

SOUTH AFRICAN RESERVE BANK

No. 2171

14 December 1994

BANKS ACT, 1990**DESIGNATION OF AN ACTIVITY NOT FALLING WITHIN THE MEANING OF "THE BUSINESS OF A BANK" (TRADE IN SECURITIES AND FINANCIAL INSTRUMENTS)**

Under paragraph (cc) of the definition of "the business of a bank" in section 1 of the Banks Act, 1990 (Act No. 94 of 1990), I, Christo Floris Wiese, Deputy Registrar of Banks, hereby designate, with the approval of the Minister of Finance with effect from 1 January 1995, the activity set out in the Schedule as an activity that does not fall within the meaning of "the business of a bank".

C F WIESE,
Deputy Registrar of Banks

SCHEDULE

Definitions

1. In this Schedule-

"Financial Markets Control Act", means the Financial Markets Control Act, 1989 (Act No. 55 of 1989);

"loan stock", means loan stock, as defined in section 1 of the Financial Markets Control Act;

"Stock Exchanges Control Act", means the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985);

Designated activity

2. The obtaining of money by-

- (a) a stock-broker as defined in section 1 of the Stock Exchanges Control Act, through the sale of loan stock to any person, subject to an agreement in terms of which such stock-broker undertakes to purchase from the buyer, at a future date, the loan stock so sold, or any other similar loan stock, provided the money is so obtained in the course and for the purpose of the carrying on of the business of the buying and selling of securities by a stock-broker;
- or

- (b) a financial instrument principal as defined in section 1 of the Financial Markets Control Act, or a financial instrument trader as so defined, through the sale of loan stock to any person, subject to an agreement in terms of which such financial instrument principal or financial instrument trader, as the case may be, undertakes to purchase from the buyer, at a future date, the said loan stock so sold, or any other similar loan stock, provided the money is so obtained in the course and for the purposes of the carrying on of the business of the buying and selling of loan stock by a financial instrument principal or financial instrument trader.
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