

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 149

DATE OF PUBLICATION: 25 FEBRUARY 2005

DUE FOR SUBMISSION TO PARLIAMENT: 10 MARCH 2005

MR KDS DURR (ACDP) TO THE MINISTER OF FINANCE:

What (a) will be the estimated total cost of the implementation and awareness campaign to bring the new bank notes into circulation, (b) is the budgeted cost of launching the notes and educating the public and (c) what are the advantages of the new notes?

N193E

REPLY:

(a) The estimated total cost to the South African Reserve Bank is R19 431 571.

(b) This is included in the above figure; and

(c) The advantages are as follows:

- It is international best practice to upgrade and/or renew banknote series every six to eight years; our old notes have been in circulation since 1992.
- The new notes will help to prevent counterfeiting, through the use of new technical and security features.
- The new notes are printed in all Eleven Official Languages of South Africa, enabling everybody to better use and understand them.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 62

DATE OF PUBLICATION

11 FEBRUARY 2005

DUE FOR SUBMISSION TO PARLIAMENT

24 FEBRUARY 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

(a) How many exchange control amnesty applications had been received as at 29 February 2004, (b) how many of these applications have been (i) processed and (ii) refused to date and (c) what is the Rand value of the total amount in respect of which amnesty applications have been received? **N103E**

REPLY:

- (a) The Amnesty Unit has received close to 43 000 applications to date.
- (b) (i) More than 26 000 applications have been adjudicated by the end of January 2005.
- (ii) Less than 10 applications have been identified for possible refusal.
- (c) The total rand value of the assets disclosed in amnesty applications is estimated at R 65 billion.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 61

DATE OF PUBLICATION

11 FEBRUARY 2005

DUE FOR SUBMISSION TO PARLIAMENT

24 FEBRUARY 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

With reference to Makoya Moola campaign launched by the SA Reserve Bank following the introduction of upgraded banknotes, what is the (a) estimated total cost of the campaign to the (i) Reserve Bank and (ii) other organizations or partners such as banks and (b) cost of the (i) above-the-line, and (ii) below-the-line advertising and (iii) training campaigns

N102E

REPLY:

- (a) (i) Estimated budget for total cost of the campaign to the South African Reserve Bank: R19 431 571.
- (ii) Only the banks and the other organisations concerned can give out this information.
- (b) Cost to date of:
 - (i) Above-the-line advertising: R3 214 043.83;
 - (ii) Below-the-line advertising: R2 539 185.63; and
 - (iii) Training: R4 866 102.32.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 385

DATE OF PUBLICATION: 18 MARCH 2005

MR K W MORWAMOCHE (ANC) TO ASK THE MINISTER OF FINANCE:

- (1) Whether, with reference to the SA Reserve Bank's presentation to Parliament about the upgraded bank notes on 3 February 2005 and in light of the fact that the campaign to educate the public on these bank notes was conducted in all 11 official languages except Sepedi, his department will address the discrepancies caused by the use of Sesotho sa Leboa instead of Sepedi; if not, why not; if so, what are the relevant details;
- (2) whether he will make a statement on the matter? **N569E**

REPLY:

- (1) The use of Sesotho sa Leboa by the South African Reserve Bank instead of Sepedi as an official language for public education on the upgraded banknotes was based on the recommendation by the Pan South African Language Board (Pan SLAB), which regarded Sepedi as one of the dialects of "official languages" spoken in the Limpopo region. Confusion is due also to the 1996 English version of the Constitution which considers Sepedi as an official language, while the 1993 English version of the Constitution (as well as other versions of the Constitution) refers to an equivalent of "Sesotho sa Leboa" as the official language and not Sepedi.

The matter has been brought to the attention of the Parliament's Joint Constitutional Review Committee and the Portfolio Committee on Arts and Culture for resolution.

- (2) No.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 504

DATE OF PUBLICATION: 8 APRIL 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether he has given consent to the sale of a certain company's subsidiaries (names furnished) to a certain bank (name furnished), as required under section 54 (1) of the Banks Act, Act 94 of 1990; if not, why not; if so, on what date was consent given;
- (2) whether, in reaching this decision, he took into consideration (a) the findings by the Irish government that one of the said subsidiaries had received and generated the proceeds of crime and (b) any investigations by the Department of Justice or the National Prosecuting Authority, or both, into suspected unlawful activities by the said company or one of its subsidiaries; if not, why not, if so;
- (3) whether he took any legal advice regarding the possibility that the sale by the said company of the said subsidiary, which had been found by the Irish High Court to have the proceeds of unlawful activities embedded in its capital, would constitute the disposal by the said group of the proceeds of unlawful activities; if not, why not; if so, what advice was he given on this matter?

N694E

REPLY:

- (1) The sale of the subsidiaries concerned did not form part of the assets and liabilities of the bank referred to, as these entities upon acquisition thereof by the bank maintained their own independent legal status. In order for assets to be regarded as forming part of the book of a bank they have to be absorbed within the legal entity of the bank concerned, which was not the case in the matter referred to. Consequently, the sale of the subsidiaries under reference was not subject to the approval process by the Minister of Finance, as contemplated by the provisions of section 54 of the Banks Act, Act No 94 of 1990.
- (2) Not applicable.
- (3) Not applicable.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 546

DATE OF PUBLICATION: 8 APRIL 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

- (1) (a) How many financial service providers are estimated to fall within the definition of such and therefore need to be licensed in terms of the Financial Advisory and Intermediary Services Act, Act No 37 of 2002, (b) when was the deadline by which they had to have made application for a license, (c) how many have made such application to date, (d) how many of the said applications have been (i) approved and (ii) rejected and (e) what are the main reasons for refusal of such applications;
- (2) whether there is a backlog in respect of the applications to be approved; if so, what (a) was that backlog as at the latest specified date for which information is available and (b) are the reasons for such backlog;
- (3) whether he intends taking any action against those providers who have not applied for such a licence or are refused a licence and still continue to practice as a service provider; if not, why not; if so, what action?

N737E

REPLY:

- (1) (a) The Financial Services Board initially estimated that between 10 000 and 20 000 Financial Services Providers would require licenses in terms of the Financial Advisory and Intermediary Services Act, 2002.
- (b) The deadline for applications was 30 September 2004 for all Financial Services Providers, excluding those engaged only in the activity of providing advice or intermediary services in respect of funeral insurance policies. With regard to the latter, the date was 31 December 2004.
- (c) As at 11 April 2005, 14 321 applications had been received.
- (d) (i) 8 657 Licenses have been issued as at 11 April 2005.

- (ii) 7 Applications have been declined.
- (e) The main reasons for applicants being denied approval are that they have either not complied with the requirements or did not make full disclosure of past activities which affected their applications as required in the application form.
- (2) (a) Applications are still being received on a continuous basis. The remainder are in the process of scrutinisation and finalisation. In respect of the majority of the applications that have not been finalised, additional information has been requested from the applicants.
- (b) The main reasons for the delay can be ascribed to a flood of applications at the last minute, and incomplete applications.
- (3) Intermediaries and advisors in contravention of section 7 of the Financial Advisory and Intermediary Services Act, 2002 will be handed over to prosecuting authorities for further action, with section 36 penalties of the Act being applicable.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 692

DATE OF PUBLICATION: 20 MAY 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether he invoked Section 18(2) of the Competition Act, Act 89 of 1998, to prevent the Competition Commission from making a decision regarding the investment by Barclays Bank in ABSA Bank; if not, why did the ABSA/Barclays Securities Exchange News Services (SENS) firm-intention announcement claim that he had excluded the jurisdiction of the Competition Authorities; if so, what were his grounds for making such a decision;
- (2) whether he was concerned that blocking the decision of the Competition Commission would compromise a well-informed view of the impact of the deal on competition and fairness in the banking sector; if not, why not; if so, what were his reasons for blocking the decision?

N907E

REPLY:

- (1) I invoked Section 18(2) of the Competition Act, Act 89 of 1998, only after receipt of the recommendations of the Competition Commission regarding the application by Barclays Bank to acquire a majority stake in ABSA Bank.
- (2) The analysis and recommendations of the Competition Commission regarding the impact on competition were fully included in my consideration of whether to grant regulatory approval for the transaction.

In the public interest, section 18(2) of the Competition Act permits the Minister, as the ultimate regulatory authority, to terminate the concurrent jurisdiction of the Competition Commission within 10 days of having received the Competition Commission's recommendations. This is to reduce any possible confusion arising from approval having to be obtained from more than one regulatory authority. It provides for certainty, expedition and consistency, in that a single regulatory authority is responsible for determining the outcome of a merger application in terms of the Banks Act and determining whether consent should be given conditionally or unconditionally. The final regulatory authority in the case of proposed bank mergers is the Minister of Finance.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 698
DATE OF PUBLICATION: 20 MAY 2005

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

- (1) What are the measurable benefits the Financial Advisory and Intermediary Services Act, Act 37 of 2002, sets out to achieve;
- (2) whether, as a result of this Act, there has been, or is expected to be a reduction in the (a) number of insurance and savings policies sold in South Africa, (b) number of lapsed or surrendered policies, (c) number of registered financial service providers, (d) number of complaints of misselling by intermediaries and (e) average premium size of policies sold;
- (3) whether it is intended that the Financial Services Board should report to Parliament on an annual basis on the measurable benefits achieved by the Act; if not, why not?

N913E

REPLY:

- (1) The Financial Advisory and Intermediary Services Act, Act 37 of 2002 ("the FAIS Act") has two main objectives which include:
 - (i) Consumer protection and;
 - (ii) Professionalisation of the advisory and intermediary sector.
- (2) (a) The FAIS Act is not expected to affect the number of insurance and savings policies sold.

- (b) The number of lapsed or surrendered policies is expected to fall as the FAIS Act is expected to reduce misselling of policies. It is more accurate to say however, that it is expected that the number of policies lapsed or surrender to in-force policies will fall.
 - (c) It is estimated that the number of registered financial service providers will decline initially, but could well expand in the longer term as access to financial services improves.
 - (d) It is expected that the FAIS Act will reduce the number of complaints regarding mis-selling.
 - (e) The FAIS Act is not expected to affect the average premium size of policies sold.
- (3) The FSB submits its annual report dealing with every sector it supervises to Parliament, including the progress and benefits of the FAIS.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 715

DATE OF PUBLICATION: 20 MAY 2005

MS A M DREYER (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether the sale of erf 390 in Ormonde Extension 8, Johannesburg which had been sold by the Reserve Bank to a certain construction company (name furnished), was part of a public tender process; if not, why not; if so, (a) what is the name of the agent who was involved in the tender process, (b) what was the purchase price of the property and (c) what are the further relevant details;
- (2) whether any other offer had been made to purchase the property; if so, (a) by whom and (b) what was the amount offered;
- (3) whether the property was sold for less than what another potential purchaser had offered; if not, what is the position in this regard; if so, (a) why and (b) who took the decision to sell the property for lesser amount than the highest offer?

N931E

REPLY:

- (1) The sale of the property was not subject to a public tender process.

The Bank's Board of Directors resolved that it was best that the property be offered for sale in the open market since the South African Reserve Bank is under no specific requirement to sell it through the public tender process.

- (2) (a) and (b)
The Reserve Bank received numerous offers from estate agents and property developers. The highest offer received was an option offer for an amount of R6,8 million (including VAT), and the lowest offer to purchase was for an amount of R1 million (including VAT).
- (3) (a) and (b)
The Reserve Bank received other offers higher than the offer accepted. Those other offers were either option offers that lapsed after a pre-determined period or offers that contained suspensive conditions that a loan be approved for the full purchase price. Since the offeror could not raise the required finance, no sale of property could be concluded.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 801

27 MAY 2005

MR M JOHNSON (ANC) TO ASK THE MINISTER OF FINANCE:

Whether his department intends taking any steps to improve access for poor people to affordable, development-oriented micro credit during the United Nation's Year of Micro Credit; if not, why not; if so, what are the main steps that are envisaged?

N1061E

REPLY:

Yes, already we are moving far ahead of the United Nation's Year of Micro Credit. The National Treasury is working jointly with the Department of Trade and Industry in establishing the South African Micro Credit Apex Fund. This Fund will target the very poor citizens of South Africa by providing affordable micro-credit using existing non-profit micro-enterprise financial institutions. The National Treasury has therefore budgeted R120 million to capitalize the Fund over the next three years. Other efforts include the tabling of the Cooperative Banks Bill, in October 2005, to help formalise and strengthen capacity amongst community-based banks to enable them to provide affordable access of development-oriented microfinance services to low-income individuals, especially in remote rural areas.

We will also be celebrating the United Nation's Year of Micro Credit during the launch of the Apex Fund across the provinces between July and October 2005. In addition, the Year of Micro Credit, involving all stakeholders to showcase micro-finance success stories in South Africa, will be marked by a national day, scheduled for November 2005.

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER 49
DUE FOR SUBMISSION TO PARLIAMENT
01 JUNE 2005

MR M STEPHENS (UDM) TO ASK THE MINISTER OF FINANCE:

Whether he intends outlawing the levying of fees for cash withdrawals from ATM machines, as is the case in the United Kingdom; if not, why not; if so, what are the relevant details?

N758E

REPLY:

No intervention is currently being considered to outlaw the levying of fees for cash withdrawals from ATM machines.

Current legislation covering the market conduct of banks does not provide me with powers to outlaw the charging of certain fees.

National Treasury is currently reviewing recommendations arising from the joint National Treasury and South African Reserve Bank study on competition in banking, with a view to formulating a policy response to the issues of transparency and competition in the fees charged by banks.

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER 50
DUE FOR SUBMISSION TO PARLIAMENT
01 JUNE 2005

MR M STEPHENS (UDM) TO ASK THE MINISTER OF FINANCE:

- (1) Whether any conditions were attached to the acquisition of ABSA by Barclays to the effect that Barclays (a) will introduce its normal current account, which attracts no charges when it is in credit, to South Africa in line with its practice in the United Kingdom (UK), (b) will introduce a debit card in line with its practice in the UK, which features free cash withdrawals at ATM machines and free debit card purchases at participating dealers and (c) will do away with all bank charges in South Africa that are not in line with their practice in the UK; if not, what is the position in this regard; if so, what was the response from Barclays in each case;
- (2) whether any other conditions were attached in this regard; if so, what are the relevant details? **N759E**

REPLY:

- (1) A number of conditions of approval have been communicated to Barclays, taking into account the requirements of the Banks Act, ongoing maintenance of the soundness of the South African financial system and prevailing policy objectives. Barclays has communicated its unequivocal agreement with these conditions and a commitment to a long-term partnership with ABSA. However, the detailed conditions remain private and confidential between the respective parties and the regulatory authorities. This must be accepted as central to the function of bank supervision.
- (2) The nature and coverage of conditions attached to this acquisition include amongst others:
 - Barclay's confirmation of its intention for ABSA to maintain best practice corporate governance standards and a close ongoing relationship with ABSA's regulators. The lead regulatory authority in respect of ABSA shall remain with the SARB.

- Barclays shall furthermore furnish the SARB with a letter of comfort committing itself to maintain the financial soundness of ABSA and unequivocally accepting the authority of the Office of the Registrar of Banks and the conditions applicable thereto.
- Barclays and ABSA have confirmed their commitment to match or exceed all appropriate broad-based black economic empowerment targets contained in the Financial Sector Charter.
- Barclays shall maintain a South African character in terms of ABSA's management and board make-up, in the sense that the Chief Executive Officer of ABSA and the majority of the executive management team of ABSA shall be South African citizens, based locally.
- ABSA shall remain a South African incorporated company with its primary listing on the JSE Securities Exchange South Africa.