

**RAAD OP FINANSIËLE DIENSTE
FINANCIAL SERVICES BOARD**

Telex : 320153
Fax : (012) 21-1633
Tel : Skakelbord/Switchboard : (012) 315-5111
Direk/Direct :

Vermeulenstraat 240/240 Vermeulen Street (0002)
Privaatsak/Private Bag X238 (0001)
PRETORIA

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CIRCULAR FS NO 29

(To all friendly societies)

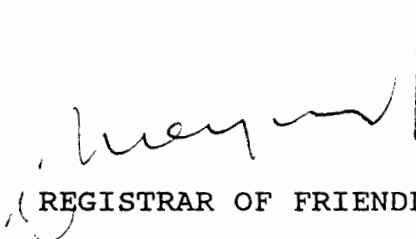
FRIENDLY SOCIETIES ACT, 1956: AMENDMENT OF REGULATION 29 UNDER THE ACT

1. You are hereby informed that Government Notice No R.2362, published in Government Gazette No 13536 of 27 September 1991 contains the amendments of regulation 29 of the Regulations made under the Act. The amendments of the regulations came into operation on 30 September 1991.
2. The effect of the most important amendments are briefly elucidated hereunder:-
 - (a) the investment limit of 85% in respect of immovable property and shares, referred to in items 6 and 7 in column 1 of the Annexure has been increased to 90%: Provided that the limit in respect of the abovementioned immovable property has been decreased from 30% to 25% and the limit in respect of shares has been increased from 65% to 75% and that in respect of investments in the shares of a single company with a market capitalisation greater than R2000 million, the limit has been increased from 10% to 15%;
 - (b) the investment limit in respect of assets, referred to in items 6 up to and including item 9 (with the inclusion of (a), (c) and (d)) in column 1 of the abovementioned Annexure, has been increased from 90% to 95%;
 - (c) doubt which existed that Societies which are exempted from certain provisions of the Act in terms of section

3(2)(b) of the Act, (so called underwritten societies) do not have to comply with the provisions of regulation 29, has been removed and such societies, where applicable, must obtain a certificate from the insurer indicating the reasons why the society has not complied with the distribution requirements of assets specified in the Annexure;

- (d) the categories of assets in paragraph 1 of column 1 of the said Annexure have been extended in order to provide for investments in the Post Office Savings Bank;
- (e) paragraph 2 of column 1 of the said Annexure has been brought in, in order to provide for investments in Krugerrands;
- (f) debentures, which can be converted into shares, whether voluntarily or compulsorily, must now be shown as shares against item 7 in column 1 of the said Annexure;
- (g) the limit in respect of claims against any individual mentioned in paragraph 8(a) in column 1 of the said Annexure has been increased from 0,10% to 0,25%; and
- (h) the registrar's authority to only grant unconditional exemption in respect of an application for exemption to comply with the provisions of the regulations has been substituted by an authority to grant conditional exemption.

3. Kindly acknowledge receipt of this circular and confirm that a copy has been handed to the society's auditor by signing and returning the attached acknowledgement to this Office.


(REGISTRAR OF FRIENDLY SOCIETIES

(Afrikaans agterop)