

SOUTH AFRICAN RESERVE BANK

NO. R. 1241

20 NOVEMBER 2020



SOUTH AFRICAN RESERVE BANK

REVOCATION NOTICE**REVOCATION OF THE DESIGNATION OF THE SOUTH AFRICAN POST OFFICE LIMITED, A POSTAL COMPANY CONTEMPLATED IN SECTION 3(1) OF THE POST OFFICE ACT 44 OF 1958, WHICH PREVIOUSLY CONDUCTED THE BUSINESS OF A BANK THROUGH ITS POSTBANK DIVISION, AS A DESIGNATED CLEARING SYSTEM PARTICIPANT****1. Introduction**

1.1. The South African Reserve Bank (SARB) is empowered to vary and revoke any designation of a clearing system participant in terms of the National Payment System Act 78 of 1998, as amended (NPS Act). In terms of section 6(3)(b) of the NPS Act, the SARB may vary or revoke any designation;

- a) by amending or revoking any condition to which the designation is subject; or
- b) by making the designation subject to a new condition or new conditions.

1.2. Section 6(3)(c) provides that, in determining whether or not to vary or revoke a designation, the SARB may have regard to any or all of the following:

- a) any failure to comply with any condition to which the designation is subject;
- b) whether or not the designated clearing system participant has knowingly furnished information or documents which are false or misleading in any material respect to the SARB in connection with the designation;
- c) whether or not it is in the public interest to revoke the designation; and

d) any other matters that the SARB considers appropriate.

2. Background

- 2.1. The SARB designated the South African Post Office Limited (SAPO) through its Postbank Division as a designated clearing system participant in terms of section 6(3)(a) of the NPS Act. The designation notice was published in the General Notice No. 315 of Government Gazette No. 34323 dated 7 May 2011 (Designation Notice), and became effective as from 01 June 2011.
- 2.2. Postbank has a unique status in that it is involved in the business of a bank although it is excluded from the provisions of the Banks Act 94 of 1990 (Banks Act) by the Minister of Finance, as published in Government Notice No. 344 in the Government Gazette No. 13744 of 24 January 1992, and is not a fully-fledged bank.
- 2.3. Postbank has been operating as a division of SAPO since inception. As of 1 April 2019, Postbank was incorporated as a separate legal entity in terms of section 6 of the South African Postbank Act 9 of 2010 (Postbank Act). The determination of the transfer date of the Postbank enterprise was published in the General Notice No. 151 of Government Gazette 42323 dated 22 March 2019. Accordingly, Postbank ceased to be a division of SAPO. Furthermore, section 7 of the Postbank Act provides that from 1 April 2019, anything done by or on behalf of the former Postbank (as a division of SAPO) must be regarded as having been done by Postbank.
- 2.4. Although SAPO's name was reflected on the Designation Notice, Postbank has since the designation of SAPO and authorisation by the Payments Association of South Africa (PASA), provided the services of a designated clearing system participant. As such, Postbank was an issuer of payment instruments, and acquirer of payment instructions operating within SAPO. In accordance with section 7 of the Postbank Act, these services were duly transferred to Postbank on 1 April 2019, necessitating the revocation of designation of SAPO as a

clearing system participant, as well as the designation of Postbank as a clearing system participant.

3. Revocation

- 3.1. The SARB has considered the provisions of the NPS Act and has deemed necessary to revoke the designation of SAPO as a clearing system participant due to the transfer of the clearing system participant services to Postbank, now a separate legal entity.
- 3.2. Therefore, I, Mr E L Kganyago, Governor of the SARB, hereby, with effect from the date of publication in the Government Gazette.
- 3.3. Revoke the designation of SAPO as a clearing system participant in terms of section 6(3)(b) of the NPS Act.

Signed at **Pretoria** on this **9th** day of **November 2020**



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EL Kganyago
Governor