



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

22 April 2003 Private Bag X115, Pretoria, 0001. Tel: +27 12 315 5111, Fax: +27 12 315 5234

TO CHIEF FINANCIAL OFFICERS OF SCHEDULE 3(A) AND 3(C) PUBLIC ENTITIES

INVESTMENT OF SURPLUS FUNDS

In terms of Treasury Regulation 31.3.3, Public Entities that are listed in Schedule 3(a) and 3(c) of the Public Finance Management Act must, unless exempted, invest surplus funds with the Corporation for Public Deposits (CPD).

During June/July 2002 Schedule 3(a) and 3(c) Public Entities were informed that they are exempted from investing their surplus funds with the CPD up to 31 March 2003. This exemption is hereby extended until the publication of the revised Treasury Regulations, repealing regulations 31.3.3 to 31.3.5, soon to be published.

Although not obliged, it is suggested that public entities should consider using the CPD to invest surplus funds due to the following:

- All money invested with the CPD is fully backed by the South African Reserve Bank and therefore entities' counterparty or credit risk is limited to the liquidity buffer the entities will keep at commercial banks; and
- Entities do not have to build the capacity to invest their surplus cash optimally, as the CPD will be doing investments on their behalf.

A summary of the procedures to be followed by entities to invest their surplus cash with the CPD is attached.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Johan Redelinghuys', written over a faint, larger version of the same signature.

**JOHAN REDELINGHUYS
DIRECTOR: CASH MANAGEMENT**

Corporation for Public Deposits

Subsidiary of the



South African Reserve Bank

Procedure to be followed for the opening of accounts at the Corporation for Public Deposits

1. Introduction

- 1.1 In terms of Treasury Regulation 31.3.3 Public Entities that are listed in Schedule 3(a) and 3(c) of the Public Finance Management Act (Act 1 of 1999) must, unless exempted by the National Treasury, invest surplus funds with the Corporation for Public Deposits.
- 1.2 In accordance with Section 4(1) of the Corporation for Public Deposit Act, No 46 of 1984, the Minister of Finance, with the concurrence of the Corporation may approve that the Corporation may accept amounts of money other than Public Money.

2. Opening of accounts

- 2.1 To open an account with the Corporation the following procedure needs to be followed:
 - 2.1.1 Download the applicable forms from the South African Reserve Bank's internet banking website as listed below under Documents Required:

<http://www.resbank.co.za/AboutUs/Departments/FinanceServices/iBanking/Documents>
 - 2.1.2 Each entity should submit a written application on an official company letterhead to the Corporation to open an account, duly signed in accordance with each entity's delegation of authority. **(Refer to Annexure A – Example of application letter).**

3. Documents required

- 3.1 The letter of application should be accompanied by fully completed forms and other supporting documents as listed below.

- 3.1.1 **Proof of the entity's physical address** which must not be older than 3 months. The account statement must be for services rendered at the physical address such as municipal rates, landline and rental account.
 - 3.1.2 **Form F277 – Signed authority form** with contact details and all the authorised signatories with their physical addresses.
 - 3.1.4 **Terms and Conditions duly initiated** in accordance with each entity's delegation of authority.
 - 3.1.5 **Form 280 – Specimen signature form** with ten specimen signatures of each authorised signatory as per Form 277 in 3.1.2 above.
 - 3.1.6 **ID copies** of all authorised signatories to the account.
 - 3.1.7 **Internet banking access request form** with all the users who require access to transact on behalf of the institution.
 - 3.1.8 **Bank stamped confirmation letter** with bank details of the institution's bank account number, account name, as well as the branch where the account is held. The same procedure is applicable for when the public entity's bank details change.
- 3.2 Registration and approval is required prior to gaining access to upload functionality.
- 3.3 Once completed, the information as detailed in section 3.1 above should be uploaded onto the SARB internet banking website.

(Critical information will be independently verified.)

4. Contact Details

For further assistance the SARB Banking Service Support Team can be contacted:

- Toll free number:
0800 669 491
- E-mail all queries to:
SarbInternetBanking@resbank.co.za
- Web Address :
www.resbank.co.za/quickLinks/SARBInternetBanking
- Physical/Postal Address:
370 Helen Joseph Street, Pretoria, 0002 / PO Box 427, Pretoria, 0001

Appendix A: Example of an application letter to open a CPD account

Letter Head

The Manager

Corporation for Public Deposits

South African Reserve Bank

Pretoria

0001

RE: OPENING OF BANK ACCOUNT AT THE CPD

You are hereby authorised to open a bank account for to invest money.

Forms F277 and F280 providing the names and signatures of the authorised signatories, commercial bank account number to which money will be transferred and contact details are attached.

Please provide me with the bank account number.

Yours sincerely

Head of Department

**SOUTH AFRICAN RESERVE BANK
SUID-AFRIKAANSE RESERWEBANK**



**FOR SARB USE ONLY
SLEGS VIR SARB GEBRUIK**

Date received Datum ontvang	Y/J	Y/J	Y/J	Y/J	M	M	D	D
P.A. P.A.	Number Nommer							

The Manager / Die Bestuurder (Customer's official stamp)
 South African Reserve Bank / Suid-Afrikaanse Reserwebank (Kliënt se Amptelike Stempel)
 Branch / Tak
 Customer's postal address / Kliënt se posadres:

 Enquiries (mr/mrs/miss) / Navrae (mnr/mev/me): Date/Datum:
 Customer's Ref. No. / Kliënt se Ref. No.: Tel No.: Ext/Bylyn:

Dear Sir / Geagte heer

**SIGNING AUTHORITY FOR:
TEKENMAGTIGING VIR:**

(Reason for authority eg: Telegraphic Transfers, Securities, CPD withdrawals, etc)
 (Rede vir magtiging, bv. Telegrafiese oorsending, Sekuriteite, KOD onttrekkings, ens.)

a) Approval is hereby granted to the undermentioned person/s for signing authority as indicated above.
 Magtiging word hiermee aan ondergenoemde persone verleen vir tekenmagtiging soos hierbo aangedui.

i) To sign / Teken:
 (Name of Person/s / Naam van Persoon/persone)

.....
.....

* ii) To countersign / Mede-onderteken:
 (Name of Person/s / Naam van Persoon/persone)

.....
.....

* Delete if countersigning is not applicable / Kanselleer as mede-onderteken nie van toepassing is nie

A list with 10 certified specimen signatures of each person is attached
 'n Lys van 10 gesertifiseerde proefhandtekeninge van elke persoon word aangeheg

b) The authority is valid from until
 Hierdie magtiging is geldig vanaf tot
 (Fill in "further notice" or "last day of authority" / Vul in "Verdere kennisgewing" of "Laaste dag van magtiging")

c) Account No / Rekeningnommer:

d) The authority granted to the undermentioned officials is to be cancelled w.e.f.
 Name van amptenare wie se tekenmagtiging ingetrek word m.l.v.

.....
.....

Form 1: Form 277 – front page

Terms and conditions for opening a call account

Definitions

- 1.1 "The CPD" means the Corporation for Public Deposits, a juristic person established under, and acting in terms of, the provisions of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984) of the Republic of South Africa.
- 1.2 "The client" means a deposit holder of a call account held with the CPD.
- 1.3 "FICA" means the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) as amended from time to time.
- 1.4 "The parties" means the CPD and the client.
- 1.5 "Category A Signatory" means any person other than a Category B Signatory, duly authorised and/or conferred with the power and right to sign documents with a binding effect on the client.
- 1.6 "Category B Signatory" means any person other than a Category A Signatory, duly authorised and/or conferred with the power and right to counter-sign with a Category A Signatory, any documents with a binding effect on the client.
- 1.7 "SWIFT" means the Society for Worldwide Interbank Financial Telecommunications, a global communications network that facilitates a secure exchange of payment instructions between banks, central banks and/or business entities.

Basis and scope

Whereas the client has appointed the CPD to invest funds deposited by the client with the CPD on a call account basis and whereas the parties have decided to set out the terms and conditions of such activity in writing, now, therefore, the parties agree as follows:

General terms

1. The client hereby appoints the CPD to perform the activities as stated herein.
2. It is hereby expressly agreed between the parties that the responsibility of the CPD in respect of the activities emanating from these terms and conditions will be limited to the handling of debits or credits and that the client indemnifies the CPD against any possible damage and/or loss that may be sustained by the client or the CPD, unless the damage and/or loss was wholly or partly caused by wilful conduct or gross negligence on the part of the CPD.
2. The account must be conducted on a strictly credit basis. In order for any debit payment instructions received by the CPD from the client to be executed, the client undertakes to ensure that there shall at all times be sufficient funds in its account. Payment instructions will not be executed if there are insufficient funds in the account.
3. Prior authorisation to invest with the CPD must be obtained from the Minister of Finance of the Republic of South Africa.
4. Transactions are based on the domestic currency for the Republic of South Africa, being the South African Rand (ZAR). Any risk or benefit in currency fluctuation(s) shall be for the account of the client.
5. Upon approval of the client's account by the CPD, the client shall immediately furnish the CPD with a complete list of authorised signatories, reflecting both Categories A and B signatories of the client. The list of authorised signatories shall be furnished to the CPD in the manner, form and/or frequency determined by the CPD from time to time and/or notified to the client.
6. The interest payable to the client is based on a rate of 10 basis points less than the yield on 91-(ninety-one) day South African Treasury bills. The yield on the 91-(ninety-one) day South African Treasury bills changes weekly. The CPD reserves the right to change the interest rate applicable without notice to the client.
7. Investment with the CPD does not attract any bank charges.
8. Any correspondence with the CPD, other than the furnishing and/or amendment of the list of the client's authorised signatories, subsequent to the client opening an account with the CPD, shall be conducted via SWIFT.

Deposits

9. Deposits by the client shall be received via SWIFT from the respective correspondent commercial bank in South Africa and straight-through-processed to the client's call account in the CPD.
10. The client has the duty to provide the correct call account number when instructing the relevant commercial bank to transfer funds to the CPD call account on behalf of the client.
11. The CPD relies solely on the account number provided by, or on behalf of, the client when receiving deposit instructions from the client.

Payment instructions/Transfer of funds

12. All payment instructions to the CPD must be sent via duly authenticated SWIFT messages.
13. The client must always ensure that SWIFT messages in respect of payment instructions are prepared in accordance with SWIFT standards, to facilitate straight-through-processing.
14. Payment instructions must reach the CPD before 12:00 noon on a South African business day, in order to be executed on the same day, failing which they may only be executed on the next South African business day.
15. The client has no right of recall of a payment instruction, once issued, and the client acknowledges that the CPD will be unable, at any later stage, to undo, recall, fix or demand repayment on request of the client, after acting on a payment instruction received.

Communication tools

16. Consistent with the provisions of clause 8 of these terms and conditions, all correspondence with the CPD (other than the furnishing and/or amendment of the list of the client's authorised signatories) shall be conducted via SWIFT.

Amendment of list of authorised signatories

17. Any amendment or change of authorised signatories shall be approved by at least 2 (two) duly authorised signatories of the client, as stipulated in the List of Authorised Signatories. One of the authorised signatories must be a Category A Signatory.
18. Any amended list of authorised signatories shall be furnished to the CPD in the manner, form and/or frequency determined by the CPD from time to time and/or notified to the client.

Statements

19. The CPD shall, on a regular basis, provide the client with a statement reflecting all the debit and credit entries, as well as the debit or credit balance, as the case may be.
20. The client should check statements for accuracy as soon as they are received. The client shall report any discrepancies to the CPD within 30 (thirty) days of receipt of the statement.
21. If there is a dispute with regard to the items appearing on the statement, the CPD records shall be *prima facie* proof of the content thereof.

Liability and disclaimer

22. The CPD shall not be liable to the client for any damage or loss that the client suffers as a result of
 - a. persons gaining unauthorised access to any information or data; and/or
 - b. incorrect information being given to any person.
23. If the CPD for any just reason suspends the client's account, the CPD shall not be responsible for any loss resulting from any act or omission by the CPD, including but not limited to claims arising in contract, delict or statute for direct, indirect, consequential or special damages.

Warranties and representations

24. In concluding these terms and conditions with the client, the CPD relied on material representations made by the client below. The client hereby indemnifies the CPD against any loss or damage resulting from a breach of any warranty to the CPD and hereby warrants and represents to the CPD that it
 - a. has lawful control of the funds deposited or to be deposited with the CPD;
 - b. is entitled to deposit funds with the CPD;
 - c. is duly authorised to deposit funds with the CPD; and
 - d. shall not, by depositing funds with the CPD, be in breach of any law.

FICA

25. The CPD may from time to time be required by FICA to furnish certain information about the client or persons associated with the client, and to verify such information with documents which the CPD requests from the client when the CPD deems it necessary.
26. If the client fails to comply with requests from the CPD or if the client does not furnish the information or documents, the CPD may refuse any application for an account and/or immediately cancel any existing account of the client.
27. If at any time the CPD suspects that a client's account no longer complies with FICA, the CPD may prevent any activity on a client account until the client account is fully compliant with FICA.

Confidentiality and disclosure of information

28. The client's personal information shall be treated as confidential and shall not be disclosed, except in circumstances
 - a. when the CPD is legally compelled to do so;
 - b. where it is in the public interest to do so;
 - c. where such disclosure will further the necessary and legitimate interests of the CPD; and/or
 - d. where disclosure is made at the client's request or with its written consent.

Amendment of terms and conditions

29. The CPD shall be entitled to change these terms and conditions at any time. The CPD shall give written notice of material changes by means of notices. A change in these terms and conditions will, unless the same is intended and clearly apparent from the amending document, not cancel these terms and conditions.
30. Any change to the terms and conditions shall not constitute a novation of the agreements recorded herein or any previous obligations of the client to the CPD or a waiver of the CPD's rights.
31. The client may not under any circumstances change any of the provisions of these terms and conditions.

General

32. South African law governs these terms and conditions.
33. The client shall not be entitled to cede, transfer, assign, make over and/or delegate any of its rights, benefits and/or obligations under this agreement without the prior written consent of the CPD, which consent shall not be unreasonably withheld.
34. Any favour or concession the CPD may allow the client will not affect or substitute any of the rights of the CPD against the client.
35. The client must advise the CPD immediately if the circumstances of the client change or could create any risk to the CPD.
36. The invalidity, illegality or unenforceability of any of the clauses of these terms and conditions shall not affect the validity, legality and enforceability of the remaining clauses of these terms and conditions.
37. These terms and conditions supersede and replace all previous terms and conditions applicable between the parties for the purposes contemplated herein.

**SOUTH AFRICAN RESERVE BANK
SUID-AFRIKAANSE RESERWEBANK**



**SPECIMEN SIGNATURES IN RESPECT OF POWERS
OF ATTORNEY**
(to be attached to covering letter)

PROEFHANDTEKENINGE TEN OPSIGTE VAN VOLMAGTE
(moet aangeheg wees aan begeleidende brief)

TEN SPECIMEN SIGNATURES OF
TIEN PROEFHANDTEKENINGE VAN

(Full names / Volle name en van)

The undermentioned specimen signatures should not overlap the solid lines of the printed blocks.
Die ondergenoemde proefhandtekeninge mag nie die buitelyne van die blokkies oorskry nie.

"I the undersigned certify that the specimen signatures appearing on this list are the true signatures of:
"Ek, die ondergetekende sertifiseer dat die proefhandtekeninge wat op hierdie lys voorkom die ware handtekeninge van:

.....
(name of person / naam van persoon)

referred to in the attached application."
is waarna verwys word in die aangehegte aansoek."

SIGNED / GETEKEN:,
AUTHORISED SIGNATURE / GEMAGTIGDE HANDTEKENING

.....
DESIGNATION / RANG

CORPORATION FOR PUBLIC DEPOSITS

WITH

SOUTH AFRICAN RESERVE BANK

Y Y Y M M D D

--	--	--	--	--	--	--	--

P.O. BOX 427
PRETORIA
0001

CALL DEPOSIT ACCOUNT

No.

--	--	--	--	--	--	--	--

Name

.....

Value Date

Y Y Y Y M M D D

--	--	--	--	--	--	--	--

Please debit our account in your books with the sum of R.....
(.....)
..... (words)

AND

(1) credit our account no at
..... (Bank branch)

..... (Branch sort code)

(2) forward your cheque to us

(please delete item not applicable)

Note: This form must be signed by two authorised signatories.

Form 4: MP400

Appendix B: Example of a letter to authorise persons to request bank statements

Letter Head

The Manager

Banking Services

South African Reserve Bank

Pretoria

0001

RE: AUTHORISED PERSONS TO OBTAIN BANK STATEMENTS

Form F282 providing the names of the persons authorised to request and receive bank statements are attached.

Bank statements should be forwarded to facsimile no. () _____ for attention

You will be notified in writing in the event of the above recipient details changing.

Yours sincerely

Head of Department

**SOUTH AFRICAN RESERVE BANK
SUID-AFRIKAANSE RESERWEBANK**



**FOR SARB USE ONLY
SLEGS VIR SARB GEBRUIK**

Y/J Y/J Y/J Y/J M M D D

Date received
Datum ontvang

--	--	--	--	--	--	--	--	--	--

P.A.S. Number
P.A.S. Nommer

.....

The Manager / Die Bestuurder
South African Reserve Bank / Suid-Afrikaanse Reserwebank
Branch / Tak

(Customer's official stamp)
(Klënt se Amptelike Stempel)

Customer's postal address / Klënt se posadres:
.....
.....
.....

Enquiries (mr/mrs/miss) / Navrae (mnr/mev/mej):

Date/Datum:

Customer's Ref. No. / Klënt se Ref. No.:

Tel No.: Ext/Bylyn:

Dear Sir / Geagte heer

**SIGNING AUTHORITY FOR:
TEKENMAGTIGING VIR:**

(Reason for authority eg: Bank Statements, Magnetic Tapes, Salary Recalls, etc)
(Rede vir magtiging, bv. Bankstate, Magnetiese Bande, Salaris Herroepings, ens.)

a) Approval is hereby granted to the undermentioned person/s for signing authority as indicated above.
Magtiging word hiermee aan ondergenoemde persone verleen vir tekenmagtiging soos hierbo aangedui.

- | | |
|---------|----------|
| 1. | 6. |
| 2. | 7. |
| 3. | 8. |
| 4. | 9. |
| 5. | 10. |

A list with 10 certified specimen signatures of each person is attached
'n Lys van 10 gesertifiseerde proefhandtekeninge van elke persoon word aangeheg

(b) Office / Kantoor:

(c) Period from until
Tydperk vanaf tot
(Fill in "further notice" or "last day of authority" / Vul in "Verdere kennisgewing" of "Laaste dag van magtiging")

(d) Account No / Rekeningnommer:

(e) User Codes / Verbruikerskode:

(f) Name of person/s whose signing authority is to be withdrawn w.e.f.
Name van amptenare wie se magtiging Ingetrek word m.l.v.

.....
.....
.....
.....

