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KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 1480.

18 Julie 1984

No. 1480.

18 July 1984

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 86 van 1984: Wysigingswet op Finansiële Instellings, 1984.

No. 86 of 1984: Financial Institutions Amendment Act, 1984.

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

 Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Insurance Act, 1943, so as to increase the maximum amount of home service policies; to provide that certain fees be prescribed by regulation; to delete the requirement that a specified portion of the assets of certain insurers is to consist of certain stocks of or loans to the Government; to increase a certain maximum penalty; to make different provision in relation to the determination of the penalty for a failure to comply with certain financial provisions, and in connection therewith to create a new offence; and to extend the power of the Minister of Finance to make regulations; to amend the Stock Exchanges Control Act, 1947, so as to grant legal personality to licensed stock exchanges; and to make different provision relating to the commencement of the application of new conditions to existing listed securities; to amend the Pension Funds Act, 1956, so as to provide that certain fees be prescribed by regulation; to regulate the payment of contributions to registered pension funds; to further regulate the investigation of the financial condition of registered pension funds; to delete the requirement that a specified portion of the assets of registered pension funds is to consist of certain stocks of or loans to the Government; to extend the power of the Minister of Finance to make regulations; and to increase the maximum fines for certain offences; to amend the Friendly Societies Act, 1956, so as to provide that certain fees be prescribed by regulation; and to extend the power of the Minister of Finance to make regulations; to amend the Banks Act, 1965, in relation to the definitions of "liquid assets" and "prescribed investments"; so as to provide that certain fees be prescribed by regulation; to delete the requirement that a specified portion of the prescribed investments of banking institutions is to consist of certain stocks of the Government; to increase the limit on credit balances on savings accounts with banking institutions; to further regulate the shareholding in discount houses and the shareholding by foreign banks in banking institutions and bank controlling companies; to increase certain maximum penalties; and to extend the power of the Minister of Finance to make regulations; to amend the Building Societies Act, 1965, in relation to the definitions of "liquid assets" and "prescribed investments"; so as to increase the limit on credit balances on savings accounts with building societies; to delete the requirement that a specified portion of the prescribed investments of permanent societies is to consist of certain stocks; and to increase a certain maximum penalty; to amend the Financial Institutions Amendment Act, 1982, so as to repeal a provision concerning the legal personality of certain stock exchanges; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assented to 28 June 1984.)

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1984

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BE IT ENACTED by the State President and the House of Assembly of the Republic of South Africa, as follows:—

1. Section 1 of the Insurance Act, 1943, is hereby amended—
- 5 (a) by the substitution in subsection (1) for the definition of “home service policy” of the following definition:
- “home service policy” means a policy, if issued after the commencement of the Financial Institutions Amendment Act, 1980, whereby the insurer, subject to the provisions of subsection (1)ter of this section, assumes such an obligation as is described in the definition of ‘life policy’ which, before any benefit contemplated in section 36 read with section 59 or any bonus is taken into account, does not exceed in value the sum of [one] five thousand
- 10 rand on any life insured under the policy, irrespective of whether the insurer has undertaken under the policy to send a person from time to time to the owner of the policy or to his residence or place of work to collect the premiums;”;
- 15 (b) by the substitution in paragraph (bb) of the definition of “life policy” in subsection (1) for the word “one” of the word “five”; and
- (c) by the insertion after subsection (1)*bis* of the following
- 20 subsection:
- “(1)*ter* An insurer who at the commencement of section 1 of the Financial Institutions Amendment Act, 1984, is authorized by virtue of his registration to assume obligations under home service policies shall not, except with the prior written consent of the registrar and in accordance with such conditions as he may determine, assume any obligation under such a policy which exceeds in value an amount of one thousand
- 25 rand.”
- 30
2. Section 4 of the Insurance Act, 1943, is hereby amended by
- 35 the substitution in subsection (3) for the words “a registration fee of two rand” of the words “the registration fee prescribed by regulation”.
3. Section 4*bis* of the Insurance Act, 1943, is hereby amended by the substitution in subsection (3) for the words “a fee of one 40 pound” of the words “the fee prescribed by regulation”.
4. Section 17 of the Insurance Act, 1943, is hereby amended—
- (a) by the deletion of paragraph (b) of subsection (2);
- (b) by the deletion of paragraph (c) of subsection (5); and

Amendment of section 1 of Act 27 of 1943, as amended by section 2 of Act 73 of 1951, section 39 of Act 24 of 1956, section 50 of Act 25 of 1956, section 1 of Act 79 of 1959, section 1 of Act 10 of 1965, section 1 of Act 41 of 1966, section 1 of Act 65 of 1968, section 1 of Act 39 of 1969, section 1 of Act 91 of 1972, section 1 of Act 101 of 1976, section 1 of Act 94 of 1977, section 1 of Act 80 of 1978, section 1 of Act 103 of 1979, section 1 of Act 99 of 1980 and section 1 of Act 36 of 1981.

Amendment of section 4 of Act 27 of 1943, as amended by section 1 of Act 19 of 1945, section 3 of Act 73 of 1951, section 4 of Act 79 of 1959, section 10 of Act 64 of 1960, section 3 of Act 10 of 1965, section 2 of Act 39 of 1969, section 3 of Act 101 of 1976, section 2 of Act 103 of 1979 and section 4 of Act 99 of 1980.

Amendment of section 4*bis* of Act 27 of 1943, as inserted by section 5 of Act 79 of 1959 and amended by section 4 of Act 10 of 1965.

Amendment of section 17 of Act 27 of 1943, as substituted by

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- (c) by the deletion in subsection (5A)—
 - (i) of the word “and” at the end of paragraph (a); and
 - (ii) of paragraph (b).

section 12 of Act 10 of 1965 and amended by section 4 of Act 41 of 1966, section 2 of Act 91 of 1972, section 6 of Act 101 of 1976, section 3 of Act 94 of 1977, section 2 of Act 80 of 1978, section 4 of Act 103 of 1979, section 2 of Act 36 of 1981 and section 1 of Act 82 of 1982.

5. Section 18 of the Insurance Act, 1943, is hereby amended—

- (a) by the deletion of paragraph (b) of subsection (2);
- (b) by the deletion of paragraph (c) of subsection (5); and
- (c) by the deletion in subsection (5A)—
 - (i) of the word “and” at the end of paragraph (a); and
 - (ii) of paragraph (b).

Amendment of section 18 of Act 27 of 1943, as substituted by section 13 of Act 10 of 1965 and amended by section 5 of Act 41 of 1966, section 3 of Act 91 of 1972, section 7 of Act 101 of 1976, section 4 of Act 94 of 1977, section 3 of Act 80 of 1978, section 5 of Act 103 of 1979, section 3 of Act 36 of 1981 and section 2 of Act 82 of 1982.

10 6. Section 18bis of the Insurance Act, 1943, is hereby amended by the deletion of subsections (1), (2) and (3).

Amendment of section 18bis of Act 27 of 1943, as inserted by section 14 of Act 10 of 1965, substituted by section 4 of Act 91 of 1972 and amended by section 5 of Act 94 of 1977, section 6 of Act 103 of 1979 and section 7 of Act 99 of 1980.

15 7. Section 60 of the Insurance Act, 1943, is hereby amended by the deletion in paragraph (l) of subsection (1)—

- (a) of the word “and” at the end of subparagraph (i); and
- (b) of subparagraph (ii).

Amendment of section 60 of Act 27 of 1943, as substituted by section 8 of Act 41 of 1966 and amended by section 2 of Act 65 of 1968.

20 8. Section 71 of the Insurance Act, 1943, is hereby amended—

- (a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:

“On payment of [a fee of twenty-five cents] the fee prescribed by regulation, any person may inspect and make a copy of any of the [undermentioned] following documents furnished to the registrar by any [one] registered insurer or former insurer under this Act, namely—”; and

Amendment of section 71 of Act 27 of 1943, as amended by section 43 of Act 73 of 1951, section 20 of Act 79 of 1959, section 30 of Act 10 of 1965 and section 22 of Act 39 of 1969.

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(b) by the substitution in subsection (2) for the words "a fee of twenty-five cents for every single page or portion thereof of which the copy or extract consists" of the words "the fee prescribed by regulation".

5 9. Section 73bis of the Insurance Act, 1943, is hereby amended by the substitution for the words "ten pounds" of the words "fifty rand".

Amendment of section 73bis of Act 27 of 1943, as inserted by section 21 of Act 79 of 1959.

10. The following section is hereby substituted for section 73ter of the Insurance Act, 1943:

Substitution of section 73ter of Act 27 of 1943, as inserted by section 21 of Act 79 of 1959 and substituted by section 32 of Act 10 of 1965.

10 **73ter. (1) [Any person] An insurer who fails to**
 failure to comply with financial provisions. **comply with [the provisions] any provision of section**
 15 **17 or 18 [or of either of those sections as applied by**
section 18bis] shall be liable to pay [such penalty (if
 20 **any) as the registrar may deem fit but not exceeding**
two hundred rand] a penalty at the rate of twelve per
 cent per annum on the amount of the deficiency in the assets in question as shown in the returns furnished in terms of this Act to and accepted by the registrar, as from the date of the relevant financial year-end until the deficiency has been corrected according to information, certified by the auditor or actuary of the insurer, which the registrar requires for that purpose, and the registrar may by action in any competent court recover from [such person] the insurer such penalty or such portion thereof (if any) as he in his discretion considers the circumstances justify him in claiming.
 25 **(2) An insurer referred to in subsection (1) who**
 30 **pays out any dividends to shareholders during the**
existence of a deficiency so referred to, shall be
guilty of an offence."

11. Section 76 of the Insurance Act, 1943, is hereby amended by the insertion in subsection (1) after paragraph (b) of the following paragraph:

Amendment of section 76 of Act 27 of 1943, as substituted by section 9 of Act 41 of 1966 and amended by section 13 of Act 101 of 1976.

35 **"(bA) prescribing matters in addition to those contemplated**
in any other provision of this Act, in respect of which
fees shall be payable and the fee payable in respect of
each such matter;"

12. The following section is hereby inserted in the Stock Exchange Control Act, 1947, after section 6:

Insertion of section 7 in Act 7 of 1947.

45 **7. (1) A stock exchange shall as from the date on**
 "Juristic personality of stock exchange. **which it is licensed be a juristic person which is cap-**
 able of suing and being sued in the name in which it is licensed, and of acquiring, owning, hiring, letting and alienating property, and, subject to the provisions of this Act, of doing all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of its rules.
 50 **(2) A stock exchange which was licensed on 26**
February 1984 (hereinafter referred to as the effec-
 tive date) and which is licensed at the commencement of section 12 of the Financial Institutions Amendment Act, 1984, shall be deemed to have become a juristic person in terms of subsection (1) on
 55 **the effective date, and—**
(a) a committee which managed the affairs of any
such stock exchange on the effective date, and
the members on that date of any such stock ex-

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- change, shall be deemed on that date to have become a committee and members, respectively, of the juristic person;
- 5 (b) rules and regulations of any such stock exchange and directives and decisions of any such committee of the stock exchange which were in force on the effective date, shall be deemed on that date to have become rules and regulations of the juristic person and directives and decisions of such
- 10 committee of the juristic person;
- (c) assets, liabilities, rights and obligations which on the effective date vested in any such stock exchange or in its members, as such, or with which
- 15 that stock exchange or those members, as such, were charged (including assets which were on that date held in trust for the stock exchange or its members, as such, by any person), shall be deemed on that date to have become assets, liabilities, rights and obligations of the juristic person and to have been assets held in trust for the
- 20 juristic person; and
- (d) any other thing done before the effective date by, on behalf of or in respect of any such stock exchange, or a committee or members, as such,
- 25 of the stock exchange and in force on that date, shall be deemed to have been done by, on behalf of or in respect of the juristic person, or such committee or members, as such, of the juristic person.
- 30 (3) Any asset or right and liability or obligation acquired or incurred during the period from the effective date to the date of commencement of section 12 of the Financial Institutions Amendment Act, 1984, by a stock exchange referred to in subsection
- 35 (2), shall be deemed to have been acquired or incurred by the juristic person referred to in the said subsection, and any other thing done by, on behalf of or in respect of that stock exchange, or a committee or members, as such, of the stock exchange during
- 40 that period, shall be deemed to have been done by, on behalf of or in respect of that juristic person, or a committee or members, as such, of the juristic person.
- (4) On production by the juristic person referred to in subsection (2) of a relevant title deed or other deed or document, and of the relevant valid licence issued in terms of section 5, to a registrar or other officer charged with the maintenance of a register under any law, such registrar or officer shall effect all such alterations, endorsements or entries in his registers as may be necessary as a result of the acquisition of juristic personality by the stock exchange concerned in terms of the said subsection (2).
- 45 (5) No transfer duty, stamp or other fees shall be payable by the juristic person referred to in subsection (2) in respect of any asset or right and liability or obligation which under subsection (2) or (3) vest in the juristic person or are acquired or incurred by him.
- 50 (6) A stock exchange incorporated in terms of this section, and which ceases to be a licensed stock exchange, shall be dissolved in terms of its rules."

13. Section 9A of the Stock Exchanges Control Act, 1947, is hereby amended—

- 65 (a) by the substitution for paragraph (i) of the proviso of the following paragraph:
- "(i) such conditions so applied to any securities shall **[not]** take effect in respect of such securities **[until the expiry of two years]** from a date determined by **the committee concerned, which shall not be earlier**

Amendment of section 9A of Act 7 of 1947, as inserted by section 14 of Act 86 of 1971.

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than three months from the date on which the committee so notifies such person, but that the committee may extend the first-mentioned date on written application by the person who issued the securities; and”; and

(b) by the addition of the following subsections, the existing section becoming subsection (1):

“(2) Conditions applied by the committee of a stock exchange to securities under the circumstances contemplated in subsection (1) and of which the committee has notified the person who issued the securities concerned in writing within a period of two years before the commencement of section 13 of the Financial Institutions Amendment Act, 1984, shall take effect in respect of those securities on the expiration of a period of three months after that commencement: Provided that the committee concerned may extend the date on which the conditions shall take effect on written application by the said person.

(3) If the committee of a stock exchange refuses an application for extension in terms of paragraph (i) of the proviso to subsection (1) or in terms of subsection (2), the person concerned may make representations in writing to the Registrar, and if the Registrar is satisfied that the application for an extension is reasonable and in the interest of the shareholders of the company concerned, he may in his discretion, after consultation with the committee concerned, extend the date on which such conditions shall take effect by not more than three months, and shall in writing inform the committee accordingly.”

14. Section 4 of the Pension Funds Act, 1956, is hereby amended by the substitution in subsection (2) for the words “a registration fee of one pound” of the words “the registration fee prescribed by regulation”.

Amendment of section 4 of Act 24 of 1956, as amended by section 11 of Act 65 of 1968.

15. The following section is hereby inserted in the Pension Funds Act, 1956, after section 13:

Insertion of section 13A in Act 24 of 1956.

“Payment of contributions to pension funds. 13A. Notwithstanding any provision of the rules of a registered fund to the contrary, any contribution payable in respect of any member of the fund to the fund shall be paid directly to the fund by or on behalf of the member within a period of seven days after the expiration of the period in respect of which the contribution is being paid, and the person managing the business of the fund shall, not later than the first business day following the day on which the fund received the contribution, deposit the contribution in the name of the fund with an institution registered under the Banks Act, 1965 (Act No. 23 of 1965), or the Building Societies Act, 1965 (Act No. 24 of 1965): Provided that in the case of a fund referred to in section 2 (3) (a) (ii) the contributions may within the said period of seven days be paid by or on behalf of such member directly to the insurer administering the fund.”

16. Section 16 of the Pension Funds Act, 1956, is hereby amended—

Amendment of section 16 of Act 24 of 1956.

(a) by the substitution for subsection (1) of the following subsection:

“(1) Save as provided in section 17, a registered fund shall, once at least in every ~~three~~ **five** years, cause its financial condition to be investigated and reported upon by a valuator, and shall deposit a copy of such a

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report with the registrar, and shall send a copy of such report or a summary thereof, prepared by the valuator in a form prescribed by regulation and signed by him, to every employer participating in the fund.”;

- 5 (b) by the substitution for subsection (3) of the following subsection:

10 “(3) In the case of a fund which is registered on the date of commencement of section 16 of the Financial Institutions Amendment Act, 1984, and which, before that date, has caused its financial condition to be investigated in terms of subsection (1), the first investigation after the said date shall be made in respect of the position as at the expiration of the fifth financial year which is completed after the financial year-end in respect of which the previous investigation was made or as at the expiration of such earlier financial year as the fund may select.”;

- 15 (c) by the insertion after subsection (3) of the following subsection:

20 “(3A) In the case of a fund which is registered on the date of commencement of section 16 of the Financial Institutions Amendment Act, 1984, but which has not, before that date, caused its financial position to be investigated in terms of subsection (1), the first investigation shall be made in respect of the position as at the expiration of the third financial year which is completed after that date or as at the expiration of the fifth financial year which is completed after the registration of the fund, whichever date is the earlier, or as at the expiration of such previous financial year as the fund may select.”;

- 25 (d) by the substitution for subsection (4) of the following subsection:

30 “(4) In the case of a fund other than a fund mentioned in subsection (3) or (3A), the first investigation shall be made in respect of the position as at the expiration of the ~~[fifth]~~ third financial year which is completed after the date of registration or as at the expiration of such previous financial year as the fund may select.”;

- 35 (e) by the substitution for paragraphs (c) and (d) of subsection (7) of the following paragraphs, respectively:

40 “(c) a description of the assets held by the fund, including particulars indicative of their value as at the expiration of the financial year concerned;

45 (d) the basis of valuation of each of the various kinds of assets adopted for the purposes of the report, together with sufficient particulars of each such basis so as to enable an independent valuator to judge the financial soundness of that basis;”;

- 50 (f) by the substitution for subsection (8) of the following subsection:

55 “(8) Whenever a registered fund deposits with the registrar a copy of a report made by a valuator in terms of this section, it shall also deposit with the registrar a certificate by the person managing the business of the fund and by the principal officer that to the best of their knowledge and belief the information furnished to the valuator for the purposes of the report was correct and complete in every material respect and, where applicable, that a copy of the report or a summary thereof referred to in subsection (1) was sent to every employer participating in the fund.”; and

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(g) by the addition of the following subsection:

“(9) The provisions of subsection (3) of section 15 in connection with a document relating to the financial position or the revenue or expenditure of a fund referred to therein, shall apply *mutatis mutandis* in respect of a copy of a report deposited with the registrar in terms of subsection (1) of this section and which in the opinion of the registrar does not correctly reflect its financial condition referred to in the said subsection (1).”

17. Section 19 of the Pension Funds Act, 1956, is hereby amended—

Amendment of section 19 of Act 24 of 1956, as amended by section 13 of Act 80 of 1959, section 9 of Act 58 of 1966, section 1 of Act 80 of 1969, section 2 of Act 23 of 1970, section 7 of Act 91 of 1972, section 23 of Act 101 of 1976, section 11 of Act 94 of 1977, section 11 of Act 80 of 1978, section 14 of Act 103 of 1979, section 39 of Act 99 of 1980, section 14 of Act 82 of 1982 and section 20 of Act 46 of 1984.

(a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:

“A registered fund shall, subject to the provisions of [subsections] subsection (6) [and (7)], hold in the Republic assets equal in value to at least 53 per cent of the aggregate value of all the assets of the fund in one or more of the following classes of assets, namely—”

(b) by the deletion of the proviso to subsection (1);

(c) by the substitution for paragraph (a) of subsection (6) of the following paragraph:

“(a) The Minister may exempt either wholly or in part any fund established or conducted by a religious institution from compliance with the provisions of [subsections] subsection (1) [and (7)] and may, under exceptional circumstances, and on such conditions and for such periods as he may determine, temporarily exempt any fund from compliance with any provision of subsection (1), (4), (5) or (5B) (a) [or (7)].”;

(d) by the deletion of paragraph (b) of subsection (6);

(e) by the deletion of subsection (7); and

(f) by the substitution for subsection (8) of the following subsection:

“(8) With effect from 12 December 1974 it shall be deemed that of the value of a registered fund's holding of units in a unit trust scheme as defined in the Unit Trusts Control Act, [1947 (Act No. 18 of 1947)] 1981 (Act No. 54 of 1981), [amounts] an amount equal to such [percentages] percentage, if any, as the registrar may from time to time determine, [are] is held in [—

(a)] assets of the classes referred to in subsection (1) [; and

(b) bills, bonds or securities issued by or loans to the Government of the Republic].”

18. Section 36 of the Pension Funds Act, 1956, is hereby amended by the insertion after paragraph (b) of the following paragraph:

Amendment of section 36 of Act 24 of 1956, as amended by section 18 of Act 103 of 1979.

“(bA) prescribing matters in addition to those contemplated in any other provision of this Act, in respect of which fees shall be payable and the fee payable in respect of each such matter;”

19. Section 37 of the Pension Funds Act, 1956, is hereby amended—

Amendment of section 37 of Act 24 of 1956, as amended by section 14 of Act 65 of 1968.

(a) by the substitution for paragraph (a) of subsection (1) of the following paragraph:

“(a) contravenes or fails to comply with the provisions of section 9, 9A, 13A or 35; or”; and

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- (b) by the substitution for paragraphs (i), (ii), (iii) and (iv) of subsection (1) of the following paragraphs, respectively:
- 5 “(i) in the case of an offence referred to in paragraph (a) to a fine not exceeding **[ten pounds] R100**;
- (ii) in the case of an offence referred to in paragraph (b) or (c) to a fine not exceeding **[twenty-five pounds] R250**;
- 10 (iii) in the case of an offence referred to in paragraph (d) or (e) to a fine not exceeding **[fifty pounds] R500**; and
- (iv) in the case of an offence referred to in paragraph (f) to a fine not exceeding **[one hundred pounds] R1 000** or, if the offender is an individual, to imprisonment for a period not exceeding twelve months, or to both such fine and such imprisonment.”

20. Section 5 of the Friendly Societies Act, 1956, is hereby amended by the substitution in subsection (2) for the words “a 20 registration fee of one pound” of the words “the registration fee prescribed by regulation”.

Amendment of section 5 of Act 25 of 1956, as amended by section 1 of Act 60 of 1963 and section 1 of Act 67 of 1965.

21. Section 47 of the Friendly Societies Act, 1956, is hereby amended by the insertion after paragraph (b) of the following paragraph:

- 25 “(bA) prescribing matters in addition to those contemplated in any other provision of this Act, in respect of which fees shall be payable and the fee payable in respect of each such matter;”

Amendment of section 47 of Act 25 of 1956, as amended by section 26 of Act 103 of 1979.

22. Section 1 of the Banks Act, 1965, is hereby amended—

- 30 (a) by the substitution in subsection (1) for paragraph (g) of the definition of “liquid assets” of the following paragraph:
- “(g) [other] stocks of the Government, other than those mentioned in paragraph (fA), held by the banking institution on the date of commencement of the Financial Institutions Amendment Act, 1982, and which on that date had a maturity, to the latest redemption date, of not more than three years;”;
- 35 (b) by the substitution in subsection (1) for paragraphs (a), (b), (c), (d) and (e) of the definition of “prescribed investments” of the following paragraphs, respectively:
- “(a) [stocks of] bills, bonds or securities issued by or loans to the Government other than [the stocks] those mentioned in the definition of ‘liquid assets’;
- 45 (b) [debentures or stock] bills, bonds, securities or loans guaranteed by the Government;
- (c) [stocks of] bills, bonds or securities issued or guaranteed by or loans to or guaranteed by and deposits with any local authority in the Republic;
- 50 (d) [debentures or stock of] bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Rand Water Board or the Electricity Supply Commission;
- 55 (e) debentures of or securities issued or guaranteed by or loans to or guaranteed by the Land Bank other than [such debentures] those mentioned in the definition of ‘liquid assets’;” and

Amendment of section 1 of Act 23 of 1965, as amended by section 12 of Act 91 of 1972, section 37 of Act 101 of 1976, section 18 of Act 80 of 1978, section 27 of Act 103 of 1979, section 45 of Act 99 of 1980, section 16 of Act 82 of 1982 and section 20 of Act 46 of 1984.

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- (c) by the substitution in subsection (1) for paragraph (f) of the definition of "prescribed investments" of the following paragraph:
 5 “(f) such bills, bonds, [or] securities or loans as the Registrar may by notice in the *Gazette* approve for the purposes of this definition subject to such conditions as he may specify in such notice, and also [those] the bills, bonds or securities issued by or loans to an institution which he has likewise approved by such notice; and”.
- 10
23. Section 4 of the Banks Act, 1965, is hereby amended—
 (a) by the substitution in subsection (4) for the words “a registration fee of ten rand” of the words “the registration fee prescribed by regulation”; and
 15 (b) by the substitution in subsection (9) for the words “a registration fee of ten rand” of the words “the registration fee prescribed by regulation”.
- Amendment of section 4 of Act 23 of 1965.
24. Section 6 of the Banks Act, 1965, is hereby amended by the substitution in subsection (4) for the words “amount of five 20 rand” of the words “fee prescribed by regulation”.
- Amendment of section 6 of Act 23 of 1965.
25. Section 12A of the Banks Act, 1965, is hereby amended by the substitution in subsection (7) for the words “a registration fee of ten rand” of the words “the registration fee prescribed by regulation”.
- Amendment of section 12A of Act 23 of 1965, as inserted by section 42 of Act 101 of 1976 and amended by section 28 of Act 103 of 1979.
- 25 26. Section 18 of the Banks Act, 1965, is hereby amended—
 (a) by the deletion of the proviso to subsection (1); and
 (b) by the substitution for subsection (2) of the following subsection:
 30 “(2) The Minister may from time to time by notice in the *Gazette* alter the [percentages] percentage mentioned in subsection (1).”.
- Amendment of section 18 of Act 23 of 1965, as substituted by section 15 of Act 91 of 1972 and amended by section 17 of Act 94 of 1977, section 30 of Act 103 of 1979 and section 17 of Act 82 of 1982.
27. Section 21 of the Banks Act, 1965, is hereby amended—
 (a) by the substitution in paragraph (a) of subsection (4) for the words preceding the proviso of the following words:
 35 “A banking institution shall not allow any one person to maintain with it a credit balance on savings account in excess of [twenty-five] fifty thousand rand.”; and
 (b) by the substitution in paragraph (b) of subsection (4) for the words preceding the proviso of the following words:
 40 “Where [on the first day of January, 1978,] at the commencement of section 27 of the Financial Institutions Amendment Act, 1984, the credit balance on a savings account lawfully [exceeded] exceeds the limit prescribed in paragraph (a) such balance shall not by reason of the provisions of that paragraph be required to be reduced to the said limit.”.
- 45
- 50 28. Section 28D of the Banks Act, 1965, is hereby amended—
 (a) by the insertion after subsection (6) of the following subsection:
 Amendment of section 28D of Act 23 of 1965, as inserted by section 50 of Act 101 of 1976.

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- 5 “(6A) If as a result of the amalgamation of share-
holders or the take-over of one shareholder by another
after 1 August 1976, the total nominal value of shares
in a discount house which are registered in the name of
a person and his associates at the commencement of
section 28 of the Financial Institutions Amendment
Act, 1984, or thereafter exceeds the ratio referred to in
subsection (3), no further shares shall be registered in
the name of such person or the names of his associates,
and the discount house shall within six months after the
date of that commencement or, where any such exceed-
ing takes place after that commencement, within six
months from the date of the amalgamation or take-over
in question, submit a scheme to the registrar whereby
the shareholdings which exceed the limit mentioned in
subsection (3) will be reduced, within a period except-
able to the registrar, to the extent that the required ra-
tio will be complied with.”; and
- 10 (b) by the substitution for subsection (7) of the following
subsection:
 “(7) The provisions of subsections (5), [and] (6) and
 (6A) shall not be construed as meaning that as long as
 the relative ratio is exceeded, shares may not be trans-
 ferred within a group of associates.”
- 15 29. Section 28E of the Banks Act, 1965, is hereby amended by
the addition of the following subsection:
 “(10) Notwithstanding the provisions of subsections (2),
 (3), (5), (8) and (9), the Minister may, in a particular case
 where a majority shareholding is a requirement in order to
 consolidate the accounts of a banking institution or bank
 controlling company with those of a foreign bank, approve
 that the shareholding limit of fifty per cent referred to in
 any of those subsections, be exceeded, but by not more
 than one-hundredth of one per cent.”
- 20 29. Section 28E of the Banks Act, 1965, is hereby amended by
the addition of the following subsection:
 “(10) Notwithstanding the provisions of subsections (2),
 (3), (5), (8) and (9), the Minister may, in a particular case
 where a majority shareholding is a requirement in order to
 consolidate the accounts of a banking institution or bank
 controlling company with those of a foreign bank, approve
 that the shareholding limit of fifty per cent referred to in
 any of those subsections, be exceeded, but by not more
 than one-hundredth of one per cent.”
- 25 30. Section 32 of the Banks Act, 1965, is hereby amended by
the substitution in subsection (2) for the words “of one rand” of
the words “prescribed by regulation”.
- 30 30. Section 32 of the Banks Act, 1965, is hereby amended by
the substitution in subsection (2) for the words “of one rand” of
the words “prescribed by regulation”.
- 35 31. Section 48 of the Banks Act, 1965, is hereby amended—
(a) by the substitution in subsection (1) for the words “a
fee of fifty cents” of the words “the fee prescribed by
regulation”;
- 40 (b) by the substitution in subsection (2) for the words “a
fee of fifty cents for every single foolscap page or por-
tion thereof of which the copy or extract consists” of
the words “the fee prescribed by regulation”; and
- 45 (c) by the substitution in subsection (3) for the words “a
fee of twenty-five cents” of the words “the fee prescrib-
ed by regulation”.
- 50 32. Section 49 of the Banks Act, 1965, is hereby amended—
(a) by the substitution in subsection (5) for the words
“twelve per cent per annum” of the words “one-tenth
of one per cent”;
- 55 (b) by the substitution in subsection (7) for the words “two
hundred” of the words “one thousand”; and
(c) by the substitution in subsection (8) for the word
“twenty” of the word “fifty”.
- 60 33. Section 50 of the Banks Act, 1965, is hereby amended by
the substitution for subsection (1) of the following subsection:
 “(1) The Minister may make regulations not inconsistent
with this Act—

Amendment of
section 28E of
Act 23 of 1965,
as inserted by
section 50 of
Act 101 of 1976.

Amendment of
section 32 of
Act 23 of 1965.

Amendment of
section 48 of
Act 23 of 1965,
as amended by
section 25 of
Act 36 of 1981.

Amendment of
section 49 of
Act 23 of 1965,
as amended by
section 6 of
Act 23 of 1970.

Amendment of
section 50 of
Act 23 of 1965.

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- (a) prescribing all matters which by this Act are required or permitted to be prescribed by regulation; and
- (b) prescribing matters in addition to those contemplated in any other provision of this Act, in respect of which fees shall be payable and the fee payable in respect of each such matter."

34. Section 1 of the Building Societies Act, 1965, is hereby amended—

- (a) by the substitution for paragraph (f) of the definition of "liquid assets" of the following paragraph:
- "(f) **[other]** stocks of the Government, **other than those mentioned in paragraph (eA)**, which the society held on the date of commencement of the Financial Institutions Amendment Act, 1982, and which on that date had a maturity, to the latest redemption date, of not more than three years;"
- (b) by the substitution for paragraphs (e), (f), (g), (h), and (i) of the definition of "prescribed investments" of the following paragraphs, respectively:
- (e) **[stocks of]** bills, bonds or securities issued by or loans to the Government other than those ranking as liquid assets;
- (f) **[debentures or stock]** bills, bonds, securities or loans guaranteed by the Government;
- (g) **[stocks of and]** bills, bonds or securities issued or guaranteed by or loans to or guaranteed by any local authority in the Republic;
- (h) **[debentures or stock of]** bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Rand Water Board or the Electricity Supply Commission;
- (i) debentures of or securities issued or guaranteed by or loans to or guaranteed by the Land Bank other than those ranking as liquid assets;" and
- (c) by the substitution for paragraph (k) of the definition of "prescribed investments" of the following paragraph:
- "(k) such bills, bonds, **[or]** securities **or loans** as the registrar may by notice in the *Gazette* approve for the purposes of this definition subject to such conditions as he may specify in such notice, and bills, bonds or securities issued by or loans to an institution which he may likewise approve; and"

Amendment of section 1 of Act 24 of 1965, as amended by section 1 of Act 64 of 1968, section 5 of Act 67 of 1973, section 54 of Act 101 of 1976, section 22 of Act 80 of 1978, section 50 of Act 99 of 1980, section 18 of Act 82 of 1982 and section 20 of Act 46 of 1984.

35. Section 26 of the Building Societies Act, 1965, is hereby amended—

- (a) by the substitution for paragraphs (a) and (b) of subsection (4) of the following paragraphs, respectively:
- "(a) **[five] ten** thousand rand if the society's total assets as at the close of the last preceding financial year did not exceed five hundred thousand rand; or
- (b) **[twenty-five] fifty** thousand rand if the said assets at the close of such financial year exceeded five hundred thousand rand;" and
- (b) by the substitution in subsection (5) for the words preceding the proviso of the following words:
- "Where **[on the first day of January, 1978]** at the commencement of section 35 of the Financial Institutions Amendment Act, 1984, the credit balance on a savings account lawfully **[exceeded] exceeds**

Amendment of section 26 of Act 24 of 1965, as amended by section 6 of Act 64 of 1968, section 7 of Act 23 of 1970, section 18 of Act 91 of 1972, section 6 of Act 67 of 1973, section 25 of Act 80 of 1978 and section 33 of Act 103 of 1979.

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the limit prescribed by subsection (4), such balance shall not by reason of the provisions of the said subsection be required to be reduced.”

36. Section 32 of the Building Societies Act, 1965, is hereby amended by the deletion in subsection (1) of the first proviso and the word “further” in the second proviso.
37. Section 80 of the Building Societies Act, 1965, is hereby amended by the substitution in subsection (2) for the word “twenty” of the word “fifty”.
- 10 38. Section 6 of the Financial Institutions Amendment Act, 1982, is hereby repealed.
39. (1) This Act shall be called the Financial Institutions Amendment Act, 1984.
(2) Sections 4, 5, 6, 7, 17, 26 and 36 shall be deemed to have come into operation on 1 May 1984.
- Amendment of section 32 of Act 24 of 1965, as amended by section 19 of Act 91 of 1972, section 22 of Act 94 of 1977 and section 19 of Act 82 of 1982.
- Amendment of section 80 of Act 24 of 1965.
- Repeal of section 6 of Act 82 of 1982.
- Short title and commencement.