



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

REGULATIONS AND DRAFT RULES FOR CO-OPERATIVE BANKS

National Treasury has gazetted regulations governing co-operative banks in South Africa. These regulations have been promulgated in terms of the Co-operative Banks Act.

The Co-operative Banks Act hopes to promote access to financial services, especially by previously excluded South Africans, by establishing a regulatory framework and development institution for co-operative banks. It also requires existing financial co-operatives meeting a set criteria (i.e. it is a secondary deposit taking financial co-operative or a primary co-operative which has 200 or more members and holds deposits of members to the value of at least R1 million, and is currently exempt from the provisions of the Banks Act), to apply for registration as a co-operative bank by 31 July 2009.

The regulations gazetted provide the framework for co-operative banks and prescribe the types of investments which these banks are allowed to invest in on behalf of their members.

Draft Combined Rules have also been published for public comment. These rules describe the forms needed to register, and the manner and period in which these forms should be submitted. The public is requested to provide comments by 31 July 2009.

A co-operative bank is a group of people voluntarily united to meet their common banking needs through a jointly and democratically owned and controlled

financial institution. This institution offers its members a comprehensive range of financial products and services such as savings, loans and transmission facilities, while upholding collective entrepreneurship and contributing to the development of communities.

The draft rules for public comment are available on the National Treasury website, www.treasury.gov.za under 'Documents: Public comments'. The regulations are also available on the website.

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