

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 18 [CW20E]**

**18. Mr W A S Aucamp (Northern Cape: DA) to ask the Minister of Finance:**

Whether the National Treasury has any (a) plans and/or (b) intentions to nationalise the SA Reserve Bank; if not, what is the position in this regard; if so, (i) what (aa) plans and/or (bb) intentions and (ii) what are the further relevant details?

CW20E

**REPLY:**

No, the Government does not intend to nationalize the SA Reserve Bank, as the costs to the fiscus in these challenging times would be considerable, after taking account of the need for compensation in terms of both section 25 of the Constitution and current bilateral investment treaties. This approach was confirmed by President Cyril Ramaphosa in June 2019<sup>1</sup>, when he stated that such nationalization “will come at a cost, which given our current economic and fiscal situation, is simply not prudent.”

Whilst 100 percent ownership of the SA Reserve Bank by the state is in line with most countries and jurisdictions across the world, the timing of such nationalisation can generate more economic uncertainty about the future mandate and independence of the Reserve Bank, given investor concerns related to corruption, state capture and persistent low economic growth. The benefits of 100% ownership are also minimal, as private shareholders are currently restricted to playing a governance role only, and play no role in determining monetary, prudential regulatory or any other policy, as policy issues are the sole responsibility of the Governor and Deputy-Governors of the SA Reserve Bank, all of whom are appointed by the President. It is for all these reasons that the Government has fundamental objections to the SA Reserve Bank Amendment Bill tabled as a private member’s Bill.

From an investor and economic growth perspective, it is more fundamental for the SA Reserve Bank to continue to vigorously and independently pursue its constitutionally-enshrined mandate of protecting the value of the currency in the interest of balanced and sustainable economic growth in the Republic; and its additional objective of protecting and maintaining financial stability.

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<sup>1</sup> <https://mg.co.za/article/2019-06-06-no-nationalisation-of-reserve-bank-anc-top-six/>