

To: Mercantile Bank Limited & Phynans (Pty) Ltd

RE: Foreign Exchange Declaration and Indemnity: Crypto/Virtual Assets and/or Currencies

I, \_\_\_\_\_ ( ID: \_\_\_\_\_ ) hereby confirm that I am making this declaration regarding my crypto currency related cross border investment transactions of calendar year 2023 and accordingly declare as below.

**I declare and confirm that:**

I am purchasing Crypto/Virtual assets and/or currencies through the utilisation of my Single Discretionary Allowance (SDA) of up to R1 million and/or individual Foreign Investment Allowance (FIA) of up to R10 million with SARS Tax Clearance Certificate per calendar year;

I am aware that the use of another individual's SDA or FIA, whether through the granting of a 'loan' to such an individual or any other similar agreement, is regarded as a simulated transaction for the purpose of circumventing the provisions of the Exchange Control Regulations and therefore an illegal activity. In this regard, I confirm that I am cognisant with Exchange Control Regulation 10(1)(c), read with Exchange Control Regulation 22 and I confirm I am not in contravention of this provision, whether directly or indirectly.

I am aware that using pooled funds (from myself and others) to gather multiple SARS Tax Clearance Certificates is outside of the spirit of the South African law and regulations and I confirm that I have not done so;

Any income or capital appreciation achieved and derived through Crypto/Virtual assets and/or currencies' triggers a SARS obligation and specialised tax advice should be sought, I undertake to do this. I confirm that I have received no advice or information from Phynans (Pty) Ltd whatsoever in relation to this transaction, whether directly or indirectly.

Furthermore, should I fund any of my Rand bank accounts in South Africa from external Crypto/Virtual assets and/or currencies' sources via any crypto platform, I confirm that it is my personal assets/currencies and not that of any other party and if this is not the case that I would be in contravention of Exchange Control Regulation 10(1)(c) as mentioned above. Accordingly, this would be at my own risk and I would be responsible for all consequences arising therefrom.

I have made my investment decision in Crypto/Virtual assets and/or currencies' and related transactions on my own accord without undue influence and without any advice or instruction from Phynans (Pty) Ltd. I confirm that I have obtained my own independent advice in relation to the financial, taxation and legal aspects of the proposed transaction. Furthermore, I accept and bear the risk associated with these transactions. The profit of these transactions (net of fees and service charges) is for my benefit. I indemnify and hold Phynans (Pty) Ltd harmless in respect of any consequences arising from this or any other transaction arising here from, and in respect of any harm, from whatsoever cause arising. This indemnity is absolute and absolves Phynans (Pty) Ltd absolutely from whatsoever cause arising.

**I confirm the following:**

- The ultimate source of funds is from my and/or my spouse's own financial resources.
- I made the investment decision by myself or from independent advice I have sourced and obtained on my own.
- All profits generated will be for the sole benefit of myself.
- The risk of loss lies with me.
- I have not exceeded my allowances of R1 million Single Discretionary Allowance (SDA) or R10 million Foreign Investment Allowance (FIA).
- I am compliant with the laws of South Africa in relation to this type of transaction, and have familiarised myself with these laws and regulations prior to entering into the transaction aforesaid.

I further confirm that this is an ongoing crypto transaction that was funded under Phynans (PTY) Ltd as my intermediary to an offshore crypto exchange entity named either Circle or Kraken. I further attach initial confirmation of the funding for bank records and should there be a top up to the initial funding, I will provide written proof thereof.

I am aware of the foreign exchange risk due to delays with same day settlements as a result of the banks processing capabilities and/or regulatory (including the exchange control department) requirements.

I indemnify and hold Mercantile Bank Limited and/or Phynans (Pty) Ltd or its authorised representatives, employees, agents or assigns harmless, against any claim against Mercantile Bank Limited and/or Phynans (Pty) Ltd for any loss or damage (actual, consequential or otherwise and from whatsoever cause arising, including but not limited to any perceived loss of profits) that I or any other person suffers because I chose to utilise Crypto Assets and related transactions. I hereby waive and abandon all or any claims, whether actual or perceived as against Mercantile Bank Ltd or Phynans (Pty) Ltd, by appending my signature below.

Phynans (Pty) Ltd reserves the right, at its sole discretion, to not proceed or execute a transaction/s if not satisfied with the source of funds and or wealth and or the proposed transaction viewed within the regulatory framework (or for any other reason whatsoever). Such decision may be made by Phynans (Pty) Ltd at its sole and absolute discretion, and my indemnity herein applies in relation to any effect of such decision to withdraw or terminate the transaction/s, and in respect of which both Mercantile Bank Ltd and Phynans (Pty) Ltd are absolutely indemnified and absolved from any harm or consequence, in respect of whatsoever cause arising, and arising from such decision to withdraw or terminate.

By signing this document, I hereby confirm that I have read and understand the above and that the information supplied is true and correct.

Signed at: \_\_\_\_\_ on \_\_\_\_\_  
(date)

Signature: \_\_\_\_\_