



# STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

## GOVERNMENT GAZETTE

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[No. 7151

KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 1526.

1 Augustus 1980.

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

No. 99 van 1980: Wysigingswet op Finansiële Instellings, 1980.

No. 1526.

1 August 1980.

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

No. 99 of 1980: Financial Institutions Amendment Act, 1980.

## FINANCIAL INSTITUTIONS AMENDMENT ACT, 1980

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## 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 provisions of the Insurance Act, 1943, relating to definitions; to provide for the appointment of an advisory committee on short-term insurance; and for the registration of insurers for home service business; relating to the requirements as to the registration of new insurers; and to money or approved securities deposited with the Treasury; to abolish sinking fund business; relating to the power of the Registrar of Insurance to permit insurers to depart in certain circumstances from certain provisions of the said Act; and to the prohibition of certain practices or methods of conducting business; to prohibit certain conditional transactions; relating to unregistered former insurance concerns; to facilitate the amalgamation or transfer of insurance business in certain respects; relating to the amounts which may be paid out by an insurer upon the death of insured children under 14 years of age; and to funeral policies and industrial business; to amend the provisions of the Stock Exchanges Control Act, 1947, to provide for restrictions on the administration and custody of investments in listed securities on behalf of other persons; and to create further offences; to amend the provisions of the Unit Trusts Control Act, 1947, relating to the nature of the securities which may be included in unit portfolios; to provide for the amalgamation of unit trust schemes and portfolios and for the cession, transfer and take-over of the rights of holders of unit certificates; relating to the application of the Companies Act, 1973, to management companies; and to the application of the said Unit Trusts Control Act to South West Africa; to amend the provisions of the Pension Funds Act, 1956, relating to definitions; to the investments which may be held by registered pension funds; to the reduction, transfer and attachment of pension benefits; and to the disposition of benefits upon the death of a member of a pension fund; to amend the provisions of the Friendly Societies Act, 1956, relating to the amounts of the benefits which may be paid by a friendly society upon the death of insured children under 14 years of age; and to the investments which may be held by friendly societies; to amend the provisions of the Participation Bonds Act, 1964, relating to definitions; to amend the provisions of the Banks Act, 1965, relating to definitions; and to the minimum capital and reserves, reserve balances and liquid assets to be held by a banking institution; and to provide that minors above 16 years of age and all married women may be depositors with banking institutions and that they shall have certain other powers; to amend the provisions of the Building Societies Act, 1965, relating to definitions; to provide that building societies may also do business in connection with rights of

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leasehold; relating to the power of building societies to issue shares; and to the monthly returns by building societies; and to make further provision in connection with the restrictions on the amounts which may be made as advances by building societies; and to provide for incidental matters.

(Afrikaans text signed by the State President.)  
(Assented to 1 July 1980.)

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

1. Subsection (1) of section 1 of the Insurance Act, 1943, is hereby amended—
  - (a) by the substitution for subparagraph (ii) of paragraph (a) of the definition of "approved reinsurances" of the following subparagraph:
 

“(ii) in the case of life **[and sinking fund]** business, any reinsurances effected prior to the first day of January, 1952, and relating to policies issued before that date, and any other reinsurances specially approved by the registrar in exceptional circumstances at the request of the insurer concerned; and”;
  - (b) by the substitution for the definition of "funeral policy" of the following definition:
 

“‘funeral policy’ means a policy, if application therefor was made before the commencement of the Financial Institutions Amendment Act, 1980, whereby the insurer assumes an obligation, in return for a premium or the promise of a premium, to provide, on the death of any person, benefits which involve amounts not exceeding in the aggregate five hundred rand and which consist principally of—

    - (a) provision for the funeral of that person; or
    - (b) the grant of some other non-monetary benefit to any person,

whether or not the policy provides for the payment, at the option of the insurer or any other person, of a sum of money in lieu of the provision of such funeral or the grant of such other non-monetary benefit, and whether or not it provides for the payment of a sum of money in addition to the provision of such funeral or the grant of such other non-monetary benefit”;
  - (c) by the insertion after the definition of "guarantee policy" of the following definitions:
 

“‘home service business’ means the business of assuming the obligations of an insurer under home service policies;

‘home service policy’ means a policy, if issued after the commencement of the Financial Institutions Amendment Act, 1980, whereby the insurer assumes such an obligation as is described in the definition of ‘life policy’ which, before any benefit contemplated in section 36 read with section 59 or any bonus is taken into account, does not exceed in value the sum of one thousand rand on any life

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

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insured under the policy, irrespective of whether the insurer has undertaken under the policy to send a person from time to time to the owner of the policy or to his residence or place of work to collect the premiums;”;

(d) by the substitution for the definition of “industrial policy” of the following definition:

“‘industrial policy’—

(a) means a policy (other than a funeral policy), if application therefor was made before the commencement of the Financial Institutions Amendment Act, 1980, whereby the insurer assumes such an obligation as is described in the definition of [the expression] ‘life policy’, not exceeding in value the sum of one thousand rand, in return for a premium or the promise of a premium payable from time to time at intervals not exceeding two months, if the insurer has expressly or tacitly undertaken to send a person from time to time to the owner of the policy or to his residence or place of work to collect the premiums: Provided that the owner of the policy and the insurer may expressly agree, after the said commencement, on another manner of payment of the premiums;

(b) includes a paid-up policy issued, after the said commencement, in terms of section 62 (2) in the place of a policy referred to in section 62 (2) (b);”;

(e) by the substitution for the definition of “life policy” of the following definition:

“‘life policy’ means a policy whereby the insurer assumes (in return for the payment or the promise of the payment of a sum or sums of money) an obligation to pay to a particular person certain sums of money at specified intervals, or a certain sum of money or to provide for a particular person a certain other benefit—

(a) on the occurrence of the death of a particular person or on the occurrence of the birth of a child to a particular person at any time or within a specified period; or

(b) in the event of a particular person continuing to live throughout a specified period or specified periods;

or a policy whereby the insurer assumes any obligation in return for a promise of a periodical payment of a certain premium—

(i) until the occurrence of the death of a particular person; or

(ii) during the specified period or until the occurrence of the death of a particular person before the expiration of that period;

and the expression ‘life policy’ includes—

(aa) any contract of insurance which is customarily regarded as a life insurance contract; and

(bb) any policy which does not exceed in value the sum of one thousand rand on any life insured under the policy provided that it shall not be issued under the name ‘home service policy’ or that the insurer has not undertaken under the policy to send a person from time to time to the owner of the policy or to his residence or place of work to collect the premiums;

and a life policy or the insurer under a life policy shall, for the purposes of this Act, be deemed to



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insure the life of the person upon whose death or upon the continuance of whose life the obligation of either party to the policy is contingent; but the expression 'life policy' does not include an industrial policy or a funeral policy or a personal accident policy or any other insurance policy under which such a contingent obligation as hereinbefore in this definition described, forms a subordinate part of the insurance effected by that other policy;"

(f) by the substitution for the definition of "long-term insurance business" of the following definition:

"'long-term insurance business' means any life business, industrial business, funeral business or **[sinking fund] home service business**";

(g) by the substitution for the definition of "policy" of the following definition:

"'policy' means any valid insurance contract, whatever may be the form in which the rights and obligations of the parties to the contract are expressed or created, and includes **[(a) a sinking fund policy; and (b) any statutory form of bond, guarantee or undertaking in terms of which an insurer assumes an obligation as surety for the discharge of the debts or other obligations of any person in return for the payment or the promise of the payment of a sum or sums of money] a guarantee policy**";

(h) by the deletion of the definitions of "sinking fund business" and "sinking fund policy".

2. The following section is hereby inserted in the Insurance Act, 1943, after section 2A:

Insertion of section 2B in Act 27 of 1943.

"Advisory committee on short-term insurance.

2B.(1) (a) The Minister shall appoint an advisory committee on matters relating to short-term insurance, consisting of the registrar as chairman and such other members as the Minister may from time to time determine.

(b) A member of the advisory committee shall hold office for such period as the Minister may determine and shall be eligible for reappointment upon the expiration of his period of office.

(2) For the purposes of this section the provisions of section 2A (2) to (6), both inclusive, shall apply mutatis mutandis."

3. The following section is hereby inserted in the Insurance Act, 1943, after section 3quat:

Insertion of section 3quin in Act 27 of 1943.

"Registration of certain persons as insurers for home service business.

3quin. If any person on the date of commencement of the Financial Institutions Amendment Act, 1980, is registered as an insurer authorized to carry on funeral or industrial business or funeral and industrial business and is liable under a funeral or industrial policy, the registrar shall on such date register such person free of charge as an insurer authorized to carry on home service business, and shall issue in that regard a certificate to such person."

4. Section 4 of the Insurance Act, 1943, is hereby amended—

(a) by the substitution in paragraph (c) of subsection (3)bis for the words preceding subparagraph (i) of the following words:

Amendment of section 4 of Act 27 of 1943, as amended by section 1 of Act 19 of 1945,

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- “as an insurer authorized to carry on **[any class of long term insurance business other than funeral business] life business**, unless he has satisfied the registrar—”;
- 5 (b) by the substitution for paragraph (d) of subsection (3) *bis* of the following paragraph:
- “(d) as an insurer authorized to carry on **[funeral] home service business** unless he has satisfied the registrar—
- 10 (i) that he has deposited with the Treasury money or approved securities or money and approved securities having an aggregate value of not less than twenty thousand rand; or
- 15 (ii) that he will fully reinsure with a registered insurer all his liabilities under unmatured policies issued in respect of such business and will not issue any further policies, except paid-up policies in terms of section 62 (2), in respect of such business;”.

section 3 of Act 73 of 1951, section 4 of Act 79 of 1959, section 10 of Act 64 of 1960, section 3 of Act 10 of 1965, section 2 of Act 39 of 1969, section 3 of Act 101 of 1976 and section 2 of Act 103 of 1979.

- 20 5. Section 6 of the Insurance Act, 1943, is hereby amended—
- (a) by the insertion after subsection (2) of the following subsection:

Amendment of section 6 of Act 27 of 1943, as substituted by section 6 of Act 10 of 1965 and amended by section 4 of Act 39 of 1969.

- “(2A) Any money or approved securities deposited with the Treasury by an insurer registered in terms of section 3 *quin* as an insurer authorized to carry on home service business, shall be deemed to be deposited in respect of home service business and such other long-term insurance business as was carried on by the insurer at the commencement of the Financial Institutions Amendment Act, 1980.”;

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

- “(3) Upon an order being made by the court that the whole or any class of the long term insurance business of an insurer be wound up, any money or securities deposited with the Treasury in terms of this section or section 4 shall be made available to the liquidator winding up the business, for distribution to the owners of any life policies, industrial policies, funeral policies and **[sinking fund] home service policies** under which the insurer is liable in respect of the business to which the order relates and which were issued in connection with the long term insurance business carried on by the insurer on or before the date on which the order is made.”.

6. Section 11 of the Insurance Act, 1943, is hereby amended—
- (a) by the substitution for the proviso to subsection (1) of the following proviso:

Amendment of section 11 of Act 27 of 1943, as substituted by section 9 of Act 73 of 1951 and amended by section 8 of Act 10 of 1965 and section 3 of Act 103 of 1979.

- 50 “Provided that a profit and loss account shall not be required to be furnished by a company or association which has no share capital, or by an insurer who carries on, either within or outside the Republic, no business other than insurance business and only one class of insurance business **[or only life business and sinking fund business]**.”;

- 55 (b) by the substitution for subsection (6) of the following subsection:

- 60 “(6) On the application of any owner of a domestic policy which is a life policy, industrial policy, funeral policy or **[sinking fund] home service policy**, under

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which a registered insurer is liable, the insurer shall furnish to the applicant, free of charge, a copy of the last revenue account, profit and loss account or balance sheet prepared by the insurer under subsection (1).”

- 5 7. Section 18bis of the Insurance Act, 1943, is hereby amended by the addition of the following subsection:

“(4) The registrar, on the application of an insurer liable under policies under which the extent of the benefits is to be calculated with reference to the value of specified assets, shall permit, to such extent and subject to such conditions as he may determine, such insurer to depart from the provisions of subsection 17 (2) or 18 (2), as the case may be, if the registrar is satisfied that the value of such assets, excluding assets of the kinds referred to in Part I of the Third Schedule, has increased substantially while being held by such insurer.”

Amendment of section 18bis of Act 27 of 1943, as substituted by section 4 of Act 91 of 1972 and amended by section 8 of Act 101 of 1976, section 5 of Act 94 of 1977 and section 6 of Act 103 of 1979.

8. Section 23B of the Insurance Act, 1943, is hereby amended by the substitution for the proviso to subsection (1) of the following proviso:

20 “Provided that the Minister shall not give his consent for such declaration unless—

(a) the registrar has given notice in the *Gazette* of his intention to make such declaration at least thirty days before such consent is given and has invited in such notice all interested persons to make representations in writing to him within twenty-one days of such notice regarding the intended declaration; **[and]**

25 (b) if such declaration applies to an insurer who is registered under this Act to carry on funeral, industrial, life or **[sinking fund]** home service business or to a person who renders services towards effecting, maintaining or servicing funeral, industrial, life or **[sinking fund]** home service policies underwritten by a registered insurer, the registrar has consulted the advisory committee appointed in terms of section 2A, about it; **and**

30 (c) if such declaration applies to an insurer who is registered under this Act to carry on fire, guarantee, marine, miscellaneous, motor or personal accident business or to a person who renders services towards effecting, maintaining or servicing fire, guarantee, marine, miscellaneous, motor or personal accident policies underwritten by a registered insurer, the registrar has consulted the advisory committee appointed in terms of section 2B, about it.”

Amendment of section 23B of Act 27 of 1943, as inserted by section 9 of Act 103 of 1979.

9. The following section is hereby inserted in the Insurance Act, 1943, after section 23B:

50 “Prohibition of certain conditional transactions.

23C. (1) No person shall lend or offer to lend money or render or offer to render any service or lease or offer to lease goods or grant or offer to grant credit to any person (hereinafter in this section referred to as the debtor) or maintain or offer to maintain any loan of money or the rendering of any service or the lease of any goods or the granting of credit on condition that any person, irrespective of whether he is the debtor, shall take out or renew, vary or cancel any policy (other than a contract of insurance which is reinsured or is to be reinsured in the manner contemplated in section 2 of the Export Credit Reinsurance Act, 1957 (Act No. 78 of 1957)) unless—

60 (a) where for the purposes of securing the debt in question or any other obligation arising from the

Insertion of section 23C in Act 27 of 1943.

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transaction in question it is reasonable to require the person concerned, having regard to—

- (i) the creditworthiness of the debtor;
- (ii) any other security furnished or offered by the debtor; and

(iii) any other relevant considerations, to take out, renew, vary or cancel a policy of the nature and amount of the policy in question; and  
(b) where it is required that a new policy is to be taken out—

- (i) he informs the debtor that he has a free choice in respect of the insurer with and the intermediary through whom the policy is to be taken out; or

- (ii) to insure immovable property which has been or is to be mortgaged to secure a debt or other obligation, the premiums payable under the policy are reasonable in relation to premiums generally charged in respect of any such policy: Provided that a certificate from the registrar in which he states that in his opinion the premiums in question are reasonable shall for the purposes of this subparagraph be sufficient proof of the reasonableness of such premiums.

(2) If any person other than the debtor has taken out a policy to which the provisions of subsection (1) apply, he shall furnish a copy thereof to the debtor within fourteen days after being requested therefor in writing by the debtor.”

10. Section 24 of the Insurance Act, 1943, is hereby amended by the substitution for subsection (7) of the following subsection:

“(7) The provisions of subsection (6) shall not apply

[(a) to a former insurer in respect of sinking fund business; or (b)] to a former insurer who has issued no policies in the Republic after the thirty-first day of December 1926: Provided that if at any time the Minister is satisfied that the financial position of any such former insurer is not sound, he may direct that former insurer to comply with the provisions of the said subsection within such period as the Minister may determine.”

Amendment of section 24 of Act 27 of 1943, as amended by section 4 of Act 19 of 1945, section 21 of Act 73 of 1951 and section 19 of Act 10 of 1965.

11. Section 25 of the Insurance Act, 1943, is hereby amended by the addition of the following subsection:

“(14) If in terms of this section any business of any

insurer has been amalgamated with any business of any other insurer or transferred to any other insurer, every officer (including any Registrar of Deeds, any Master of the Supreme Court and the Registrar of Companies) in charge of any office in which property or any mortgage or other right is registered in the name of or by the first-mentioned insurer or an appointment of or in favour of the first-mentioned insurer was made or a licence was issued to or in favour of the first-mentioned insurer, upon production to him of a certificate in which the registrar states that he or the court, as the case may be, confirmed the amalgamation or transfer in terms of this section and upon production to him of the title deed, mortgage bond, deed, certificate, letter of appointment, licence or other document in question, shall make such endorsement thereon and such entries in his registers or other

Amendment of section 25 of Act 27 of 1943, as amended by section 22 of Act 73 of 1951, section 8 of Act 39 of 1969 and section 10 of Act 103 of 1979.

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books as may be necessary to effect or record the transfer of the property, mortgage, other right, appointment or licence in question to the amalgamated business or the insurer to whom any business was transferred, as the case may be, and no transfer or stamp duty or registration, licence or other fees shall be payable in respect of any endorsement or entry made as aforesaid.”.

12. Section 31 of the Insurance Act, 1943, is hereby amended by the substitution for paragraph (a) of subsection (11) of the following paragraph:

Amendment of section 31 of Act 27 of 1943, as amended by section 26 of Act 73 of 1951 and section 24 of Act 10 of 1965.

“(a) in so far as those assets are held in respect of long term insurance business, for the benefit of owners of such of the life policies, industrial policies, funeral policies and **[sinking fund]** home service policies under which the insurer is liable, as have been issued in connection with the long term insurance business carried on by the insurer in the Republic;”.

13. Section 50 of the Insurance Act, 1943, is hereby amended—

Amendment of section 50 of Act 27 of 1943, as substituted by section 11 of Act 101 of 1976.

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

“(a) **[one hundred]** two hundred and fifty rand, if the child is under six years of age; or”;

(b) by the substitution for paragraph (b) of the following paragraph:

“(b) **[two hundred]** five hundred rand, if the child is six years old or older, but is under fourteen years of age.”.

14. The following section is hereby substituted for section 52 of the Insurance Act, 1943:

Substitution of section 52 of Act 27 of 1943.

“Application to industrial business of sections 34 to 50 and 57A.

52. The provisions of sections 34 to 50, both inclusive, and 57A shall apply *mutatis mutandis* in connection with industrial business.”.

15. The following section is hereby substituted for section 57A of the Insurance Act, 1943:

Substitution of section 57A of Act 27 of 1943, as inserted by section 18 of Act 39 of 1969.

“Receipt to be issued for certain premium on funeral policy.

57A. (1) If any payment is received in respect of a premium on a funeral policy by a person sent to collect the premium by the insurer who is liable under such policy, or by such insurer in any other manner, **[he]** such person or such insurer, as the case may be shall in respect of such payment issue a receipt which shall clearly indicate the due date of the premium in respect of which the payment has been received.

(2) A premium collected in terms of subsection (1), shall be deemed to have been received by the insurer.”.

16. The following heading is hereby substituted for the heading preceding section 59 of the Insurance Act, 1943:

Substitution of heading preceding section 59 of Act 27 of 1943.

“(D) **[Sinking Fund]** Home Service Business”.

17. The following section is hereby substituted for section 59 of the Insurance Act, 1943:

Substitution of section 59 of Act 27 of 1943, as amended by section 38 of Act 73 of 1951.

“Application to home service business of sections 34, 36 to 50 and 57A.

59. The provisions of sections 34, **[and 51]** 36 to 50, both inclusive, and 57A shall apply *mutatis mutandis* in connection with **[sinking fund]** home service business.”.



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18. The following section is hereby inserted in the Insurance Act, 1943, after section 59:

Insertion of section 59A in Act 27 of 1943.

“Reference to certain home service policies as funeral policies.”

59A. If an insurer is liable under a home service policy to pay any funeral costs in connection with the funeral of a person whose life is insured under the policy, the insurer may for marketing purposes refer to such a policy as a funeral policy.”

19. Section 61 of the Insurance Act, 1943, is hereby amended by the substitution for paragraph (a) of subsection (2) of the following paragraph:

Amendment of section 61 of Act 27 of 1943, as amended by section 30 of Act 46 of 1944.

“(a) one hundred rand for one or more of the following classes of business, viz., for life business, industrial business or home service business.”

20. Section 62 of the Insurance Act, 1943, is hereby amended—

Amendment of section 62 of Act 27 of 1943, as amended by section 40 of Act 73 of 1951 and section 7 of Act 94 of 1977.

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

“(1) If any premium under a life policy, industrial policy or home service policy which is a domestic policy, has not been paid on its due date, the insurer who is liable under the policy shall, notwithstanding any agreement to the contrary between the parties to the policy, maintain the policy in force for the full sum insured without payment of a further premium for a period of one month as from the due date of the first unpaid premium, and if the premium is paid within the said month the insurer shall renew the policy: Provided that if the premiums under a domestic life policy or a sinking fund policy are payable at monthly intervals, or at intervals of less than one month, the provisions of this subsection shall be construed as if the words ‘fifteen days’ were in each case substituted for the words ‘one month’ and ‘month’: Provided further that if a claim under the policy occurs during the period of grace herein provided for, the insurer shall be entitled to deduct the amount of the unpaid premium from the claim.”;

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

“(2) If any premium under a domestic policy which is—

- (a) a life policy under which at least three years’ premiums have been paid; or
- (b) an industrial policy under which at least five years’ premiums have been paid; or
- (c) a home service policy under which at least three five years’ premiums have been paid,

has not been paid within the period specified in subsection (1), the insurer who is liable under that policy shall, in accordance with rules made by him and approved by the registrar, either issue, in return for and in lieu of the said policy, a paid-up policy which shall be free from the obligation to pay any premiums thereunder, or [(unless the policy is a sinking fund policy)] apply the non-forfeiture value of the policy in maintaining the policy in force for a period and by a method to be determined in accordance with such rules: Provided that—

- (i) the said rules shall specify the basis on which and the methods by which the amount of any such non-forfeiture value and the amount of any such paid-up policy is to be calculated, and whether any such paid-up policy shall entitle the owner to any future bonuses thereon; and

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- (ii) the owner of a policy may waive any of his rights under this subsection.”;
- (c) by the substitution for subsection (3) of the following subsection:

5 “(3) The provisions of subsection (2) shall not apply in connection with any particular kind of life policy, [or] industrial policy or home service policy which an insurer has issued or proposes to issue if the registrar is satisfied that the actuarial nature of such policies prevents the insurer from accumulating, in respect of policies of that kind, sufficient funds to enable him to grant any substantial benefit of a kind described in that subsection.”.

21. The following section is hereby substituted for section 64 of the Insurance Act, 1943:

Substitution of section 64 of Act 27 of 1943.

“Lost policies.

64. When a domestic policy which is a life policy [or a sinking fund policy] has been lost or destroyed and the loss or destruction has been proved and advertised in such a manner as may have been prescribed by regulation the insurer who is liable under the policy shall, at the request of the owner of the policy and on payment by him to the insurer of such a fee as may have been prescribed by regulation, issue to the said owner a correct and certified copy of the policy (including any endorsement made on the original policy after its issue) and of any record in the possession of the insurer of any dealings with the policy. Such certified copy shall thereafter for all purposes take the place of the policy so lost or destroyed and be the sole evidence of the contract made by the policy.”.

22. The Second Schedule to the Insurance Act, 1943, is hereby amended—

Amendment of the Second Schedule to Act 27 of 1943, as substituted by section 45 of Act 73 of 1951 and amended by section 35 of Act 10 of 1965, section 26 of Act 39 of 1969 and section 14 of Act 101 of 1976.

- (a) by the substitution for the heading preceding section 9 of the following heading:  
 “*Minimum Basis for Liabilities under [Sinking Fund] Home Service Policies*”;
- (b) by the substitution for section 9 of the following section:  
 “9. The provisions of section 7 of this Schedule shall apply *mutatis mutandis* to a calculation of the liabilities under unmaturing home service policies on a minimum basis.”.

23. The following section is hereby inserted in the Stock Exchanges Control Act, 1947, after section 2B:

Insertion of section 2C in Act 7 of 1947.

- 2C. (1) No person shall, as a regular feature of his business, administer or hold in safe custody on behalf of any other person any investments in listed securities or any investments of which listed securities form part unless he is—
- (a) a stock-broker; or
- (b) a banking institution registered under the Banks Act, 1965; or
- (c) a company which is registered as a management company or a company or institution which is registered as a trustee under the Unit Trusts Control Act, 1947; or
- (d) an attorney practising as such on his own account or in partnership or as a member of a professional company; or

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- (e) an accountant or auditor registered in terms of the Public Accountants' and Auditors' Act, 1951 (Act No. 51 of 1951), as an accountant and auditor and engaged in public practice as such; or
- (f) a person approved by the registrar or a person who is a member of a category of persons approved by the registrar, and complies with such conditions as the Minister may determine from time to time in the *Gazette*.
- (2) For the purposes of subsection (1) it shall be deemed that the administration or safe custody of listed securities is not a regular feature of the business of any person—
- (a) unless he—
- (i) either for himself or for any other person, directly or indirectly, canvasses, advertises or touts for any work being the administration or safe custody of such securities; or
  - (ii) receives any valuable consideration (other than fees normally charged by an attorney or an accountant or auditor referred to in subsection (1) for services rendered) for the administration or custody of such securities; or
- (b) if such securities form part of the assets—
- (i) in any deceased or insolvent estate and he is the executor, administrator or trustee concerned or a person administering or holding in safe custody such securities on behalf of such executor, administrator or trustee; or
  - (ii) of any person under curatorship and he is the curator concerned or a person administering or holding in safe custody such securities on behalf of such curator; or
  - (iii) of a company in liquidation or under judicial management and he is the liquidator or judicial manager concerned or a person administering or holding in safe custody such securities on behalf of such liquidator or judicial manager; or
  - (iv) of a trust *inter vivos* and he is the trustee concerned or a person administering or holding in safe custody such securities on behalf of such trustee; or
  - (v) of a minor and he is the guardian concerned or a person administering or holding in safe custody such securities on behalf of such guardian."

50 24. Section 25 of the Stock Exchanges Control Act, 1947, is hereby amended by the substitution for paragraph (c) of subsection (1) of the following paragraph:

"(c) contravenes or fails to comply with the provisions of section 2B, 2C, 13, 13A, 18, 20A or 22 (1);".

Amendment of section 25 of Act 7 of 1947, as substituted by section 37 of Act 86 of 1971 and amended by section 3 of Act 67 of 1973.

55 25. The Stock Exchanges Control Act, 1947, is hereby amended by the substitution for the expressions "Companies Act, 1926 (Act No. 46 of 1926)" and "Companies Act, 1926", wherever they occur, of the expressions "Companies Act, 1973 (Act No. 61 of 1973)" and "Companies Act, 1973", respectively.

Substitution of certain expressions in Act 7 of 1947.

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26. Section 3 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution in paragraph (a) of subsection (2) for the expression "Companies Act, 1926 (Act No. 46 of 1926)" of the expression "Companies Act, 1973 (Act No. 61 of 1973)".
- Amendment of section 3 of Act 18 of 1947, as amended by section 3 of Act 11 of 1962 and section 2 of Act 65 of 1963.
27. Section 8 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subparagraph (ii) of paragraph (a) of subsection (1) of the following subparagraph:
- Amendment of section 8 of Act 18 of 1947, as substituted by section 7 of Act 11 of 1962 and amended by section 3 of Act 65 of 1963, section 6 of Act 58 of 1966, section 5 of Act 65 of 1968, section 2 of Act 75 of 1970 and section 18 of Act 101 of 1976.
- “(ii) securities of any one class (other than approved securities) issued by any one concern to an amount in excess of five per centum of the aggregate amount representing all the securities of that class issued by that concern, or, in the case of securities in any investment company, ten per centum of the aggregate amount of the issued securities of any one class in such company except in so far as the excess is due to an amalgamation, cession, transfer or take-over in terms of section 23A, but subject to the condition that—
- (aa) the management company shall not make any further investments in securities of the class in question as long as the said five or ten per centum, as the case may be, is exceeded;
- (bb) the management company shall within 12 months after the date on which such amalgamation, cession, transfer or take-over becomes effective or within such further period as the registrar may determine from time to time, reduce the securities of the class in question to at least the said five or ten per centum, as the case may be; and”.
28. Section 10 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution in paragraph (b) of subsection (4) for the expression “subsection (7) of section *seventy* of the Companies Act, 1926 (Act No. 46 of 1926)” of the expression “section 216 (2) of the Companies Act, 1973 (Act No. 61 of 1973)”.
- Amendment of section 10 of Act 18 of 1947, as amended by section 9 of Act 11 of 1962.
29. Section 14 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution in paragraph (b) for the expression “Companies Act, 1926 (Act No. 46 of 1926)” of the expression “Companies Act, 1973 (Act No. 61 of 1973)”.
- Amendment of section 14 of Act 18 of 1947, as amended by section 12 of Act 11 of 1962.
30. Section 20 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for the expression “Companies Act, 1926 (Act No. 46 of 1926)” wherever it occurs of the expression “Companies Act, 1973 (Act No. 61 of 1973)”.
- Amendment of section 20 of Act 18 of 1947, as amended by section 18 of Act 11 of 1962 and section 19 of Act 101 of 1976.
31. The following section is hereby inserted in the Unit Trusts Control Act, 1947, after section 23:
- Insertion of section 23A in Act 18 of 1947.
- 23A. (1) Two or more unit trust schemes or portfolios shall not amalgamate, and the rights of the holders of unit certificates in a unit trust scheme or portfolio shall, except in the circumstances referred to in section 18, not be ceded or transferred to or be taken over by any other person or unit trust scheme or portfolio except with the prior consent of—
- (a) the holders of a majority in value of unit certificates in each unit trust scheme or portfolio (hereinafter in this section referred to as an original scheme or portfolio) to which a pro-

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posed amalgamation, cession, transfer or take-over refers; and  
(b) the registrar, granted on such conditions as he in writing may determine.

5 (2) A copy of the transaction (hereinafter in this section referred to as the proposed transaction) whereby the proposed amalgamation, cession, transfer or take-over is to be effected and such other  
10 particulars as may be necessary to enable the registrar to exercise his powers under this section, shall be submitted to the registrar by the parties to the proposed transaction.

(3) The registrar shall grant his consent under subsection (1) (b) only if he is satisfied that—

- 15 (a) every holder of unit certificates in an original scheme or portfolio has been furnished in writing, within a reasonable period before the date determined by the registrar in terms of  
20 subsection (4), with particulars of the proposed transaction, including particulars of the provisions of subsection (4) and of the procedure which the management company and trustee concerned intend to follow so as to ensure that  
25 every such holder shall, on the date on which the proposed transaction becomes effective, hold in the new unit trust scheme or portfolio units with an aggregate money value which is not less than the aggregate money value of the units which  
30 such holder, immediately before the date on which the proposed transaction becomes effective, held in an original scheme or portfolio;
- (b) the proposed transaction will not be detrimental to any holder of unit certificates in an original scheme or portfolio; and
- 35 (c) the holders of a majority in value of unit certificates in an original scheme or portfolio have not refused their consent to the proposed transaction.

40 (4) For the purposes of subsection (1) (a), it shall be deemed that holders of a majority in value of unit certificates in an original scheme or portfolio have given their consent to the proposed transaction unless the holders of a majority in value of unit certificates  
45 in such scheme or portfolio in writing notified the management company in question on or before a date determined by the registrar and disclosed by the management company in writing to every such holder, that they refused their consent to the proposed transaction.

50 (5) When a proposed transaction becomes effective—

- (a) the provisions of the trust deed of the new unit trust scheme or portfolio or of the unit trust  
55 scheme or portfolio which acquired rights by cession, transfer or take-over shall bind the holders of unit certificates in an original scheme or portfolio;
- (b) all the securities, cash and any other asset of an original scheme or portfolio shall vest in and  
60 form part of the new unit trust scheme or portfolio or, as the case may be, the unit trust scheme or portfolio which acquired such securities, cash and other assets by cession, transfer or take-over;
- 65 (c) the provisions of the trust deed of the new unit trust scheme or portfolio or of the unit trust



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scheme or portfolio which acquired rights by  
cession, transfer or take-over, shall apply to the  
securities, cash and assets referred to in para-  
graph (b) and to any benefits which accrue  
therefrom to holders of unit certificates; and  
(d) a holder of a unit certificate in an original  
scheme or portfolio shall acquire units in the new  
unit trust scheme or portfolio or in the unit trust  
scheme or portfolio which acquired rights by  
cession, transfer or take-over, having the same  
aggregate money value as that of the units held,  
immediately before the date on which the  
proposed transaction became effective, by such  
holder in an original scheme or portfolio.

(6) If a proposed transaction becomes effective,  
every Registrar of Deeds—  
(a) in whose deeds registry property or other rights  
are registered in the name of or in favour of an  
original scheme or portfolio;  
(b) on production to him of a certificate in which the  
registrar states that—  
(i) he in terms of subsection (1) (b) has granted  
consent to the proposed transaction; and  
(ii) the amalgamation, cession, transfer or take-  
over in question has been carried out  
properly; and  
(c) on production to him of the title deed or other  
deed or document in question,  
shall, on such title deed or other deed or document  
and in his registers or other books, make such  
endorsements and entries as may be necessary as a  
result of the said amalgamation, cession, transfer or  
take-over to effect or record the transfer of the said  
property or other rights to the new unit trust scheme  
or portfolio or, as the case may be, to the unit trust  
scheme or portfolio acquiring rights by means of the  
cession, transfer or take-over in question.

(7) No transfer or stamp duty or registration or  
other fees shall be payable in respect of any  
endorsement or entry made in terms of subsection (6),  
and no stamp duty or other fees shall be payable in  
respect of the issue of a substituting unit certificate or  
the transfer of assets as a result of any amalgamation,  
cession, transfer or take-over in terms of this section.

(8) Except in so far as this section provides  
otherwise, no amalgamation, cession, transfer or  
take-over in terms of this section shall derogate from  
the rights of any creditor or any obligation relating to  
an original scheme or portfolio.”.

32. Section 26 of the Unit Trusts Control Act, 1947, is hereby  
amended—

- (a) by the substitution in paragraph (a) of subsection (1) for  
the expression “one hundred and thirteen of the  
Companies Act, 1926 (Act No. 46 of 1926)” of the  
expression “346 of the Companies Act, 1973 (Act No.  
61 of 1973)”;
- (b) by the substitution in paragraph (b) of subsection (1) for  
the expression “sub-section (2) of section one hundred  
and ninety-five” of the expression “section 427 (2)”.

33. Section 28 of the Unit Trusts Control Act, 1947, is hereby  
amended by the substitution in paragraph (a) of subsection (2) for  
the expression “Companies Act, 1926 (Act No. 46 of 1926)” of  
the expression “Companies Act, 1973 (Act No. 61 of 1973)”.

Amendment of  
section 26 of  
Act 18 of 1947,  
as amended by  
section 24 of  
Act 11 of 1962.  
  
Amendment of  
section 28 of  
Act 18 of 1947,  
as amended by  
section 26 of  
Act 11 of 1962  
and section 6 of  
Act 65 of 1968.

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34. Section 33 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution in paragraph (b) of subsection (5) for the expression "70 (7) of the Companies Act, 1926 (Act No. 46 of 1926)" of the expression "216 (2) of the Companies Act, 1973 (Act No. 61 of 1973)".

Amendment of section 33 of Act 18 of 1947, as substituted by section 8 of Act 65 of 1968.

35. The following section is hereby substituted for section 35 of the Unit Trusts Control Act, 1947:

Substitution of section 35 of Act 18 of 1947, as substituted by section 20 of Act 101 of 1976.

10 "Certain provisions of Part I to apply to and in respect of unit trust schemes in property shares.

15 35. Sections 7, 8ter, 9, 10bis, 11 (1), (2) and (3) (excluding subsection (1) (c)), 12, 13, 14, 16, 17, 18 (1), 19, 20, 21, 22 (excluding subsections (1) (f) and (2) (c)), 23, 23A, 24, 25, 26 and 27 shall *mutatis mutandis* and in so far as they can be applied, apply to and in respect of a management company in property shares and a trustee under a unit trust scheme in property shares, and in the application thereof a reference therein to amortization of wasting assets shall be construed as a reference to depreciation of assets."

20 36. Section 38 of the Unit Trusts Control Act, 1947, is hereby amended—

Amendment of section 38 of Act 18 of 1947, as amended by section 37 of Act 11 of 1962.

(a) by the substitution in subsection (1) for the expression "Companies Act, 1926 (Act No. 46 of 1926)" of the expression "Companies Act, 1973 (Act No. 61 of 1973)";

25 (b) by the substitution for subsection (2) of the following subsection:

30 "(2) In the application of section [one hundred and sixty-three] 357 of the said Act in respect of a management company, the registrar shall be deemed to be included among the persons to whom notice is required to be given under subsection [(2)] (1) (b) of that section.";

(c) by the substitution for subsection (3) of the following subsection:

35 "(3) In the application of section [one hundred and ninety-five] 427 (2) of the said Act in respect of a management company, [subsection (5) of that section] section 346 (4) (a) shall be construed as if the words 'or to the Registrar of Unit Trust Companies appointed under the Unit Trusts Control Act, 1947,' were inserted after the [word "Master"] words 'shall be lodged with the Master' in that section."

40

37. Section 42bis of the Unit Trusts Control Act, 1947, is hereby amended by the deletion of subsection (2).

Amendment of section 42bis of Act 18 of 1947, as inserted by section 15 of Act 48 of 1964.

45 38. Section 1 of the Pension Funds Act, 1956, is hereby amended by the substitution in subsection (1) for subparagraph (i) of paragraph (b) of the definition of "dependant" of the following subparagraph:

Amendment of section 1 of Act 24 of 1956, as amended by section 21 of Act 101 of 1976, section 9 of Act 94 of 1977 and section 10 of Act 80 of 1978.

50 "(i) the spouse of the member, including a party to a customary union according to Black law and custom or to a union recognized as a marriage under the tenets of any [Indian] Asiatic religion; or"

39. 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,

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

60 "(f) deposits with or [debentures quoted on a stock exchange in the Republic] bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Land and Agricultural Bank of South Africa;"

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- (b) by the substitution for subparagraph (iii) of paragraph (a) of subsection (5) of the following subparagraph:  
 “(iii) to make additions or alterations to or to maintain or repair 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.”.

section 7 of Act 91 of 1972, section 23 of Act 101 of 1976, section 11 of Act 94 of 1977, section 11 of Act 80 of 1978 and section 14 of Act 103 of 1979.

40. Section 37A of the Pension Funds Act, 1956, is hereby amended by the substitution in subsection (1) for the words preceding the proviso of the following words:

Amendment of section 37A of Act 24 of 1956, as substituted by section 12 of Act 94 of 1977.

“Save to the extent permitted by this Act, the Income Tax Act, 1962 (Act No. 58 of 1962), and the Maintenance Act, 1963 (Act No. 23 of 1963), no benefit provided for in the rules of a registered fund (including an annuity purchased or to be purchased by the said fund from an insurer for a member), or right to such benefit, or right in respect of contributions made by or on behalf of a member, shall notwithstanding anything to the contrary contained in the rules of such a fund, be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be liable to be attached or subjected to any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), and in the event of the member or beneficiary concerned attempting to transfer or otherwise cede, or to pledge or hypothecate, such benefit or right, the fund concerned may withhold or suspend [or entirely discontinue] payment thereof.”.

41. 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 substituted by section 13 of Act 80 of 1978.

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 dealt with in the following manner:

(a) If [there are] the fund within twelve months of the death of the member becomes aware of or traces a dependant or dependants of the member, the benefit shall be paid to such dependant or, in such proportions as may be deemed equitable by the person managing the business of the fund, to such dependants.

(b) If [there are no dependants of the member or if no] the fund does not become aware of or cannot trace any dependant of [a] the member [can be traced by the fund] within twelve months of the death of the member, and the member has designated in writing to the fund 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

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

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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.

- 5 (c) If there are no dependants, the fund does not become aware of or cannot trace any dependant 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 and if the member has not designated a nominee, the benefit shall be paid into the estate of the member or, if no inventory in respect of the member has been received by the Master of the Supreme Court in terms of section 9 of the Estates Act, 1965 (Act No. 66 of 1965), into the Guardian's Fund."

42. Section 19 of the Friendly Societies Act, 1956, is hereby amended by the substitution for subsection (1) of the following subsection:

Amendment of section 19 of Act 25 of 1956, as amended by section 27 of Act 101 of 1976.

- 20 "(1) No society shall insure the life of a child who is under the age of fourteen years for any sum of money which either alone or together with any amount which to the knowledge of the said society is payable on the death of that child by any other society or by any insurer carrying on insurance business within the meaning of the Insurance Act, exceeds—
- 25 (a) one hundred two hundred and fifty rand, if the child is under six years of age; or
- 30 (b) two hundred five hundred rand, if the child is six years old or older, but is under fourteen years of age."

43. Section 20 of the Friendly Societies Act, 1956, is hereby amended by the substitution for paragraph (f) of subsection (2) of the following paragraph:

Amendment of section 20 of Act 25 of 1956, as amended by section 15 of Act 80 of 1959 and section 28 of Act 101 of 1976.

- 35 "(f) deposits with or debentures quoted on a stock exchange in the Republic and bills, bonds or securities issued or guaranteed by or loans to or guaranteed by the Land and Agricultural Bank of South Africa;"

44. Section 1 of the Participation Bonds Act, 1964, is hereby amended by the substitution for paragraph (b) of the definition of "participation bond" of the following paragraph:

Amendment of section 1 of Act 48 of 1964, as amended by section 1 of Act 98 of 1967.

- 40 "(b) by which, if it is so registered on or after the first day of October 1967, and unless—
- 45 (i) it ranks equally with such an existing bond in respect of the same immovable property and the same mortgagor; or
- 50 (ii) ownership in such immovable property is held under a sectional title deed in accordance with the provisions of the Sectional Titles Act, 1971 (Act No. 66 of 1971), and such immovable property immediately before the holding of ownership therein in the said manner, formed part of immovable property over which a mortgage or mortgages were registered in the name of the nominee company referred to in paragraph (a).
- 55 the total sum secured at registration is not less than twenty thousand rand;"

45. Section 1 of the Banks Act, 1965, is hereby amended by the insertion in subsection (1) after the definition of "co-operative society" of the following definition:

Amendment of section 1 of Act 23 of 1965, as amended by

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“‘demand liability’ means a liability which is payable at call and includes call money, a deposit withdrawable by cheque and a transmission deposit;”.

section 12 of Act 91 of 1972, section 37 of Act 101 of 1976, section 18 of Act 80 of 1978 and section 27 of Act 103 of 1979.

46. Section 14 of the Banks Act, 1965, is hereby amended by the substitution in subsection (1) for the words preceding the proviso of the following words:

Amendment of section 14 of Act 23 of 1965, as amended by section 3 of Act 23 of 1970, section 44 of Act 101 of 1976 and section 29 of Act 103 of 1979.

“A banking institution (other than a discount house) shall maintain in the Republic a paid-up share capital and unimpaired reserve funds together amounting to not less than—

- (a) two hundred thousand rand; or  
 (b) six per cent of the an amount which represents the average of the total amounts of its liabilities to the public in the Republic at the end of each of the months of the preceding calendar quarter as shown in the last preceding quarterly statement monthly returns furnished to the Registrar in terms of section 13 (1) [(b)] (a) in respect of such months, whichever is the greater.”.

47. Section 16 of the Banks Act, 1965, is hereby amended by the substitution for subsection (2) of the following subsection:

Amendment of section 16 of Act 23 of 1965, as substituted by section 13 of Act 91 of 1972.

“(2) For the purposes of the provisions of subsection (1)

- [(a)] a commercial bank (as defined in section 17 (3)) may deduct from its short-term liabilities—

- (i) the amount referred to in proviso (ii) to section 14 (1); and  
 (ii) the amount of a clearance liability resulting from a balance referred to in proviso (i) to section 17 (1); and

- (b) a banking institution may deduct from its short-term liabilities the amounts which may in terms of proviso (iii) to section 17 (1) be deducted from the liabilities referred to in paragraph (a) of that section] the provisions of provisos (i), (ii), (iii) and (v) of section 17 (1) shall apply mutatis mutandis.”.

48. Section 17 of the Banks Act, 1965, is hereby amended by the addition of the following paragraph to the proviso to subsection (1):

Amendment of section 17 of Act 23 of 1965, as substituted by section 14 of Act 91 of 1972 and amended by section 46 of Act 101 of 1976.

“(v) in determining its liabilities referred to in paragraph (a), a banking institution shall, in respect of each of its branches, including its head office, where the total amount of its demand liabilities can be determined daily, bring into account the average daily amount of such liabilities for all the business days in the month in question, instead of the amount of such liabilities at the end of such month.”.

49. The following section is hereby inserted in the Banks Act, 1965, after section 22:

Insertion of section 23 in Act 23 of 1965.

23. Notwithstanding anything to the contrary contained in any law—

- (a) a minor over the age of sixteen years or a married woman, whether under marital power or not, may be a depositor with a banking institution and may without the consent or assistance of his guardian or her husband, as the case may be, execute all necessary documents, give all necessary acquittances and cede, pledge, borrow against and generally deal with his or her deposit as he or she thinks fit and shall enjoy all the

50 “Minors and married women.

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- privileges and be liable to all the obligations attaching to depositors;
- (b) the husband of a woman who is a depositor with a banking institution shall, save with her written consent, not be entitled to demand from the banking institution any particulars concerning the deposits she holds with that banking institution."

50. Section 1 of the Building Societies Act, 1965, is hereby amended—
- (a) by the insertion before the definition of "advance" of the following definition:  
"'administration board' means an administration board as defined in section 1 of the Blacks (Urban Areas) Consolidation Act, 1945 (Act No. 25 of 1945);"
- (b) by the insertion after the definition of "Republic" of the following definition:  
"'right of leasehold' means a right of leasehold, in respect of land, granted in terms of the provisions of section 6A of the Blacks (Urban Areas) Consolidation Act, 1945;"
- (c) by the substitution for paragraph (g) of the definition of "urban immovable property" of the following paragraph:  
"(g) any right of leasehold registered in terms of section 6A (4) of the Blacks (Urban Areas) Consolidation Act, 1945, provided such right of leasehold has a remaining period of not less than twenty years;"

Amendment of section 1 of Act 24 of 1965, as amended by section 1 of Act 64 of 1968, section 5 of Act 67 of 1973, section 54 of Act 101 of 1976 and section 22 of Act 80 of 1978.

51. Section 22 of the Building Societies Act, 1965, is hereby amended by the addition of the following subparagraph to paragraph (nB) of subsection (1):  
"(vi) the erection of buildings for residential purposes on land on which a right of leasehold has been granted or in respect of which the grant of a right of leasehold is being contemplated;"

Amendment of section 22 of Act 24 of 1965, as amended by section 5 of Act 64 of 1968, section 1 of Act 91 of 1969, section 24 of Act 80 of 1978 and section 32 of Act 103 of 1979.

52. Section 28 of the Building Societies Act, 1965, is hereby amended—
- (a) by the deletion of the proviso to subsection (1);
- (b) by the deletion of subsection (1A).

Amendment of section 28 of Act 24 of 1965, as amended by section 3 of Act 99 of 1967, section 7 of Act 64 of 1968, section 8 of Act 23 of 1970 and section 7 of Act 67 of 1973.

53. Section 34 of the Building Societies Act, 1965, is hereby amended by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:  
"Every permanent society shall not later than the twenty-first day of every calendar month transmit to the registrar a statement, in the form prescribed by the Minister and signed by [two directors and the secretary] a director and the chief executive officer and chief accountant, showing as at the close of business at the end of the preceding calendar month—"

Amendment of section 34 of Act 24 of 1965.

54. Section 40 of the Building Societies Act, 1965, is hereby amended by the substitution for subsection (2) of the following subsection:  
"(2) Subject to the provisions of subsection (6) a permanent society shall not on the security of a reducible mortgage of immovable property advance more than eighty

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,

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per cent of the value reasonably determined of the property or the right of leasehold hypothecated or the lease or licence ceded: Provided that—

section 9 of  
Act 67 of 1973  
and section 29 of  
Act 80 of 1978.

(a) if collateral security is furnished it may advance an amount—

[(a)] (i) not exceeding the value so determined of the said property, right of leasehold, lease or licence; and

[(b)] (ii) not exceeding the sum of—

[(i)] (aa) eighty per cent of the value so determined of the said property, right of leasehold, lease or licence; plus

[(ii)] (bb) the value of the collateral security calculated as provided in section 46 (2);

(b) if a dwelling house has been or is to be erected on the property in question, it may also advance an amount equal to not more than eighty per cent of the sum—

(i) of the costs of the transfer of the said property, right of leasehold, lease or licence;

(ii) of the costs of the registration of the mortgage and of all stamp duties;

(iii) in the case of a right of leasehold, of the fees and charges payable to an administration board in respect of the grant and registration of such right, but not including the amount payable for the use of the land or the costs of improvements or in respect of electricity and water reticulation systems.”.

55. Section 47 of the Building Societies Act, 1965, is hereby amended by the substitution for subsection (3) of the following subsection:

Amendment of  
section 47 of  
Act 24 of 1965.

“(3) In the case of a property (other than vacant land upon which a building is in the course of erection or about to be erected) or a right of leasehold (other than in respect of vacant land on which a building is in the course of erection or about to be erected) acquired by purchase not more than six months before the date of valuation, the valuation shall not exceed the true purchase price of such property as declared by the parties concerned for transfer duty purposes, or of such right of leasehold, as declared by the purchaser, by more than one hundred rand, unless the board of the society resolves that on the information furnished to it a valuation in excess of such purchase price is in its opinion reasonably justified, in which event a true copy of such resolution shall be forwarded to the registrar within thirty days from the date on which the board so resolves.”.

56. (1) This Act shall be called the Financial Institutions Amendment Act, 1980.

Short title  
and commence-  
ment.

(2) The provisions of section 7 shall be deemed to have come into operation on 31 December 1979.

(3) The provisions of sections 50, 51, 54 and 55 shall be deemed to have come into operation on 1 April 1979.

(4) The provisions of section 23 shall come into operation on a date fixed by the State President by proclamation in the *Gazette*.