

Statement regarding interest rate on tax-free shares of building societies

*Issued by the Honourable Sen. O. P. F. Horwood,
Minister of Finance.*

14 June 1976.

The Reserve Bank is today announcing an adjustment in interest rate control in order to enable building societies to compete more effectively for deposits and thereby to arrest the recent sharp decline in their net intake of funds.

For the same reason I propose to increase the rate of interest on the special tax-free building society shares from 7½ to 8% per annum. Legislation to this effect will be introduced in Parliament in due course, and shares issued in the meanwhile at the higher rate will qualify for the tax exemption. The maximum holding of these shares remains unchanged at R10 000 per taxpayer.

Statement regarding interest rate control

*Issued by the Governor of the South African
Reserve Bank, Dr. T. W. de Jongh.*

14 June 1976.

After the usual consultation with the Treasury, the Reserve Bank has decided that, with effect from 15 June 1976, the prescribed maximum interest rates which banking institutions and building societies may pay on deposits will apply to all individual deposits of R1 million or less, instead of only to individual deposits of R250 000 or less as at present. Except in the case of savings deposits, the new regulations will apply to deposits accepted or renewed on or after 15 June 1976.

Interest rates on deposits in excess of R1 million will remain free from control, and the existing exemption in respect of all deposits which banking institutions and building societies accept from one another will continue to apply.

The necessary Government Notice regarding this change will appear in the Government Gazette.

This adjustment is being made in order to enable the building societies to compete more effectively for deposits and thereby to arrest the recent sharp decline in their net intake of funds.

Verklaring insake rentekoers op belastingvry bouverenigingaandele

*Uitgereik deur Sy Edele sen. O. P. F. Horwood,
Minister van Finansies.*

14 Junie 1976.

Die Reserwebank kondig vandag 'n aanpassing aan in die beheer oor rentekoerse ten einde die bouverenigings in staat te stel om meer effektief vir deposito's mee te ding en sodoende die onlangse skerp daling in die netto invloeiing van hulle fondse te stuit.

Om dieselfde rede stel ek voor dat die rentekoers op die spesiale belastingvry bouverenigingaandele vanaf $7\frac{1}{2}\%$ na 8% per jaar verhoog word. Wetgewing vir hierdie doel sal mettertyd in die Parlement ingedien word en aandele wat intussen teen die verhoogde koers uitgereik word, sal vir die belastingvrystelling kwalifiseer. Die maksimum-besit van hierdie aandele bly onveranderd op R10 000 per belastingbetaler.

Verklaring insake rentekoersbeheer

Uitgereik deur die President van die Suid-Afrikaanse Reserwebank, dr. T. W. de Jongh.

14 Junie 1976.

Ná die gebruikelike oorlegpleging met die Tesourie het die Reserwebank besluit dat, met ingang 15 Junie 1976, die voorgeskrewe maksimum rentekoerse wat bankinstellings en bouverenigings op deposito's mag betaal van toepassing sal wees op alle individuele deposito's van R1 miljoen of minder, in plaas van slegs op individuele deposito's van R250 000 of minder soos tans. Behalwe in die geval van spaardeposito's, sal die nuwe regulasies van toepassing wees op deposito's ontvang of hernieu op of ná 15 Junie 1976.

Rentekoerse op deposito's van meer as R1 miljoen sal vry van beheer bly, en die bestaande vrystelling ten opsigte van alle deposito's wat bankinstellings en bouverenigings van mekaar neem, sal van toepassing bly.

Die nodige Goewermentskennisgewing met betrekking tot hierdie verandering sal in die Staatskoerant verskyn.

Hierdie aanpassing word gedoen om die bouverenigings in staat te stel om meer effektief om deposito's mee te ding en sodoende die onlangse skerp afname in hulle netto inname van fondse te stuit.