KESTREL PRIVATE
RESIDENCE · CITIZENSHIP · INTERNATIONAL STRUCTURE

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SA's 2026 Offshore Allowance: Euro Assets, Yield, Residency and Schengen Access

How South African investors are using a single euro allocation for Rand hedging, foreign passive income, European residence and travel freedom.

€1 = R19	5	R10,000,000	4
PLANNING RATE	EUROPEAN CASES MODELLED	PER TAXPAYER, PER YEAR	DISTINCT FUNCTIONS

Cape Town, 25 August 2026. South Africans building an offshore structure or seeking a second base in Europe can now compare the full funding requirement with their available 2026 offshore allowances before committing to a qualifying property or fund.

Kestrel Private has released a Europe-only planning guide covering five residence-by-investment cases in Greece, Cyprus and Portugal. Every case involves a retained foreign asset. Citizenship contributions and other non-investment programmes are deliberately excluded.

The guide models not only the qualifying property price or fund subscription, but also the foreign taxes, VAT, government charges and professional costs that may have to be paid offshore.

> "South Africa's offshore allowances function as annual strategic windows for building an offshore position. While the limits define how much can be funded in a single year, they remain sufficient for most families considering these programmes. For those who already hold assets offshore, reallocating 15–20% of an existing portfolio into a qualifying euro investment is often a straightforward diversification decision. The objective is for that capital to perform four roles simultaneously: remain invested as a hard-currency euro asset, generate potential euro income, establish a European residence position, and provide greater travel flexibility within the Schengen Area."
>
> — ANDREW J. TAYLOR, FOUNDER AND MANAGING PARTNER, KESTREL PRIVATE

TWO STARTING POINTS

The guide frames every case around one question: where does the capital sit today?

For a family building its offshore position, the 2026 allowance is the funding route: up to R10,000,000 per eligible taxpayer, per calendar year, through SARS's AIT process. The planning question is what is genuinely possible within that capacity once the complete position — the qualifying investment plus foreign taxes, VAT and transaction, application and professional costs — has been priced.

For a family whose capital is already offshore, no new allowance is involved. The move is a reallocation: ring-fence a defined slice of the established portfolio — the guide illustrates 15% — and apply it to a qualifying Greek or Cypriot property or an eligible fund. The same capital then performs a different role: a retained euro-denominated asset that can also support a residence application, such as Greek residence, subject to programme eligibility, due diligence and government approval.

WHERE ARE THE FUNDS TODAY?

SITUATION A

Building an offshore position

The capital is still in South Africa.

01 **Price the complete position**
Include the asset, foreign taxes, VAT, government charges and professional costs—not only the advertised threshold.

02 **Match the available allowance**
Use the Approval International Transfer (AIT) capacity of the correct taxpayer or taxpayers. Align owner, payer and route; obtain each TCS PIN.

03 **Place the capital deliberately**
Transfer into the documented qualifying property or fund through the agreed route. Keep the banking, title and residence record together.

PATH A · NEW OFFSHORE POSITION

Current-year allowance → qualifying European asset

The investment can then support the relevant residence application.

SITUATION B

Already holding funds offshore

The capital is already held lawfully outside South Africa.

01 **Review the existing position**
Confirm liquidity and preserve the complete source-of-funds and KYC trail for the capital already abroad.

02 **Ring-fence a suitable allocation**
Carve out only the portion that can be repositioned without weakening the family's wider offshore portfolio.

03 **Reallocate into the qualifying asset**
Apply it to a qualifying Greek or Cypriot property, or Portuguese fund. Redeploying capital already abroad uses no additional current-year allowance.

PATH B · EXISTING POSITION, REPOSITIONED

Offshore funds → qualifying European asset

Its redeployment consumes no additional 2026 allowance.

Read against a single R10,000,000 allowance, Greece runs from €250,000 to about €475,000, and Cyprus from €300,000 to about €425,000 before VAT — in each case priced complete, and in each case inside one taxpayer's capacity.

THE THRESHOLD IS NOT THE TRANSFER AMOUNT

At Kestrel Private's deliberately rounded planning rate of €1 = R19, the five cases map as follows:

EUROPEAN INVESTMENT ROUTE	ADVERTISED ASSET THRESHOLD	MODELLED EURO REQUIREMENT	RAND REQUIREMENT	INDICATIVE SOUTH AFRICAN ROUTE
Greece QUALIFYING CONVERSION OR RESTORATION PROPERTY	€250,000 within one allowance	Approximately €280,000	R5,320,000	One R10,000,000 allowance via AIT; R4,680,000 of that year's capacity remains
Greece STANDARD REGIONAL PROPERTY	€400,000 to €475,000 within one allowance	Approximately €440,000	R8,360,000	One R10,000,000 allowance via AIT; R1,640,000 of that year's capacity remains
Greece PRIME-AREA PROPERTY	€800,000 two allowances required	Approximately €865,000	R16,435,000	Two R10,000,000 allowances—one per eligible taxpayer; R3,565,000 of that capacity remains
Cyprus QUALIFYING NEW PROPERTY	€300,000 plus VAT to €425,000 within one allowance	Approximately €375,000	R7,125,000	One R10,000,000 allowance via AIT; R2,875,000 of that year's capacity remains
Portugal QUALIFYING INVESTMENT FUND	€500,000 R260,000 beyond one allowance	Approximately €540,000	R10,260,000	One R10,000,000 allowance via AIT, plus R260,000 from funds already held offshore

These are indicative two-adult planning cases, not fixed quotations. The euro figures include the qualifying investment and modelled foreign taxes, VAT and transaction, application and professional costs. Family composition, the selected property or fund, professional advisers, banking arrangements and the live exchange rate will determine the final amount.

For Cyprus, the €375,000 model conservatively assumes standard 19% VAT and does not assume a reduced rate or any VAT recovery. Any potential recovery depends on the acquisition, ownership and use structure and must be confirmed by a Cyprus tax adviser before purchase.

The €475,000 and €425,000 ceilings are modelled on the same cost basis as the cases above and assume one eligible taxpayer with no capital already held offshore. They are planning figures, not quotations.

Portugal is the only case modelled that exceeds one R10,000,000 allowance. The shortfall is not a requirement to hold capital offshore — a second eligible taxpayer's allowance meets it equally.

WHAT THE ALLOWANCE CALCULATION ACTUALLY MEANS

One annual route, and one source of capital that does not touch it:

R10,000,000 per eligible taxpayer, per calendar year

A South African taxpayer may externalise up to R10 million each calendar year once SARS has granted Approval International Transfer status and issued a valid TCS PIN, and the Authorised Dealer—usually the client's bank—is satisfied on source of funds. Each spouse has their own capacity; it is never pooled.

SARS APPROVAL INTERNATIONAL TRANSFER STATUS, A VALID TCS PIN, AND THE BANK'S SOURCE-OF-FUNDS CHECKS.

Funds already held offshore

Capital lawfully externalised in an earlier year and still held abroad can be applied to the investment directly. It consumes none of the current year's R10 million capacity, provided the source-of-funds and KYC trail is complete.

NO NEW ALLOWANCE CONSUMED. THE TRAIL STILL HAS TO BE COMPLETE.

South Africans may externalise up to R10 million per eligible taxpayer each calendar year through the AIT process. That capital can be held offshore before deployment, or transferred directly into a qualifying foreign investment.

Where a European property or fund also supports residence, the same offshore allocation can establish a euro asset, potential foreign income, residence rights and more flexible mobility.

This is why the complete cost matters more than the advertised threshold — not because each line of it needs its own approval, which it does not, but because the client needs to know whether the total, including foreign taxes, VAT and professional costs, fits inside the transfer capacity they have left. At the modelled planning rate the €540,000 Portugal case is R10.26 million, which is R260,000 more than one year's capacity: a spouse's own allowance, or funds already sitting offshore, closes it.

WHERE THE SPOUSE BECOMES IMPORTANT

The modelled €865,000 Greece prime-area case equals R16.435 million and therefore exceeds one taxpayer's R10,000,000 of annual capacity.

The clean structure is two separate payments by the spouses, each from their own allowance, into one jointly structured acquisition. On an illustrative equal funding split, each spouse would contribute €432,500, or R8,217,500.

Greek law permits spouses to hold a qualifying property in undivided co-ownership at the applicable property threshold. This does not create a pooled South African allowance.

Each spouse makes their own AIT application, obtains their own valid TCS PIN for the approved amount and makes an identifiable payment from their own capacity. Where both are being used, the proposed title shares and payment allocation should be accepted by the bank and by the Greek lawyer and notary before either transfer is released.

Funds already held offshore can also be used, and consume none of the current year's capacity, provided the source-of-funds and KYC trail is complete.

A personal Greek bank account is not a prerequisite for the acquisition: the official procedure permits payment by credit transfer — including directly from the South African Authorised Dealer to the properly documented Greek beneficiary or escrow — provided the route is approved in advance by the Authorised Dealer and the Greek lawyer and notary, and the AIT application states the qualifying investment as its purpose.

ONE ALLOCATION, FOUR DISTINCT FUNCTIONS

A properly selected European investment can combine:

Euro asset	a retained, hard-currency, euro-denominated property or fund interest
Underlying cash flow	potential rent, distributions or capital growth in euros — positive net cash flow is not promised
Residence permit	a renewable or permanent European residence position
Schengen mobility	greater travel flexibility under the rules of the relevant permit

The outcomes are not identical across countries. Greece and Portugal issue residence permits within the Schengen area. Cyprus provides permanent residence in an EU member state, but Cyprus is not yet fully part of the Schengen area and should not be marketed as a Schengen-access product.

Income and capital growth are investment outcomes, not guarantees. Greek Golden Visa properties are also subject to specific use restrictions, including a prohibition on short-term letting through the sharing economy. Each property or fund must be assessed on its own merits.

WHAT A FILE USUALLY INVOLVES

01 Price the whole thing, not the threshold. The investment plus foreign taxes, VAT and professional costs is the number that has to fit.

02 Check it against the capacity actually left this year, across both spouses, and against anything already held offshore.

03 Confirm the qualifying asset and who will own it, since that determines who has to be the payer.

04 Obtain AIT status and the TCS PIN for the amount, stating the purpose of the transfer.

05 Transfer, and keep the banking, tax, title and residence records together.

Sequence and requirements vary by route, by bank and by the family's existing offshore position. This is what a straightforward file tends to involve, not a procedure every case must follow.

The allowance window is calendar-based. Unused capacity does not increase the following year's standard limits.

Kestrel Private's advice is not to externalise capital merely because an allowance is available. It is to plan early enough that a genuine European investment can be completed through the correct taxpayers, ownership interests and banking routes.

ABOUT KESTREL PRIVATE

Kestrel Private is a principal-led private-client advisory firm headquartered in Cape Town. It coordinates European residence by investment and the qualifying investments and ownership arrangements supporting it through one senior client relationship.

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EDITOR'S NOTE

The complete European funding guide and accompanying one-page media reference are available as publication-ready PDFs from kestrelprivate.com.
kestrelprivate.com

SOURCE AND METHODOLOGY NOTE

South African allowance references: the SARB Currency and Exchanges Manual for Authorised Dealers, SARB Exchange Control Circular 6/2026 and SARS supporting-document guidance for Approval International Transfers.

Programme references include Article 64 of Greek Law 5100/2024, the Greek National Registry's Article 100 conversion procedure, the Cyprus Migration Department's investor-permit criteria, the Cyprus Tax Department's VAT guidance and Portugal AIMA's €500,000 collective-investment route. Cyprus's current Schengen position is reflected in the European Commission's official Schengen overview.

Planning rate: €1 = R19. The rate is deliberately rounded but does not replace a bank's signed live quotation.

All amounts are indicative planning examples, not quotations, investment recommendations, tax advice, legal advice or exchange-control approval. Programme terms, investment performance, taxes, costs, exchange rates and official classifications can change. Final routing rests with the client's Authorised Dealer, SARS and, where applicable, the South African Reserve Bank's Financial Surveillance Department. Foreign eligibility and title arrangements must be confirmed by the relevant licensed professionals before funds are transferred.

LINKS

Media kit, with every document in this release: https://kestrelprivate.com/media-kit/2026-offshore-allowance/

Greece — residence by investment: https://kestrelprivate.com/residence/greece

Cyprus — EU permanent residence: https://kestrelprivate.com/residence/cyprus

Portugal — investment fund route: https://kestrelprivate.com/residence/portugal

Greek thresholds, with the article and sources: https://kestrelprivate.com/greece-golden-visa

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