STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

As 'n Nuusblad by die Poskantoor Geregistreer

Registered at the Post Office as a Newspaper

Prys 10c Price
Oorsee 15c Overseas
POSVRY—POST FREE

Vol. 57.] KAAPSTAD, 9 MAART 1970. [No. 2661.
CAPE TOWN, 9TH MARCH, 1970.

DEPARTEMENT VAN DIE EERSTE MINISTER.

No. 379. 9 Maart 1970.

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

No. 23 van 1970: Wysigingswet op Finansiële Instellings, 1970.

DEPARTMENT OF THE PRIME MINISTER.

No. 379. 9th March, 1970.

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

No. 23 of 1970: Financial Institutions Amendment Act, 1970.

ACT

To amend the Third Schedule to the Insurance Act, 1943, in order to extend the kinds of assets which may be approved by the registrar for the purposes of the said Schedule; section 19 of the Pension Funds Act, 1956, in order to extend the kinds of assets which may be approved by the registrar for the purposes of that section; sections 14 and 17 of the Banks Act, 1965, in order to allow certain other banking institutions to make certain deductions, in respect of remittances in transit, which at present may be made only by commercial banks; section 21 of the last-mentioned Act in order to increase the aggregate amount which may be accepted from a person on savings account; section 49 of the last-mentioned Act in order to confer upon the registrar the power at present vested in the Minister in respect of the use of the word "bank" by undertakings which are not registered under the Act; section 26 of the Building Societies Act, 1965, in order to increase the aggregate amount which may be accepted from a person on savings account; sections 28 and 37 of the last-mentioned Act in order to authorize the issue of fixed period shares with a fixed rate of dividend; and section 40 of the last-mentioned Act in order to increase the maximum mortgage advance which certain building societies may make; and to provide for incidental matters.

(*Afrikaans text signed by the State President.*)
(*Assented to 3rd March*, 1970.)

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

1. The Third Schedule to the Insurance Act, 1943 is hereby amended by the substitution for paragraph 6 of the following paragraph:

"6. Bills, bonds or securities which the registrar has approved subject to such conditions as he may impose, and also those issued by an institution which he has likewise approved.".

Amendment of Third Schedule to Act 27 of 1943, as substituted by section 46 of Act 73 of 1951 and amended by section 24 of Act 79 of 1959, section 36 of Act 10 of 1965, section 10 of Act 41 of 1966 and section 27 of Act 39 of 1969.

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

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

"(*e*) bills, bonds or securities issued or guaranteed by the Rand Water Board or the Electricity Supply Commission;"; and

(*b*) by the insertion after paragraph (*g*) of the said subsection of the following paragraph:

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 and section 1 of Act 80 of 1969.

"(*h*) bills, bonds or securities approved by the registrar subject to such conditions as he may impose, and also those issued by an institution which the registrar has likewise approved:".

Amendment of section 14 of Act 23 of 1965.

3. Section 14 of the Banks Act, 1965, is hereby amended by the addition of the following subsection:

"(5) For the purposes of subsections (1) and (2) a commercial bank shall be deemed to include any banking institution which has a branch system, which accepts money on deposit withdrawable by cheque and which has been admitted to the clearing house of banks.".

Amendment of section 17 of Act 23 of 1965.

4. Section 17 of the Banks Act, 1965, is hereby amended by the insertion of the following subsection:

"(4) For the purposes of paragraph (i) of the proviso to subsection (1) a commercial bank shall be deemed to include any banking institution which has a branch system, which accepts money on deposit withdrawable by cheque and which has been admitted to the clearing house of banks.".

Amendment of section 21 of Act 23 of 1965.

5. Section 21 of the Banks Act, 1965, is hereby amended—

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

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

(*b*) by the substitution for paragraph (*b*) of the said subsection of the following paragraph:

"(*b*) Where on the fourth day of August, 1969, the credit balance on a savings account lawfully exceeded ten thousand rand, such balance shall not by reason of the provisions of paragraph (*a*) be required to be reduced to the said amount: Provided that—

(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; and

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

(*c*) by the substitution for subsection (7) of the following subsection:

"(7) Where the limit prescribed by paragraph (*a*) of subsection (4) is exceeded as a result of the amalgamation of two or more institutions or the transfer of the assets and liabilities of any institution to another, the provisions of paragraph (*b*) of subsection (4) shall *mutatis mutandis* apply as if the savings account in question had been in existence on the fourth day of August, 1969.".

Amendment of section 49 of Act 23 of 1965.

6. Section 49 of the Banks Act, 1965, is hereby amended by the substitution for paragraph (*b*) of subsection (4) of the following paragraph:

"(*b*) that the Registrar has given written permission to apply the said name, style or description to the company, society, firm, business or undertaking in question.".

Amendment of section 26 of Act 24 of 1965, as amended by section 6 of Act 64 of 1968.

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

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

"(4) A society shall not allow any one person to maintain with it a credit balance on savings account in excess of—

(*a*) three thousand five hundred rand if the society's total assets as at the close of the last preceding financial year did not exceed five hundred thousand rand; or

(*b*) ten thousand rand if the said assets at the close of such financial year exceeded five hundred thousand rand:

Provided that nothing in this subsection contained shall preclude a society from crediting interest to a savings account.";

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

"(5) Where on the fourth day of August, 1969, the credit balance on a savings account lawfully exceeded the limit prescribed by subsection (4), such balance shall not by reason of the provisions of the said subsection be required to be reduced: Provided that—

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

(*b*) if the balance in such account is at any time reduced to below the said limit, such limit shall also apply to it."; and

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

"(6) Where the limit prescribed by subsection (4) is exceeded as a result of an amalgamation of two or more societies or the transfer of assets and liabilities of any society to another society, the provisions of subsection (5) shall *mutatis mutandis* apply as if the savings account in question had been in existence on the fourth day of August, 1969, and had exceeded that limit on that date.".

Amendment of section 28 of Act 24 of 1965, as amended by section 3 of Act 99 of 1967 and section 7 of Act 64 of 1968.

8. Section 28 of the Building Societies Act, 1965, is hereby amended by the substitution in subsection (6) for all the words preceding the first proviso of the following words:

"(6) Notwithstanding anything contained in this section, but subject to the provisions of section 37 (5A), the registered owner of any share in a society may upon giving three months' notice obtain redemption of that share if the society then agrees to redeem it:".

Amendment of section 37 of Act 24 of 1965.

9. Section 37 of the Building Societies Act, 1965, is hereby amended by the insertion after subsection (5) of the following subsection:

"(5A) Where a society issued a fixed period share on or after the fifth day of August, 1969, with the specific undertaking that the dividend rate during the full currency of the share will remain unaltered, the provisions of subsections (2) and (5) shall not apply: Provided that—

(*a*) such a share shall not be redeemed by the society before the expiry of the period of issue except in the circumstances set forth in paragraphs (*a*), (*c*), (*d*) and (*e*) of the second proviso to section 28 (6); and

(*b*) a society shall not grant a loan against the security of such a share.".

Amendment of section 40 of Act 24 of 1965, as amended by section 13 of Act 64 of 1968.

10. Section 40 of the Building Societies Act, 1965, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) A society shall not make against the security of a mortgage of urban immovable property an advance exceeding—

(*a*) twenty thousand rand or ten per cent of the sum of its indefinite share capital and general reserve as at the close of its last preceding financial year, whichever is the greater amount; or

(*b*) twenty thousand rand or such a greater amount as the registrar may approve, in the case of a society which has not completed its first financial year; or

(*c*) four hundred thousand rand, in any case.".

Short title and commencement.

11. (1) This Act shall be called the Financial Institutions Amendment Act, 1970.

(2) The provisions of sections 3 and 4 shall be deemed to have come into operation on the 1st March, 1969, and those of sections 5, 7, 8, 9 and 10 on the 5th August, 1969.