
REPUBLIC OF SOUTH AFRICA

**SOUTH AFRICAN RESERVE
BANK AMENDMENT ACT**

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.

ACT

To amend the South African Reserve Bank Act, 1989, so as to accomplish the synchronization of the election of shareholders' representatives to vacancies on the board of directors of the South African Reserve Bank with the dates of ordinary general meetings of the shareholders of the Bank; to further regulate the powers and duties of the said Bank with regard to the establishment, regulation and supervision of, and participation in, payment, clearing and settlement systems; and to provide for the disclosure of certain confidential information; and to provide for matters connected therewith.

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

Amendment of section 5 of Act 90 of 1989

1. Section 5 of the South African Reserve Bank Act, 1989 (hereinafter referred to as the principal Act), is hereby amended—

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

“(1) The Governor and the Deputy Governors shall hold office for a period of five years, and the **[other]** directors who are Government representatives shall hold office for a period of three years.”; and

(b) by the insertion of the following subsections after subsection (1):

“(1A) The directors who are shareholders' representatives shall hold office for a period commencing on the first day after the date of their election as such at an ordinary general meeting of the shareholders held during a specific calendar year and terminating on the first day after the date of the ordinary general meeting of the shareholders held during the third calendar year after the calendar year first-mentioned in this subsection.

(1B) In order to give effect to the provisions of this section as amended by the South African Reserve Bank Amendment Act, 1997, the term of office of a director who is a shareholders' representative and who holds office as such on the date immediately preceding the date of commencement of the South African Reserve Bank Amendment Act, 1997, shall, in the case of such a director whose term of office is, in terms of the

5

10

15

20

provisions of this section as those provisions existed immediately prior to the amendment thereof by the South African Reserve Bank Amendment Act, 1997, due to expire during a specific calendar year on a date—

- (a) preceding the date of the ordinary general meeting of shareholders to be held during that calendar year, be extended up to and terminate on the first day after the date of that ordinary general meeting;
- (b) after the date of the ordinary general meeting of shareholders to be held during that calendar year, be curtailed so as to terminate on the first day after the date of that ordinary general meeting.”.

Amendment of section 10 of Act 90 of 1989, as amended by section 3 of Act 10 of 1993 and section 5 of Act 2 of 1996

2. Section 10 of the principal Act is hereby amended by the substitution for paragraph (c) of subsection (1) of the following paragraph:

- “(c) (i) **[establish, organize and participate in a clearing system and take up shares in a company formed for the management and operation of any such system]** perform such functions, implement such rules and procedures and, in general, take such steps as may be necessary to establish, conduct, monitor, regulate and supervise payment, clearing or settlement systems;
- (ii) form, or take up shares or acquire an interest in, any company or other juristic person that provides—
- (aa) a service for the purpose of or associated with; or
 - (bb) any facility for or associated with, the utilization of any such payment, clearing or settlement systems;
- (iii) perform the functions assigned to the Bank by or under any law for the regulation of such payment, clearing or settlement systems; and
- (iv) participate in any such payment, clearing or settlement systems;”.

Amendment of section 33 of Act 90 of 1989

3. Section 33 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

- “(1) No director, officer or employee of the Bank, and no officer in the Department of Finance, shall disclose to any person, except to the Minister or the Director-General: Finance or for the purpose of the performance of his or her duties or the exercise of his or her functions or when required to do so before a court of law or under any law—
- (a) any information relating to the affairs of—
- (i) the Bank; **[or]**
 - (ii) a shareholder **[or customer]** of the Bank; or
 - (iii) a client of the Bank,
- acquired in the performance of his or her duties or the exercise of his or her functions; or
- (b) any other information acquired by him or her in the course of his or her participation in the activities of the Bank,
- except, in the case of information referred to in paragraph (a)(iii), with the written consent of the Minister and the Governor, after consultation with the client concerned.”.

Short title

4. This Act shall be called the South African Reserve Bank Amendment Act, 1997.