, Japan's highest mountain, on the border between Yamanashi For more information or any queries, please contact your Private Banker or contact the RMB Private Bank

Transfers and coaches 2 nights in Tokyo, 2 nights in Kyoto, a visit to the Imperial **Palace East Gardens and** Mount Fuji, the bullet train < BACK

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