



REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

Registered at the Post Office as a Newspaper

As 'n Nuusblad by die Poskantoor Geregistreer

Price 20c Prys
Overseas 30c Oorsee
POST FREE—POSVRV

VOL. 156]

CAPE TOWN, 21 JUNE 1978

KAAPSTAD, 21 JUNIE 1978

[No. 6060

DEPARTMENT OF THE PRIME MINISTER

No. 1264. 21 June 1978.

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

No. 80 of 1978: Financial Institutions Amendment Act, 1978.

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1264. 21 Junie 1978.

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

No. 80 van 1978: Wysigingswet op Finansiële Instellings, 1978.

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

ALGEMENE VERDUIDELIKENDE NOTA:

[] Woorde in vet druk tussen vierkantige hake dui skrappings uit bestaande verordenings aan.

_____ Woorde met 'n volstreep daaronder, dui invoegings in bestaande verordenings aan.

WET

Tot wysiging van die Versekeringswet, 1943, ten einde die besit van bates en die versekering van die lewens van persone wat militêre diens verrig, verder te reël; tot wysiging van die Wet op Beheer van Effektebeurse, 1947, ten einde die koop en verkoop van genoteerde effekte deur effektemakelaars en die leen van geld deur effektemakelaars en geldskietters teen aandele, verder te reël; tot wysiging van die Wet op Pensioenfondse, 1956, ten einde „afhanklike” te heromskryf; en die toestaan van lenings deur pensioenfondse aan lede en die beskerming van pensioenvoordele verder te reël; tot wysiging van die Wet op Inspeksie van Finansiële Instellings, 1962, ten einde inspeksies verder te reël; tot wysiging van die Wet op Deelnemingsverbande, 1964, ten einde die aanvaarding van kollaterale sekuriteit ten opsigte van deelnemingsverbande te reël; tot wysiging van die Bankwet, 1965, ten opsigte van woordomsrywings; ten einde van bankinstellings te vereis om bykomende inligting aan die Registrateur van Banke te verstrek; die perk op spaardeposito's te verhoog; sekere voorstellings deur bankinstellings aan die publiek te verbied; en die beperkings op beleggings deur diskontohuise verder te reël; en tot wysiging van die Bouverenigingswet, 1965, ten opsigte van woordomsrywings; ten einde die beperkings op die gebruik van sekere name deur bouverenigings te verslap; die neem van deposito's deur bouverenigings verder te reël en sekere voorstellings deur bouverenigings te verbied; die bevoegdheid aan bouverenigings te verleen om in sekere omstandighede skuldbriewe uit te reik en in aandele en skuldbriewe te belê; die instandhouding van likwiede bates deur bouverenigings verder te reël; die vereistes ten opsigte van bykomende sekuriteit in sekere gevalle te verslap; en voorsiening te maak vir die oordrag van 'n gedeelte van 'n bouvereniging se besigheid; en om vir bykomstige aangeleenthede voorsiening te maak.

(Afrikaanse teks deur die Staatspresident geteken.)
(Goedgekeur op 6 Junie 1978.)

DAAR WORD BEPAAL deur die Staatspresident, die Senaat en die Volksraad van die Republiek van Suid-Afrika, soos volg:—

Wysiging van
artikel 1 van
Wet 27 van 1943,
soos gewysig deur
artikel 2 van
Wet 73 van 1951,

1. Artikel 1 van die Versekeringswet, 1943, word hierby gewysig deur in subartikel (1) na die omskrywing van „seebesigheid” die volgende omskrywing in te voeg: 5
„militêre”, met betrekking tot militêre diens of militêre

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, in order to further regulate the holding of assets and the insurance of the lives of persons performing military service; to amend the Stock Exchanges Control Act, 1947, in order to further regulate the buying and selling of listed securities by stock-brokers and the lending of money by stock-brokers and carriers against shares; to amend the Pension Funds Act, 1956, in order to redefine "dependant"; and to further regulate the granting of loans by pension funds to members and the protection of pension benefits; to amend the Inspection of Financial Institutions Act, 1962, in order to further regulate inspections; to amend the Participation Bonds Act, 1964, in order to regulate the acceptance of collateral security in respect of participation bonds; to amend the Banks Act, 1965, with regard to definitions; in order to require banking institutions to furnish additional information to the Registrar of Banks; to increase the limit on savings deposits; to prohibit banking institutions from making certain representations to the public; and to further regulate the restrictions on investments by discount houses; and to amend the Building Societies Act, 1965, with regard to definitions; in order to relax the restrictions on the use of certain names by building societies; to further regulate the acceptance of deposits by building societies and to prohibit building societies from making certain representations; to authorize building societies, in certain circumstances, to issue debentures and to invest in shares and debentures; to further regulate the maintenance of liquid assets by building societies; to relax, in certain cases, the requirements in respect of additional security; and to provide for the transfer of part of a building society's business; and to provide for incidental matters.

(Afrikaans text signed by the State President.)
(Assented to 6 June 1978.)

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

1. Section 1 of the Insurance Act, 1943, is hereby amended by the insertion in subsection (1) after the definition of "marine business" of the following definition:

"'military', in relation to military service or military action,

Amendment of section 1 of Act 27 of 1943, as amended by section 2 of Act 73 of 1951.

Wet No. 80, 1978

artikel 39 van
Wet 24 van 1956,
artikel 50 van
Wet 25 van 1956,
artikel 1 van
Wet 79 van 1959,
artikel 1 van
Wet 10 van 1965,
artikel 1 van
Wet 41 van 1966,
artikel 1 van
Wet 65 van 1968,
artikel 1 van
Wet 39 van 1969,
artikel 1 van
Wet 91 van 1972,
artikel 1 van
Wet 101 van 1976
en artikel 1 van
Wet 94 van 1977.

Wysiging van
artikel 17 van
Wet 27 van 1943,
soos vervang deur
artikel 12 van
Wet 10 van 1965
en gewysig deur
artikel 4 van
Wet 41 van 1966,
artikel 2 van
Wet 91 van 1972,
artikel 6 van
Wet 101 van 1976
en artikel 3 van
Wet 94 van 1977.

Wysiging van
artikel 18 van
Wet 27 van 1943,
soos vervang deur
artikel 13 van
Wet 10 van 1965
en gewysig deur
artikel 5 van
Wet 41 van 1966,
artikel 3 van
Wet 91 van 1972,
artikel 7 van
Wet 101 van 1976
en artikel 4 van
Wet 94 van 1977.

Invoeging van
artikel 18ter in
Wet 27 van 1943.

Wysiging van
artikel 38 van
Wet 27 van 1943.

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

optrede, ook enige diens of optrede, na gelang van die
geval, in of deur die leër, lugmag of vloot;".

2. Artikel 17 van die Versekeringswet, 1943, word hierby gewysig—

(a) deur subparagraaf (a) (ii) van subartikel (2) deur die 5
volgende subparagraaf te vervang:

„(ii) vyftig persent van die bedrag van die bedoelde
netto verbintnisse ten opsigte van langtermyn-
versekeringsbesigheid wat met pensioenfondse en
uittredingannuïteitsfondse gedryf word, maar 10
onderworpe aan enige vrystelling ingevolge artikel
18ter.”; en

(b) deur subparagraaf (b) (ii) van genoemde subartikel (2)
deur die volgende subparagraaf te vervang:

„(ii) twintig persent van die bedrag van die bedoelde 15
netto verbintnisse ten opsigte van langtermyn-
versekeringsbesigheid wat met pensioenfondse en
uittredingannuïteitsfondse gedryf word,
maar onderworpe aan enige vrystelling ingevolge
artikel 18ter.”. 20

3. Artikel 18 van die Versekeringswet, 1943, word hierby gewysig—

(a) deur subparagraaf (a) (ii) van subartikel (2) deur die
volgende subparagraaf te vervang:

„(ii) vyftig persent van die bedrag van die bedoelde 25
netto verbintnisse ten opsigte van langtermyn-
versekeringsbesigheid wat met pensioenfondse en
uittredingannuïteitsfondse gedryf word, maar
onderworpe aan enige vrystelling ingevolge artikel
18ter.”; en 30

(b) deur subparagraaf (b) (ii) van genoemde subartikel (2)
deur die volgende subparagraaf te vervang:

„(ii) twintig persent van die bedrag van die bedoelde
netto verbintnisse ten opsigte van langtermyn-
versekeringsbesigheid wat met pensioenfondse en 35
uittredingannuïteitsfondse gedryf word, maar
onderworpe aan enige vrystelling ingevolge artikel
18ter.”. 40

4. Die volgende artikel word hierby in die Versekeringswet, 1943, na artikel 18bis ingevoeg: 40

„Vrystelling
van artikels
17 (2) en
18 (2).

18ter. Die Minister kan, in die mate wat hy bepaal,
'n geregistreerde versekeraar ten opsigte van langter-
myn-versekeringsbesigheid wat gedryf word met 'n
pensioenfonds deur 'n godsdienstige instelling opge-
rig of voortgesit, vrystel van die bepalings van artikel 45
17 (2) of 18 (2), na gelang van die geval.”.

5. Artikel 38 van die Versekeringswet, 1943, word hierby gewysig—

(a) deur subartikel (1) deur die volgende subartikel te
vervang: 50

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

includes any service or action, as the case may be, in or by the army, air force or navy;”.

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 and section 1 of Act 94 of 1977.

2. Section 17 of the Insurance Act, 1943, is hereby amended—

Amendment of section 17 of Act 27 of 1943, as substituted by 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 and section 3 of Act 94 of 1977.

(a) by the substitution for subparagraph (a) (ii) of subsection (2) of the following subparagraph:

“(ii) fifty per cent of the amount of the said net liabilities in respect of long-term insurance business carried on with pension funds and retirement annuity funds, but subject to any exemption under section 18ter.”; and

(b) by the substitution for subparagraph (b) (ii) of the said subsection (2) of the following subparagraph:

“(ii) twenty per cent of the amount of the said net liabilities in respect of long-term insurance business carried on with pension funds and retirement annuity funds, but subject to any exemption under section 18ter.”.

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

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 and section 4 of Act 94 of 1977.

(a) by the substitution for subparagraph (a) (ii) of subsection (2) of the following subparagraph:

“(ii) fifty per cent of the amount of the said net liabilities in respect of long-term insurance business carried on with pension funds and retirement annuity funds, but subject to any exemption under section 18ter.”; and

(b) by the substitution for subparagraph (b) (ii) of the said subsection (2) of the following subparagraph:

“(ii) twenty per cent of the amount of the said net liabilities in respect of long-term insurance business carried on with pension funds and retirement annuity funds, but subject to any exemption under section 18ter.”.

4. The following section is hereby inserted in the Insurance Act, 1943, after section 18bis:

Insertion of section 18ter in Act 27 of 1943.

35 “Exemption from sections 17 (2) and 18 (2). 18ter. The Minister may, to the extent determined by him, exempt a registered insurer in respect of long-term insurance business carried on with a pension fund established or conducted by a religious institution, from the provisions of section 17 (2) or 18 (2), as the case may be.”.

5. Section 38 of the Insurance Act, 1943, is hereby amended—

Amendment of section 38 of Act 27 of 1943.

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

- „(1) As 'n binnelandse lewenspolis wat na die inwerkingtreding van hierdie Wet, maar voor die inwerkingtreding van die Wysigingswet op Finansiële Instellings, 1978, gesluit is 'n bepaling bevat wat voorgee om enige verpligting kragtens die polis van die versekeraar uit te sluit of te beperk, of om enige verpligting van die eienaar van die polis te verswaar, as die persoon wie se lewe verseker is militêre **[of see-diens]** diens verrig in verband met 'n oorlog waarin die Republiek betrokke is, onder die Regering van die Republiek of onder die Regering van 'n ander land wat in bondgenootskap staan met die Regering van die Republiek in so 'n oorlog, dan is daardie bepaling nietig, dog behoudens die volgende bepalings van hierdie artikel.”;
- (b) deur subartikel (3) deur die volgende subartikel te vervang:
- „(3) 'n Binnelandse lewenspolis binne die in subartikel (1) bedoelde tydperk aangegaan, kan beding dat die versekeraar nie kragtens die polis aanspreeklik sal wees nie weens die dood van die persoon wie se lewe verseker is indien hy oorlede is as gevolg van liggaamlike letsel of slegte gesondheid wat ontstaan het uit en in die loop van sodanige diens as vermeld word in subartikel (1), en wat verrig is—
- (a) buite die Republiek; of
- (b) waar ook al op 'n vliegtuig in vlug of by 'n gepoogde vlug of by sy landing na 'n vlug, in verband met 'n oorlog waarby die Republiek betrokke was, maar so 'n bedinging—
- (i) word alleenlik bekragtig ingeval 'n afhanklike van bedoelde persoon as gevolg van bedoelde persoon se dood 'n geldelike voordeel van een of ander Regering ontvang het, of geregtig is om so 'n voordeel te ontvang, of indien niemand van bedoelde persoon afhanklik was tydens sy dood nie, mits 'n sodanige afhanklike so 'n voordeel sou ontvang het of geregtig sou gewees het om so 'n voordeel te ontvang as daar iemand van bedoelde persoon afhanklik was, en
- (ii) is nietig indien dit na die inwerkingtreding van die Wysigingswet op Finansiële Instellings, 1978, in die polis ingevoeg word.”;
- (c) deur subartikel (5) deur die volgende subartikel te vervang:
- „(5) Indien 'n persoon wie se lewe verseker was kragtens 'n binnelandse lewenspolis binne die in subartikel (1) bedoelde tydperk aangegaan wat die beding vermeld in subartikel (3) bevat, oordele is en die betrokke versekeraar op grond van daardie beding nie uit kragte van die polis aanspreeklik is nie, dan moet bedoelde versekeraar aan die eienaar van die polis 'n bedrag gelyk aan die som van alle premies wat ingevolge die polis ten opsigte van sodanige persoon betaal is, uitbetaal, nadat van bedoelde som afgetrek is alle gelde reeds deur die versekeraar ingevolge die polis ten opsigte van sodanige persoon uitbetaal en enige skuld wat aan die versekeraar ingevolge bedoelde polis ten opsigte van sodanige persoon betaalbaar is.”; en
- (d) deur die volgende subartikel by te voeg:
- „(6) Indien 'n binnelandse lewenspolis binne die in subartikel (1) bedoelde tydperk aangegaan op enige tydstep 'n persoon verseker teen die risiko van sy dood in die loop van of as gevolg van ander militêre diens as militêre diens soos in subartikel (1) beoog wat hy verrig onder die Regering van die Republiek of die regering van 'n land wat met die Regering van die Republiek in militêre optrede teen 'n gemeenskaplike

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

- “(1) If a domestic life policy effected after the commencement of this Act, but before the commencement of the Financial Institutions Amendment Act, 1978, contains a provision which purports to exclude or limit any obligation, under the policy, of the insurer or to increase any obligation of the owner of the policy if the person whose life is insured performs, in connection with any war in which the Republic is involved, any military **[or naval]** service under the Government of the Republic or under the Government of any other country which is associated with the Government of the Republic in any such war, that provision shall be null and void, but subject to the following provisions of this section.”;
- (b) by the substitution for subsection (3) of the following subsection:
- “(3) A domestic life policy effected within the period referred to in subsection (1) may stipulate that the insurer shall not be liable under the policy in respect of the death of the person whose life is insured if he has died as a result of bodily injury or ill-health arising out of and in the course of any such service as is mentioned in subsection (1) which was rendered—
- (a) outside the Republic; or
- (b) anywhere on any aircraft in flight or attempted flight or in landing after a flight, in connection with any war in which the Republic was involved, but such a stipulation—
- (i) shall only be enforceable if any dependant of the said person has received or is entitled to receive any financial benefit from any Government by reason of the said person's death, or if the said person had no dependant at the time of his death, provided such a dependant would have received or would have been entitled to receive such a benefit if the said person had had a dependant, and
- (ii) shall be null and void if inserted in the policy after the commencement of the Financial Institutions Amendment Act, 1978.”;
- (c) by the substitution for subsection (5) of the following subsection:
- “(5) If a person whose life was insured under a domestic life policy effected within the period referred to in subsection (1), which contains such a stipulation as is mentioned in subsection (3) has died and the insurer concerned is not liable under the policy by virtue of that stipulation, the said insurer shall pay to the owner of the policy an amount equal to the aggregate of all premiums paid in respect of such person under the policy, after deduction from that aggregate of any money already paid in respect of such person under the policy by the insurer and of the amount of any indebtedness due to the insurer under that policy in respect of such person.”;
- and
- (d) by the addition of the following subsection:
- “(6) If a domestic life policy effected within the period referred to in subsection (1) at any time insures a person against the risk of his death in the course of or as a result of any military service, other than military service as contemplated in subsection (1), which he performs under the Government of the Republic or under the Government of any country which is associated with the Government of the Republic in any

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

vyand verbonde is, word die verpligting deur die versekeraar ten opsigte van so 'n risiko aanvaar, nie beperk of uitgesluit nie en word die verpligting deur die eienaar van so 'n polis aanvaar, nie verswaar nie.'.

Invoeging van
artikel 38A in
Wet 27 van 1943.

6. Die volgende artikel word hierby in die Versekeringswet, 1943, na artikel 38 ingevoeg: 5

„Versekering
van risiko's
betreffende
militêre
diens.

38A. (1) Indien iemand wie se lewe verseker is kragtens 'n binnelandse lewenspolis wat aangegaan is na die inwerkingtreding van die Wysigingswet op Finansiële Instellings, 1978, sterf in die loop van of as gevolg van militêre diens wat hy verrig onder die Regering van die Republiek of onder 'n regering van 'n land wat met die Regering van die Republiek in militêre optrede teen 'n gemeenskaplike vyand verbonde is, en— 10

(a) geen versekering kragtens die polis voorsien word ten opsigte van die omstandighede waarin so iemand gesterf het nie; of 15

(b) sodanige versekering voorsien word maar vir 'n bedrag wat kleiner is as die totale bedrag wat aan premies ten opsigte van so iemand kragtens die polis betaal is, 20

word sodanige versekering geag voorsien te wees kragtens die polis vir 'n bedrag wat nie kleiner is nie as bedoelde totale bedrag aan premies betaal. 25

(2) Indien 'n binnelandse lewenspolis wat na die inwerkingtreding van die Wysigingswet op Finansiële Instellings, 1978, aangegaan is op enige tydstip 'n persoon verseker teen die risiko van sy dood in die omstandighede in subartikel (1) beoog, word die verpligting deur die versekeraar ten opsigte van so 'n risiko aanvaar, nie beperk nie, of word dit nie uitgesluit behalwe soos in subartikel (4) veroorloof nie, en word die verpligting deur die eienaar van so 'n polis ten opsigte van so 'n risiko aanvaar, nie verswaar nie. 30

(3) Indien 'n ekstra premie kragtens 'n in subartikel (2) bedoelde polis uitdruklik betaalbaar is ten opsigte van 'n risiko in dié subartikel bedoel, welke risiko andersins van die versekering uitgesluit sou wees, stipuleer die polis die bedrag van so 'n ekstra premie in drukletter nie kleiner as dié wat elders in die polis gebruik word nie. 35

(4) Indien die eienaar van 'n in subartikel (3) bedoelde polis die versekeraar skriftelik versoek om die versekering ten opsigte van die betrokke risiko in te trek, moet die versekeraar, met ingang van die datum waarop hy versoek word, die versekering ten opsigte van so 'n risiko intrek en die premie verminder met die bedrag van die betrokke ekstra premie: Met dien verstande dat 'n versekeraar of 'n makelaar nie so 'n eienaar oorhaal om sodanige versekering in te trek nie. 40

(5) Die bepaling van hierdie artikel is nie van toepassing nie met betrekking tot daardie gedeelte van 'n binnelandse lewenspolis in subartikel (1) van artikel 36 bedoel wat voorsiening maak vir enige voordeel in daardie subartikel genoem en daardeur beperk. 45

(6) 'n Versekeraar weier nie om aan iemand 'n binnelandse lewenspolis uit te reik nie op grond daarvan dat hy militêre diens verrig of dit waarskynlik sal verrig nie.' 50

Wysiging van
artikel 2 van
Wet 7 van 1947,
soos vervang deur
artikel 3 van
Wet 86 van 1971.

7. Artikel 2 van die Wet op Beheer van Effektebeurse, 1947, word hierby gewysig deur subparagraaf (aa) van paragraaf (c) van subartikel (1) deur die volgende subparagraaf te vervang: 65

„(aa) 'n effektemakelaar is [en sodanige koop en verkoop bewerkstellig word soos beoog in subparagraaf (i), (ii), (iii), (iv) of (v) van paragraaf (d) van artikel 8 (1)]; of'.

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

5 military action against a common enemy, the obligation assumed by the insurer in respect of such risk may not be limited or excluded and the obligation assumed by the owner of such policy in respect of such risk may not be increased.”.

6. The following section is hereby inserted in the Insurance Act, 1943, after section 38:

Insertion of section 38A in Act 27 of 1943.

“Insurance of risks relating to military service.

10

15

20

25

30

35

40

45

50

55

60

38A. (1) If a person whose life is insured under a domestic life policy effected after the commencement of the Financial Institutions Amendment Act, 1978, dies in the course of or as a result of any military service which he performs under the Government of the Republic or under the Government of any country which is associated with the Government of the Republic in any military action against a common enemy, and—

(a) no insurance is provided under the policy in respect of the circumstances in which such person died; or

(b) such insurance is provided but for an amount which is less than the aggregate amount of premiums paid in respect of such person under the policy,

such insurance shall be deemed to be provided under the policy for an amount not less than such aggregate amount of premiums paid.

(2) If a domestic life policy effected after the commencement of the Financial Institutions Amendment Act, 1978, at any time insures a person against the risk of his death in the circumstances contemplated in subsection (1), the obligation assumed by the insurer in respect of such risk may not be limited, or be excluded otherwise than as permitted in subsection (4), and the obligation assumed by the owner of such policy in respect of such risk may not be increased.

(3) If under a policy referred to in subsection (2) an extra premium is specifically payable in respect of any risk referred to in that subsection, which risk would otherwise be excluded from the insurance, the policy shall stipulate the amount of such extra premium in type no smaller than that used elsewhere in the policy.

(4) If the owner of a policy referred to in subsection (3) requests the insurer in writing to cancel the insurance in respect of the risk concerned, the insurer shall, with effect from the date on which he is requested, cancel the insurance in respect of such risk and reduce the premium by the amount of the extra premium concerned: Provided that an insurer or a broker shall not induce such owner to cancel such insurance.

(5) The provisions of this section shall not apply with reference to that part of a domestic life policy referred to in subsection (1) of section 36, which provides for any benefit mentioned in, and limited by, that subsection.

(6) No insurer shall refuse to issue to any person a domestic life policy on the grounds that he is performing or is likely to perform military service.”.

7. Section 2 of the Stock Exchanges Control Act, 1947, is hereby amended by the substitution for subparagraph (aa) of paragraph (c) of subsection (1) of the following subparagraph:

Amendment of section 2 of Act 7 of 1947, as substituted by section 3 of Act 86 of 1971.

65

“(aa) a stock-broker **[and such buying and selling is effected as is contemplated in subparagraph (i), (ii), (iii), (iv) or (v) of paragraph (d) of section 8 (1)]**; or”.

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

Wysiging van
artikel 8 van
Wet 7 van 1947,
soos vervang deur
artikel 10 van
Wet 86 van 1971.

8. Artikel 8 van die Wet op Beheer van Effektebeurse, 1947 word hierby gewysig deur daardie gedeelte van paragraaf (d) van subartikel (1) wat subparagraaf (i) daarvan voorafgaan, deur die volgende te vervang:

„(d) dat 'n lid wat 'n effektemakelaar is, nie regstreeks vir eie rekening, of namens 'n maatskappy waarin hy 'n belang het, of vir die doeleindes van 'n reëling waarby hy 'n party is, genoteerde effekte, uitgesonderd effekte in artikel 2 (1) (c) bedoel, koop of verkoop nie behalwe—”.

10

Wysiging van
artikel 18 van
Wet 7 van 1947,
soos vervang deur
artikel 24 van
Wet 86 van 1971.

9. Artikel 18 van die Wet op Beheer van Effektebeurse, 1947, word hierby gewysig deur subartikel (4) deur die volgende subartikel te vervang:

„(4) Die bepalinge van hierdie artikel is nie van toepassing nie—

15

(a) as die betrokke uitlener en die betrokke lener effekte-makelaars in die Republiek is;

(b) met betrekking tot 'n deposito gemaak deur 'n effekte-makelaar of geldskietter teen aandele by 'n bankinstelling wat anders as voorlopig kragtens die Bankwet, 1965 (Wet No. 23 van 1965), geregistreer is, of by 'n bouvereniging wat anders as voorlopig kragtens die Bouverenigingswet, 1965 (Wet No. 24 van 1965), geregistreer is;

20

(c) met betrekking tot 'n lening aan 'n gelisensieerde effektebeurs deur 'n lid van daardie effektebeurs gemaak;

25

(d) met betrekking tot 'n lening gemaak deur 'n effekte-makelaar of geldskietter teen aandele vir ander doeleindes as die koop en verkoop van effekte: Met dien verstande dat so 'n lening nie as 'n bate vir die doeleindes van artikels 8C en 16 (2) (b) (i) geld nie.”.

30

Wysiging van
artikel 1 van
Wet 24 van 1956,
soos gewysig deur
artikel 21 van
Wet 101 van 1976
en artikel 9 van
Wet 94 van 1977.

10. Artikel 1 van die Wet op Pensioenfondse, 1956, word hierby gewysig deur in subartikel (1) die omskrywing van „afhanklike” deur die volgende omskrywing te vervang:

35

„„afhanklike”, met betrekking tot 'n lid—

(a) iemand wat, na beskouing van die persoon wat die besigheid van die betrokke fonds bestuur, inderdaad van die lid vir onderhoud afhanklik is, ongeag of die lid regtens vir die onderhoud van so iemand aanspreeklik is of nie;

40

(b) en ook iemand wat inderdaad nie van die lid vir onderhoud afhanklik is nie, indien so iemand—

(i) die eggenote of eggenoot van die lid is, met inbegrip van 'n party by 'n gewoontehuwelik volgens Bantoereg en -gewoonte of by 'n verbintenis wat volgens die leerstellings van 'n Indiese godsdienst as 'n huwelik erken word;

45

of
(ii) 'n kind of afstammeling van 'n kind van die lid of die eggenote of eggenoot van so 'n kind of afstammeling is,

50

wat ooreenkomstig die reëls van die fonds op 'n voordeel geregtig mag word;”.

Wysiging van
artikel 19 van
Wet 24 van 1956,
soos gewysig deur
artikel 13 van
Wet 80 van 1959,
artikel 9 van
Wet 58 van 1966,
artikel 1 van
Wet 80 van 1969,
artikel 2 van
Wet 23 van 1970,
artikel 7 van
Wet 91 van 1972,

11. Artikel 19 van die Wet op Pensioenfondse, 1956, word hierby gewysig—

55

(a) deur subartikel (5) deur die volgende subartikel te vervang:

„(5) (a) 'n Geregistreerde fonds kan, indien sy statute dit toelaat, by wyse van belegging van sy fondse 'n lening aan 'n lid toestaan ten einde die lid in staat te stel—

60

(i) om 'n lening af te los wat deur iemand anders as die fonds aan die lid toegestaan is teen sekuriteit van onroerende eiendom wat aan die

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

8. Section 8 of the Stock Exchanges Control Act, 1947, is hereby amended by the substitution for that part of paragraph (d) of subsection (1) which precedes subparagraph (i) thereof, of the following:

Amendment of section 8 of Act 7 of 1947, as substituted by section 10 of Act 86 of 1971.

- 5 “(d) that a member who is a stock-broker does not directly, on his own account, or on behalf of a company in which he has an interest, or for the purposes of any arrangement to which he is a party, buy or sell listed securities, other than securities referred to in section 2
- 10 (1) (c), except—”.

9. Section 18 of the Stock Exchanges Control Act, 1947, is hereby amended by the substitution for subsection (4) of the following subsection:

Amendment of section 18 of Act 7 of 1947, as substituted by section 24 of Act 86 of 1971.

- 15 “(4) The provisions of this section shall not apply—
- (a) if the lender and the borrower concerned are stock-brokers in the Republic;
- (b) with reference to a deposit made by a stock-broker or carrier against shares with a banking institution registered otherwise than provisionally in terms of the Banks Act, 1965 (Act No. 23 of 1965), or with a building society registered otherwise than provisionally in terms of the Building Societies Act, 1965, (Act No. 24 of 1965);
- 20 (c) with reference to a loan made to a licensed stock exchange by a member of that stock exchange;
- 25 (d) with reference to a loan made by a stock-broker or carrier against shares for purposes other than the buying and selling of securities: Provided that such a loan shall not rank as an asset for the purposes of sections 8C and
- 30 16 (2) (b) (i).”.

10. Section 1 of the Pension Funds Act, 1956, is hereby amended by the substitution in subsection (1) for the definition of “dependant” of the following definition:

Amendment of section 1 of Act 24 of 1956, as amended by section 21 of Act 101 of 1976 and section 9 of Act 94 of 1977.

- 35 ““dependant”, in relation to a member—
- (a) means a person considered by the person managing the business of the fund concerned as being in fact dependent on the member for maintenance, regardless of whether or not the member is legally liable for the maintenance of such person;
- 40 (b) and includes a person who is in fact not dependent on the member for maintenance, if such person is—
- (i) the spouse of the member, including a party to a customary union according to Bantu law and custom or to a union recognized as a marriage under the tenets of any Indian religion; or
- 45 (ii) a child or descendant of a child of the member or the spouse of such child or descendant,
- 50 who in accordance with the rules of the fund may become entitled to a benefit;”.

11. 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,

- 55 (a) by the substitution for subsection (5) of the following subsection:

- “(5) (a) A registered fund may, if its rules so permit, grant a loan to a member by way of investment of its funds to enable the member—
- (i) to redeem a loan granted to the member by a person other than the fund, against security of immovable property which belongs to the
- 60

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

artikel 23 van
Wet 101 van 1976
en artikel 11 van
Wet 94 van 1977.

- lid of sy eggenote of haar eggenoot behoort en
waarop 'n woning opgerig is of sal word wat
deur die lid of 'n afhanklike van die lid
bewoon word of sal word, na gelang van die
geval; 5
- (ii) om 'n woning aan te koop, of om grond aan te
koop en 'n woning daarop op te rig, vir
bewoning deur die lid of 'n afhanklike van die
lid; of
- (iii) om aanbouings of veranderings aan te bring 10
aan 'n woning wat aan die lid of sy eggenote
of haar eggenoot behoort en wat deur die lid
of 'n afhanklike van die lid bewoon word of
bewoon sal word.
- (b) 'n Lening in paragraaf (a) beoog, word nie 15
toegestaan nie—
(i) tensy verseker deur—
(aa) 'n eerste verband op die onroerende
eiendom ten opsigte waarvan dit toege-
staan word; of 20
(bb) 'n pand van die voordele waarop die lid
kragtens die statute van die fonds gereg-
tig is; of
(cc) sowel daardie verband as daardie pand;
(ii) ten opsigte van 'n onroerende eiendom, indien 25
die betrokke lid teenoor die fonds aanspreeklik
is ten opsigte van 'n lening aan hom toege-
staan ten opsigte van ander onroerende eien-
dom.
- (c) 'n Lening in paragraaf (a) beoog, oorskry nie, waar 30
dit verseker is ooreenkomstig—
(i) paragraaf (b) (i) (aa), vyf-en-sewentig persent
van die markwaarde van die betrokke verhipo-
tikeerde eiendom nie;
(ii) paragraaf (b) (i) (bb), die bedrag van die 35
voordeel wat die lid sou ontvang indien hy sy
lidmaatskap van die fonds vrywillig sou
beëindig of die markwaarde van die betrokke
onroerende eiendom nie, watter bedrag ook al
die kleinste is; of 40
(iii) paragraaf (b) (i) (cc), die bedrag gelykstaande
aan die totaal van vyf-en-sewentig persent van
die markwaarde van die betrokke verhipoti-
keerde eiendom en die bedrag van die voor-
deel wat die lid sou ontvang indien hy sy 45
lidmaatskap van die fonds vrywillig sou
beëindig of die markwaarde van die eiendom
nie, watter bedrag ook al die kleinste is.”; en
- (b) deur die volgende subartikel na subartikel (5B) in te 50
voeg:
„(5C) 'n Geregistreerde fonds kan, indien sy statute
dit toelaat, bydra tot 'n ander kragtens hierdie Wet
geregistreerde pensioenfonds, of 'n fonds van watter
aard ook al, wat vir die voordeel van die werknemers
van bedoelde geregistreerde fonds gedryf word.” 55

Vervanging van
artikel 37B van
Wet 24 van 1956,
soos ingevoeg deur
artikel 24 van
Wet 101 van 1976
en vervang deur
artikel 13 van
Wet 94 van 1977.

12. Artikel 37B van die Wet op Pensioenfondse, 1956, word
hierby deur die volgende artikel vervang:

„Beskikking
oor pensioen-
voordele by
insolvensie.

37B. Indien die boedel van iemand wat op 'n
voordeel geregtig is wat ingevolge die statute van 'n
geregistreerde fonds betaalbaar is (met inbegrip van 60
'n jaargeld wat bedoelde fonds vir daardie persoon by
'n versekeraar gekoop het), gesekwestreer of oorge-
gee word, word sodanige voordeel of enige gedeelte
daarvan wat betaalbaar geword het na die inwerking-
trekking van die Wysigingswet op Finansiële Instel-
lings, 1976 (Wet No. 101 van 1976), behoudens 'n 65
pand ooreenkomstig artikel 19 (5) (b) (i) en behou-
dens die bepalinge van artikels 37A (3) en 37D, nie
geag deel van die bates in die insolvente boedel van
daardie persoon uit te maak nie, en mag dit, ondanks

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

- member or his or her spouse and on which a dwelling has been or will be erected which is occupied or, as the case may be, will be occupied by the member or a dependant of the member;
- (ii) to purchase a dwelling, or to purchase land and erect a dwelling on it, for occupation by the member or a dependant of the member; or
- (iii) to make additions or alterations to a dwelling which belongs to the member or his or her spouse and which is occupied or will be occupied by the member or a dependant of the member.
- (b) A loan contemplated in paragraph (a) shall not be granted—
- (i) unless secured by—
- (aa) a first mortgage on the immovable property in respect of which it is granted; or
- (bb) a pledge of the benefits to which the member is entitled in terms of the rules of the fund; or
- (cc) both such mortgage and such pledge;
- (ii) in respect of immovable property if the member concerned is liable to the fund in respect of a loan granted to him in respect of other immovable property.
- (c) A loan contemplated in paragraph (a) shall not exceed where it is secured in accordance with—
- (i) paragraph (b) (i) (aa), seventy-five per cent of the market value of the hypothecated property concerned;
- (ii) paragraph (b) (i) (bb), the amount of the benefit which the member would receive if he were to terminate his membership of the fund voluntarily or the market value of the immovable property concerned, whichever is the lesser amount; or
- (iii) paragraph (b) (i) (cc), the amount equal to the aggregate of seventy-five per cent of the market value of the hypothecated property concerned and the amount of the benefit which the member would receive if he were to terminate his membership of the fund voluntarily or the market value of the property, whichever is the lesser amount.”; and
- (b) by the insertion of the following subsection after subsection (5B):
- “(5C) A registered fund may, if its rules so permit, contribute to any other pension fund registered under this Act, or any fund of any kind whatsoever, which is conducted for the benefit of the employees of the said registered fund.”.

section 23 of
Act 101 of 1976
and section 11 of
Act 94 of 1977.

12. The following section is hereby substituted for section 37B of the Pension Funds Act, 1956:

- 55 “Disposition of pension benefits upon insolvency. 37B. If the estate of any person entitled to a benefit payable in terms of the rules of a registered fund (including an annuity purchased by the said fund from an insurer for that person) is sequestrated or surrendered, such benefit or any part thereof which became payable after the commencement of the Financial Institutions Amendment Act, 1976 (Act No. 101 of 1976), shall, subject to a pledge in accordance with section 19 (5) (b) (i) and subject to the provisions of sections 37A (3) and 37D, not be deemed to form part of the assets in the insolvent estate of that person and
- 60
- 65

Substitution of
section 37B of
Act 24 of 1956,
as inserted by
section 24 of
Act 101 of 1976
and substituted by
section 13 of
Act 94 of 1977.

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

andersluidende bepalings van 'n wet op insolvensie, op generlei wyse deur die kurator van sy insolvente boedel of deur sy skuldeisers in beslag geneem of toegeëien word nie."

Vervanging van artikel 37C van Wet 24 van 1956, soos ingevoeg deur artikel 24 van Wet 101 van 1976.

13. Artikel 37C van die Wet op Pensioenfondse, 1956, word hierby deur die volgende artikel vervang:

„Beskikking oor pensioen-voordele by afsterwe van lid.

37C. Ondanks andersluidende bepalings van 'n wet of van die statute van 'n geregistreerde fonds, maar behoudens 'n pand ooreenkomstig artikel 19 (5) (b) (i) en behoudens die bepalings van artikels 37A (3) en 37D, maak enige voordeel wat deur so 'n fonds ten opsigte van 'n gestorwe lid betaalbaar is, nie deel van die bates in die boedel van so 'n lid uit nie, maar word [dit aan een of meer van die lid se afhanklikes betaal, indien daar so 'n afhanklike of sodanige afhanklike is, of aan 'n voog of kurator vir die voordeel van sodanige afhanklike of afhanklikes: Met dien verstande dat indien so 'n afhanklike of sodanige afhanklike nie binne 'n tydperk van ses maande na die dood van die lid deur die betrokke fonds opgespoor kan word nie, of indien geen eis binne genoemde tydperk deur daardie fonds van so 'n afhanklike of sodanige afhanklikes ontvang word nie, die voordeel in die boedel van die lid gestort kan word] op die volgende wyse daarmee gehandel:

- (a) Indien daar afhanklikes van die lid is, word die voordeel aan sodanige afhanklikes betaal.
- (b) Indien daar geen afhanklikes van die lid is nie of indien geen afhanklike van 'n lid binne twaalf maande na die dood van die lid deur die fonds opgespoor kan word nie en die lid 'n benoemde, wat nie 'n afhanklike van die lid is nie, aangewys het om die voordeel te ontvang, word die voordeel aan sodanige benoemde betaal: Met dien verstande dat waar die totale bedrag van die skulde in die boedel van die lid die totale bedrag van die bates in sy boedel te bowe gaan, soveel van die voordeel as wat gelyk is aan die verskil tussen bedoelde totale bedrag van skulde en bedoelde totale bedrag van bates in die boedel inbetaal word en die balans van bedoelde voordeel aan die benoemde betaal word.
- (c) Indien daar geen afhanklikes van die lid is nie of indien geen afhanklikes van die lid binne twaalf maande na die dood van die lid deur die fonds opgespoor kan word nie of indien die lid nie 'n benoemde aangewys het nie, word die voordeel in die boedel van die lid gestort."

Wysiging van artikel 37D van Wet 24 van 1956, soos ingevoeg deur artikel 14 van Wet 94 van 1977.

14. Artikel 37D van die Wet op Pensioenfondse, 1956, word hierby gewysig deur paragraaf (c) deur die volgende paragraaf te vervang:

- „(c) enige bedrag wat die fonds volgens reëling met, en namens, 'n lid of bevoordeelde betaal het of sal betaal ten opsigte van—
- (i) so 'n lid of bevoordeelde se ledegeld van 'n mediese skema wat anders as voorlopig kragtens die Wet op Mediese Skemas, 1967 (Wet No. 72 van 1967), geregistreer is;
 - (ii) 'n versekeringspremie wat betaalbaar is deur so 'n lid of bevoordeelde aan 'n versekeraar wat ingevolge die Versekeringswet, 1943 (Wet No. 27 van 1943), geregistreer is;
 - (iii) enige doel deur die registrateur op 'n skriftelike versoek van die fonds en op die voorwaardes wat hy bepaal, goedgekeur,

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors, notwithstanding anything to the contrary in any law relating to insolvency.”.

5 **13.** The following section is hereby substituted for section 37C of the Pension Funds Act, 1956:

Substitution of section 37C of Act 24 of 1956, as inserted by section 24 of Act 101 of 1976.

“Disposition of pension benefits upon death of member. 10 **37C.** Notwithstanding anything to the contrary contained in any law or in the rules of a registered fund, any benefit payable by such a fund in respect of a deceased member, shall, subject to a pledge in accordance with section 19 (5) (b) (i) and subject to the provisions of sections 37A (3) and 37D, not form part of the assets in the estate of such a member, but shall be **paid to any one or more of the dependants of the member, if there is such a dependant or are such dependants, or to a guardian or trustee for the benefit of such dependant or dependants: Provided that if such dependant or dependants cannot be traced by the fund concerned within a period of six months after the death of the member, or if no claim is received by that fund from such dependant or dependants within the said period, the benefit may be paid over to the estate of the member.]** dealt with in the following manner:

25 (a) If there are dependants of the member, the benefit shall be paid to such dependants.

(b) If there are no dependants of the member or if no dependant of a member can be traced by the fund within twelve months of the death of the member and the member has designated a nominee, who is not a dependant of the member, to receive the benefit, the benefit shall be paid to such nominee: Provided that where the aggregate amount of the debts in the estate of the member exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets shall be paid into the estate and the balance of such benefit shall be paid to the nominee.

40 (c) If there are no dependants of the member or if no dependants of the member can be traced by the fund within twelve months of the death of the member or if the member has not designated a nominee, the benefit shall be paid into the estate of the member.”.

45

14. Section 37D of the Pension Funds Act, 1956, is hereby amended by the substitution of the following paragraph for paragraph (c):

Amendment of section 37D of Act 24 of 1956, as inserted by section 14 of Act 94 of 1977.

50 “(c) deduct any amount which the fund has paid or will pay by arrangement with, and on behalf of, a member or beneficiary in respect of—

55 (i) such member's or beneficiary's subscription to a medical scheme, registered otherwise than provisionally in terms of the Medical Schemes Act, 1967 (Act No. 72 of 1967);

(ii) any insurance premium payable by such member or beneficiary to an insurer registered in terms of the Insurance Act, 1943 (Act No. 27 of 1943);

60 (iii) any purpose approved by the registrar, on the conditions determined by him, upon a request in writing from the fund,

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

van die voordeel waarop die lid of bevoordeelde ingevolge die statute van die fonds geregtig is, aftrek en die bedrag, indien verskuldig, aan bedoelde mediese skema, [of die] versekeraar of betrokke persoon, na gelang van die geval, betaal.” 5

Wysiging van artikel 3 van Wet 68 van 1962, soos gewysig deur artikel 16 van Wet 94 van 1977.

15. Artikel 3 van die Wet op Inspeksie van Finansiële Instellings, 1962, word hierby gewysig deur die volgende paragraaf na paragraaf (dA) in te voeg:

„(dB) indien die registrateur dit wenslik ag om vas te stel of enige persoon 'n belang, regstreeks of onregstreeks, in of in die besigheid van die finansiële instelling het of gehad het; of”.

Wysiging van artikel 4 van Wet 68 van 1962.

16. Artikel 4 van die Wet op Inspeksie van Finansiële Instellings, 1962, word hierby gewysig deur subartikel (4) deur die volgende subartikel te vervang: 15

„(4) Met die skriftelike magtiging van die registrateur kan 'n inspekteur ook die sekuriteite, boeke, aantekeninge, rekenings of dokumente inspekteer van enige persoon, vennootskap of maatskappy—

(a) „[waarin of in die besigheid waarvan] indien die registrateur rede het om te glo dat die finansiële instelling wie se sake geïnspekteer word, 'n direkte of indirekte belang in of in die besigheid van so 'n persoon, vennootskap of maatskappy het of gehad het; of 20

(b) indien die registrateur rede het om te glo dat so 'n persoon, vennootskap of maatskappy 'n direkte of indirekte belang in of in die besigheid van bedoelde finansiële instelling het of gehad het; of 25

(c) indien die registrateur dit vir 'n behoorlike inspeksie van die sake van bedoelde finansiële instelling nodig ag dat sodanige sekuriteite, boeke, aantekeninge, rekenings of dokumente geïnspekteer word, 30

en die bepalinge van subartikels (1), (2) en (3) is *mutatis mutandis* ten opsigte van so 'n inspeksie van toepassing.”. 35

Invoeging van artikel 9A in Wet 48 van 1964.

17. Die volgende artikel word hierby in die Wet op Deelnemingsverbande, 1964, na artikel 9 ingevoeg:

„Kollaterale sekuriteit ten opsigte van deelnemingsverbande.

9A. (1) Enige kollaterale sekuriteit, met inbegrip van 'n borgverband, kollaterale verband, notariële verband, borgstelling, waarborg, sessie, onderpand en 'n pandreg, wat deur 'n bestuurder bykomend tot 'n deelnemingsverband aanvaar word ten einde die in artikel 6 (1) bedoelde skuld te sekureer of die behoorlike nakoming deur 'n verbandgewer van sy verpligtings ingevolge 'n deelnemingsverband te sekureer of die behoorlike nakoming deur 'n borg van sy verpligtings ingevolge 'n borgkontrak wat op sodanige skuld of op die verpligtings van die verbandgewer betrekking het, te sekureer, word geregistreer op naam van die benoemde maatskappy as benoemde vir of verteenwoordiger van die deelnemers daarin, en enige kontrak wat betrekking het op sodanige sekuriteit word opgestel en verly ten gunste van die benoemde maatskappy as benoemde vir of verteenwoordiger van die deelnemers van tyd tot tyd in die deelnemingsverband waarop die sekuriteit betrekking het. 40 45 50 55

(2) Ondanks andersluidende wetsbepalinge is 'n borgkontrak wat betrekking het op 'n skuld wat deur 'n deelnemingsverband gesekureer is of wat die behoorlike nakoming deur die verbandgewer van sy verpligtings ingevolge so 'n verband sekureer of wat die behoorlike nakoming deur 'n borg van sy verpligtings ingevolge 'n kontrak wat op so 'n skuld of op die verpligtings van die verbandgewer betrek- 60

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

from the benefit to which the member or beneficiary is entitled in terms of the rules of the fund, and pay such amount, if due, to such medical scheme, **[or such]** insurer or person concerned, as the case may be."

5 **15.** Section 3 of the Inspection of Financial Institutions Act, 1962, is hereby amended by the insertion of the following paragraph after paragraph (dA):

Amendment of section 3 of Act 68 of 1962, as amended by section 16 of Act 94 of 1977.

10 "(dB) if the registrar considers it desirable to ascertain whether any person has or had any interest, direct or indirect, in or in the business of the financial institution; or".

16. Section 4 of the Inspection of Financial Institutions Act, 1962, is hereby amended by the substitution for subsection (4) of the following subsection:

Amendment of section 4 of Act 68 of 1962.

15 "(4) An inspector may, with the written authority of the registrar, also inspect the securities, books, records, accounts or documents of any person, partnership or company—

20 (a) **[in which or in the business of which]** if the registrar has reason to believe that the financial institution the affairs of which are being inspected, has or had a direct or indirect interest in or in the business of such person, partnership or company; or

25 (b) if the registrar has reason to believe that such person, partnership or company has or had a direct or indirect interest in or in the business of such financial institution; or

(c) if the registrar considers it necessary for a proper inspection of the affairs of such financial institution that such securities, books, records, accounts or documents be inspected,

30 and the provisions of subsections (1), (2) and (3) shall apply *mutatis mutandis* in respect of such inspection."

17. The following section is hereby inserted in the Participation Bonds Act, 1964, after section 9:

Insertion of section 9A in Act 48 of 1964.

35 "Collateral security in respect of participation bonds. **9A.** (1) Any collateral security, including a surety mortgage bond, collateral mortgage bond, notarial bond, suretyship, guarantee, cession, pledge and a lien, accepted by a manager in addition to a participation bond in order to secure the debt referred to in section 6 (1) or to secure the due performance by a mortgagor of his obligations under a participation bond or to secure the due performance by a surety of his obligations under a contract of suretyship relating to such debt or to the obligations of the mortgagor, shall be registered in the name of the nominee company as nominee for or representative of the participants therein, and any contract relating to such security shall be drawn and executed in favour of the nominee company as nominee for or representative of the participants from time to time in the participation bond to which the security relates.

50 (2) Notwithstanding anything to the contrary in any law contained, a contract of suretyship relating to a debt secured by any participation bond or securing the due performance by the mortgagor of his obligations under such a bond or securing the due performance by a surety of his obligations under a contract relating to such debt or to the obligations of the mortgagor and drawn and executed in favour of a nominee company,

king het, sekureer en wat ten gunste van 'n benoemde maatskappy opgestel en verly is, net so geldig, en afdwingbaar deur die benoemde maatskappy in sy eie naam teen die borg ten behoeve van deelnemers in die betrokke verband, asof die kontrak opgestel en verly was ten gunste van elke deelnemer van tyd tot tyd in die verband. 5

(3) Die bepalings van artikels 2 (2), 6, 7, 8, 8A (1) en 9 (3) is *mutatis mutandis* van toepassing, vir sover daardie bepalings toegepas kan word, met betrekking tot en ten opsigte van enige kollaterale sekuriteit deur 'n benoemde maatskappy aanvaar vir enige van die in subartikel (1) vermelde doeleindes, en by die toepassing daarvan word 'n verwysing daarin na 'n deelnemingsverband of verband uitgelê as 'n verwysing na 'n deelnemingsverband en kollaterale sekuriteit, en 'n verwysing na 'n verbandgewer as 'n verwysing na 'n verbandgewer en die gewer van kollaterale sekuriteit. 10 15

(4) Die bepalings van hierdie artikel is *mutatis mutandis* van toepassing met betrekking tot enige kollaterale sekuriteit wat voor die datum van inwerkingtreding van die Wysigingswet op Finansiële Instellings, 1978, deur die benoemde maatskappy of die bestuurder vir enige van die in subartikel (1) vermelde doeleindes aanvaar is en ten opsigte waarvan die kontrak of reëling of ander dokument wat die bedinge en voorwaardes daarvan bevat, op die datum van bedoelde inwerkingtreding ten volle van krag is." 20 25 30

Wysiging van artikel 1 van Wet 23 van 1965, soos gewysig deur artikel 12 van Wet 91 van 1972 en artikel 37 van Wet 101 van 1976.

18. Artikel 1 (1) van die Bankwet, 1965, word hierby gewysig—

(a) deur die omskrywing van „korttermynverpligting” deur die volgende omskrywing te vervang:
„korttermynverpligting”, met betrekking tot die een of ander datum, 'n verpligting (insluitende 'n lening of 'n deposito van 'n ander bankinstelling) wat op of voor die dertigste dag vanaf daardie datum betaalbaar is, of wat op daardie datum aan kennis van opsegging onderworpe is wat dit betaalbaar maak op of voor die dertigste dag vanaf daardie datum, en ook transmissiedeposito's”; 35 40

(b) deur paragraaf (n) van die omskrywing van „likwiede bates” deur die volgende paragraaf te vervang:

„(n) promesses deur 'n buitelandse lener uitgereik ten gunste van 'n kragtens hierdie Wet geregistreerde bankinstelling of die Nywerheid-ontwikkelingskorporasie van Suid-Afrika, Beperk, ingestel kragtens die Nywerheid-ontwikkelingswet, 1940 (Wet No. 22 van 1940), of wissels op 'n buitelandse lener getrek en deur hom geaksepteer, ingevolge 'n leningsooreenkoms tussen die buitelandse lener en so 'n bankinstelling vir die finansiering van die uitvoer van kapitaalgoedere of die finansiering van dienste aangegaan en ingevolge die Uitvoerkredietherversekeringswet, 1957 (Wet No. 78 van 1957), herverseker, indien die promesses of wissels voldoen aan enige verdere vereistes ingevolge die regulasies”; 45 50 55

(c) deur die omskrywing van „spaarrekening” deur die volgende omskrywing te vervang:

„spaarrekening” 'n rekening wat 'n deposant by 'n bankinstelling hou en waarop hy nie 'n groter kreditsaldo in stand mag hou as wat die reëls of statute van die instelling, maar behoudens die bepalings van artikel 21 (4), bepaal nie, en waaruit hy nie sonder toestemming van die instelling 'n opvraging op korter kennis met betrekking tot die 60 65

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

shall be as valid, and enforceable by the nominee company in its own name against the surety on behalf of participants in the bond concerned, as if the contract had been drawn and executed in favour of every participant from time to time in the bond.

(3) The provisions of sections 2 (2), 6, 7, 8, 8A (1) and 9 (3) shall apply *mutatis mutandis*, in so far as such provisions can be applied, with reference to and in respect of any collateral security accepted by a nominee company for any of the purposes set forth in subsection (1), and in the application thereof a reference therein to a participation bond or bond shall be construed as a reference to a participation bond and collateral security, and a reference to a mortgagor as a reference to a mortgagor and the grantor of collateral security.

(4) The provisions of this section shall apply *mutatis mutandis* with reference to any collateral security accepted before the date of commencement of the Financial Institutions Amendment Act, 1978, by the nominee company or the manager for any of the purposes referred to in subsection (1) and in respect of which the contract or arrangement or other document containing the terms and conditions thereof is of full force and effect at the date of such commencement.”.

18. Section 1 (1) of the Banks Act, 1965, is hereby amended—

Amendment of section 1 of Act 23 of 1965, as amended by section 12 of Act 91 of 1972 and section 37 of Act 101 of 1976.

(a) by the substitution for paragraph (n) of the definition of “liquid assets” of the following paragraph:

“(n) promissory notes issued by a foreign borrower in favour of a banking institution registered in terms of this Act or the Industrial Development Corporation of South Africa, Limited, constituted under the Industrial Development Act, 1940 (Act No. 22 of 1940), or bills drawn on a foreign borrower and accepted by him, in terms of any loan agreement concluded between the foreign borrower and such a banking institution for the financing of the export of capital goods or the financing of services and re-insured in terms of the Export Credit Re-insurance Act, 1957 (Act No. 78 of 1957), if such promissory notes or bills comply with any further requirements under the regulations;”;

(b) by the substitution for the definition of “savings account” of the following definition:

“‘savings account’ means an account which a depositor maintains with a banking institution and in which he may not keep a larger credit balance than is determined by the rules or articles of the institution, but subject to the provisions of section 21 (4), and from which he may not without the consent of the institution make a withdrawal at shorter notice, in relation to the amount to be withdrawn, than is determined by the rules or articles of the institution, and from which any amount withdrawn may only be paid to the depositor himself or transferred to another account which he, his spouse or a dependant of his maintains with the institution;”;

(c) by the substitution for the definition of “short-term liability” of the following definition:

“‘short-term liability’, in relation to any date, means a liability (including a loan from or a deposit by another banking institution) which is payable on or

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

opgevraagde bedrag kan doen as wat die reëls of statute van die instelling bepaal nie en waaruit enige bedrag opgevra slegs aan die deposant self uitbetaal of na 'n ander rekening wat hy, sy eggenote of sy afhanklike by die instelling hou, oorgedra mag word;"; en 5

- (d) deur die volgende omskrywings na die omskrywing van „Tesourie” in te voeg:
 „transmissiedeposito” ’n kreditsaldo in ’n transmissierekening; 10
 „transmissierekening” ’n rekening, uitgesonderd ’n rekening waaruit bedrae deur middel van tjeks opvraagbaar is, wat ’n deposant by ’n bankinstelling hou en waaruit die deposant bedrae op aanvraag kan onttrek en die bankinstelling, ooreenkomstig opdrag van die deposant, betalings aan ander persone kan doen en bedrae kan oordra na ’n ander rekening;”. 15

Wysiging van artikel 13 van Wet 23 van 1965.

19. Artikel 13 van die Bankwet, 1965, word hierby gewysig deur die volgende subartikel by te voeg: 20
 „(6) ’n Bankinstelling moet op die tye wat die Minister by regulasie voorskryf die verdere inligting ten opsigte van sy bates en laste wat die Minister insgelyks voorskryf, aan die Registrateur verstrek.”.

Wysiging van artikel 21 van Wet 23 van 1965, soos gewysig deur artikel 5 van Wet 23 van 1970, artikel 16 van Wet 91 van 1972 en artikel 4 van Wet 67 van 1973.

20. (1) Artikel 21 van die Bankwet, 1965, word hierby gewysig— 25

- (a) deur subartikel (4) deur die volgende subartikel te vervang:
 „(4) (a) ’n Bankinstelling laat nie ’n enkele persoon toe om ’n kreditsaldo van meer as **[vyftienduisend]** vyf-en-twintigduisend rand op spaarrekening by hom te hou nie: Met dien verstande dat die bepalings van hierdie subartikel ’n instelling nie belet om ’n spaarrekening met rente te krediteer nie. 30
 (b) Waar die kreditsaldo op ’n spaarrekening op die **[negentiende dag van Augustus 1971 vyftienduisend rand]** eerste dag van Januarie 1978 die in paragraaf (a) voorgeskrewe perk wettiglik oorskry het, hoef die saldo nie op grond van die bepalings van daardie paragraaf **[(a)]** tot genoemde **[bedrag]** perk verminder te word nie: Met dien verstande dat— 35
 (i) geen verdere bedrag, behalwe rente, op so ’n rekening gekrediteer mag word solank sy kreditsaldo genoemde **[bedrag]** perk oorskry nie; en
 (ii) indien die saldo op so ’n rekening te eniger tyd tot **[vyftienduisend rand]** genoemde perk of minder daal, **[die]** daardie perk **[by paragraaf (a) voorgeskryf]** ook daarop van toepassing is.”; 40
 (b) deur in subartikel (7) die woorde „negentiende dag van Augustus 1971” deur die woorde „eerste dag van Januarie 1978” te vervang; en 50
 (c) deur die volgende subartikel by te voeg:
 „(8) ’n Bankinstelling mag nie teenoor lede van die publiek voorgee dat hy te alle tye toestemming sal verleen dat spaardeposito’s terugbetaal word op korter kennis, met betrekking tot die bedrag opgevra, as wat die reëls of statute van daardie instelling bepaal nie.”. 55

- (2) Die wysigings deur paragrawe (a) en (b) teweeggebring, word geag op 1 Januarie 1978 in werking te getree het. 60

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

before the thirtieth day as from that date, or which on that date is subject to notice which makes it payable on or before the thirtieth day as from that date, and includes transmission deposits;"; and

5 (d) by the insertion after the definition of "territory" of the following definitions:

10 "transmission account" means an account, other than an account from which amounts are withdrawable by cheque, which a depositor maintains with a banking institution and from which the depositor may withdraw amounts on demand and the banking institution, according to instructions by the depositor, may make payments to other parties and transfer amounts to any other account;

15 'transmission deposit' means a credit balance in a transmission account;".

19. Section 13 of the Banks Act, 1965, is hereby amended by the addition of the following subsection: Amendment of section 13 of Act 23 of 1965.

20 "(6) A banking institution shall, at such times as the Minister may prescribe by regulation, furnish to the Registrar such further information regarding its assets and liabilities as the Minister may likewise prescribe."

20. (1) Section 21 of the Banks Act, 1965, is hereby amended— Amendment of section 21 of Act 23 of 1965, as amended by section 5 of Act 23 of 1970, section 16 of Act 91 of 1972 and section 4 of Act 67 of 1973.

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

30 "(4) (a) A banking institution shall not allow any one person to maintain with it a credit balance on savings account in excess of **[fifteen] twenty-five** thousand rand: Provided that nothing in this subsection contained shall preclude an institution from crediting interest to a savings account.

35 (b) Where on the **[nineteenth day of August, 1971,]** first day of January, 1978, the credit balance on a savings account lawfully exceeded **[fifteen thousand rand]** the limit prescribed in paragraph (a), such balance shall not by reason of the provisions of that paragraph **[(a)]** be required to be reduced to the said **[amount]** limit: Provided that—

40 (i) no further amount other than interest shall be credited to such account so long as it shows a credit balance exceeding the said **[amount]** limit; and

45 (ii) if the balance in such account is at any time reduced to **[fifteen thousand rand]** the said limit or less, **[the]** that limit **[prescribed by paragraph (a)]** shall also apply to it.";

50 (b) by the substitution in subsection (7) for the words "nineteenth day of August, 1971" of the words "first day of January, 1978"; and

(c) by the addition of the following subsection:

55 "(8) A banking institution shall not hold out to members of the public that it will at all times consent to the repayment of savings deposits at shorter notice, in relation to the amount to be withdrawn, than is determined by the rules or articles of that institution."

(2) The amendments effected by paragraphs (a) and (b) of subsection (1) shall be deemed to have come into operation on 1 January 1978.

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

Wysiging van
artikel 22 van
Wet 23 van 1965,
soos gewysig deur
artikel 13 van
Wet 58 van 1966.

21. (1) Artikel 22 van die Bankwet, 1965, word hierby gewysig deur paragraaf (a) van die voorbehoudsbepaling by subartikel (1) deur die volgende paragraaf te vervang:

„(a) 'n diskontohuis sekuriteite van 'n soortgelyke aard as die voormelde sekuriteite of as die sekuriteite aldus goedgekeur, mag verdiskonteer of koop of daarin mag belê, maar sy besit aan sekuriteite van sodanige aard, tesame met sy besit aan voormelde sekuriteite wat nie as likwiede bates geld nie, mag nie te eniger tyd meer as 【tien】 twaalf en 'n half persent van sy totale bates uitmaak nie; en”.

(2) Die wysiging deur subartikel (1) teweeggebring, word geag op 1 Januarie 1978 in werking te getree het.

Wysiging van
artikel 1 van
Wet 24 van 1965,
soos gewysig deur
artikel 1 van
Wet 64 van 1968,
artikel 5 van
Wet 67 van 1973
en artikel 54 van
Wet 101 van 1976.

22. Artikel 1 van die Bouverenigingswet, 1965, word hierby gewysig—

(a) deur die omskrywing van „korttermynverpligting” deur die volgende omskrywing te vervang:

„„korttermynverpligting”, met betrekking tot die een of ander datum, 'n verpligting wat binne dertig dae vanaf daardie datum betaalbaar is, of wat op daardie datum aan minder as dertig dae kennis van opsegging onderworpe is voordat dit betaalbaar word, en ook transmissiedeposito's;”;

(b) deur die omskrywing van „spaarrekening” deur die volgende omskrywing te vervang:

„„spaarrekening” 'n rekening wat 'n deposant by 'n bouvereniging hou en waarop hy nie 'n groter kreditsaldo in stand mag hou as wat die statute van die vereniging, maar behoudens die bepalings van artikel 26 (4), bepaal nie en waaruit hy nie sonder toestemming van die vereniging 'n opvraging kan doen op korter kennis, volgens die bedrag opgevra, as wat die statute van die vereniging bepaal nie en waaruit enige bedrag opgevra slegs aan die deposant uitbetaal of na 'n ander rekening wat hy, sy eggenote of sy afhanklike by die vereniging hou, oorgedra mag word;”;

(c) deur die volgende paragraaf in die omskrywing van „stedelike vaste eiendom” na paragraaf (f) by te voeg:

„(g) enige reg ten opsigte van 'n erf of perseel in 'n gebied geleë wat ingevolge die Bantoes (Stadsgebiede) Konsolidasiewet, 1945 (Wet No. 25 van 1945), vir gebruik deur Swart persone bepaal en afgesonder is, indien so 'n reg deur die Minister by kennisgewing in die *Staatskoerant* goedgekeur is;”;

(d) deur die volgende omskrywing na die omskrywing van „Tesourie” in te voeg:

„„transmissiedeposito” 'n kreditsaldo in 'n transmissierekening;

„transmissierekening” 'n rekening wat 'n deposant by 'n bouvereniging hou en waaruit die deposant bedrae op aanvraag kan onttrek en die bouvereniging, ooreenkomstig opdrag van die deposant, betalings aan ander persone kan doen en bedrae kan oordra na 'n ander rekening;”.

Wysiging van
artikel 7 van
Wet 24 van 1965.

23. (1) Artikel 7 van die Bouverenigingswet, 1965, word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

„(1) 'n **【Vereniging】** Bouvereniging word nie **【as 'n bouvereniging】** geregistreer nie onder 'n naam **【waaronder 'n ander vereniging kragtens hierdie Wet of die Bouverenigingswet, 1934 (Wet No. 62 van 1934), as 'n bouvereniging geregistreer is of te eniger tyd geregistreer was nie, of onder 'n naam wat soveel met daardie naam ooreenkom dat die een vereniging waarskynlik met die ander verwar sal word nie.】**—

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

21. (1) Section 22 of the Banks Act, 1965, is hereby amended by the substitution for paragraph (a) of the proviso to subsection (1) of the following paragraph:

Amendment of section 22 of Act 23 of 1965, as amended by section 13 of Act 58 of 1966.

5 “(a) a discount house may discount, buy or invest in securities of a nature similar to the aforesaid securities or to the securities so approved, but its holding of securities of the said nature, together with its holding of the aforesaid securities which do not rank as liquid assets, shall at no time constitute more than **[ten]** 10 twelve and one-half per cent of its total assets; and”.

(2) The amendment effected by subsection (1) shall be deemed to have come into operation on 1 January 1978.

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

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 and section 54 of Act 101 of 1976.

15 (a) by the substitution for the definition of “savings account” of the following definition:

20 “‘savings account’ means an account which a depositor maintains with a building society and in which he may not keep a larger credit balance than is determined by the rules of the society, but subject to the provisions of section 26 (4), and from which he may not without the consent of the society, make a withdrawal at shorter notice, in relation to the amount to be withdrawn, than is determined by the rules of the society, and from which any amount withdrawn may only be paid to the depositor or transferred to another account which he, his spouse or a dependant of his maintains with the society;”;

30 (b) by the substitution for the definition of “short-term liability” of the following definition:

35 “‘short-term liability’, in relation to any date, means a liability which is payable within thirty days as from that date or which on that date is subject to less than thirty days’ notice before becoming payable, and includes transmission deposits;”;

(c) by the insertion after the definition of “Territory” of the following definitions:

40 “‘transmission account’ means an account which a depositor maintains with a building society and from which the depositor may withdraw amounts on demand and the building society, according to instructions by the depositor, may make payments to other parties and transfer amounts to any other account;

45 ‘transmission deposit’ means a credit balance in a transmission account;”;

50 (d) by the addition in the definition of “urban immovable property” of the following paragraph after paragraph (f):

55 “(g) any right in respect of any erf or site situated in an area defined and set apart in terms of the Bantu (Urban Areas) Consolidation Act, 1945 (Act No. 25 of 1945), for occupation by Black persons, if such right has been approved by the Minister by notice in the *Gazette*;”.

23. (1) Section 7 of the Building Societies Act, 1965, is hereby amended by the substitution for subsection (1) of the following subsection:

Amendment of section 7 of Act 24 of 1965.

60 “(1) A building society shall not be registered **[as a building society]** under a name **[under which any other society is registered or was at any time registered as a building society under this Act or under the Building Societies Act, 1934 (Act No. 62 of 1934), or under a name so nearly resembling such name that the one society is likely to be mistaken for the other.]**—

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

- (a) waaronder 'n ander bouvereniging, met inbegrip van 'n bouvereniging ingevolge artikel 5 (10) geag geregistreer te wees, geregistreer is;
- (b) waaronder 'n bouvereniging, wat deur 'n ander geregistreerde bouvereniging oorgeneem is, te eniger tyd kragtens hierdie Wet of die Bouverenigingswet, 1934 (Wet No. 62 van 1934), geregistreer was, tensy die registrateur, na oorleg met die vereniging deur wie so 'n bouvereniging oorgeneem is, oortuig is dat geen redelike grond vir beswaar teen registrasie onder daardie naam bestaan nie; of
- (c) wat soveel ooreenkom met dié van 'n geregistreerde bouvereniging of 'n bouvereniging oorgeneem soos in paragraaf (b) beoog, dat die een waarskynlik met die ander verwar kan word."

(2) Die wysiging deur subartikel (1) teweeggebring, word geag op 1 Januarie 1978 in werking te getree het.

Wysiging van artikel 22 van Wet 24 van 1965, soos gewysig deur artikel 5 van Wet 64 van 1968 en artikel 1 van Wet 91 van 1969.

24. Artikel 22 van die Bouverenigingswet, 1965, word hierby gewysig—

- (a) deur subparagraaf (d) (i) van subartikel (1) deur die volgende subparagraaf te vervang:
- „(i) om met inagneming van die bepalinge van artikel 26 spaardeposito's, transmissiedeposito's of vaste deposito's [waarop rente betaalbaar is] te ontvang, en om rente daarop te betaal;"; en
- (b) deur die volgende subparagraaf by paragraaf (d) van subartikel (1) te voeg:
- „(v) om, ondanks enigiets in die statute van die vereniging vervat, skuldbriewe ooreenkomstig die bepalinge van artikel 55A uit te reik;".

Wysiging van artikel 26 van Wet 24 van 1965, soos gewysig deur artikel 6 van Wet 64 van 1968, artikel 7 van Wet 23 van 1970, artikel 18 van Wet 91 van 1972 en artikel 6 van Wet 67 van 1973.

25. (1) Artikel 26 van die Bouverenigingswet, 1965, word hierby gewysig—

- (a) deur subartikel (1) deur die volgende subartikel te vervang:
- „(1) 'n Vereniging neem nie geld op deposito aan wat op aanvraag per tjek, wissel of order betaalbaar is en onttrek kan word nie maar kan deposito's aanneem in 'n rekening waaruit bedrae op versoek van die deposant uitbetaal of oorgeboek kan word.";
- (b) deur paragraaf (b) van subartikel (4) deur die volgende paragraaf te vervang:
- „(b) [vyftienduisend] vyf-en-twintigduisend rand indien bedoelde bates aan die einde van daardie boekjaar meer as vyfhonderdduisend rand bedra het;";
- (c) deur in subartikel (5) die woorde „negentiende dag van Augustus 1971" deur die woorde „eerste dag van Januarie 1978" te vervang;
- (d) deur in subartikel (6) die woorde „negentiende dag van Augustus 1971" deur die woorde „eerste dag van Januarie 1978" te vervang;
- (e) deur subartikel (7) deur die volgende subartikel te vervang:
- „(7) Behalwe met die skriftelike toestemming van die registrateur, wat in die algemeen of in bepaalde gevalle verleen kan word, en onderworpe aan die voorwaardes wat hy voorskryf, mag geen vereniging met totale bates soos in 'n item in die eerste kolom van die tabel hieronder uiteengesit, 'n enkele persoon toelaat om vaste deposito's te hou wat in totaal, afgesien van rente, 'n bedrag gelyk aan vier-en-twintig maal die bedrag teenoor daardie item uiteengesit in die tweede kolom van die tabel, oorskryf nie of wat binne enige enkele maand terugbetaalbaar is tot 'n bedrag wat, met uitsluiting van rente, die bedrag vermeld in die tweede kolom van die tabel oorskryf nie:

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

- (a) under which any other building society, including a building society deemed under section 5 (10) to be registered, is registered;
- 5 (b) under which a building society, which has been taken over by another registered building society, was at any time registered under this Act or under the Building Societies Act, 1934 (Act No. 62 of 1934), unless the registrar, after consultation with the society by which such building society was taken over, is satisfied that no reasonable ground of objection against registration under that name exists; or
- 10 (c) which so closely resembles the name of a registered building society or a building society taken over as contemplated in paragraph (b), that the one is likely to be mistaken for the other.”
- 15

(2) The amendment effected by subsection (1) shall be deemed to have come into operation on 1 January 1978.

24. Section 22 of the Building Societies Act, 1965, is hereby amended—

- 20 (a) by the substitution for subparagraph (d) (i) of subsection (1) of the following subparagraph:
- “(i) subject to the provisions of section 26, to receive savings deposits, transmission deposits or fixed deposits, [on which interest is payable] and to
- 25 pay interest thereon;”; and
- (b) by the addition to paragraph (d) of subsection (1) of the following subparagraph:
- “(v) notwithstanding anything contained in the rules of the society, to issue debentures in accordance with the provisions of section 55A;”.
- 30

Amendment of section 22 of Act 24 of 1965, as amended by section 5 of Act 64 of 1968 and section 1 of Act 91 of 1969.

25. (1) Section 26 of the Building Societies Act, 1965, is hereby amended—

- (a) by the substitution for subsection (1) of the following subsection:
- 35 “(1) A society shall not accept deposits of money subject to withdrawal by cheque, draft or order payable on demand but may accept deposits in an account from which amounts may be paid out or transferred at the request of the depositor.”;
- 40 (b) by the substitution for paragraph (b) of subsection (4) of the following paragraph:
- “(b) **[fifteen]** twenty-five thousand rand if the said assets at the close of such financial year exceeded five hundred thousand rand.”;
- 45 (c) by the substitution in subsection (5) for the words “nineteenth day of August, 1971,” of the words “first day of January, 1978.”;
- (d) by the substitution in subsection (6) for the words “nineteenth day of August, 1971,” of the words “first day of January, 1978.”;
- 50 (e) by the substitution for subsection (7) of the following subsection:
- “(7) Save with the written consent of the registrar, which may be given either generally or specifically, and subject to such conditions as he may prescribe, no society with total assets as set out in any item of the first column in the table hereunder, shall allow any one person to hold fixed deposits which in the aggregate, exclusive of interest, exceed twenty-four times the amount set out against that item in the second column of the table or which fall due for repayment in any one month in an amount which exceeds, exclusive of interest, the amount mentioned in the second column of the table:
- 55
- 60

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 and section 6 of Act 67 of 1973.

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

Totale bates by die sluiting van die jongste voorafgaande boekjaar	Bedrag
Onder R500 000	R5 000
R500 000 en onder R2 000 000	R25 000
R2 000 000 en onder R20 000 000	R50 000
R20 000 000 en onder R100 000 000	R125 000
R100 000 000 en daarbo	R250 000"

- en
- (f) deur die volgende subartikel by te voeg:
- „(12) 'n Vereniging mag nie teenoor lede van die publiek voorgee dat hy te alle tye toestemming sal verleen dat spaardeposito's terugbetaal word op korter kennis, met betrekking tot die bedrag opgevra, as wat die statute van daardie vereniging bepaal nie.”

(2) Die wysigings deur paragrafe (b), (c) en (d) van subartikel (1) teweeggebring, word geag op 1 Januarie 1978 in werking te getree het.

Wysiging van artikel 29 van Wet 24 van 1965, soos gewysig deur artikel 8 van Wet 64 van 1968 en artikel 2 van Wet 91 van 1969.

26. Artikel 29 van die Bouverenigingswet, 1965, word hierby gewysig—

- (a) deur in paragraaf (a) die woord „onroerende” deur die woord „vaste” te vervang; en
- (b) deur die volgende paragraaf na paragraaf (eB) in te voeg:
- „(eC) in aandeel van, of effekte of skuldbriewe uitgereik deur, 'n bouvereniging of 'n ander instelling wat kragtens artikel 55A 'n gedeelte van die bates en laste oorneem van die vereniging wat die belegging maak;”.

Wysiging van artikel 31 van Wet 24 van 1965, soos gewysig deur artikel 9 van Wet 64 van 1968.

27. Artikel 31 van die Bouverenigingswet, 1965, word hierby gewysig—

- (a) deur subartikel (1) deur die volgende subartikel te vervang:
- „(1) [(a)] 'n Permanente vereniging moet in die Republiek ten opsigte van sy verpligtings teenoor die publiek (uitgesonderd aandeel vir 'n onbepaalde termyn deur hom uitgereik) likwiede bates in stand hou tot 'n bedrag van minstens die som van—
- (a) dertig persent van sy verpligtings ten opsigte van transmissiedeposito's;
- [(i)] (b) vyftien persent van sy ander korttermynverpligtings as transmissiedeposito's;
- [(ii)] (c) tien persent van sy middeltermynverpligtings; en
- [(iii)] (d) vyf persent van sy langtermynverpligtings, soos aangegee in die jongste vorige maandopgawe wat hy ingevolge artikel 34 (1) aan die registrateur verstrek het: Met dien verstande dat 'n vereniging ten opsigte van sy verpligtings in die vorm van vaste deposito's en subskripsie-aandeel, in plaas van 'n bedrag volgens voorgaande bepalings van hierdie paragraaf bereken, likwiede bates gelyk aan sewe en 'n half persent van die totale bedrag van al daardie deposito's en aandeel in stand kan hou.
- [(b)] Die bepalings van paragraaf (a) tree ten opsigte van 'n vereniging wat by die inwerking-treding van die Wysigingswet op Bouverenigings, 1964, bestaan het, in werking een jaar na vermeldde datum: Met dien verstande dat—
- (i) 'n vereniging wat om vir die registrateur aanneemlike redes aan die einde van genoemde tydperk van een jaar nog nie die

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

Total assets as at the close of the last preceding financial year	Amount
Under R500 000	R5 000
R500 000 and under R2 000 000	R25 000
R2 000 000 and under R20 000 000	R50 000
R20 000 000 and under R100 000 000	R125 000
R100 000 000 and over	R250 000"

and

(f) by the addition of the following subsection:

5 “(12) A society shall not hold out to members of the public that it will at all times consent to the repayment of savings deposits at shorter notice, in relation to the amount to be withdrawn, than is determined by the rules of that society.”.

(2) The amendments effected by paragraphs (b), (c) and (d) of subsection (1) shall be deemed to have come into operation on 10 January 1978.

26. Section 29 of the Building Societies Act, 1965, is hereby amended—

Amendment of section 29 of Act 24 of 1965, as amended by section 8 of Act 64 of 1968 and section 2 of Act 91 of 1969.

- 15 (a) by the substitution in the Afrikaans text of paragraph (a) for the word “onroerende” of the word “vaste”;
- and
- 20 (b) by the insertion after paragraph (eB) of the following paragraph:
 “(eC) in shares of, or stock or debentures issued by, a building society or any other institution, which in terms of section 55A takes transfer of portion of the assets and liabilities of the society making the investment;”.

27. Section 31 of the Building Societies Act, 1965, is hereby amended—

Amendment of section 31 of Act 24 of 1965, as amended by section 9 of Act 64 of 1968.

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

30 “(1) **[(a)]** A permanent society shall maintain in the Republic in respect of its liabilities to the public (excluding shares for an indefinite period issued by it), liquid assets amounting to not less than the aggregate of—

 (a) thirty per cent of its liabilities in respect of transmission deposits;

35 **[(i)]** (b) fifteen per cent of its short-term liabilities, other than transmission deposits;

[(ii)] (c) ten per cent of its medium-term liabilities and

40 **[(iii)]** (d) five per cent of its long-term liabilities,
 as shown in the last preceding monthly return furnished by it to the registrar in terms of section 34 (1): Provided that in respect of its liabilities in the form of fixed deposits and subscription shares a society may, instead of an amount calculated in accordance with the foregoing provisions of this paragraph, maintain liquid assets equal to seven and one-half per cent of the aggregate amount of all such deposits and shares.

45 **[(b)]** The provisions of paragraph (a) shall in respect of a society which was in existence at the commencement of the Building Societies Amendment Act, 1964, come into operation one year after such a commencement: Provided that—

50 (i) a society which for reasons acceptable to the registrar does not at the end of the said period of one year hold the full amount of

volle by paragraaf (a) voorgeskrewe bedrag aan likwiede bates besit nie, by die registrateur om verlenging van bedoelde tydperk aansoek kan doen en die registrateur dit ten opsigte van so 'n vereniging met 5 hoogstens twaalf maande kan verleng; en

- (ii) die vereniging gedurende genoemde tydperk van een jaar en enige verlenging daarvan te alle tye moet voldoen aan die voorskrifte insake likwiede bates wat voor 10 genoemde inwerkingtreding vir hom gegeld het.】"; en

- (b) deur die volgende subartikel na subartikel (1) in te voeg:

„(1A) (a) Wanneer die Reserwebank dit in die nasionale ekonomiese belang wenslik ag dat aanvullende likwiede bates deur bouverenigings in stand gehou word, kan hy met die instemming van die Tesourie van tyd tot tyd bepaal—

- (i) dat die in subartikel (1) (a) vermelde persentasie verhoog word tot hoogstens sestig; of 15

- (ii) dat elke permanente vereniging, benewens die likwiede bates kragtens subartikel (1) vereis, aanvullende likwiede bates in die Republiek in stand hou wat minstens gelyk is aan 'n persentasie deur die Reserwebank voorgeskryf, maar nie meer nie as sewentig persent van die bedrag waarmee die vereniging se verpligtings in subartikel (1) (a) bedoel, soos aangegee in die jongste maandelikse opgawe wat hy ingevolge artikel 34 (1) aan die registrateur verstrek het, die bedrag van daardie verpligtings soos op 'n datum deur die Reserwebank bepaal en deur die registrateur vermeld in 'n kennisgewing in die *Staatskoerant*, oorskry; of 20

- (iii) dat elke permanente vereniging, benewens die aanvullende likwiede bates wat ingevolge subparagraaf (i) in stand gehou moet word, aanvullende likwiede bates ingevolge subparagraaf (ii) in stand hou: Met dien verstande dat by die toepassing van hierdie subparagraaf die maksimum persentasie wat die Reserwebank ingevolge subparagraaf (ii) kan bepaal, moet verminder met die persentasie waarmee die persentasie in subartikel (1) (a) vermeld, 25 ingevolge subparagraaf (i) verhoog is. 30 35

- (b) Wanneer die Reserwebank kragtens paragraaf (a) 'n bepaling gemaak het, stel hy die registrateur skriftelik daarvan in kennis, en die registrateur moet so gou doenlik elke permanente vereniging skriftelik van die bepaling in kennis stel en die bepaling in die *Staatskoerant* laat afkondig. 40

- (c) So 'n bepaling word van krag op 'n datum in bedoelde kennisgewing vermeld. 45

- (d) Die Reserwebank kan te eniger tyd met die instemming van die Tesourie 'n bestaande bepaling wysig deur 'n persentasie wat hy ingevolge paragraaf (a) bepaal het, te vermeerder of te verminder. 50 55

- (e) Die bepalinge van paragrafe (b) en (c) is *mutatis mutandis* van toepassing met betrekking tot 'n wysiging in paragraaf (d) bedoel. 60

- (f) Ondanks enige bepaling van paragraaf (a) is geen vereniging verplig om gedurende enige maand van die jaar sy likwiede bates met 'n bedrag van meer as tien persent van sy verpligtings in subartikel (1) (a) bedoel, soos aan die einde van die laaste werkdag van die vorige maand, aan te vul nie. 65

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

- liquid assets prescribed by paragraph (a), may apply to the registrar for an extension of that period and the registrar may extend it in respect of such society by not more than twelve months; and
- 5 (ii) the society shall during the said period of one year and any extension thereof at all times comply with the requirements relating to liquid assets which were applicable to it prior to the said commencement.】”: and
- 10 (b) by the insertion after subsection (1) of the following subsection:
- “(1A) (a) Whenever the Reserve Bank deems it
- 15 desirable in the national economic interest that supplementary liquid assets be maintained by building societies, it may with the consent of the Treasury from time to time determine—
- (i) that the percentage mentioned in subsection (1) (a) shall be increased to not more than
- 20 sixty; or
- (ii) that every permanent society shall, in addition to the liquid assets required under subsection (1), maintain supplementary liquid assets in the Republic at least equal to a percentage prescribed by the Reserve Bank, but not exceeding seventy per cent of the amount by which the society's liabilities mentioned in subsection (1) (a), as shown in the last preceding monthly return furnished by it to the registrar in terms of section 34 (1), exceed the amount of such liabilities as at a date determined by the Reserve Bank and stated by the registrar in a notice in the *Gazette*; or
- 25 (iii) that every permanent society shall, in addition to the supplementary liquid assets required to be maintained in terms of subparagraph (i), maintain supplementary liquid assets in terms of subparagraph (ii): Provided that for the purposes of this subparagraph the maximum percentage which the Reserve Bank may determine in terms of subparagraph (ii) shall be reduced by the percentage by which the percentage mentioned in subsection (1) (a) has been increased in terms of subparagraph (i).
- 30
- 35
- 40
- 45 (b) Whenever the Reserve Bank has made a determination in terms of paragraph (a), it shall inform the registrar thereof in writing, and the registrar shall as soon as practicable give written notice of the determination to every permanent society and cause the determination to be published in the *Gazette*.
- 50
- (c) Any such determination shall take effect on a date mentioned in the said notice.
- (d) With the consent of the Treasury, the Reserve Bank may at any time vary an existing determination by increasing or decreasing any percentage determined by it in terms of paragraph (a).
- 55
- (e) The provisions of paragraphs (b) and (c) shall apply *mutatis mutandis* with reference to a variation referred to in paragraph (d).
- 60
- (f) Notwithstanding anything contained in paragraph (a), no society shall be required to augment its liquid assets during any month of the year by an amount in excess of ten per cent of its liabilities mentioned in subsection (1) (a), as at the close of the last working day of the preceding month.”.
- 65

Wet No. 80, 1978

WYSIGINGSWET OP FINANSIËLE INSTELLINGS, 1978.

Wysiging van artikel 38 van Wet 24 van 1965, soos gewysig deur artikel 14 van Wet 58 van 1966, artikel 11 van Wet 64 van 1968 en artikel 8 van Wet 67 van 1973.

28. Artikel 38 (1) van die Bouverenigingswet, 1965, word hierby gewysig deur die volgende paragraaf na paragraaf (a) in te voeg:

„(aA) binne 'n tydperk van hoogstens vyf-en-twintig jaar waar bedoelde kapitaalbedrag twintigduisend rand oorskry maar nie dertigduisend rand nie en die verhipotikeerde eiendom eiendom is waarop 'n woonhuis opgerig is of gaan word; of”.

5

Wysiging van artikel 40 van Wet 24 van 1965, soos gewysig deur artikel 13 van Wet 64 van 1968, artikel 10 van Wet 23 van 1970 en artikel 9 van Wet 67 van 1973.

29. Artikel 40 van die Bouverenigingswet, 1965, word hierby gewysig deur paragraaf (i) van subartikel (6) (a) deur die volgende subparagraaf te vervang:

„(i) 'n woonhuis opgerig is of word op sodanige eiendom of die eiendom waarop die huurkontrak of lisensie betrekking het, en die waarde van sodanige eiendom, huurkontrak of lisensie hoogstens **[R20 000]** R28 000 is;”.

15

Wysiging van artikel 46 van Wet 24 van 1965, soos gewysig deur artikel 13 van Wet 67 van 1973 en artikel 23 van Wet 94 van 1977.

30. Artikel 46 van die Bouverenigingswet, 1965, word hierby gewysig deur die volgende verdere voorbehoudsbepaling by subartikel (1) by te voeg:

„Met dien verstande voorts dat in die geval van 'n garansie deur 'n maatskappy van die besigheid waarvan die verskaffing van woonhuise 'n aansienlike deel vorm, en waar die waarde van die betrokke eiendom nie agt-en-twintigduisend rand oorskry nie, die bykomende sekuriteit in die mate en op die voorwaardes wat die registrateur goedkeur, kan bestaan uit 'n garansie-polis van 'n geregistreerde versekeraar of 'n garansie deur 'n finansiële instelling wat deur die registrateur in die algemeen of in 'n bepaalde geval goedgekeur is.”.

20

25

Invoeging van artikel 55A in Wet 24 van 1965.

31. Die volgende artikel word hierby in die Bouverenigingswet, 1965, na artikel 55 ingevoeg:

„Oordrag van deel van 'n bouvereniging se sake.

55A. (1) 'n Permanente vereniging kan met die

30

skriftelike toestemming van die registrateur en op die voorwaardes wat hy bepaal, dié gedeelte van sy besigheid wat in 'n bepaalde gebied gedryf word en wat 'n ondergeskikte deel van sy totale besigheid uitmaak, oordra aan 'n ander permanente vereniging of aan enige ander instelling deur die Minister vir dié doel goedgekeur.

35

(2) Wanneer 'n vereniging voornemens is om 'n gedeelte van sy besigheid ingevolge subartikel (1) oor te dra, verstrekk hy aan die registrateur 'n opgawe waarin hy tot bevrediging van die registrateur al sy bates en laste en, afsonderlik, die bates en laste wat hy voornemens is om oor te dra, uiteensit, asook 'n afskrif van die ooreenkoms waarin die voorgestelde bedinge en voorwaardes van die oordrag vervat is.

40

45

(3) Die bepalinge van subartikels (2), (3), (4), (5), (6), (10) en (11) van artikel 55 is *mutatis mutandis* van toepassing met betrekking tot die bates en laste wat ingevolge subartikel (1) van hierdie artikel oorgedra word.

50

(4) Vir die doeleindes van 'n oordrag van bates en laste ingevolge hierdie artikel kan 'n vereniging wat 'n gedeelte van die bates en laste van 'n ander vereniging oorneem, skuldbriewe uitreik op die voorwaardes wat die registrateur goedkeur, en kan laasbedoelde vereniging in sodanige skuldbriewe en in aandele van eersbedoelde vereniging belê.

55

(5) Die registrateur verleen nie sy toestemming tot die oordrag van 'n gedeelte van die bates en laste van 'n vereniging nie tensy—

60

(a) hy oortuig is, met inagneming van al die omstandighede, met inbegrip van enige statu-têre vereistes ten opsigte van likwiede bates, voorgeskrewe beleggings, maksimum belegging in vaste eiendom en minimum kapitaal en

65

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

28. Section 38 (1) of the Building Societies Act, 1965, is hereby amended by the insertion of the following paragraph after paragraph (a):
- 5 “(aA) within a period of not more than twenty-five years where such capital amount exceeds twenty thousand rand but not thirty thousand rand and the mortgaged property is property on which a dwelling house has been or is to be erected; or”.
29. Section 40 of the Building Societies Act, 1965, is hereby amended by the substitution for subparagraph (i) of subsection (a) of the following subparagraph:
- 10 “(i) a dwelling house has been or is being erected on such property or the property to which such lease or licence refers, and the value of such property, lease or licence does not exceed **[R20 000]** R28 000.”.
- 15 30. Section 46 of the Building Societies Act, 1965, is hereby amended by the addition to subsection (1) of the following further proviso:
- 20 “Provided further that in the case of a guarantee by a company of the business of which the provisions of dwelling houses forms a substantial part, and where the value of the property in question does not exceed twenty-eight thousand rand, the additional security may, to the extent and on the conditions approved by the registrar, be in the form of a
- 25 guarantee policy of a registered insurer or a guarantee by a financial institution approved by the registrar in general or in a specific case.”.
31. The following section is hereby inserted in the Building Societies Act, 1965, after section 55:
- 30 “Transfer of part of a society's business. **55A.** (1) A permanent society may, with the written consent of the registrar and on the conditions determined by him, transfer that part of its business which is conducted in a particular area and which constitutes a minor portion of its total business, to another permanent society or to any other institution approved for the purpose by the Minister.
- 35 (2) When a society proposes to transfer part of its business in terms of subsection (1), it shall furnish to the registrar a return setting forth to the satisfaction of the registrar all its assets and liabilities and, separately, those assets and liabilities which it proposes to transfer, and also a copy of the agreement setting out the proposed terms and conditions of the transfer.
- 40 (3) The provisions of subsections (2), (3), (4), (5), (6), (10) and (11) of section 55 shall *mutatis mutandis* apply in relation to the assets and liabilities transferred in terms of subsection (1) of this section.
- 45 (4) For the purposes of the transfer of assets and liabilities in terms of this section a society which takes transfer of part of the assets and liabilities of another society may issue debentures on the conditions approved by the registrar, and the last-mentioned society may invest in such debentures and in shares of the first-mentioned society.
- 50 (5) The registrar shall not give his consent to the transfer of part of the assets and liabilities of a society unless—
- 55 (a) he is satisfied, having regard to all the circumstances, including any statutory requirements in regard to liquid assets, prescribed investments, maximum investment in fixed property and minimum capital and reserves, that a reasonable
- 60

Amendment of section 38 of Act 24 of 1965, as amended by section 14 of Act 58 of 1966, section 11 of Act 64 of 1968 and section 8 of Act 67 of 1973.

Amendment of section 40 of Act 24 of 1965, as amended by section 13 of Act 64 of 1968, section 10 of Act 23 of 1970 and section 9 of Act 67 of 1973.

Amendment of section 46 of Act 24 of 1965, as amended by section 13 of Act 67 of 1973 and section 23 of Act 94 of 1977.

Insertion of section 55A in Act 24 of 1965.

- reserwes, dat 'n redelike en billike verdeling van die bates, reserwes en ander verpligtings van die betrokke vereniging gemaak is met betrekking tot die oordrag van die betrokke gedeelte van sy besigheid; en 5
- (b) die ooreenkoms in subartikel (2) bedoel, bepaal dat die vereniging wat 'n gedeelte van sy bates en laste oordra, van tyd tot tyd moet belê in effekte, skuldbriewe of aandele uitgereik deur die oordragnemende vereniging of instelling, na gelang van die geval, sodat so 'n vereniging of instelling deposito's wat eersbedoelde vereniging aan hom oorgedra het en wat op die eersvolgende vervaldatum daarvan ná die datum van genoemde oordrag van bates en laste onttrek word, kan terugbetaal, en, gedurende die tydperk deur die registrateur goedgekeur en op die voorwaardes in die vermelde ooreenkoms uiteengesit, enige aandele in hom aldus oorgedra, kan aflos. 10 15 20
- (6) By die registrasie deur die registrateur van die kennisgewing van die oordrag van gedeelte van die bates en laste van 'n vereniging aan 'n ander vereniging of 'n ander instelling, word die bates en laste oorgedra bates en laste van die oordragnemende vereniging of instelling, na gelang van die geval.''. 25

Kort titel.

32. Hierdie Wet heet die Wysigingswet op Finansiële Instellings, 1978.

FINANCIAL INSTITUTIONS AMENDMENT ACT, 1978.

Act No. 80, 1978

- and fair division of the assets, reserves and other liabilities of the society concerned has been made with regard to the transfer of the relevant part of its business; and
- 5 (b) the agreement referred to in subsection (2) provides that the society transferring part of its assets and liabilities shall from time to time invest in stock, debentures or shares issued by
- 10 the transferee society or institution, as the case may be, in order that such society or institution may repay deposits which the first-mentioned society transferred to it and which are withdrawn
- 15 on the first maturity date subsequent to the date of the said transfer, and may redeem, during such period as the registrar may approve and on the conditions set out in the said agreement, any shares in it so transferred.
- 20 (6) Upon the registration by the registrar of the notice of the transfer of part of the assets and liabilities of any society to another society or other institution, the assets and liabilities transferred shall become assets and liabilities of the transferee society or institution, as the case may be."

32. This Act shall be called the Financial Institutions Amend- Short title.
25 ment Act, 1978.

