



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

Confidential

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D1/08

TO ALL BANKS, CONTROLLING COMPANIES AND BRANCHES OF FOREIGN BANKS

DIRECTIVE 1/2008 ISSUED IN TERMS OF SECTION 6(6) OF THE BANKS ACT, 1990: USE OF DIVISIONAL NAMES

EXECUTIVE SUMMARY

Banks Act Circular 6/2007 dated 14 November 2007 regarding consultation with banks, controlling companies and branches of foreign banks in respect of directives, circulars and guidance notes refers.

The Banks Act, 1990 (Act No. 94 of 1990 – the Banks Act) makes provision for a bank or a branch of a foreign bank to establish a division and the Registrar of Banks may determine conditions for the use of such a divisional name. In order to maintain a level playing field within the industry, this Office deems it necessary to issue this directive to banks and controlling companies in respect of the correct procedure to be followed when a divisional name is used.

1. Introduction

Banks and branches of foreign banks may establish a division and may use such a divisional name in conjunction with its registered name. However, in order to maintain a level playing field, as well as to safeguard against unauthorised and possibly misleading use of divisional names, this Office hereby directs banks and branches of foreign banks to comply with the conditions as set out in this directive.

2. Banks Act reference

Section 22(2A) of the Banks Act provides that a bank may, with the prior written consent of the Registrar, in conjunction with its registered name, and subject to such conditions as the Registrar may determine, use or refer to a name of a division, brand or product of that bank, which name includes the word “bank” or any derivative thereof.

3. Directive

A bank shall, in the instance where a divisional name is used, comply with the following:

3.1 Stationery (Letterheads, bank forms and compliment slips, for external use)

The name of the banking institution has to appear in an obvious place, in close proximity to the divisional name. Where the name of the banking institution appears in close proximity to the divisional name, the print size of the banking institution's name has to be at least 25 per cent of the print size of the divisional name.

3.2 Advertising material

The same condition as in 1 above applies to printed advertisements and to advertisements on television and other electronic media. With regard to advertisements of the division on radio, any oral statements making it clear that the advertisements pertain to a division of the named banking institution will suffice. For efficacious reasons, the said conditions will not be applicable to promotional material such as clothing, umbrellas, golf balls, etc.

3.3 Display of names in banking halls and on buildings

The name of the division, together with the words "a division of" and the name of the banking institution, displayed in accordance with the conditions above, has to appear in an obvious place on the building housing the relevant division. The aforesaid conditions of display will also be applicable when displaying divisional names on billboards, signs and when naming buildings.

4. Acknowledgement of receipt

Two additional copies of this directive 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