

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 3533 [NW4109E]
DATE OF PUBLICATION: 16 NOVEMBER 2018

3533. Mr K J Mileham (DA) to ask the Minister of Finance:

Whether (a) the National Treasury, (b) the SA Reserve Bank, (c) the curator of the Venda Building Society (VBS) Mutual Bank and/or (d) any officials, subordinates or employees of the specified entities received any correspondence requesting that the curatorship of the VBS Mutual Bank be lifted or halted; if not, what is the position in this regard; if so, (i) from whom was the correspondence received, (ii) on what date was the correspondence received and (iii) what action was taken with regard to the correspondence?

NW4109E

REPLY:

Yes, various persons have made calls in the media or by way of correspondence to National Treasury and SA Reserve Bank to end the curatorship of VBS, including political parties, business associations, shareholder and community leaders – almost all of these are in the public domain and not covered in this response.

In addition, Vele Investments (Vele), the holding company of VBS Mutual Bank, approached the High Court of South Africa, Gauteng Division Pretoria, on 14 March 2018 to, *inter alia*, have the decision taken by the Minister of Finance to place VBS Mutual Bank (VBS) under curatorship declared constitutionally invalid in terms of section 172(1)(b) of the Constitution. This legal action was subsequently withdrawn by Vele.

Some shareholders and persons have also communicated their intention to purchase VBS and save it from curatorship, and/or made such calls in the media. To date, no firm offer has actually been made. If such offer were made, the potential purchaser would still require regulatory approval for any significant ownership share in VBS.

The Prudential Authority was legally compelled in terms of the Mutual Banks Act, to apply for the winding-up of VBS, which was granted on 13 November 2018 by the High Court of South Africa, Gauteng Division Pretoria.