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GOVERNMENT NOTICE GOEWERMENTSKENNISGEWING

DEPARTMENT OF FINANCE DEPARTEMENT VAN FINANSIES

No. R. 606

24 April 1998

BANKS ACT, 1990

DESIGNATION OF AN INSTITUTION OF WHICH THE ACTIVITIES DO NOT FALL WITHIN THE MEANING OF "THE BUSINESS OF A BANK" ("KWAZULU FINANCE AND INVESTMENT CORPORATION LIMITED")

Under paragraph (dd) (i) of the definition of "the business of a bank" in section 1 of the Banks Act, 1990 (Act No. 94 of 1990), I, Trevor Andrew Manuel, Minister of Finance, hereby designate for the period commencing on 1 January 1998 and expiring on 30 June 1998, and subject to the conditions set out in paragraph 3 of the Schedule, the institution specified in paragraph 2 of the Schedule as a institution of which the activities do not fall within the meaning of "the business of a bank".

T. A. MANUEL

Minister of Finance

SCHEDULE

1. Definitions

In this Schedule, "the Banks Act" means the Banks Act, 1990 (Act No. 94 of 1990), and any word or expression to which a meaning has been assigned in the Banks Act or the Regulations relating to Banks shall bear the meaning so assigned thereto and, unless the context otherwise indicates—

"KwaZulu Corporations Act" means the KwaZulu Corporations Act, 1984 (Act No. 14 of 1984), of the KwaZulu Legislative Assembly;

"KwaZulu Finance and Investment Corporation Limited" means the development corporation known as the KwaZulu Finance and Investment Corporation Limited referred to in section 2 (2) of the KwaZulu Corporations Act;

"KFC" means the KwaZulu Finance and Investment Corporation Limited.

2. Institution

KwaZulu Finance and Investment Corporation Limited.

3. Conditions

3.1 The activities of KFC shall, in so far as they correspond to the activities contemplated in paragraphs (a), (b), (c) and (d) of the definition of "the business of a bank" in section 1 (1) of the Banks Act, be performed by virtue of the powers conferred upon KFC by section 4 of the KwaZulu Corporations Act: Provided that KFC may not, in the performance of its activities—

- (a) use, or refer to itself or any of its divisions by any name, description or symbol indicating, or calculated to lead persons to infer, that it or such a division is a bank registered as such under the Banks Act; or
- (b) in respect of itself or any of its divisions or undertakings use a name or description that includes the word "bank", or any derivative thereof, or the words "building society", or any derivative thereof, unless such name or description is composed of words that include the word "bank" as part of a place-name or a personal name.

3.2 The activities of KFC shall be—

- (a) managed in such a way that the sum of its issued primary and secondary share capital and its primary and secondary unimpaired reserve funds in the Republic does not at any time amount to less than an amount which represents 8 (eight) per cent of the sum of the amounts calculated by multiplying the average amounts of such different categories of—
 - (i) assets; and
 - (ii) other risk exposures in the conduct of KFC's business,
 as set forth in **ANNEXURE A**, by risk weights expressed as percentages, as so set forth, in respect of such different categories of assets and other risk exposures.
- (b) performed whilst KFC at all times holds an average daily amount of liquid assets in the Republic that shall not be less than an amount equal to 5 (five) per cent of its total liabilities to the public.

ANNEXURE A**TABLE OF RISK WEIGHTINGS**

Risk weighting %	Transactions with the following counterparties (including contingent liabilities)
0	Central government of RSA. Explicit guarantees by central government. Bank notes, subsidiary coin, gold coin and bullion. Postal and money orders, service deposits and stamps. Performance-related guarantees on behalf of RSA and public-sector bodies and governments in common monetary area. Irrevocable letters of credit with an original maturity of up to three months.
5	Irrevocable letters of credit with an original maturity of more than three months on behalf of public-sector bodies. Irrevocable, unutilized facilities with an original maturity of one year and over to public-sector bodies. Irrevocable, unutilized draw-down facilities to public-sector bodies.
10	RSA public-sector bodies.
20	Public-sector bodies in countries in common monetary area. Banks in RSA and OECD countries. Banks in other countries where residual maturity is less than or equal to 12 months. Comitted capital expenditure.
50	Loans fully secured by mortgages on urban residential dwellings or individual sectional title dwellings, which loans are repayable in equal monthly instalments, where the monthly instalments are not overdue and where the capital amount outstanding does not exceed the market valuation of the property. Performance-related guarantees. Remittances in transit. All other irrevocable facilities, including all other unutilized draw-down facilities. Underwriting exposures.
100	All other counterparties and assets not covered above.

No. R. 606

24 April 1998

BANKWET, 1990

AANWYSING VAN 'N INSTELLING WAARVAN DIE BEDRYWIGHED NIE BINNE DIE BETEKENIS VAN "DIE BEDRYF VAN 'N BANK" VAL NIE ("KWAZULU FINANCE AND INVESTMENT CORPORATION BEPERK")

Kragtens paragraaf (dd) (i) van die omskrywing van "die bedryf van 'n bank" in artikel 1 van die Bankwet, 1990 (Wet No. 94 van 1990), wys ek, Trevor Andrew Manuel, Minister van Finansies, hiermee vir die tydperk wat op 1 Januarie 1998 begin en op 30 Junie 1998 verstryk, en onderhewig aan die voorwaardes uiteengesit in paragraaf 3 in die Bylae, die instelling vermeld in paragraaf 2 van die Bylae aan as 'n instelling waarvan die bedrywighede nie binne die betekenis van "die bedryf van 'n bank" val nie.

T. A. MANUEL

Minister van Finansies

BYLAE**1. Woordomskrywings**

In hierdie Bylae beteken "die Bankwet" die Bankwet, 1990 (Wet No. 94 van 1990), en het 'n woord of uitdrukking waaraan in die Wet of die Regulasies aangaande Banke 'n betekenis geheg is die betekenis aldus daaraan geheg en, tensy uit die samehang anders blyk, beteken—

"KwaZulu Finance and Investment Corporation Limited" die ontwikkelingskorporasie bekend as die KwaZulu Finance and Investment Corporation Beperk en waarna in artikel 2 (2) van die KwaZulu-Wet op Korporasies verwys word;

"KwaZulu-Wet op Korporasies" die KwaZulu-Wet op Korporasies, 1984 (Wet No. 14 van 1984), van die KwaZulu Wetgewende Vergadering;

"KFC" die KwaZulu Finance and Investment Corporation Beperk.

2. Instelling

KwaZulu Finance and Investment Corporation Beperk.

3. Voorwaardes

3.1 Die bedrywighede van KFC sal, vir sover hulle ooreenstem met die bedrywighede bedoel in paragrawe (a), (b), (c) en (d) van die omskrywing van "die bedryf van 'n bank" in artikel 1 (1) van die Bankwet, verrig word uit hoofde van die bevoegdhede by artikel 4 van die KwaZulu-Wet op Korporasies aan KFC verleen: Met dien verstande dat KFC by die verrigting van sy bedrywighede nie—

- (a) enige naam, beskrywing of teken mag gebruik of op homself of enige van sy afdelings mag toepas wat aandui, of daarop gemik is om persone te laat aflei, dat hy of so 'n afdeling 'n bank is wat kragtens die Bankwet as sodanig geregistreer is nie; of
- (b) ten opsigte van homself of enige van sy afdelings of ondernemings 'n naam of beskrywing mag gebruik wat die woord "bank" of enige daarvan afgeleide woord, of die woord "bouvereniging", of enige daarvan afgeleide woord, insluit nie, tensy sodanige naam of beskrywing saamgestel is uit woorde wat die woord "bank" as deel van 'n pleknaam of 'n persoonsnaam insluit.

3.2 Die bedrywighede van KFC sal—

- (a) op sodanige wyse bestuur word dat die som van sy uitgereikte primêre en sekondêre aandelekapitaal en sy primêre en sekondêre onaangetaste reserwefondse in die Republiek nie te eniger tyd minder beloop nie as 'n bedrag wat 8 (agt) persent verteenwoordig van die som van die bedrae bereken deur die vermenigvuldiging van die gemiddelde bedrae van sodanige verskillende kategorieë van:
 - (i) bates; en
 - (ii) ander risikoblootstellings in die bedryf van KFC se sake,
 soos in **AANHANGSEL A** uiteengesit, met die risikobeladings uitgedruk as persentasies, soos aldus uiteengesit, ten opsigte van sodanige verskillende kategorieë bates en ander risikoblootstellings.
- (b) verrig word terwyl KFC te alle tye 'n gemiddelde daaglikse bedrag aan likwiede bates in die Republiek hou wat nie minder as 'n bedrag gelyk aan 5 (vyf) persent van sy totale verpligtinge aan die publiek mag wees nie.

AANHANGSEL A**TABEL VAN RISIKOBELADINGS**

Risikobelading %	Transaksies met die volgende teenpartye (met inbegrip van voorwaardelike verpligtings)
0	Sentrale regering van RSA. Eksplosiete waarborge deur sentrale regering. Banknote, pasmunt, goudmunt en staafgoud. Pos- en geldwissels, diensdeposito's en seëls. Prestasieverwante waarborge ten behoeve van RSA en openbare sektorliggame en regerings in gemeenskaplike monetêre gebied. Onherroepbare kredietbriewe met 'n oorspronklike looptyd van hoogstens drie maande.

Risikobelading %	Transaksies met die volgende teenpartye (met inbegrip van voorwaardelike verpligtings)
5	Onherroepbare kredietbriewe met 'n oorspronklike looptyd van meer as drie maande ten behoeve van openbare sektorliggame. Onherroepbare onbenutte fasiliteite met 'n oorspronklike looptyd van een jaar en langer aan openbare sektorliggame. Onherroepbare, onbenutte onttrekkingsfasiliteite aan openbare sektorliggame.
10	RSA openbare sektorliggame.
20	Openbare sektorliggame in lande in gemeenskaplike monetêre gebied. Banke in RSA en OESO-lande. Banke in ander lande waar oorblywende looptyd minder as of gelyk aan 12 maande is. Verpligte kapitaaluitgawe.
50	Lenings ten volle gedek deur verbande op stedelike woonhuise of individuele deeltitel-wooneenhede, welke lenings in gelyke afbetalings terugbetaalbaar is, waar die maandelikse afbetalings nie agterstallig is nie en waar die kapitaalbedrag wat uitstaande is nie die markwaardasie van die eiendom oorskry nie. Prestasieverwante waarborge. Remises in transito. Alle ander onherroepbare fasiliteite, met inbegrip van alle ander onbenutte onttrekkingsfasiliteite. Blootstellings ten opsigte van onderskrywings.
100	Alle ander teenpartye en bates wat nie hierbo behandel word nie.

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