



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

VOL. 402

CAPE TOWN, 4 DECEMBER 1998

KAAPSTAD, 4 DESEMBER 1998

No. 19555

OFFICE OF THE PRESIDENT

No. 1581.

4 December 1998

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

No. 134 of 1998: Conversion of SASRIA Act, 1998.

KANTOOR VAN DIE PRESIDENT

No. 1581.

4 Desember 1998

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

No. 134 van 1998: Wet op die Omskepping van SASRIA, 1998.

*(English text signed by the President.)
(Assented to 24 November 1998.)*

ACT

To provide for the conversion of the South African Special Risks Insurance Association into a public company, with a share capital, and for connected matters.

PREAMBLE

Recognising that the South African Special Risks Association ("SASRIA") was incorporated in 1979 in terms of the Companies Act, 1973, to provide insurance against damage to property caused by political acts;

Recognising that, in terms of the Reinsurance of Damage and Losses Act, 1989, SASRIA's main business was extended and thereupon covered loss of or damage to property caused by defined political acts and non-political acts (such as riots, strikes and public disorder), as well as loss suffered by moneylenders in respect of mortgage loans ("special risks");

Recognising that, due to the short-term insurance industry not being prepared to underwrite the risk in question, the Government agreed, in the public interest, to act as reinsurer of last resort;

Recognising that the Government conferred monopoly status on SASRIA by allowing it to be the sole supplier of insurance cover for special risks in the Republic;

Recognising that SASRIA was exempted from tax until the 1996 tax year and as a result thereof has accumulated substantial reserves, which it as a section 21 company is not allowed to distribute; and

Recognising that, as a result of restrictions in the Companies Act, 1973, the restructuring of SASRIA to normalise the short-term insurance industry as regards special risks could not commence,

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

ARRANGEMENT OF SECTIONS

1.	Definitions	
2.	Purpose of Act	5
3.	Conversion of SASRIA	
4.	Effect of conversion	
5.	Share capital	
6.	Minister's rights and duties	
7.	Reserves	10
8.	Termination of existing agreement with SASRIA	
9.	Disposal of State's shareholding	
10.	Repeal of Act 56 of 1989	
11.	Short title	

(Engelse teks deur die President geteken.)
(Goedgekeur op 24 November 1998.)

WET

Om voorsiening te maak vir die omskepping van die Suid-Afrikaanse Versekeringsvereniging vir Spesiale Risiko's in 'n publieke maatskappy, met 'n aandeelkapitaal, en vir verbandhoudende aangeleenthede.

AANHEF

Aangesien die Suid-Afrikaanse Versekeringsvereniging vir Spesiale Risiko's ("SASRIA") in 1979 ingevolge die Maatskappywet, 1973, opgerig is om voorsiening te maak vir versekering teen skade aan eiendom wat veroorsaak is deur politieke handeling; en

Aangesien, ingevolge die Wet op Herversekering van Skade en Verliese, 1989, SASRIA se hoofbesigheid uitgebrei is en daarop verlies van of skade aan eiendom gedek het wat veroorsaak is deur omskrewe politieke handeling en nie-politieke handeling (soos oproer, stakings en openbare onrus), sowel as verlies wat gelduitleners gelyk het ten opsigte van verbandlenings ("spesiale risiko's"); en

Aangesien, as gevolg daarvan dat die korttermynversekeringsbedryf nie bereid was om die betrokke risiko te onderskryf nie, die Regering, in die openbare belang, ingestem het om as herversekeraar in die laaste instansie op te tree;

Aangesien die Regering monopoliestatus aan SASRIA verleen het deur hom toe te laat om die enigste verskaffer van versekeringsdekking vir spesiale risiko's in die Republiek te wees;

Aangesien SASRIA vrygestel was van belasting tot die 1996-belastingjaar en as gevolg daarvan aansienlike reserwefondse opgebou het, wat hy as 'n artikel 21-maatskappy nie toegelaat word om uit te keer nie; en

Aangesien, as gevolg van beperkings in die Maatskappywet, 1973, daar nie met die herstrukturering van SASRIA om die korttermynversekeringsbedryf aangaande spesiale risiko's te normaliseer, begin kon word nie,

WORD DAAR BEPAAL deur die Parlement van die Republiek van Suid-Afrika, soos volg:—

RANGSKIKKING VAN ARTIKELS

1. Woordomskrywing
5. 2. Doel van Wet
3. Omskepping van SASRIA
4. Gevolg van omskepping
5. Aandeelkapitaal
6. Minister se regte en pligte
10. 7. Reserwefondse
8. Beëindiging van bestaande ooreenkoms met SASRIA
9. Vervreemding van Staat se aandeelhouing
10. Herroeping van Wet 56 van 1989
11. Kort titel

Definitions

1. In this Act, unless the context indicates otherwise—

- (i) **"Agreement"** means the agreement which the Minister has, in terms of section 2 of the Reinsurance of Damage and Losses Act, 1989 (Act No. 56 of 1989), entered into with SASRIA before this Act took effect; 5
- (ii) **"Companies Act"** means the Companies Act, 1973 (Act No. 61 of 1973);
- (iii) **"Company"** means the public company, SASRIA Limited, referred to in section 3;
- (iv) **"Minister"** means the Minister of Finance;
- (v) **"SASRIA"** means the South African Special Risks Insurance Association, incorporated in terms of section 21 of the Companies Act; 10
- (vi) **"short-term insurance industry"** means—
 - (a) every registered insurer as defined in section 1(1) of the Insurance Act, 1943 (Act No. 27 of 1943), that participates in short-term insurance business for special risks; and 15
 - (b) the person appointed in the Republic by the Committee of Lloyds in terms of section 60(1)(g) of that Act as being authorised to act on that Committee's behalf and on behalf of underwriters at Lloyds;
- (vii) **"special risks"** means "loss in respect of a mortgage loan" and "loss of or damage to property" as defined in section 1 of the Reinsurance of Damage and Losses Act, 1989, including consequential loss referred to in section 2(a)(ii) of that Act. 20

Purpose of Act

2. The purpose of this Act is—

- (a) to convert SASRIA into a public company, having a share capital, as described in section 19 of the Companies Act, with the shares to be held by the State; 25
- (b) to provide flexibility regarding the future restructuring of the Company by entitling the Minister to dispose of all or any of the State's shareholding in the Company; and
- (c) generally, to ensure the orderly restructuring of the State's role in the short-term insurance industry as regards special risks and to reduce the State's risk exposure. 30

Conversion of SASRIA

3. From a date determined by the Minister by notice in the *Gazette*, SASRIA is converted into a public company, known as SASRIA Limited, having a share capital, as described in section 19 of the Companies Act. 35

Effect of conversion

- 4. (1) The provisions of section 29 of the Companies Act, excluding those provisions requiring the payment of fees, apply to the conversion of SASRIA into a public company, having a share capital, in accordance with section 3 of this Act. 40
- (2) No stamp duty is payable in terms of the Stamp Duties Act, 1968 (Act No. 77 of 1968), in respect of the issue of the ordinary share as contemplated in section 5(1)(a) of this Act.
- (3) The conversion of SASRIA into a public company, having a share capital, does not affect any obligation in terms of the Income Tax Act, 1962 (Act No. 58 of 1962). 45

Share capital

- 5. (1) Upon the conversion of SASRIA into a public company, the Company has—
 - (a) a share capital of R1, represented by one ordinary share with a nominal value of R1, held by the State; and

Woordomskrywing

1. In hierdie Wet, tensy uit die samehang anders blyk, beteken—

(i) **“korttermynversekeringsbedryf”**—

(a) elke geregistreerde versekeraar soos omskryf in artikel 1(1) van die Versekeringswet, 1943 (Wet No. 27 van 1943), wat deelneem aan korttermynversekeringsbesigheid vir spesiale risiko's; en

(b) die persoon wat in die Republiek deur die Komitee van Lloyds ingevolge artikel 60(1)(g) van daardie Wet aangestel is as synde gemagtig om namens daardie Komitee en versekeraars van Lloyds op te tree;

(ii) **“Maatskappy”** die publieke maatskappy, SASRIA Beperk, bedoel in artikel 3;

(iii) **“Maatskappywet”** die Maatskappywet, 1973 (Wet No. 61 van 1973);

(iv) **“Minister”** die Minister van Finansies;

(v) **“Ooreenkoms”** die ooreenkoms wat die Minister, ingevolge artikel 2 van die Wet op Herversekering van Skade en Verliese, 1989 (Wet No. 56 van 1989), met SASRIA voor die inwerkingtreding van hierdie Wet gesluit het;

(vi) **“SASRIA”** die Suid-Afrikaanse Versekeringsvereniging vir Spesiale Risiko's, ingevolge artikel 21 van die Maatskappywet opgerig;

(vii) **“spesiale risiko's”** “verlies ten opsigte van 'n verbandlening” en “verlies van of skade aan eiendom” soos omskryf in artikel 1 van die Wet op Herversekering van Skade en Verliese, 1989, met inbegrip van gevolglike verlies bedoel in artikel 2(a)(ii) van daardie Wet.

Doel van Wet

2. Die doel van hierdie Wet is—

(a) om SASRIA te omskep in 'n publieke maatskappy, met 'n aandeelkapitaal, soos genoem in artikel 19 van die Maatskappywet, die aandele deur die Staat gehou te word;

(b) om buigsaamheid betreffende die toekomstige herstrukturering van die Maatskappy te verskaf deur die Minister in staat te stel om alle of enige aandeelhouding van die Staat in die Maatskappy van die hand te sit; en

(c) in die algemeen, om die ordelike herstrukturering van die Staat se rol in die korttermynversekeringsbedryf rakende spesiale risiko's te verseker en om die Staat se risikoblootstelling te verminder.

35 Omskepping van SASRIA

3. Vanaf 'n datum deur die Minister by kennisgewing in die *Staatskoerant* bepaal, word SASRIA omskep in 'n publieke maatskappy, bekend as SASRIA Beperk, met 'n aandeelkapitaal, soos genoem in artikel 19 van die Maatskappywet.

Gevolg van omskepping

4. (1) Die bepalings van artikel 29 van die Maatskappywet, behalwe die bepalings wat die betaling van gelde vereis, is, van toepassing op die omskepping van SASRIA in 'n publieke maatskappy, met 'n aandeelkapitaal, ooreenkomstig artikel 3 van hierdie Wet.

(2) Geen seëlregte is betaalbaar ingevolge die Wet op Seëlregte, 1968 (Wet No. 77 van 1968), ten opsigte van die uitreiking van die gewone aandeel soos beoog in artikel 5(1)(a) van hierdie Wet nie.

(3) Die omskepping van SASRIA in 'n publieke maatskappy, met 'n aandeelkapitaal, raak nie enige verpligting ingevolge die Inkomstebelastingwet, 1962 (Wet No. 58 van 1962), nie.

50 Aandeelkapitaal

5. (1) By omskepping van SASRIA in 'n publieke maatskappy, het die Maatskappy—

(a) 'n aandeelkapitaal van R1, verteenwoordig deur een gewone aandeel met 'n nominale waarde van R1, wat deur die Staat gehou word; en

