

REPUBLIC
OF
SOUTH AFRICA



REPUBLIEK
VAN
SUID-AFRIKA

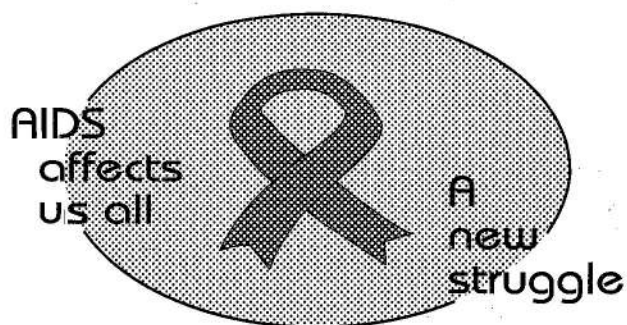
Government Gazette Staatskoerant

Vol. 417

PRETORIA, 17 MARCH
MAART 2000

No. 21002

We all have the power to prevent AIDS



Prevention is the cure

**AIDS
HELPLINE**

0800 012 322

DEPARTMENT OF HEALTH

CONTENTS

No.		Page No.	Gazette No.
	GENERAL NOTICE		
	Finance, Department of		
	<i>General Notice</i>		
1264	Proposed South African Reserve Bank Amendment Bill, 2000	3	21002

GENERAL NOTICE

NOTICE 1264 OF 2000

DEPARTMENT OF FINANCE

(on behalf of the South African Reserve Bank)

1. SUBJECT

PROPOSED SOUTH AFRICAN RESERVE BANK AMENDMENT BILL, 2000
("THE BILL")

2. PURPOSE

The purpose of this publication is to invite comments on the proposed Bill. Any comments must please be forwarded for attention of Mr P H Bartleet at the South African Reserve Bank, P O Box 427, Pretoria, 0001 or at fax no. (012) 313-4090, to reach him not later than 5 April 2000.

3. SUMMARY

The Bill amends section 10A(2) of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), so as to empower the Governor of the South African Reserve Bank to determine what percentage of banks' holdings of Reserve Bank notes and subsidiary coin may be taken into account for the purpose of calculating the minimum reserve balances required to be maintained by banks in accounts with the Reserve Bank.

4. DISCUSSION

- 4.1 The provision requiring banks to maintain minimum reserve balances in accounts with the Reserve Bank was originally contained in the Banks Act, 1990 (Act No. 94 of 1990 - "the Banks Act"). At the time of the enactment of the Banks Act (which came into operation on 1 February 1991 under the title of the "Deposit-taking Institutions Act") this provision was regarded as an element of the prudential requirements that banks should comply with.

4.2 However, with the passage of time the prescription regarding the maintenance by banks of minimum reserve balances with the Reserve Bank manifested itself as a measure whereby the flow of cash in the Republic of South Africa could be influenced and controlled and, therefore, primarily as an instrument of monetary policy. In consequence hereof, the relevant provision was deleted from the Banks Act and, by means of section 4 of Act 10 of 1993, transferred to the South African Reserve Bank Act as section 10A thereof.

4.3 Although this section 10A of the South African Reserve Bank Act has thus far been applied with reasonable effectiveness as an instrument of monetary policy, the recent difficulties relating to liquidity experienced by certain banks (while other banks were at the same time experiencing a surfeit of cash) brought to the fore certain limitations attaching to section 10A as an effective instrument of monetary policy.

These limitations revolve around the fact that, as presently worded, section 10A allows banks to take the total amount of their holdings of Reserve Bank notes and coin into account in the calculation of their minimum reserve balance requirements.

During the course of dealing with the above-mentioned liquidity problems experienced by certain banks, it became clear that if the Reserve Bank were to be enabled to exercise a measure of control over the extent to which banks' holdings of Reserve Bank notes and coin could be taken into account for purposes of the calculation of their required minimum reserve balances, the Reserve Bank would be better equipped to contribute towards the smoothing out of imbalances in the liquidity situation in the banking sector.

- 4.4 The amendment proposed in the Bill has as its objective the enhancement of section 10A of the South African Reserve Bank Act as an effective tool of monetary policy. In terms of the amendment the Governor of the Reserve Bank is empowered to, having regard to the national economic interest, determine from time to time a percentage of the total amount of a bank's holdings of Reserve Bank notes and subsidiary coin that may be taken into account for purposes of the calculation of the minimum reserve balance the bank is required to maintain in an account with the Reserve Bank.

GENERAL EXPLANATORY NOTE :

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the South African Reserve Bank Act, 1989, so as to empower the Governor of the South African Reserve Bank to, having regard to the national economic interest, determine from time to time a percentage of the total amount of a bank's holdings of Reserve Bank notes and subsidiary coin that may be taken into account for purposes of the calculation of the minimum reserve balance the bank is required to maintain in an account with the South African Reserve Bank; and to provide for matters connected therewith.

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

Amendment of section 10A of Act 90 of 1989, as inserted by section 4 of Act 10 of 1993

1. Section 10A of the South African Reserve Bank Act, 1989, is hereby amended by the substitution for subsection (2) of the following subsection :

"(2) The credit balance in an account maintained in terms of section(1) by a bank, together with such percentage as may be determined in accordance with the provisions of subsection (4) by the Governor of the average daily amount of that bank's Reserve Bank notes and subsidiary coin, calculated according to the total amounts of those assets held by the bank on all the days of the latest month in respect of which it furnished a return in terms of subsection (11) to the Registrar of Banks designated under section 4 of the Banks Act, 1990 (Act No. 94 of 1990), may at no time during any month amount to less than an amount equal to the sum of amounts representing the percentages, determined in accordance with the provisions of subsection (4) by the Governor, of the amounts of such different categories of the bank's liabilities as may be specified by the Governor by notice in the *Gazette* with reference to the time when such liabilities fall due or with reference to any other aspect

pertaining to such liabilities.".

Short title

2. This Act shall be called the South African Reserve Bank Amendment Act, 2000.

ALGEMENE VERDUIDELIKENDE NOTA :

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

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

WETSONTWERP

Tot wysiging van die Wet op die Suid-Afrikaanse Reserwebank, 1989, ten einde aan die President van die Suid-Afrikaanse Reserwebank die bevoegdheid te verleen om, met inagneming van die nasionale ekonomiese belang, van tyd tot tyd 'n persentasie vas te stel van die totale bedrag van 'n bank se besit aan Reserwebanknote en pasmunt wat in berekening gebring mag word vir doeleindes van die berekening van die minimum reserwesaldo wat die bank in 'n rekening by die Suid-Afrikaanse Reserwebank in stand moet hou; en om voorsiening te maak vir aangeleenthede wat daarmee in verband staan.

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

Wysing van artikel 10A van Wet 90 van 1989, soos ingevoeg deur artikel 4 van Wet 10 van 1993

1. Artikel 10A van die Wet op die Suid-Afrikaanse Reserwebank, 1989, word hierby gewysig deur subartikel (2) deur die volgende subartikel te vervang :

“(2) Die kredietsaldo in 'n rekening wat ingevolge subartikel (1) deur 'n bank in stand gehou word, tesame met die persentasie wat ooreenkomstig die bepalings van subartikel (4) deur die President vasgestel word van die gemiddelde daaglikse bedrag van daardie bank se Reserwebanknote en pasmunt, bereken volgens die totale bedrae van daardie bates wat die bank voorhande gehad het op al die dae van die jongste maand ten opsigte waarvan hy ingevolge subartikel (11) 'n opgawe aan die Registrateur van Banke aangewys kragtens artikel 4 van die Bankwet, 1990 (Wet No. 94 van 1990), verstrek het, mag op geen tydstip gedurende 'n maand minder bedra nie as 'n bedrag gelyk aan die som van bedrae wat die persentasies, ooreenkomstig die bepalings van subartikel (4) deur die President vasgestel, verteenwoordig van die

bedrae van die verskillende kategorieë van die bank se verpligtings wat by kennisgewing in die *Staatskoerant* deur die President gespesifiseer word met verwysing na die tydstop waarop sodanige verpligtings opeisbaar word of met verwysing na enige ander aspek wat op daardie verpligtings betrekking het.”.

Kort titel

2. Hierdie Wet heet die Wysigingswet op die Suid-Afrikaanse Reserwebank , 2000.
-



THE WEATHER BUREAU HELPS FARMERS TO PLAN THEIR CROP



THE WEATHER BUREAU: DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM
DIE WEERBURO: DEPARTEMENT VAN OMGEWINGSAKE EN TOERISME

THE WEATHER BUREAU HELPS FARMERS TO PLAN THEIR CROP



THE WEATHER BUREAU: DEPARTMENT OF ENVIRONMENTAL AFFAIRS & TOURISM
DIE WEERBURO: DEPARTEMENT VAN OMGEWINGSKE EN TOERISME

*Looking for back copies and out of print issues of
the Government Gazette and Provincial Gazettes?*

The State Library has them!

Let us make your day with the information you need ...

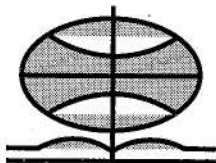
The State Library Reference and Information Service

PO Box 397

0001 PRETORIA

Tel./Fax (012) 321-8931

E-mail: infodesk@statelib.pwv.gov.za



*Soek u ou kopieë en uit druk uitgawes van die
Staatskoerant en Provinsiale Koerante?*

Die Staatsbiblioteek het hulle!

Met ons hoef u nie te sukkel om inligting te bekom nie ...

Die Staatsbiblioteek Naslaan- en Inligtingdiens

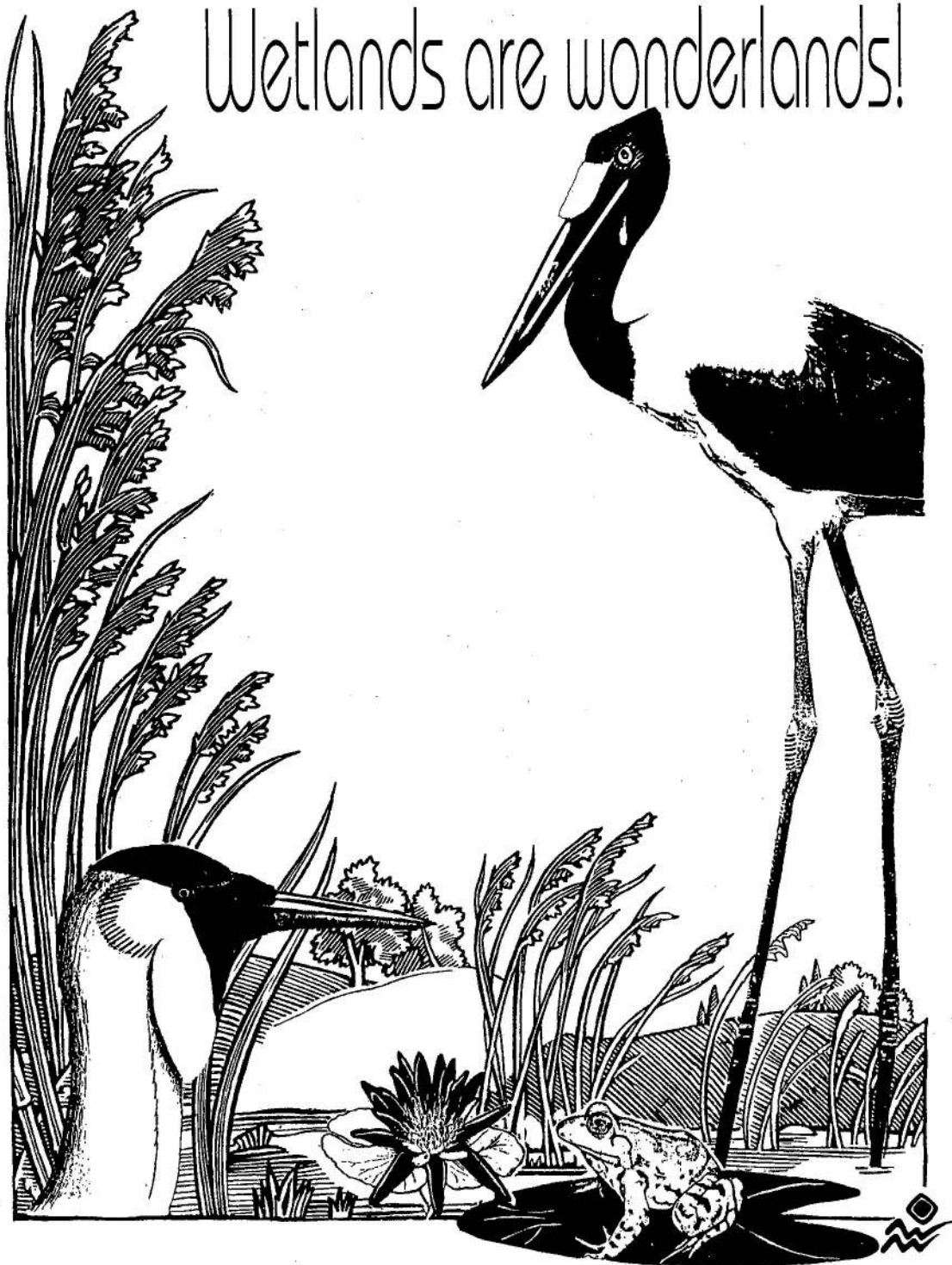
Posbus 397

0001 PRETORIA

Tel./Faks (012) 321-8931

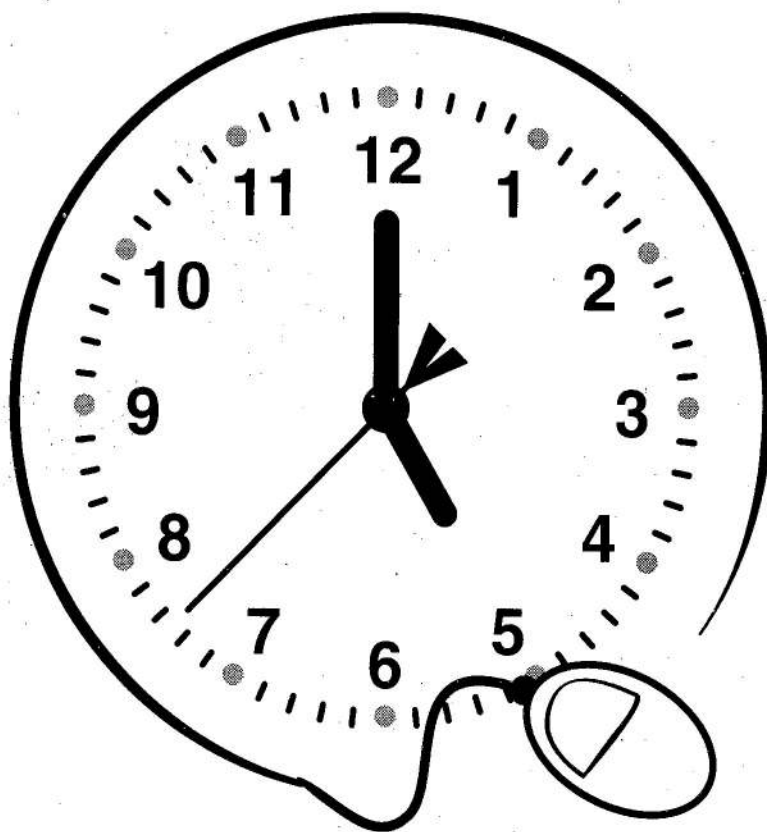
E-pos: infodesk@statelib.pwv.gov.za

Wetlands are wonderlands!



Department of Environmental Affairs and Tourism

SA Tenders



**... the timeous advantage
for gaining the competitive edge!**

With online access to the Government Tender Bulletin, the Provincial Tender Bulletins, private tenders and also tender news items.

- Easily accessible through the www!
- Comprehensive five weeks coverage of tenders and tender news
- Saves time looking for information
- Available in full-text, with keyword searching

Don't delay - call SABINET Online now!



Turning information into intelligence

Tel: (012) 663-4954, Fax: (012) 663-3543, Toll free: 0800 11 11 73, e-mail info@sabinet.co.za, www <http://www.sabinet.co.za>

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
Publications: Tel: (012) 334-4507, 334-4508, 334-4509, 334-4510
Advertisements: Tel: (012) 334-4673, 334-4674, 334-4504
Subscriptions: Tel: (012) 334-4735, 334-4736, 334-4737
Cape Town Branch: Tel: (021) 465-7531

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaatsak X85, Pretoria, 0001
Publikasies: Tel: (012) 334-4507, 334-4508, 334-4509, 334-4510
Advertensies: Tel: (012) 334-4673, 334-4674, 334-4504
Subskripsies: Tel: (012) 334-4735, 334-4736, 334-4737
Kaapstad-tak: Tel: (021) 465-7531