It is hereby notified that the State President has assented to the following Act which is hereby published for general information:


Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:

ACT

To amend the Limitation and Disclosure of Finance Charges Act, 1968, so as to define certain expressions; to make provision for prescribing maximum finance charge rates by regulation; and to exempt certain institutions and transactions from certain provisions of the said Act; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assented to 16 October 1974.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

1. Section 1 of the Limitation and Disclosure of Finance Charges Act, 1968 (hereinafter referred to as the principal Act), is hereby amended by the insertion after the definition of “regular payments” of the following definitions:

"'Republic' includes the territory;
'territory' means the territory of South West Africa;”.

2. (1) Section 2 of the principal Act is hereby amended by the substitution for subsections (1) and (2) of the following subsections:

"(1) No moneylender shall in connection with any money lending transaction stipulate for, demand or receive finance charges at an annual finance charge rate greater than—

(a) eighteen and one-quarter per cent or, if any other percentage, whether greater or smaller, is prescribed by regulation for the purposes of this paragraph, than the percentage so prescribed from time to time, where the total amount of money lent by him to a borrower, including disbursements, recoverable as part of the principal debt, made by him, within any period of three months does not in the aggregate exceed two hundred rand;

(b) fifteen per cent or, if any other percentage, whether greater or smaller, is prescribed by regulation for the purposes of this paragraph, than the percentage so prescribed from time to time, where the total amount of money lent by him to a borrower, including disbursements, recoverable as part of the principal debt, made by him, within any period of three months exceeds in the aggregate two hundred rand but does not in the aggregate exceed four hundred rand;
LIMITATION AND DISCLOSURE OF FINANCE CHARGES
AMENDMENT ACT, 1974.

Act No. 62, 1974

(c) twelve per cent or, if any other percentage, whether greater or smaller, is prescribed by regulation for the purposes of this paragraph, than the percentage so prescribed from time to time, where the total amount of money lent by him to a borrower, including disbursements, recoverable as part of the principal debt, made by him, within any period of three months, exceeds in the aggregate four hundred rand.

(2) No credit grantor shall in connection with any credit transaction stipulate for, demand or receive finance charges at an annual finance charge rate greater than eighteen and one-quarter per cent or, if any other percentage, whether greater or smaller, is prescribed by regulation for the purposes of this subsection, than the percentage so prescribed from time to time.

(2) Any regulation made by virtue of the amendments effected by subsection (1) within one month after the commencement of this Act, may be made with retrospective effect to any date after 13 August 1974.

3. Section 3 of the principal Act is hereby amended by the substitution for paragraph (d) of subsection (3) of the following paragraph:

"(d) a money loan given by a life insurer to the owner of a policy in terms of which such insurer is subject to any obligation, where such loan is secured by the pledge of that policy.".

4. The following section is hereby substituted for section 15 of the principal Act:

"Exemptions from the provisions of this Act.

15. The provisions of this Act shall not apply to—

(a) any money lending transaction or any credit transaction entered into before, or any instrument of debt existing at, the commencement of this Act: Provided that the said provisions shall apply to or in respect of the renewal of every such transaction or instrument effected on or after the date of commencement of this Act;

(b) any money lending transaction or credit transaction of a pawnbroker falling within the ambit of any law for the time being in force in relation to pawnbrokers;

(c) the Land and Agricultural Bank of South Africa;

(d) the South African Reserve Bank;

(e) a money lending transaction in terms of which a moneylender outside the Republic grants a loan of a sum of money which is outside the Republic to a borrower in the Republic, irrespective of—

(i) whether or not the instrument of debt in respect of such money lending transaction is executed in the Republic;

(ii) whether or not such sum of money is transferred to the Republic; and

(iii) whether or not the borrower concludes the money lending transaction as an intermediary on behalf of any other person in the Republic."

5. This Act shall be called the Limitation and Disclosure of Finance Charges Amendment Act, 1974.