

2003-06-23

TO ALL BANKS, BRANCHES OF FOREIGN BANKS AND MUTUAL BANKS

BANKS ACT CIRCULAR 10/2003

PROPOSED AMENDMENT TO LEGISLATION: CONDITIONS FOR THE CONDUCTING OF THE BUSINESS OF A BANK BY A FOREIGN INSTITUTION BY MEANS OF A BRANCH IN THE REPUBLIC

1. INTRODUCTION

This Office is of the opinion that the current regulatory framework whereby branches of foreign banks conduct the business of a bank in the Republic of South Africa requires certain amendments.

2. ISSUE OF PROPOSED AMENDMENTS TO THE FRAMEWORK

This Office wishes to draw your attention to the publication of the proposed amendments to Government Notice No. 1414, published in *Government Gazette* No. 21936 dated 28 December 2000, titled "Conditions for the Conducting of the Business of a Bank by a Foreign Institution by means of a Branch in the Republic".

The proposed amendments are currently available at the South African Reserve Bank's Website, at <http://www.reservebank.co.za/>, under Bank Supervision, South African banking legislation, Proposed amendments to legislation.

Comments on the proposed amendments should reach this Office by no later than 31 July 2003.

3. ACKNOWLEDGEMENT OF RECEIPT

Two additional copies of this circular are enclosed for the use of your institution's independent auditors. The attached acknowledgement of receipt, duly completed and

signed by both the chief executive officer of the institution and the said auditors, should be returned to this Office at the earliest convenience of the aforementioned signatories.

E M Kruger

Deputy Registrar of Banks

The previous circular issued was Banks Act Circular 9/2003 dated 19 June 2003.