



**PENSION FUNDS ACT, NO. 24 OF 1956**

**DRAFT NOTICE NO. XX OF 2017**

**REGULATION 28 – EXEMPTION IN RESPECT OF DEBT INSTRUMENTS  
ISSUED OR GUARANTEED BY A SOUTH AFRICAN BANK**

I, Dube P Tshidi, Registrar of Pension Funds, hereby, under Regulation 28(9) of the Regulations made under section 36 of the Pension Funds Act, No. 24 of 1956, publish for comment a draft proposal to exempt retirements funds from items 2.1(c)(i), (ii) and (iii) of Table 1 of Regulation 28 to the extent set out in the Schedule.

**DUBE TSHIDI  
REGISTRAR OF PENSION FUNDS**

## SCHEDULE

### Definition and background

1. In this Schedule, “**the Act**” means the Pensions Funds Act 1956, (Act No. 24 of 1956) and “**Regulation 28**” means the Regulations prescribed in terms of section 36 of the Act and any word of expression to which a meaning is assigned in the Act shall have that meaning, and unless the context otherwise indicates-

“**controlling company**” means the controlling company of a South African bank registered as controlling company in terms of section 44 of the Banks Act, 1990 (Act 94 of 1990).

2. Regulation 28(3)(a) provides that a fund may only hold assets and categories of assets referred to in Table 1 and that a fund must comply with the limits set out in the regulation.
3. Items 2.1(c)(i), (ii) and (iii) of Table 1 determine that funds may invest in debt instruments issued or guaranteed by a listed South African bank against its balance sheet, subject to limits based on the market capitalisation of the South African bank (issuer). In practice, the controlling company is listed and not the South African bank. An exemption is required to regularise the application of the limits.

### Exemption

4. A fund is hereby exempted from the application of the limits in items 2.1(c)(i),(ii) and (iii) of Table 1 of Regulation 28 to a South African Bank where such South African Bank is not a listed on an exchange, on condition that –
  - (a) its controlling company is listed; and
  - (b) the limits in items 2.1(c)(i), (ii) and (iii) are applied taking into account the market capitalisation of the controlling company.