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OUR REF:	CIRCULAR 18	FAX:	012 367 6533
DATE:	31 May 2013	E-MAIL:	Marius.DeJongh@FSB.co.za

CIRCULAR NO. 18. COMMUNICATION TO MANAGERS AND TRUSTEES OF COLLECTIVE INVESTMENT SCHEMES IN SECURITIES

1. The purpose of this communication is to clarify the Registrar's position in respect of paragraph 8(7)(b) of Board Notice 80 of 2012 ("the Notice") to the Collective Investment Schemes Control Act.
2. Paragraph 8(7)(b) of the Notice prescribes that a manager may include the following in a money market and short term debt portfolio:
A money market instrument which is issued or guaranteed by an institution:
 - (i) *which is a subsidiary company in a group of companies with at least one listed company; and*
 - (ii) *whose holding company has capital and reserves of at least R100 000 000 and publishes and presents its annual accounts to the public; and*
 - (iii) *whose accounts are included in the consolidated accounts of the group of companies*
3. However where a money market instrument is issued by an entity (institution) that is not a subsidiary company in a group of companies as described above, but the capital of the money market instrument is supported by means of a guarantee or a banking liquidity line from a holding company or subsidiary company as described in (i) to (iii) above, then such money market instrument is also an instrument falling within the description of paragraph 8(7)(b) of the Notice.
4. Should it be necessary the Registrar will consider amendments to the wording of paragraph 8(7)(b) of the Notice to provide regulatory clarity.

J.A BOYD
REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

Board Members: AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
 Prof PJ Sutherland FE Groepe D Turpin HMH Ratshefola D Msomi I Momoniat O Makhubela (Alternate)
Executive Officer: DP Tshidi

SABS
 150 9001

ACKNOWLEDGEMENT OF RECEIPT

I acknowledge receipt of a copy of Cisca Circular No. 18

Signature

Name of Manager

Date

Signature

Name of Trustee

Date

Please return on/before 28 June 2013 to:

Facsimile No. 012 346 6533

kabowa.modjadji@fsb.co.za