

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

STAATSKOERANT

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CAPE TOWN, 13TH OCTOBER, 1970.

[No. 2873.]

KAAPSTAD, 13 OKTOBER 1970.

DEPARTMENT OF THE PRIME MINISTER.

DEPARTEMENT VAN DIE EERSTE MINISTER.

No. 1714. 13th October, 1970.

No. 1714. 13 Oktober 1970.

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

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

No. 76 of 1970: Limitation and Disclosure of Finance Charges Amendment Act, 1970.

No. 76 van 1970: Wysigingswet op Beperking en Bekendmaking van Finansieringskoste, 1970.

LIMITATION AND DISCLOSURE OF FINANCE CHARGES Act No. 76, 1970
AMENDMENT ACT, 1970.

ACT

To amend the provisions of the Limitation and Disclosure of Finance Charges Act, 1968, relating to definitions, finance charge rates, disclosure of finance charges, reduction of instalments and furnishing of copies of instruments of debt.

*(English text signed by the State President.)
(Assented to 29th September, 1970.)*

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

1. Section 1 of the Limitation and Disclosure of Finance Charges Act, 1968 (hereinafter referred to as the principal Act), is hereby amended— Amendment of section 1 of Act 73 of 1968.

- (a) by the addition to the definition of "finance charges" of the words "but does not include a ledger fee";
- (b) by the insertion after the definition of "instrument of debt" of the following definition:
 - "ledger fee" means a fee charged by a banking institution as defined in the Banks Act, 1965 (Act No. 23 of 1965), for keeping an account from which withdrawals may be made by cheque and which is so charged whether the account shows a debit balance or a credit balance;";
- (c) by the substitution for paragraph (a) of the proviso to the definition of "regular payments" of the following paragraph:
 - "(a) the instalments shall be deemed to be equal if all the instalments in the series of instalments are equal except one which—
 - (i) does not exceed any of the other instalments by more than ten per cent; or
 - (ii) is smaller than any of the other instalments; and"

2. Section 2 of the principal Act is hereby amended—

- (a) by the substitution for paragraph (a) of subsection (1) of the following paragraph: Amendment of section 2 of Act 73 of 1968.
 - "(a) eighteen and one-quarter per cent, where the total amount of money lent by him to a borrower, including disbursements, recoverable as part of the principal debt, made by him, within any period of three months does not in the aggregate exceed two hundred rand;";
- (b) by the substitution for subsection (2) of the following subsection:
 - "(2) No credit grantor shall in connection with any credit transaction stipulate for, demand or receive finance charges at an annual finance charge rate greater than eighteen and one-quarter per cent."

**LIMITATION AND DISCLOSURE OF FINANCE CHARGES
AMENDMENT ACT, 1970.**

3. Section 3 of the principal Act is hereby amended— Amendment of
section 3 of
Act 73 of 1968.
(a) by the substitution for paragraph (b) of subsection (3) of the following paragraph:

“(b) any bond over movable or immovable property which is registered in a deeds registry;”;

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

“(5) The provisions of subsections (1) and (2) shall not be construed as prohibiting any moneylender or a credit grantor from charging a borrower or credit receiver in respect of a money lending transaction or a credit transaction, finance charges at a lesser rate than the annual finance charge rate disclosed in the instrument of debt relating to such a transaction.”.

4. Section 6 of the principal Act is hereby amended by the insertion of the following subsection after subsection (3): Amendment of
section 6 of
Act 73 of 1968.

“(4) A borrower or a credit receiver shall not be entitled to any reduction referred to in subsection (1) or (2) where finance charges are not levied—

(a) for the period by which the payment of an instalment is advanced; or

(b) in respect of an instalment which is not due on the date an arrangement is made in terms of subsection (2) or (3).”.

5. Section 10 of the principal Act is hereby amended— Amendment of
section 10 of
Act 73 of 1968.

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

“(1) A moneylender carrying on the business of money lending or a credit grantor who transacts credit transactions in the normal course of his business shall, within fourteen days after the date on which a money lending transaction or a credit transaction was concluded, deliver or send through the post to the borrower or credit receiver, as the case may be, a duplicate or true copy of the instrument of debt executed in connection with the transaction, or if no instrument of debt was so executed, a duplicate or true copy of a document which has been signed, as the case may be, by the moneylender and borrower or the credit grantor and credit receiver or by their duly authorized representatives and wherein the relevant particulars specified in section 3 (1) or (2) are set forth.”;

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

“(4) The provisions of subsection (1) shall not apply to or in respect of—

(a) a money lending transaction or a credit transaction where the obligation of the borrower or credit receiver, as the case may be, is secured wholly by a bond over movable or immovable property registered in a deeds registry;

(b) a debit balance in an account with a banking institution as defined in the Banks Act, 1965 (Act No. 23 of 1965), from which withdrawals may be made by cheque;

(c) a money lending transaction where the borrower is a banking institution aforesaid.”.

**6. This Act shall be called the Limitation and Disclosure of Short title.
Finance Charges Amendment Act, 1970.**