



South African Reserve Bank

Presentation to Parliament

2018-01-31

Background

- The primary purpose of the South African Reserve Bank (SARB) is to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. Together with other institutions, it also plays a pivotal role in ensuring financial stability.
- SARB is also responsible, on behalf of the Minister of Finance (Minister), for the day-to-day administration of exchange controls in South Africa. Exchange Control Regulations are the legal provisions that limit the extent to which South African residents and companies may transfer funds abroad.
- The Minister has, therefore, delegated to the Governor and/or a Deputy Governor, as well as to the Head of the Financial Surveillance Department (FinSurv) and to other officials in the department, all the powers, functions and duties assigned to and imposed on the Treasury under the Exchange Control Regulations (with certain exceptions).
- SARB's FinSurv is, accordingly, responsible for the day-to-day administration of exchange controls.
- The policy is determined by the Minister and SARB, therefore, acts as an adviser to the Minister and as an implementer of exchange control policy decisions.



SARB's perspective on Steinhoff

- SARB does not regulate Steinhoff as it is not a financial institution.
- SARB has done a detailed analysis of the risks posed by Steinhoff from a financial stability risk.
- While the collapse of Steinhoff may result in significant losses for banks, lenders and investors, SARB is of the view that this will not result in financial instability.
- SARB is investigating whether any exchange control laws or regulations have been breached.
- We remain ready to cooperate with local and international regulators and law enforcement authorities.

