

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY

NO. 672

17 JUNE 2020

NOTICE OF INTENTION TO INTRODUCE FINANCIAL SECTOR LAWS AMENDMENT BILL, 2020 IN NATIONAL ASSEMBLY AND PUBLICATION OF EXPLANATORY SUMMARY OF BILL

In terms of rule 276(1)(b) and (c) of the Rules of the National Assembly—

- (a) notice is hereby given of the intention of the Minister of Finance to introduce the Financial Sector Laws Amendment Bill ("the Bill") in the National Assembly; and
- (b) the following explanatory summary of the Bill is hereby published:

The Bill provides for amendments to—

- the Insolvency Act, 1936, to clarify that the provisions of the Financial Sector Regulation Act, 2017, apply to the liquidation or sequestration of the estate of a designated institution; to exclude dispositions made in case of resolution from the application of the Insolvency Act; and to clarify and refine the application of certain provisions of the Insolvency Act;
- the South African Reserve Bank Act, 1989, to provide for the performance of resolution functions by the Reserve Bank;
- the Banks Act, 1990, to exclude banks in resolution from the application of certain provisions; to provide for set-off against any amounts paid by the Corporation for Deposit Insurance; to repeal certain provisions;
- the Mutual Banks Act, 1993, to provide for the issuing of guidance notes and directives by the Prudential Authority; to provide for an offence in the case of non-compliance with a directive; to repeal certain provisions; to exclude a mutual bank in resolution from the application of certain provisions;
- the Competition Act, 1998, to exclude transactions in relation to resolution from the application of certain provisions;
- the Financial Institutions (Protection of Funds) Act, 2001, to exclude designated institutions in resolution from the application of certain provisions;
- the Co-operative Banks Act, 2007, so as to repeal certain provisions; and to exclude the application of certain provisions to co-operative banks as designated institutions;
- the Companies Act, 2008, to provide for the winding up of a company in resolution in certain circumstances; to exclude transactions, amalgamations or mergers or arrangements in relation to resolution from the application of certain provisions; to exclude an institution in resolution from the application of a Chapter;
- the Financial Markets Act, 2012, to exclude designated institutions from the application of certain provisions; and to exclude designated institutions in resolution from the application of certain provisions;
- the Financial Sector Regulation Act, 2017, to provide for the establishment of a framework for the resolution of designated institutions to ensure that the impact or potential impact of a failure of a designated institution on financial stability is managed appropriately; to designate the Reserve Bank as the resolution authority; to establish a deposit insurance scheme, including a Corporation for Deposit Insurance and a Deposit Insurance Fund; to provide for co-ordination, co-operation, collaboration and consultation between the Corporation for Deposit Insurance and other entities in relation to financial stability and the functions of these entities; to make provision for designated institutions in connection with resolution matters; to further provide for information required to assess a levy; to effect consequential and technical amendments to certain provisions; to accordingly amend the long title and the Arrangement of sections; and
- the Insurance Act, 2017, to exclude certain insurers from the application of a Chapter;

The Bill also provides for other matters connected with the amendments referred to above.

A copy of the Bill will be obtainable from the National Treasury's website at <http://www.treasury.gov.za> after introduction of the Bill on 26 February 2020, and also by contacting Mr A Hendricks, Parliament, PO Box 15, Cape Town, 8000, Telephone no: 021 403 8223.