

REPUBLIC OF SOUTH AFRICA

**PORTFOLIO COMMITTEE AMENDMENTS
TO**

**PENSION FUNDS
AMENDMENT BILL**

[B 86—97]

(As agreed to by the Portfolio Committee on Finance (National Assembly))

[B 86A—97]

REPUBLIEK VAN SUID-AFRIKA

**PORTEFEULJEKOMITEE - AMENDEMENTE
OP**

**WYSIGINGSWETSONTWERP
OP PENSIOENFONDSE**

[W 86-97]

(Soos goedgekeur deur die Portefeuljekomitee oor Finansies (Nasionale Vergadering))

[W 86A—97]

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AMENDMENTS AGREED TO

PENSION FUNDS AMENDMENT BILL [B 86-97]

CLAUSE 1

1. On page 4. from line 5, to omit paragraph (a) and to substitute:

(a) The minimum information to be furnished to the fund by every employer with regard to payments of contributions made by the employer in terms of subsection (1). shall be as prescribed by regulation.

2. On page 4. from line 52. to omit paragraph (a) and to substitute:

(a) For the purpose of monitoring and ensuring compliance with this section, the principal officer of the fund or any authorized person shall, at the times and in the manner and format prescribed by regulation, submit reports to the categories of persons, to be specified in those regulations, who have an interest in such compliance.

CLAUSE 2

1. On page 6. from line 21, to omit paragraph (a) and to substitute:

(a) by the substitution for subsection (4) of the following subsections:

“(4) Except as provided in subsection (4A.), no assets of a registered fund in excess of five per cent of their fair value, shall be invested in or lent to the business of an employer participating in the scheme or arrangement whereby the fund has been established. Where the employer is a company (in this subsection called the employer company), the business of every other company which—

(a) is a subsidiary—

- (i) of the employer company; or
- (ii) of any subsidiary of the employer company; or
- (iii) of any successive subsidiary within the same hierarchy; or

(b) is the holding company—

- (i) of the employer company; or
- (ii) of the holding company of the employer company; or
- (iii) of any successive holding company within the same hierarchy,

shall be deemed, for the purposes of this subsection, to be part of the business of the employer company. In applying paragraphs (a) and (b), ‘subsidiary’ and ‘holding company’ respectively mean—

(aa) a ‘subsidiary company’ or ‘subsidiary’ as defined in section 1(1) of the Companies Act, 1973 (Act No. 61 of 1973);

(bb) a ‘holding company’ as defined in that section.

(4A) The registrar, on application by the Board, may allow a greater percentage of the fund’s assets, but not exceeding

10 per cent of the fair value of the fund's assets, to be invested in or lent to that employer's business for the period and on any conditions determined by the registrar if, in that application, the Board has certified—

(a) that it has consulted with the members about the proposed investment in or loan to the employer's business; and

(b) that the members support the making of that investment or loan.

(4B) Notwithstanding the provisions of subsections (4) and (4.4), no assets of a fund may be invested in or lent to such a participating employer's business unless it is in the best interest of the fund to do so.”: and

LONG TITLE

1. On page 2, in the sixth line, to omit “a prescribed percentage” and to substitute:

five per cent of its total assets or a greater percentage allowed by the registrar but not exceeding 10 per cent