



STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

As 'n Nuusblad by die Poskantoor Geregistreer

Registered at the Post Office as a Newspaper

PRYS + 1c AVB 20c PRICE + 1c GST
BUITELANDS 30c ABROAD
POSVRY · POST FREE

VOL. 189]

KAAPSTAD, 11 MAART 1981

[No. 7482

CAPE TOWN, 11 MARCH 1981

KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 503.

11 Maart 1981.

No. 503.

11 March 1981.

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

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

No. 36 van 1981: Wysigingswet op Finansiële Instellings, 1981.

No. 36 of 1981: Financial Institutions Amendment Act, 1981.

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FINANCIAL INSTITUTIONS AMENDMENT ACT, 1981

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, so as to further define the expression "approved reinsurances"; to change the basis on which the amount in respect of additional assets to be held by certain insurers in respect of short-term insurance business carried on by them shall be calculated, and to further regulate the payment of premiums on funeral policies; to amend the provisions of the Stock Exchanges Control Act, 1947, so as to further extend the application of certain provisions of the Inspection of Financial Institutions Act, 1962, relating to the inspection of financial institutions; to amend the provisions of the Unit Trusts Control Act, 1947, so as to delete certain provisions which have lapsed; to amend the provisions of the Participation Bonds Act, 1964, so as to delete certain provisions which have lapsed and to effect certain textual changes; to amend the Financial Institutions (Investment of Funds) Act, 1964, so as to render its provisions applicable also in respect of participation bond schemes; to amend the provisions of the Banks Act, 1965, relating to the minimum share capital and reserve funds and minimum liquid assets to be maintained by banking institutions, and to the inspection and making of copies of certain documents furnished by banking institutions to the Registrar of Banks; to amend the provisions of the Building Societies Act, 1965, relating to subscription shares; to amend the provisions of the last-mentioned Act so as to increase the maximum amounts of advances which may be made by building societies against the security of mortgages of immovable property and to increase the amount by which certain valuations required to be made in terms of the last-mentioned Act may exceed the true purchase price of the property concerned as declared for transfer duty purposes; to amend the provisions of the last-mentioned Act relating to the inspection of and the making or obtaining of copies of or extracts from certain documents lodged by building societies with the registrar of building societies; and to provide for incidental matters.

(English text signed by the State President.)
(Assented to 24 February 1981.)

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

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, section 1 of Act 103 of 1979 and section 1 of Act 99 of 1980.

1. Section 1 of the Insurance Act, 1943, is hereby amended by the insertion in subsection (1) after subparagraph (iA) of paragraph (a) of the definition of "approved reinsurances" of the following subparagraph:

"(iB) any reinsurance effected in terms of the provisions of section 2 of the Export Credit Re-insurance Act, 1957 (Act No. 78 of 1957);"

Amendment of section 17 of Act 27 of 1943, as substituted by section 12 of Act 10 of 1965 and amended by section 4 of Act 41 of 1966, section 2 of Act 91 of 1972, section 6 of Act 101 of 1976, section 3 of Act 94 of 1977, section 2 of Act 80 of 1978 and section 4 of Act 103 of 1979.

2. Section 17 of the Insurance Act, 1943, is hereby amended—

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

"(ii) [ten per cent or] such [other] percentage as may from time to time be prescribed by regulation of the greater of the following amounts, namely—

(aa) his premium income (after deduction of [approved] reinsurances referred to in subparagraphs (i), (iA) and (iB) of paragraph (a) of the definition of 'approved reinsurances' in subsection (1) of section 1) in the 20 previous financial year; or

(bb) his premium income (after deduction of [approved] reinsurances referred to in subparagraphs (i), (iA) and (iB) of paragraph (a) of the definition of 'approved reinsurances' in 25 subsection (1) of section 1) in the expired portion of the current financial year;"; and

(b) by the substitution for subparagraph (ii) of paragraph (b) of subsection (4) of the following subparagraph:

"(ii) [ten per cent or] such [other] percentage as may from time to time be prescribed by regulation of the greater of the following amounts, namely—

(aa) his premium income (after deduction of [approved] reinsurances referred to in subparagraphs (i), (iA) and (iB) of paragraph 35 (a) of the definition of 'approved reinsurances' in subsection (1) of section 1) in respect of such business carried on by him in the Republic in the previous financial year; or

(bb) his premium income (after deduction of [approved] reinsurances referred to in sub- 40 paragraphs (i), (iA) and (iB) of paragraph (a)

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of the definition of 'approved reinsurances' in subsection (1) of section 1 in respect of the aforementioned business in the expired portion of the current financial year."

Amendment of section 18 of Act 27 of 1943, as substituted by section 13 of Act 10 of 1965 and amended by section 5 of Act 41 of 1966, section 3 of Act 91 of 1972, section 7 of Act 101 of 1976, section 4 of Act 94 of 1977, section 3 of Act 80 of 1978 and section 5 of Act 103 of 1979.

3. Section 18 of the Insurance Act, 1943, is hereby amended 5
by the substitution for paragraph (b) of subsection (4) of the following paragraph:

- "(b) **[ten per cent or]** such **[other]** percentage as may from time to time be prescribed by regulation of the greater of the following amounts, namely— 10
- (i) his premium income (after deduction of **[approved]** reinsurances referred to in subparagraphs (i), (iA) and (iB) of paragraph (a) of the definition of 'approved reinsurances' in subsection (1) of section 1) in respect of such business 15
carried on by him in the Republic in the previous financial year; or
- (ii) his premium income (after deduction of **[approved]** reinsurances referred to in subparagraphs (i), (iA) and (iB) of paragraph (a) of the 20
definition of 'approved reinsurances' in subsection (1) of section 1) in respect of the aforementioned business in the expired portion of the current financial year."

Amendment of section 57A of Act 27 of 1943, as substituted by section 15 of Act 99 of 1980.

4. Section 57A of the Insurance Act, 1943, is hereby amended 25
by the substitution for subsection (1) of the following subsection:

"(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]** direct from the owner of the 30
policy and whether in cash or by cheque, postal order or money order, 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." 35

Amendment of section 23 of Act 7 of 1947, as substituted by section 34 of Act 86 of 1971.

5. Section 23 of the Stock Exchanges Control Act, 1947, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) The provisions of the Inspection of Financial Institutions Act, 1962 (Act No. 68 of 1962), shall apply 40
mutatis mutandis to any stock exchange, stock-broker or carrier against shares, or to any person who in terms of the provisions of section 2C of this Act is entitled, as a regular feature of his business, to administer or hold in safe custody on behalf of any other person any investments in 45
listed securities or any investments of which listed securities form part, and for the purposes of such application **[a]** such stock exchange, **[a]** stock-broker, **[or a]** carrier against shares or person shall be deemed to be a financial institution, and the Registrar as defined in section 1 of this Act shall be 50
the Registrar in relation to **[a]** such stock exchange, **[a]** stock-broker, **[or a]** carrier against shares or person."

Amendment of section 3 of Act 18 of 1947, as amended by section 3 of Act 11 of 1962, section 2 of

6. Section 3 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subsection (1) of the following subsection: 55

"(1) **[Subject to the provisions of section five,]** No person other than a company which has been registered as a

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Act 65 of 1963
and section 26 of
Act 99 of 1980.

management company under section 4 shall **[, after the commencement of this Act,]** manage or carry on any unit trust scheme in securities other than property shares or issue unit certificates thereunder.”

Amendment of
section 4 of
Act 18 of 1947,
as amended by
section 4 of
Act 11 of 1962.

7. Section 4 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) Every company **[, not being a company referred to in subsection (1) of section five,]** which desires to be registered as a management company under this Act shall lodge with the registrar an application for such registration in the prescribed manner and form and disclosing the prescribed particulars.”

Repeal of
section 5 of
Act 18 of 1947.

8. Section 5 of the Unit Trusts Control Act, 1947, is hereby repealed.

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,
section 18 of
Act 101 of 1976
and section 27 of
Act 99 of 1980.

9. Section 8 of the Unit Trusts Control Act, 1947, is hereby amended by the deletion of subsection (1B).

Substitution of
section 9 of
Act 18 of 1947,
as substituted
by section 8 of
Act 11 of 1962.

10. The following section is hereby substituted for section 9 of the Unit Trusts Control Act, 1947:

“Manage-
ment com-
pany to make
investment in
every unit
portfolio.

9. **[(1) Subject to the provisions of subsection (2),]** Every management company shall of its own resources have at all times invested in every unit portfolio an amount equal to at least ten per centum of the value of the underlying securities in such unit portfolio, and shall hold the units in respect of such investment as beneficial owner: Provided that the registrar may, on application by a management company, determine that the amount so invested by that company shall not be required to exceed two hundred thousand rand.

[(2) The registrar may, in the case of a management company which at the commencement of the Unit Trusts Control Amendment Act, 1962, was managing—

(i) a unit trust scheme in securities other than property shares and which amends its trust deed in order to create further units in an existing unit portfolio or to create further unit portfolios which will comprise an unlimited number of units; or

(ii) a unit trust scheme in property shares, on such conditions as he may deem fit exempt that company from the obligation to comply with the requirements of subsection (1) for such a period as he may determine.]”

Amendment of
section 20 of
Act 18 of 1947,
as amended by

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

(a) by the deletion of subsection (5); and

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section 18 of
Act 11 of 1962,
section 19 of
Act 101 of 1976
and section 30 of
Act 99 of 1980.

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

“(6) The registrar shall, [before serving on any such person a notification in terms of subsection (5), or] before revoking a certificate of registration in terms of subsection (3), notify the person concerned of the grounds upon which such action is contemplated against him, and shall give him a reasonable opportunity of showing cause why the proposed action should not be taken and every such person shall have the right to present his case verbally to the registrar and in doing so to be represented by any other person [in so doing].”

Amendment of
section 28 of
Act 18 of 1947,
as amended by
section 26 of
Act 11 of 1962,
section 6 of
Act 65 of 1968
and section 33 of
Act 99 of 1980.

12. Section 28 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) [Subject to the provisions of section *thirty*] No person other than a company which has been registered as a management company in property shares under section 29 shall [, after the commencement of this Act,] manage or carry on any unit trust scheme in property shares or issue unit certificates thereunder.”

Amendment of
section 29 of
Act 18 of 1947,
as amended by
section 27 of
Act 11 of 1962
and section 7 of
Act 65 of 1968.

13. Section 29 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) Every company [, not being a company referred to in subsection (1) of section *thirty*] which desires to be registered as a management company in property shares under this Act shall lodge with the registrar an application for registration in the prescribed manner and form and disclosing the prescribed particulars.”

Repeal of
section 30 of
Act 18 of 1947.

14. Section 30 of the Unit Trusts Control Act, 1947, is hereby repealed.

Amendment of
section 36 of
Act 18 of 1947,
as amended by
section 35 of
Act 11 of 1962,
section 10 of
Act 65 of 1963
and section 14 of
Act 48 of 1964.

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

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

“(1) Subject to the provisions of [subsections (2) and] subsection (3) no person shall [, after the commencement of the Unit Trusts Control Amendment Act, 1962,] do any act or enter into any agreement or transaction for the purpose of promoting, carrying on or managing any scheme, other than a unit trust scheme in terms of this Act, in pursuance whereof members of the public are or will be invited or permitted for valuable consideration to acquire an interest or undivided share in an asset or one or more groups of assets and to participate proportionately in the income or profits derived therefrom.”

(b) by the deletion of subsection (2); and

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

“(b) An application for exemption under paragraph (a) shall be lodged with the registrar [, in the case of any scheme or arrangement in existence at the commencement of the Unit Trusts Control Amendment Act, 1962, within six months after such commencement and, in the case of any such scheme or arrangement established after such commencement,] before [it] the scheme or arrangement in question is put into operation.”

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Substitution of section 39 of Act 18 of 1947.

16. The following section is hereby substituted for section 39 of the Unit Trusts Control Act, 1947:

"Annual report by registrar.

39. The registrar shall once in every calendar year submit to the Minister a report concerning the activities of all registered management companies and, in general, concerning all matters relating to the promotion or management of unit trust or analogous schemes, and the Minister shall lay such report upon the [Tables of both Houses of Parliament] Table of the House of Assembly within fourteen days after the receipt thereof if Parliament [be] is then in session or, if Parliament [be] is not then in session, then within fourteen days after the commencement of its next ensuing ordinary session."

Amendment of section 40 of Act 18 of 1947, as amended by section 39 of Act 11 of 1962.

17. Section 40 of the Unit Trusts Control Act, 1947, is hereby amended by the substitution for subsection (4) of the following subsection:

"(4) Any regulations made under this section shall be laid upon the [Tables of both Houses of Parliament] Table of the House of Assembly within fourteen days of their publication, if Parliament [be] is then in session, or, if Parliament [be] is not then in session, within fourteen days after the commencement of its next ensuing ordinary session."

Amendment of section 2 of Act 48 of 1964.

18. Section 2 of the Participation Bonds Act, 1964, is hereby amended—

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

"(3) Participants in any mortgage bond registered [prior to the commencement of this Act] in a deeds registry as a participation bond and included in a scheme [or arrangement exempted by the registrar in terms of paragraph (a) of subsection (3) of section thirty-six of the Unit Trusts Control Act, 1947 (Act No. 18 of 1947), from the provisions of that Act], shall be deemed to hold their participations subject to the provisions of this Act [provided that such mortgage bond has been endorsed to the effect that it is a participation bond and has been registered as such in the name of a nominee company in terms of the provisions of subsection (4) of this section]."; and

(b) by the deletion of subsection (4).

Amendment of section 3 of Act 48 of 1964, as amended by section 9 of Act 91 of 1972 and section 33 of Act 101 of 1976.

19. Section 3 of the Participation Bonds Act, 1964, is hereby amended—

(a) by the substitution in paragraph (b) of the proviso to subsection (1) for the words preceding subparagraph (i) of the following words:

"(b) as from [the date of commencement of the Financial Institutions Amendment Act,] 28 June 1972—"; and

(b) by the substitution for paragraph (c) of the proviso to subsection (2) of the following paragraph:

"(c) [from the date of commencement of the Financial Institutions Amendment Act, 1972,] the manager shall not offer to any person a participation of less than one thousand rand in any participation bond registered after [the commencement of the said Amendment Act] 28 June 1972."

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Amendment of section 6 of Act 48 of 1964, as amended by section 2 of Act 98 of 1967, section 10 of Act 91 of 1972 and section 34 of Act 101 of 1976.

20. Section 6 of the Participation Bonds Act, 1964, is hereby amended—

- (a) by the substitution for the proviso to subsection (2) (b) (ii) of the following proviso:
- “Provided that in a case where the right to such repayment was acquired on or after [the date of commencement of the Financial Institutions Amendment Act,] 28 June 1972, a holder shall not be entitled to take part in so instructing the manager before the period of five years in question referred to in paragraph (b) (ii) of the proviso to section 3 (1) or in section 3 (3) (d), as the case may be, has elapsed.”; and
- (b) by the substitution for paragraph (b) of subsection (6) of the following paragraph:
- “(b) in the case of any such transfer or cession—
- (i) he acquired his rights in such participation bond before [the date of commencement of the Financial Institutions Amendment Act,] 28 June 1972; or
- (ii) where he acquired his rights in such participation bond on or after [the date of commencement of the Financial Institutions Amendment Act,] 28 June 1972, the amount of money which is due to him in terms of the participation by which the said rights are conferred, had been invested in his name in the scheme up to the date of transfer or cession and for a continuous period of not less than five years; or
- (iii) the registrar approves such transfer or cession.”.

Amendment of section 9A of Act 48 of 1964, as inserted by section 17 of Act 80 of 1978.

21. Section 9A of the Participation Bonds Act, 1964, is hereby amended by the substitution for subsection (4) of the following subsection:

“(4) The provisions of this section shall apply *mutatis mutandis* with reference to any collateral security accepted before [the date of commencement of the Financial Institutions Amendment Act,] 21 June 1978 by the nominee company or the manager for any of the purposes referred to in subsection (1) and in respect of which the contract or arrangement or other document containing the terms and conditions thereof [is] was of full force and effect at [the] that date [of such commencement].”.

Amendment of section 1 of Act 56 of 1964.

22. Section 1 of the Financial Institutions (Investment of Funds) Act, 1964, is hereby amended by the addition to the definition of “financial institution” of the following paragraph:

“(h) a manager who in terms of the provisions of the Participation Bonds Act, 1964 (Act No. 48 of 1964), controls or administers a scheme;”.

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, section 29 of Act 103 of 1979 and section 46 of Act 99 of 1980.

23. Section 14 of the Banks Act, 1965, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) 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 an amount which represents the average of the total amounts of its liabilities to the public in the Republic excluding liabilities under acceptances, plus four per cent of an amount which represents the average of the total amounts of such last-mentioned liabilities and the banking institution’s contingent

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liabilities under promissory notes, bills and any other similar instrument endorsed by it at the end of each of the months of the preceding calendar quarter, as shown in the monthly returns furnished to the Registrar in terms of section 13 (1) (a) in respect of such months,

whichever is the greater: Provided that for the purposes of the application of this subsection—

- (i) a banking institution may deduct from its aforesaid liabilities, other than liabilities under acceptances, an amount equal to the amount of liquid assets it holds in excess of the amount required by this Act; and
- (ii) a commercial bank may deduct from its aforesaid liabilities, other than liabilities under acceptances, in addition to the amount referred to in paragraph (i), an amount equal to fifty per cent of the remittances in transit.”

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 and section 48 of Act 99 of 1980.

24. Section 17 of the Banks Act, 1965, is hereby amended by the substitution for paragraph (d) of subsection (1) of the following paragraph: 20

“(d) [ten] five per cent of its liabilities under acceptances and of its contingent liabilities under promissory notes, bills and any other similar instrument endorsed by it.”

Amendment of section 48 of Act 23 of 1965.

25. Section 48 of the Banks Act, 1965, is hereby amended— 25

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

“(1) On payment of a fee of fifty cents, any person may inspect and make a copy of any of the undermentioned [document] documents furnished to the Registrar by any one banking institution [in terms of subsection (2) of section four or subsection (1) of section thirteen or section thirty-two or thirty-four.], namely— 30

(a) documents furnished in terms of section 4 (2) or 32; or 35

(b) returns, statements and documents furnished in terms of section 13 (1) (a), (b), (c), (d) or (e) or section 34, in respect of the last ten preceding calendar years.”; and

(b) by the insertion after subsection (3) of the following subsection: 40

“(3A) Notwithstanding the provisions of subsections (1), (2) and (3), the returns, statements and documents referred to therein may, in the case of a banking institution whose registration has been cancelled, be inspected and copies thereof made or obtained, only for a period of five years as from the date of such cancellation of registration.” 45

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, section 7 of Act 67 of 1973 and section 52 of Act 99 of 1980.

26. Section 28 of the Building Societies Act, 1965, is hereby amended— 50

(a) by the substitution for subsection (5) of the following subsection:

“(5) Whenever the period of issue of a paid-up fixed period share expires [or a subscription share matures] the society shall redeem that share.”; and 55

(b) by the insertion of the following subsection after subsection (5):

“(5A) (a) Whenever the period after which a subscription share is calculated to mature, or such period as extended in terms of the provisions of subsec- 60

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tion (1C) expires, the society shall redeem that share unless the shareholder requests that it be not redeemed.

- (b) Where a subscription share is by virtue of the provisions of paragraph (a) not redeemed—
 - (i) the society may pay out monthly dividends on that share;
 - (ii) the shareholder may upon giving three months' notice to the society obtain redemption of that share;
 - (iii) the society may upon giving six months' notice to the shareholder redeem that share."

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, section 9 of Act 67 of 1973, section 29 of Act 80 of 1978 and section 54 of Act 99 of 1980.

27. Section 40 of the Building Societies Act, 1965, is hereby amended—

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

"(a) A society with total assets as set out in any item of the first column of the table hereunder shall not make against the security of a mortgage of immovable property an advance exceeding the amount set out opposite that item in the second column of the said table: Provided that in the case of a society whose first financial year has not yet expired such advance may not exceed an amount, not exceeding one hundred thousand rand, fixed by the registrar in respect of such last-mentioned society:

Table

Total assets at the close of the last preceding financial year	Maximum advance	
R2 000 001 to R5 000 000.....	[R200 000] R500 000	30
R5 000 001 to R20 000 000.....	[R400 000] R1 000 000	
R20 000 001 to R200 000 000.....	[R600 000] R3 000 000	
More than R200 000 000.....	[R1 000 000] R5 000 000";	40

and

- (b) by the substitution for subparagraph (i) of paragraph (a) of subsection (6) of the following subparagraph:

"(i) a dwelling house has been or is being erected on such property or the property to which such lease or licence refers; and the value of such property, lease or licence does not exceed [R28 000] R45 000; and".

Amendment of section 42 of Act 24 of 1965, as substituted by section 10 of Act 67 of 1973.

28. Section 42 of the Building Societies Act, 1965, is hereby amended by the deletion of the proviso to subsection (1).

Amendment of section 46 of Act 24 of 1965, as amended by section 13 of Act 67 of 1973, section 23 of Act 94 of 1977 and section 30 of Act 80 of 1978.

29. Section 46 of the Building Societies Act, 1965, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) Save in the case of an advance to an officer of the society or an advance the amount of which does not exceed [ten] fifteen thousand rand, and where a dwelling house is or is to be erected on the hypothecated property in question, a society shall, notwithstanding the provisions of

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section 40, accept as collateral security for the purposes of subsection (2) or (4) of section 40, security in any of the forms specified in paragraph (d), (e) or (g) of subsection (2) only if additional security is furnished in any of the forms specified in paragraph (a), (b) or (c) of subsection (2), to an amount equal to at least one half of the difference between the amount advanced and the amount which the society may advance in terms of subsection (2) or (4) of section 40 if no collateral security is furnished: Provided that the registrar, after consultation with the Treasury, the Department of Community Development and State Auxiliary Services and the Association of Building Societies of South Africa, may approve that, for such period as he may determine, the said additional security shall not be required in respect of guarantees furnished by the Minister of Finance or an Administrator of a province in respect of persons referred to in subparagraph (i) or (ii) of section 50 (2) (a) of the Finance and Financial Adjustments Acts Consolidation Act, 1977 (Act No. 11 of 1977): Provided further that in the case of a guarantee by a company of the business of which the provision of dwelling houses forms a substantial part, and where the value of the property in question does not exceed ~~twenty-eight~~ forty-five thousand rand, the additional security may, to the extent and on the conditions approved by the registrar, be in the form of a guarantee policy of a registered insurer or a guarantee by a financial institution approved by the registrar in general or in a specific case."

Amendment of section 47 of Act 24 of 1965, as amended by section 55 of Act 99 of 1980.

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

"(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~~ thousand 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]."

Amendment of section 73 of Act 24 of 1965.

31. Section 73 of the Building Societies Act, 1965, is hereby amended—

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

"Upon payment of the prescribed fees any person may obtain from the registrar a certificate of the registration of any society or a certified copy thereof and may inspect and make or obtain a copy of or an extract ~~of~~ from the rules of a society or any of the undermentioned documents lodged in respect of the last ten preceding calendar years with the registrar by any society, but ~~of~~ no other documents, namely—"

(b) by the insertion of the word "and" at the end of paragraph (b);

(c) by the deletion of paragraph (c); and

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(d) by the addition of the following subsection, the existing section becoming subsection (1):

“(2) Notwithstanding the provisions of subsection (1), the returns, statements and documents referred to therein may, in the case of a society whose registration has been cancelled, be inspected and copies thereof or extracts therefrom made or obtained, only for a period of five years as from the date of such cancellation of registration.”

5

Short title
and commence-
ment.

32. (1) This Act shall be called the Financial Institutions 10
Amendment Act, 1981.

(2) The provisions of sections 2, 3, 23 and 24 shall come into
operation on a date fixed by the State President by proclamation
in the *Gazette*.