



**South African Reserve Bank**  
From the Office of  
the Registrar of Banks

Confidential

2007-12-14

**TO ALL BANKS, CONTROLLING COMPANIES AND BRANCHES OF FOREIGN INSTITUTIONS**

**CIRCULAR 8/2007**

**AMENDMENTS TO THE LEGAL FRAMEWORK RELATING TO BANKS**

**EXECUTIVE SUMMARY**

The purpose of this circular is to notify all banks, controlling companies and branches of foreign institutions of the amendments to the legal framework relating to banks.

**1. Amended Legal Framework**

The legal framework relating to banks has been amended substantially in order to give effect to current international standards pertaining to various aspects of banking regulation and supervision. The amended legal framework is, furthermore, the product of an extensive consultation process involving all relevant stakeholders.

The above-mentioned process culminated in the promulgation of the Banks Amendment Act, 2007 (Act No. 20 of 2007 – the “Banks Amendment Act”) when it was assented to by the President of the Republic of South Africa and published as Notice No. 1080 in *Government Gazette* No. 30474 on 15 November 2007. The provisions of the Banks Amendment Act will become effective on 1 January 2008.

A consolidated version of the Banks Act, 1990 (Act No. 94 of 1990 – the “Banks Act”), including all amendments up to and including the Banks Amendment Act, is available on the website [www.reservebank.co.za](http://www.reservebank.co.za), under the thumbnail Bank Supervision.

The legislative amendment process was concluded on 11 December 2007 when the Minister of Finance, under section 90 of the Banks Act, approved amendments to the following:

- 1.1 The “Regulations relating to Banks”; and
- 1.2 The “Conditions for the conducting of the business of a bank by a foreign institution by means of a branch in the Republic”.

Furthermore, under paragraph (cc) of the definition of “the business of a bank” in section 1 of the Banks Act, I have, with the approval of the Minister of Finance, issued an amended notice relating to the “Designation of an activity not falling within the meaning of “the business of a bank” (Securitisation Schemes)”.

The provisions of the above-mentioned regulations and notice will be published in the *Government Gazette* in due course and will become effective on 1 January 2008. Copies thereof will be published on the aforementioned website once they have been published in the *Government Gazette*.

## **2. 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  
**Registrar of Banks**

The previous circular issued was Banks Act Circular 7/2007 dated 7 December 2007.