



South African Reserve Bank

Media release

Tuesday, 30 August 2016

Statement on recent comments by the ANC's Deputy Secretary General

The South African Reserve Bank (SARB) has noted recent comments by the ANC's Deputy Secretary General, Jessie Duarte, that: "Our (South African) Reserve Bank needs to cushion the rand but the Reserve Bank itself is privately owned and so we have a difficulty". The statement has resulted in media enquiries regarding the SARB's independence.

We wish to reiterate that the shareholding structure of the SARB has no bearing on any policy decisions that the executive management of the SARB, being the Governor and Deputy Governors, takes in implementing the SARB's constitutional mandate. The SARB Act confers original powers on the Governor and Deputy Governors with regard to the management of the SARB and execution of policy.

The Governor and Deputy Governors take decisions independently, without fear, favour or prejudice. Monetary policy decisions are taken by the Monetary Policy Committee (MPC), which comprises the Governor, the three Deputy Governors, and two officials of the SARB, and is chaired by the Governor.

Neither the Board nor the SARB's shareholders have any say or influence over policy decisions. The board of directors is responsible for the governance of the SARB.

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The composition of the SARB's Board is determined as follows:

- The President of the Republic of South Africa, after consulting the Minister of Finance and the South African Reserve Bank Board of Directors, appoints the Governor of the SARB (who also chairs the Board) and three Deputy Governors (executive directors of the Board). In addition, the President, also after consultation with the Minister of Finance, appoints an additional four non-executive directors of the SARB.
- The remaining seven non-executive directors are elected by the SARB's shareholders following a rigorous pre-qualification process, including evaluation of nominees by a Panel established in terms of the SARB Act. The SARB Act requires each of the directors of the SARB to be a fit and proper person, with appropriate skills and experience.

The primary mandate and independence of the South African Reserve Bank (SARB) are entrenched in sections 224 and 225 of the Constitution of the Republic of South Africa. In carrying out its mandate the SARB does not bow to any pressure, whether it be political or from the private sector. The SARB accounts to the people of South Africa through Parliament.

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