

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.



REPUBLIC OF SOUTH AFRICA

# GOVERNMENT GAZETTE

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# STAATSKOERANT

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STATE PRESIDENT'S OFFICE

KANTOOR VAN DIE STAATSPRESIDENT

No. 1513.

10 July 1991

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

No. 119 of 1991: Financial Institutions Second Amendment Act, 1991

No. 1513.

10 Julie 1991

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

No. 119 van 1991: Tweede Wysigingswet op Finansiële Instellings, 1991

**GENERAL EXPLANATORY NOTE:**

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

**ACT**

To amend the Insurance Act, 1943, so as to increase the amount which, in so far as it relates to life policies, is protected against creditors; and to amend the Pension Funds Act, 1956, so as to provide for the registration of pension funds to which the State contributes financially; for the conferring of legal personality on such funds; for the continuation of the assets, rights, liabilities and obligations of such funds; and for the application of the said Act and the rules of such funds to the State; and to provide for matters connected therewith.

*(English text signed by the State President.)  
(Assented to 27 June 1991.)*

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

**Amendment of sections 39, 42 and 44 of Act 27 of 1943, as amended by sections 14, 16 and 17, respectively, of Act 39 of 1969**

1. Sections 39, 42 and 44 of the Insurance Act, 1943, are hereby amended by the substitution for the words "ten thousand", wherever they occur therein, of the words "thirty thousand". 5

**Insertion of sections 4A, 4B and 4C in Act 24 of 1956**

2. The Pension Funds Act, 1956, is hereby amended by the insertion after section 4 of the following sections: 10

**"Registration of pension funds to which State contributes financially**

**4A. (1) Notwithstanding anything to the contrary contained in any law, the Minister may, after consultation with the Registrar of Pension Funds, by regulation provide for a management board for a pension fund to which the State contributes financially.** 15

(2) If a management board has been established for a pension fund as is contemplated in subsection (1), such pension fund may, with the consent of the Minister, apply in terms of section 4 for registration.

(3) When an application has been made in terms of subsection (2), the provisions of this Act shall apply to the pension fund concerned, in so far as they can be applied, and as if the pension fund were a pension fund as defined in paragraph (b) of the definition of "pension fund organization" in section 1. 20

(4) The State President may by proclamation in the *Gazette* make such regulations as he may deem necessary or expedient to give effect to the provisions of subsections (1), (2) and (3), including regulations whereby— 25

- (a) any provision of this Act or any other law is repealed or amended;  
 (b) the carrying on of the business of a pension fund referred to in subsection (1) is regulated from the date of the application for registration thereof until the date of registration.

#### Effect of registration of pension fund referred to in section 4A

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**4B. (1)** On the registration of a pension fund referred to in section 4A it shall become a juristic person.

(2) Subject to the provisions of subsections (3) and (4), the registration of a pension fund referred to in section 4A shall not affect the assets, rights, liabilities, obligations and membership of such pension fund.

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(3) Regulations referred to in section 4A(4) may also provide for the termination of the membership of certain persons of a pension fund referred to in section 4A which has been registered and for their membership of any other pension fund, and the passing of the obligations of the first-mentioned fund towards dependants and nominees of members thereof to the last-mentioned pension fund.

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#### Transfer to pension fund referred to in section 4A of its assets held by another

**4C. (1)** If any person holds any assets on behalf of a pension fund referred to in section 4A or has on behalf of any such pension fund invested any assets in any stock, debentures, securities or financial instruments, he shall, on production to him of the certificate of provisional registration or the certificate of registration in respect of such pension fund—

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- (a) transfer those assets into the name of such pension fund;  
 (b) take such steps as may be necessary to ensure that on such stock, debentures, securities or financial instruments issued in his name and in any relevant register such endorsements are made as may be necessary to show that the ownership in such stock, debentures, securities or financial instruments vests in such pension fund; and  
 (c) if requested thereto by such pension fund, transfer to such fund the stock, debentures, securities or financial instruments vested in it.

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(2) No stamp duty, registration fee or costs shall be payable in respect of any transfer or endorsement referred to in subsection (1)."

#### Substitution of section 40 of Act 24 of 1956

3. The following section is hereby substituted for section 40 of the Pension Funds Act, 1956:

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#### "Act in certain respects, and certain rules, binding on State

**40.** From the date of the registration of a pension fund referred to in section 4A the provisions of this Act, excluding the provisions of section 37, in so far as they relate to such pension fund, and the rules of such pension fund, shall be binding on the State."

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#### Short title and commencement

4. (1) This Act shall be called the Financial Institutions Second Amendment Act, 1991, and the provisions thereof shall come into operation on a date fixed by the State President by proclamation in the *Gazette*.

(2) Different dates may in terms of subsection (1) be fixed in respect of different provisions of this Act.

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