



Ref.: 15/8/2/3

To: All mutual banks and auditors of mutual banks

Proposed Directive issued in terms of section 4(6) of the Mutual Banks Act, 1993 (Act No. 124 of 1993)

Proposed amendments to the Regulations relating to Mutual Banks

Executive summary

In terms of section 91 of the Mutual Banks Act, 1993 (Act No. 124 of 1993) (Mutual Banks Act), the Minister of Finance (MoF) may make regulations in respect of any matter required or permitted to be prescribed by regulation in terms of the Mutual Banks Act (Regulations).

Since the inception of the Mutual Banks Act, the respective regulatory returns (DI returns) and the related instructions issued for the completion of the DI returns have formed an integral part of the Regulations issued in terms of section 91 of the Mutual Banks Act.

To facilitate and support the ongoing work related to the Umoja System Implementation Project, which includes the submission of various regulatory returns through the Umoja portal, it was decided to remove the DI returns and related instructions for completion of the DI returns from the Regulations. In future, all DI returns and the related instructions for the completion of the respective DI returns will be issued either in the form of directives per the Mutual Banks Act or in the form of determinations under an empowering prudential standard made in terms of section 105 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act), read with section 1A(5) of the Mutual Banks Act.

1. Introduction

- 1.1 In terms of section 91 of the Mutual Banks Act, the MoF may make regulations in respect of any matter which is required or permitted to be prescribed by regulation under the Mutual Banks Act.
- 1.2 Since the inception of the Mutual Banks Act, the respective DI returns to be completed by mutual banks and the related instructions for the completion of the respective DI returns, among others, have formed an integral part of the Regulations, issued by the MoF in terms of section 91 of the Mutual Banks Act.

- 1.3 Currently, regulation 8 of the Regulations states, among other things, that:
- 1.3.1 forms to be completed in terms of the Regulations can be obtained from the PA and must be completed and submitted in accordance with the instructions, directives and interpretations contained in the applicable chapters of the Regulations; and
 - 1.3.2 mutual banks are not obliged to use the forms provided by the PA, but any reproduction used by a mutual bank must in all respects correspond to the prescribed forms.
- 1.4 The PA is empowered in terms of section 105 of the FSR Act, read with section 1A(5) of the Mutual Banks Act, to issue prudential standards for financial institutions in respect of various matters, including matters traditionally prescribed by regulation in terms of the Mutual Banks Act. In this regard, the PA may in future, determine DI returns through determinations issued under the empowering prudential standard.
- 1.5 To facilitate and support the ongoing work related to the Umoja System Implementation Project, the PA decided:
- 1.5.1 to remove all the DI returns, and the related instructions for the completion of the respective DI returns, from the Regulations;
 - 1.5.2 to issue all the DI returns, and the related instructions for the completion of the respective DI returns, separately in the form of directives and/or determinations in terms of the Mutual Banks Act, read with the FSR Act;
 - 1.5.3 not to make any amendments to any of the DI returns, and the related directives for the completion of the respective DI returns, during the processes envisaged in paragraphs 1.5.1 and 1.5.2 above, other than amendments directly related to the Umoja System Implementation Project; and
 - 1.5.4 to issue the related draft Government Notice, attached hereto as Annexure A, for consultation as an integral part of the processes envisaged in paragraphs 1.5.1 and 1.5.2 above.

2. Directive

- 2.1 Based on the aforesaid and in accordance with the provisions of section 4(6) of the Mutual Banks Act, all mutual banks and auditors of mutual banks are hereby directed to take note of the proposed Government Notice, attached hereto as Annexure A, with a proposed implementation date of 1 July 2025.

3. Invitation for comment

- 3.1 All mutual banks and other interested persons are hereby invited to submit their comments on the proposed Government Notice, attached hereto as Annexure A, and the proposed implementation date of 1 July 2025. Comments can be directed to: PA-Standards@resbank.co.za, for the attention of Ms E Myburgh, by no later than 24 January 2025.

3.2 All comments received may be published on the website of the PA, unless a respondent specifically requests confidential treatment.

Fundi Tshazibana
Chief Executive Officer

Date:

Encl. 1

Draft 1
(Day) (Month) 2025

GOVERNMENT NOTICE

NATIONAL TREASURY

No.

2025

**AMENDMENTS TO REGULATIONS IN TERMS OF THE
MUTUAL BANKS ACT, 1993**

The Minister of Finance has, in terms of section 91 of the Mutual Banks Act, 1993 (Act No. 124 of 1993), amended the Regulations relating to Mutual Banks which were published in Government Notice No. R. 2508 of 28 December 1993, as amended by Government Notice No. R. 500 of 1 April 1998, Government Notice No. R. 1008 of 5 October 2001 and Government Notice No. R. 1009 of 5 October 2001, as set out in the Schedule.

SCHEDULE

Definitions

1. In this Schedule, 'the Regulations' mean the Regulations published under Government Notice No. R. 2508, in *Government Gazette* No. 15381 on 28 December 1993, as amended by -
 - (a) Government Notice No. R. 500 in *Government Gazette* No. 18809 of 1 April 1998;
 - (b) Government Notice No. R. 1008 in *Government Gazette* No. 22738 of 5 October 2001; and
 - (c) Government Notice No. R. 1009 in *Government Gazette* No. 22738 of 5 October 2001.

Amendment of regulations 1 to 46 of the Regulations

2. The Regulations is hereby amended by the substitution for the words 'Registrar' and 'Office for Banks', wherever they occur, with the word 'Authority'.

Substitution of regulation 9 of the Regulations

3. The following regulation is hereby substituted for regulation 9 of the Regulations:

“9. **Forms prescribed: financial, risk-based and other related returns to be submitted to the Authority, with indication of institution by which, intervals at which, and period within which returns shall be submitted**

A mutual bank or any other relevant person, entity or institution regulated or supervised by the Authority shall submit to the Authority such financial, risk-based and other related returns as may be determined or directed in writing by the Authority, in accordance with such requirements as may be determined or directed in writing by the Authority.”

Deletion of forms DI 100 and DI 110

4. The Regulations is hereby amended by the deletion of forms DI 100 and DI 110 immediately before regulation 19.

Amendment of regulation 19 of the Regulations

5. Regulation 19 of the Regulations is hereby amended by the substitution for subregulation (5) of the following subregulation:

“(5) A mutual bank shall complete the forms DI 100 and DI 110 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”

Deletion of form DI 200

6. The Regulations is hereby amended by the deletion of form DI 200 immediately before regulation 20.

Amendment of regulation 20 of the Regulations

7. Regulation 20 of the Regulations is hereby amended by the substitution for subregulation (1) of the following subregulation:

“(1) A mutual bank shall complete the form DI 200 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 300

8. The Regulations is hereby amended by the deletion of form DI 300 immediately before regulation 21.

Amendment of regulation 21 of the Regulations

9. Regulation 21 of the Regulations is hereby amended by the substitution for subregulation (2) of the following subregulation:

“(2) A mutual bank shall complete the form DI 300 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 310

10. The Regulations is hereby amended by the deletion of form DI 310 immediately before regulation 22.

Amendment of regulation 22 of the Regulations

11. Regulation 22 of the Regulations is hereby amended by the substitution for subregulation (5) of the following subregulation:

“(5) A mutual bank shall complete the form DI 310 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 400

12. The Regulations is hereby amended by the deletion of form DI 400 immediately before regulation 23.

Amendment of regulation 23 of the Regulations

13. Regulation 23 of the Regulations is hereby amended by the substitution for subregulation (6) of the following subregulation:

“(6) A mutual bank shall complete the form DI 400 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 401

14. The Regulations is hereby amended by the deletion of form DI 401 immediately before regulation 24.

Substitution of regulation 24 of the Regulations

15. The following regulation is hereby substituted for regulation 24 of the Regulations:

“(24) Consolidated balance sheet – Directives and interpretations for completion of annual consolidated balance sheet (Form DI 401)

A mutual bank shall complete the form DI 401 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 402

16. The Regulations is hereby amended by the deletion of form DI 402 immediately before regulation 25.

Substitution of regulation 25 of the Regulations

17. The following regulation is hereby substituted for regulation 25 of the Regulations:

“(25) Counterparty risk – Directives and interpretations for completion of monthly return concerning counterparty risk (Form DI 402)

A mutual bank shall complete the form DI 402 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 403

18. The Regulations is hereby amended by the deletion of form DI 403 immediately before regulation 26.

Substitution of regulation 26 of the Regulations

19. The following regulation is hereby substituted for regulation 26 of the Regulations:

“(26) Foreign operations of South African mutual banks – Directives and interpretations for completion of quarterly return concerning foreign operations of South African mutual banks (Form DI 403)

A mutual bank shall complete the form DI 403 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 410

20. The Regulations is hereby amended by the deletion of form DI 410 immediately before regulation 27.

Amendment of regulation 27 of the Regulations

21. The Regulations is hereby amended by the insertion of subregulation (7) in regulation 27, after subregulation (6):

“(7) A bank shall complete the form DI 410 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 420

22. The Regulations is hereby amended by the deletion of form DI 420 immediately before regulation 28.

Amendment of regulation 28 of the Regulations

23. Regulation 28 of the Regulations is hereby amended by the substitution for subregulation (5) of the following subregulation:

“(5) A mutual bank shall complete the form DI 420 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 430

24. The Regulations is hereby amended by the deletion of form DI 430 immediately before regulation 29.

Substitution of regulation 29 of the Regulations

25. The following regulation is hereby substituted for regulation 29 of the Regulations:

“(29) Trading risk – Directives and interpretations for completion of monthly return concerning trading risk (Form DI 430)

A mutual bank shall complete the form DI 430 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of forms DI 500, DI 505, DI 510 and DI 520

26. The Regulations is hereby amended by the deletion of forms DI 500, DI 505, DI 510 and DI 520 immediately before regulation 30.

Amendment of regulation 30 of the Regulations

27. Regulation 30 of the Regulations is hereby amended by the substitution for subregulation (2) of the following subregulation:

“(2) A mutual bank shall complete the forms DI 500, DI 505, DI 510 and DI 520 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of form DI 600

28. The Regulations is hereby amended by the deletion of form DI 600 immediately before regulation 31.

Amendment of regulation 31 of the Regulations

29. Regulation 31 of the Regulations is hereby amended by the substitution for subregulation (7) of the following subregulation:

“(7) A mutual bank shall complete the form DI 600 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of forms DI 700, DI 701 and DI 702

30. The Regulations is hereby amended by the deletion of forms DI 700, DI 701 and DI 702 immediately before regulation 32.

Insertion of regulation 31A in the Regulations

31. The following regulation is hereby inserted in the Regulations, after regulation 31 and the heading ‘Information regarding investments and interests held’:

“(31A) Information regarding investments and interests held – Directives and interpretations for completion of returns (Forms DI 700, DI 701 and DI 702)

A bank shall complete the forms DI 700, DI 701 and DI 702 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

Deletion of forms DI 099, DI 900, DI 910, DI 920 and DI 930

32. The Regulations is hereby amended by the deletion of forms DI 099, DI 900, DI 910, DI 920 and DI 930 following regulation 43.

Substitution of regulation 43 of the Regulations

33. Regulation 43 of the Regulations is hereby substituted for the following regulation:

“43. Forms prescribed: returns to be submitted to the Authority and the Economic Statistics Department of the South African Reserve Bank with indication by which, intervals at which and period within which returns shall be submitted

A mutual bank or any other relevant person, entity or institution regulated or supervised by the Authority shall submit to the Authority and the Economic Statistics Department of the South African Reserve Bank such returns as may be determined or directed in writing by the Authority, in accordance with such requirements as may be determined or directed in writing by the Authority.”.

Substitution of regulation 44 of the Regulations

34. Regulation 44 of the Regulations is hereby substituted for the following regulation:

“44. Institutional and maturity breakdown of liabilities and assets – Directives and interpretations for completion of return concerning institutional and maturity breakdown of assets and liabilities (Form DI 900)

A mutual bank shall complete the form DI 900 in accordance with such instructions or requirements as may be determined or directed in writing by the Authority.”.

35. **Date of commencement**

These regulations shall come into operation on [to be finalised].