

FINANCIAL INSTITUTIONS OFFICE
Private Bag X238
PRETORIA
0001

22 August 1980

CIRCULAR F.S. 15

(To all friendly societies)

AMENDMENTS TO THE FRIENDLY SOCIETIES ACT, 1956

1. The attention of friendly societies is invited to the amendments of the Friendly Societies Act, 1956, contained in sections 42 and 43 of the Financial Institutions Amendment Act, 1980 (Act No. 99 of 1980) published in Government Gazette No. 7151 of 1 August 1980. Copies of the Gazette, at 21c each, are obtainable from the Government Printer, (Publications Section), Private Bag X85, Pretoria, 0001 or P.O. Box 571, Cape Town, 8000.

2. The abovementioned amendments came into operation on 1 August 1980.

3. The effect of the amendments is summarised below:

(a) INSURANCE ON THE LIVES OF CHILDREN

The maximum amount for which a society may insure the life of a child has been increased, in the case of a child under 6 years of age to R250 and in the case of a child of 6 years of age or older but under 14 years of age to R500.

Before a society amends its rules to increase the maximum amounts of the insurance cover which it provides on the lives of children, its valuator should be consulted in the matter.

(b) PRESCRIBED ASSETS

The classes of assets in which at least 40% of a friendly society's total assets must be held in terms of section 20(2) of the Act, has been extended to include deposits with or bills, bonds, or securities issued or guaranteed by or loans to or guaranteed by the Land and Agricultural Bank of South Africa.

4. A copy of this circular is enclosed for your auditor.

Kindly have the attached acknowledgement form signed by him also before returning it to this Office.

REGIS. OF FRIENDLY SOCIETIES
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