



South African Reserve Bank

PRESS RELEASE FOR RESERVE BANK

Tuesday, 20 June 2017

The Public Protector yesterday released a report on the Alleged Failure to Recover "Misappropriated Funds" in the erstwhile Bankorp lifeboat investigation.

She has ordered remedial action directing Parliament to effect a constitutional amendment to the Reserve Bank's powers. This had an immediate and negative impact on the markets and the exchange rate of the Rand.

The amendment would, if effected, strip the Reserve Bank of its key competency to protect the value of the currency and the well understood role that central banks play in securing price stability. The remedial action proposed will have a negative impact on the independence of the Reserve Bank.

The Reserve Bank has consulted its legal team and has been advised that the remedial action prescribed by the Public Protector falls outside her powers and is unlawful. The Reserve Bank has been advised to bring urgent review proceedings to have the remedial action set aside. The Reserve Bank has resolved to do so.

The Reserve Bank will address its other concerns with the report and evidential factual inaccuracies therein, at the appropriate time.

The Reserve Bank acts in terms of its constitutional mandate in the interests of the welfare of all South Africans.