



# **SASF ANNUAL GENERAL MEETING**

**THURSDAY 18 MAY 2017 11H30 AT  
JOHANNESBURG COUNTRY CLUB  
WOODMEAD, SANDTON**

**(Cnr Lincoln Road & Woodlands Drive)**

**THE 19<sup>th</sup> HOLE -  
FUNCTION ID 027944**

**Parking available in the visitors parking area**



**WELCOME**

**ATTENDANCE**

**APOLOGIES**



## **ADOPT AGENDA**



## SOUTH AFRICAN SECURITISATION FORUM

TENTH ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY 18 MAY 2017  
AT 11H30  
AT THE JOHANNESBURG COUNTRY CLUB, WOODMEAD, JOHANNESBURG.  
CORNER LINCOLN ROAD & WOODLANDS DRIVE, WOODMEAD, SANDTON

The 19<sup>th</sup> Hole – Function ID 027944

### AGENDA

11h15 Tea and coffee will be available

11h30

1. Welcome and Apologies
2. Adopt agenda
3. Approval of the Minutes of the Annual General Meeting held on 19 May 2016
4. Presentation and adoption of Chairman's Annual Report for 2017
5. Presentation and adoption of Financial Report for 2017
6. Budget for 2018
7. Membership Fees – 1 March 2017 to 28 February 2018
8. Reports from sub-committees
  - 8.1 Legal & Regulatory - Hendrik Ackermann
  - 8.2 Communication & Education/Investors - Jana Kershaw
  - 8.3 Tax & Accounting - Rishendrie Thanthony
  - 8.4 Membership - Nicholas Gunning
9. Election of Office Bearers for 2017/2018
10. General

The meeting will be followed by a finger lunch



## **APPROVAL OF PREVIOUS MINUTES**



MINUTES OF THE ANNUAL GENERAL MEETING THE SOUTH AFRICAN  
SECURITISATION FORUM HELD ON 19 MAY 2016 AT 11H30 AT THE  
JOHANNESBURG COUNTRY CLUB, WOODMEAD, SANDTON

**1. WELCOME & APOLOGIES**

The Chairman, David Towers, welcomed all those present. A total of 33 persons, including members and their guests, were in attendance.

Apologies were received from:

Alexandra Schnuir	Bayport Finance
Alistair Collins	Allen & Overy LLP
Anina Boshoff	Hogan Lovells
Brendan Harmse	TMF Corporate Services (Pty)Ltd
Carl Zeiler	Investec Bank
Casper van Heerden	Bowman & Gilfillan
Conway Williams	Future Growth
Dale Wood	RMB
Daniela Burns	SA Taxi
David Rajak	Bayport Finance
Glen Christopulo	Sasfin Bank
John Doidge	TMF Corporate Services (Pty)Ltd
Lischa Gerstle	Bowman Gilfillan
Louis Dirker	Investec Bank
Marita Koti	Standard Bank
Matthew Mutch	SA Homeloans
Matthew Simpkins	SA Taxi
Neerie Naidoo	TMF Corporate Services (Pty)Ltd
Richard Roothman	Werksmans
Riza Moosa	Norton Rose SA
Rob Kelso	SA Homeloans
Samira Mensah	Standard & Poors
Simon Howie	Investec Asset Management SA
Valerie Bremar	Transaction Capital
Vicky Borg-Jorgensen	Edward Nathan Sonnenberg Inc
Yohan Assous	SA Taxi
Zenelle Stofberg	Real People

**2. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous Annual General Meeting 21 May 2015, circulated beforehand, were tabled. In the absence of comments from the floor, approval of the minutes for the Chairman's signature was proposed by Amanda Farnworth and seconded by Jill Raine.

### **3. PRESENTATION & ADOPTION OF CHAIRMAN'S ANNUAL REPORT**

The chairman reiterated that the purpose of the AGM was to report back to members on the Forum's activities over the year, to present the Forum's financial reports, and to elect officers for the forthcoming year.

All EXCO members and sub-committee chairpersons had expressed their willingness to continue to serve during the coming year.

The Chairman presented his report, a copy of which was included in the board pack for the AGM, and which would be published on SASF's website at [www.sasf.co.za](http://www.sasf.co.za).

No questions were raised. Amanda Farnworth proposed the Chairman's report be adopted for inclusion in the minutes. This was seconded by Hendrik Ackermann and the proposal was approved.

### **4. PRESENTATION & ADOPTION OF THE FINANCIAL REPORT FOR THE 12 MONTHS ENDED 29 FEBRUARY 2016.**

The Financial Report as included in the pack for the AGM had been approved at the EXCO meeting held prior to the AGM.

The Treasurer, Carmen Maisenbacher tabled the Financial Reports.

The adoption of the Financial Statements was tabled for approval. This was proposed by Rishendrie Thanthony and seconded by David Towers. The proposal was unanimously accepted by the AGM.

The adoption of the proposed 2016/17 budget for the year ahead was tabled and approved. This was proposed by Hendrik Ackermann and seconded by Jana Kershaw. The proposal was unanimously accepted by the AGM.

The EXCO had recommended that annual membership fees of R15 000 remain unchanged. This was successfully proposed for adoption by Lindi Marais and seconded by Gill Raine.

The Financial Statements were signed by the Chairman and an EXCO member. These would be forwarded to the auditors.

### **5. PRESENTATION OF REPORTS FROM SUB-COMMITTEES**

The various reports included in the AGM board pack were tabled. These, together with the Financial Statements, would be reflected on the SASF website.

**Legal and Regulatory Report.** Hendrik Ackerman tabled the report. There were no questions.

He thanked the members of the sub-committee for their regular attendance and heavy debates on the various subject discussions at the meetings. He felt that the 2016/2017 year would be quite an eventful year for the committee as there were a number of significant changes in the pipeline.

**Communication and Education Report.** Jana Kershaw tabled the report. A list of Investor reports on the website had been included in the Boardpack as well as a pamphlet concerning the UCT securitisation course held in 2015. There were no questions.

**Tax and Accounting Report.** Rishendrie Thanthony tabled the report and advised that after a lapse of a number of years, the meetings of the newly formed sub-committee were very well attended over the past year.

The Forum had agreed to obtain legal opinion in respect of FATCA from Werksmans. This would be distributed to members once received.

As regards IFRS 9, it seemed that the industry was prepared for the new standards effective from 1 Jan 2018.

It was reported that detailed discussions had been held in respect of directors' remuneration disclosure in the AFS in relation to compliance with Companies Act. As yet, no formal opinion has been received. The accounting profession has not yet adopted a consistent approach to this.

**Membership Report.** Nick Gunning presented the report. He highlighted an increase in interest in the Forum which had resulted in a rise in the membership from 25 to 29 members. EXCO had recommended that the membership fee remain at R15 000 per annum for the 2016/2017 period.

This was agreed by the AGM.

The sub-committee chairman thanked all members for past payment. There were no questions.

No further issues were raised and adoption of the reports was unanimously accepted by the AGM. The Chairman thanked the Chairpersons of the sub-committees for their contributions during the year.

## **6. ELECTION OF THE EXECUTIVE COMMITTEE FOR 2016/2017**

All EXCO officers had indicated that they would be willing to stand for re-election. EXCO had consequently recommended the following office bearers for 2016/17:

Chairman	David Towers
Deputy Chairman	Brendan Harmse
Treasurer	Carmen Maisenbacher
Secretary	Pat Benbow-Hebbert
Legal & Regulatory sub-committee	Hendrik Ackermann
Tax & Accounting	Rishendrie Thanthony
Communication & Education sub-committee	Jana Kershaw
Membership sub-committee	Nicholas Gunning

The remainder of EXCO would comprise:

Andre Pottas  
Direen Eraman  
John Martin  
Juan-Paul McCracken  
Lindi Marais  
Nelis Zeelie  
Phillip Myburgh  
Richard Roothman  
Simon Howie  
Rob Kelso  
Louis Dirker



## 7. GENERAL

- As mentioned in the Chairman's Report, it was proposed that the constitution be amended due to developments and changes in the market.

The number of EXCO members had until now been limited and divided into categories allowing for a maximum number of 18 members per class of membership. A decision was taken to increase this number to 21 EXCO members.

The EXCO recommendations were approved by the AGM.

- The suggestion that originators retain an interest in notes they have issued, and would not be entitled to vote in respect of these notes, was discussed at the Exco meeting preceding the AGM, but no conclusion or response had yet been finalised. EXCO felt that until the industry agreed on a standard practice, precedent would continue to influence current practice.

Hendrik Ackerman suggested this be put on the Legal & Regulatory sub-committee agenda, with a view to seeking alignment with international best practice. This was agreed to at the meeting.

There being no further questions or comments, the Chairman thanked everyone for their attendance and declared the meeting closed.

The meeting was followed by a finger lunch.

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CHAIRMAN

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DATE



## **PRESENTATION AND ADOPTION OF CHAIRMAN'S ANNUAL REPORT FOR 2017**

## **Chairman's Report to the Annual General Meeting 18 May 2017**

### **1. Introduction**

- a. On behalf of the Exco and other Forum members I would like to welcome everyone to our 10<sup>th</sup> Annual General Meeting ("AGM"). It is a privilege for me to host the AGM as Chairman of the Exco.
  - b. At every AGM we take the opportunity to report back to the stakeholders on the activities of the Forum during the year, to discuss the developments and challenges in the industry and achievements made by the Forum over this period.
  - c. We are also required to elect the office bearers of the Forum for the following year.
  - d. Furthermore, we will also report back on our financial position.
2. As ever, the Forum continued to be active over the past year, despite the continued muted level of market issuance. The Forum engaged in a number of key areas and its sub-committees have had regular meetings during the year to discuss the various important issues facing the industry.
- a. As I'm sure you are all aware, the sub-committees of the Forum are the
    - i. Legal & Regulatory
    - ii. Tax and Accounting
    - iii. Education and Communication
    - iv. Membership
  - b. The Treasurer and Chairpersons of the sub-committees will provide you with their own reports of the activities of these committees over the course of the past year.
  - c. I will proceed to attempt to highlight and summarise some of the major events in the last year as they pertain to or influence our industry.

### **3. Global and Domestic Conditions**

- a. Global growth has remained slow, however, the IMN predicts that there will be a slight uptick in 2017 and 2018 having already witnessed signs of improvement in the latter half of 2016. After its current slowdown China is expected to grow as a result of the implementation of various policy stimuli. The US and European monetary authorities began a process of tightening monetary policy last year, and this may continue at a moderate pace depending on macro economic developments. The IMN forecasts that global growth will be in the region of 3.4% in 2017.
- b. However, having said that, geo-political risks abound. The world is in a far more uncertain space politically than it was a year ago. What seemed

highly unlikely at this time last year ultimately came to fruition, namely Brexit and the election of Donald Trump as President of the US. I recall at last year's IMN conference in Barcelona the topic of Brexit was all but banned, the vote being only days away. Today it is discussed continuously when engaging in a conversation about the future of Europe. The results of the recent elections in France, however, seemed to calm nerves about sweeping populism throughout Europe.

- c. The South African economy continues to underperform barely making positive growth in 2016 at 0.3%, having contracted in the fourth quarter. The IMF predicts growth of only 0.8% for 2017. These growth rates are insufficient to meet the demands of the economy and to limit or reduce the level of the unemployed which stands at 27%. The SARB appears to have stalled its monetary tightening policy which began late 2014, given the poor growth rate and stagnant economy, as well as muted inflationary pressures. However, this could change suddenly given recent adverse political developments which have already and will continue to impact upon the economy. Last year I reported on the political events that occurred at the end of 2015 and how the Constitutional Court judgement in March 2016 was evidence that our key institutions were functionally effectively and independently. It seems we seldom experience a year without some form of political upheaval. Thus in the last week of March this year we again suffered political turmoil which negatively impacted the economy immediately and perhaps more importantly more severely over the medium term. The rapid downgrade of the sovereign by both Fitch and Standard & Poors in the days that followed the cabinet reshuffle and removal of Gordhan will have repercussions that have not impacted yet. We await Moody's decision on a further possible downgrade. Although its current rating is two notches above the cut-off to sub-investment, there is a risk the country could in the coming weeks be rated below this benchmark by all three major international rating agents. Surprisingly the Rand and the markets have to date held up remarkably well given the negative developments, perhaps an indication that they anticipated, and thus already priced in, these downgrades. In making its decisions on interest rates, the SARB has to weigh up the protection of the currency versus condition of the economy. The SARB recently stated it foresees a high risk of further downgrades occurring. If the local currency is downgraded to sub-investment grade then, given that 30% of local currency investments are from foreigner investors, we will probably see a large withdrawal of funds from South Africa. This will have an impact on both the strength of the Rand and will probably lead to higher borrowing costs.

#### 4. European Securitisation Industry

- a. The regulators in the European market continue to conclude a substantially revised legal and regulatory framework which will impact the securitisation industry in Europe and South Africa as our regulators look to these initiatives to drive changes in the country.

- b. Last June the European Parliament shocked the industry at the beginning of the market's annual securitisation conference by proposing a mandatory minimum risk retention rate of 20% for all securitisations. However, in the months that followed with engagement from other decision makers this appears to have been scaled back to 5% with some caveats. The main focus of regulatory reform remains the proposed Simple Transparent and Standardised or Comparable structures ("STS" or "STC") which is designed to achieve greater understanding of transactions for investors and thus hopefully boost issuance. However, despite rolling back many aspects of the initial proposals there will be much to comply with to meet this category. Aside from improving transparency with the intention to translate this to a positive outcome on the investor appetite front, structures which comply with this proposal would receive improved and adjusted capital weightings with regard to these assets. It appears that the EC has conceded that private deals will not be required to meet the proposed disclosure requirements. It is expected that the Trilogue negotiations between the Parliament, the Council and Commission will conclude on the new framework before the end of this year, possibly in the coming months.
- c. On the ratings front European RMBS and ABS deals remained strong from a credit perspective, there being way more upgrades than downgrades.
- d. Securitisation issuance in 2016 was Euro237 bln up almost 10% from last year. 60% of issuance was retained, presumably for repo purposes or other secured lending. Issuance in the first quarter of 2017 was Euro37 bln (down 35% from the equivalent period in 2016), 55% being retained. These were driven predominantly by RMBS deals followed by ABS, CDOs, and SME deals. Over 48% of outstanding securitisation deals were rated Aaa with 78% being A or above, all up on the prior year. Unrated deals amounted to 16% of the total while 9% were sub-investment grade. The largest issuers were the UK followed by Italy, Spain and the Netherlands.
- e. At the end of 2016 total outstandings were Euro 1,3 trillion.
- f. ABCP outstanding notes at the end of 2016 totalled Euro19,3 bln, up slightly from Euro18 bln at the end of 2015. Multi-seller conduits continued to dominate the category of issuer.

## 5. Local Conditions

- a. The securitisation industry in South Africa remained hampered by weak economic growth, political turmoil and the further uncertainty created by an ever-changing regulatory environment.
- b. In 2016 securitisation issuance grew marginally to R11,8 bln mainly off the back of RMBS deals. Despite this increase, issuance was still well below 2012 levels. Issuance to date in 2017 amounts to R2,8 bln, much the same as last year at this stage. The message is largely the same as in

recent years that the market remains very muted and a return to the levels from previous year remains a long way off, if indeed they will ever be achieved.

- c. ABCP issuance continues to decline, current issuance being below R12bln, well below the R23 bln at the end of 2014. In 2007 at its peak the ABCP market was R65 bln. Some ABCP programmes have closed or significantly reduced their activity in the last year. However, spreads on the 3 month paper have remained relatively stable at about Jibar plus 50 b.p. over the past year, although these levels are double the spreads of 20 – 25 b.p. in early 2013.
- d. In summary, the securitisation market is very quiet without much reason to be positive for its immediate future. Some of the reasons are as mentioned earlier. However, there does remain a need for this type of funding and there are investors interested in participating, however, matching the needs and requirements of the issuers and investors has been a stumbling block to a number of deals and to the outlook for the industry. I will refer to attempts the Forum plans to embark upon to make a small dent in this obstacle a little later. The market may receive some impetus from the CLF facility offered by the SARB to meet Basel III liquidity requirements, despite the recent increased costs charged by the SARB for this facility.

## 6. Legal and Regulatory Developments

- a. Last year we mentioned the disruption the withdrawal of Fitch from market had on the industry last year. The other rating agents, including the local outfit, Global Credit Ratings, appear to have stepped into the breach to fill the void.
- b. The Forum obtained a legal opinion during the year on the impact of the FATCA legislation on the industry given the complex nature of this legislation. Following hot on the heels of FATCA is the Common Reporting Standards imposed by Europe. Although these are much the same as FATCA there are some nuances which make the CRS different from FATCA. If deemed necessary by members we may need to look into the impact this may have on securitisation entities, if different from FATCA.
- c. Despite concerns in some quarters that it may be delayed for political reasons, much to the relief of the market, the amended FICA Bill was passed in April, however, its date of implementation remains to be confirmed. Failure to implement it could have serious repercussions for South Africa.
- d. The Forum has been a participant in the BASA technical working group on Securitisation and through this working group it has submitted proposals to amend the Securitisation Regulations to address certain provisions.

- e. There was little progress made in the past year on the development of a framework for Covered Bonds, however, this does remain very much on the agenda of the National Treasury and regulators.
- f. The Forum continued to engage with the JSE on our members' concerns with the approval and listings process. In January the JSE released proposed amended Debt Listings Requirements, including many changes and increased disclosure requirements. The Legal & Regulatory Sub-Committee submitted a very detailed response to the proposal and awaits the JSE's response.
- g. The Forum continues to engage with the CSD, Strate, and the various CSDPs to explore matters of common interest.
- h. Positive news for the industry is arrival of new players in both the exchange and CSD space. Competition in every area, including the regulatory space is always positive for the market. It is quite likely that these new entrants could become important to our industry in the coming years.
- i. In June last year, the Forum was represented at the European IMN Conference in Barcelona, holding a panel session on the South African securitisation market. Participants on the panel included Moody's, SA Home Loans, SA Taxi, TMF, Standard Bank and Nedbank. Although we were allocated one of the final slots of the event it was still a useful exercise and gave our market exposure to a broader audience.
- j. On a positive note there remains continued interest in the Forum and although we lost two members, the size of membership of the Forum remained unchanged with two new additions.

## 7. Exco changes and other matters impacting the Forum

- a. The Constitution allows office bearers to hold their positions for a maximum of three years. I am very pleased to announce that all the members and the chairpersons have expressed their willingness to continue to serve in the coming year with the exception of Jana Kershaw who has had to resign her position on Exco owing to work pressures. We wish to express our sincere thanks to Jana for the energy and enthusiasm that she brought to the Forum and Exco. She will be missed.
- b. Other changes to Exco were:
  - i. Carmen Maisenbacher (Treasurer) resigned in August 2016 and was replaced by Jessica Botes who in turn was more recently replaced by Lizelle Fivaz (16 February 2017) from PWC.
  - ii. J.P. McCracken resigned his position on Exco (Sasfin) and was replaced by Dhesegan Govender (February 2017).
  - iii. Marcus Veller replaced Andrew Fok (ABSA) (May 2016).

- c. I would like to thank all the members of the Exco and the sub-committee members for their service to the Forum over the past year.
- d. I would also like to express my strong appreciation and thanks to our Secretary Pat Benbow-Hebbert without whom the Forum would struggle to function as efficiently as it does. Aside from keeping all the numerous Forum affairs in excellent order she keeps all the Exco members in check cajoling them into action whenever necessary.

## 8. Other Matters/ Conclusion

- a. In the past year we embarked upon a revision or reboot of the annual Securitisation Course held under the wings of the UCT. It was felt that a fresh approach was required. It was decided to include the key theory more add a more practical approach with sessions on live deals. It will be held in September in Johannesburg.
- b. We continue to engage with the IMN regarding the year end conference, however, there have been suggestions within the Forum to consider a more focused session driven by the Forum itself, with an emphasis on improving investor knowledge of the securitisation deals and improving communication and understanding between the issuers and investors. This is ongoing.
- c. Please feel free to participate freely and fully at this AGM. We are always open to suggestions on how to improve the functioning of the Forum. Our purpose is to serve you the industry as best we can.
- d. Thank you.

David Towers  
Chairperson, South African Securitisation Forum  
18 May 2017





**PRESENTATION AND ADOPTION OF  
FINANCIAL REPORT FOR 2016/2017 AND  
BUDGET FOR 2017**

## **SASF AGM - 18 May 2017**

### **TREASURER'S REPORT- AGM**

#### **Financial statements for year ended 28 February 2017**

- These have been drafted by Nolands.

#### **Financials and cash position for the 2016/2017 year**

- Refer to cash flow statement for budgeted versus actual results for the 12 month period from 1 March 2016 to 28 February 2017.
- Cash position remains positive as at 28 February 2017.

#### **Membership fees**

- The membership fee for the year to February 2017 is set at R15,000 and remains the same level as 2014/15 and 2015/16.
- Actual members (29) are in line with budgeted (29). Refer to the membership report. The following is noted:
  - As at 31 January, R442,500 has been received from 30 members and there are no outstanding fees payable.

#### **Budget for 2017/2018 year**

- Refer to table 2 *Cash flow statement – actual for FY2017 compared to budget for FY2018* for assumptions used in setting the FY2017 budget.
- FY2018 budget to be approved at the AGM.

**1. Cash Flow Statement – Actual from 1 March 2016 to 28 February 2017 compared to Budget from 1 March 2016 to 28 February 2017**

<b>SOUTH AFRICAN SECURITISATION FORUM</b>					-	-
<b>BUDGET VS ACTUAL RESULTS - 1 MARCH 2016 - 28 February 2017</b>					-	-
<b>Income Statement:</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget remaining</b>	<b>YTD</b>	<b>Comments on variance between actual YTD and budgeted YTD</b>	
	<b>FULL YEAR</b>	<b>FULL YEAR</b>	<b>Till</b>	<b>actual as % of budget</b>		
	<b>28-Feb-17</b>	<b>28-Feb-17</b>	<b>28-Feb-17</b>			
<b>Income</b>	<b>472,473</b>	<b>455,922</b>	-16,551	<b>82%</b>		
Interest	29,973	20,922	9,051	143%	As expected	
Membership Fees	442,500	435,000	7,500	102%	As expected	
<b>Expenses</b>	<b>394,592</b>	<b>388,007</b>	6,585	<b>102%</b>		
Auditors	6,111	12,688	6,577	48%	Decreased to align the provision with the actual fee charged in the prior year	
Bad debts	-	-	-	0%	As expected	
Bank charges	1,985	1,991	7	100%	As expected	
Website design, maintenance costs	42,950	42,090	860	102%	As expected	
Consulting secretarial fees	276,157	250,796	-25,361	110%	As expected	
Sundry office costs	16,570	6,733	-9,837	246%	As expected	
Travel	16,364	13,709	2,656	119%	As expected	
General provision - contingency	34,455	60,000	25,545	57%	Legal opinion, (FATCA) from Werkmans	
<b>Profit/(loss) before tax</b>	<b>77,881</b>	<b>67,915</b>	-9,966			
<b>Tax</b>		-	-			
<b>Profit/(Loss) after tax</b>	<b>77,881</b>	<b>67,915</b>	<b>9,966</b>			
Cash at Beginning of the year	392,005	392,005				
Add: Net income over expenses	77,881	54,408				
<b>Closing cash balance</b>	<b>469,506</b>	<b>446,413</b>				

**2. Cash Flow Statement – Actual from 1 March 2016 to 28 February 2017  
compared to Budget from 1 March 2017 to 28 February 2018**

<b>SOUTH AFRICAN SECURITISATION FORUM</b>				-	-
<b>BUDGET VS ACTUAL RESULTS - 1 MARCH 2017 - 28 February 2018</b>				-	-
<b>Income Statement:</b>	<b>Budget</b>	<b>Actual</b>	<b>Increase</b>	<b>Comments on variance between actual YTD and budgeted YTD</b>	
	<b>FULL YEAR 28-Feb-18</b>	<b>FULL YEAR 28-Feb-17</b>	<b>for 2018</b>		
<b>Income</b>	<b>472,473</b>	<b>472,473</b>			
Interest	29,973	29,973	0%	Maintain at FY2017 actual Fee remains the same as prior year	
Membership Fees	442,500	442,500	0%		
<b>Expenses</b>	<b>422,527</b>	<b>394,592</b>			
Auditors	11,034	6,111	6.50%	Increase by 6.50% of FY 2017 actual	
Bad debts	-	-	0%	None expected	
Bank charges	2,114	1,985	6.50%	Increase by 6.50% of FY 2017 actual	
Website design, maintenance costs	45,742	42,950	6.50%	Increase by 6.50% of FY 2017 actual	
Consulting secretarial fees	294,107	276,157	6.50%	Increase by 6.50% of FY 2017 actual	
Sundry office costs	17,647	16,570	6.50%	Increase by 6.50% of FY 2017 actual	
Travel	17,428	16,364	6.50%	Increase by 6.50% of FY 2017 actual	
General provision - contingency	34,455	34,455	6.50%	None expected	
<b>Profit/(loss) before tax</b>	<b>49,946</b>	<b>77,881</b>			
<b>Tax</b>	<b>-</b>	<b>-</b>			
<b>Profit/(Loss) after tax</b>	<b>49,946</b>	<b>77,881</b>			
Cash at Beginning of the year	465,506	392,005			
Add: Net income over expenses	54,408	77,881			
<b>Closing cash balance</b>	<b>519,914</b>	<b>469,506</b>			

The South African Securitisation Forum  
Annual Financial Statements  
for the year ended 28 February 2017

DRAFT

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

General Information

Nature of business and principal activities	To promote the development of securitisation in South Africa.	
Executive committee members	<b>Name</b>	<b>Change in appointment</b>
	D Towers (Chairman)	
	B Harmse (Deputy Chairman)	
	C Maisenbacher (Treasurer)	Resigned 1 August 2016
	L Fivaz (Treasurer)	Appointed 16 February 2017
	R Thanthony (Chairman of Tax and Accounting)	
	R Kelso	
	N Zeelie	
	S Howie	
	R Roothman	
	J Martin	
	D Eraman	
	N Gunning	
	L Marais	
	L Dirker	
	H Ackerman	
	O Ferreira	Appointed 1 January 2017
	B Wannasuriya	Appointed 9 November 2016
	C Keavy	Appointed 1 February 2017
	D Govender	Appointed 16 February 2017
	M Veller	Appointed 19 May 2016
	J Botes	Appointed 1 August 2016/ Resigned 16 February 2017
	C Li Green	Appointed 1 October 2016/ Resigned 9 November 2016
	J Kershaw	
	P Myburgh	Resigned 1 August 2016
	JP McCracken	Resigned 16 February 2017
	A Fok	Resigned 19 May 2016
Alternates	<b>Name</b>	
	A Ideler	
	M Mutch	
	A Fok	
Auditors	Nolands Inc Chartered Accountants (S.A.) Registered Auditors	
Secretary	P Benbow-Hebbert	

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

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The reports and statements set out below comprise the annual financial statements presented to the members:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	11
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The annual financial statements set out on pages 6 to 11, which have been prepared on the going concern basis, were approved by the executive committee on 10 April 2017 and were signed on its behalf by:

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Chairman

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Deputy Chairman

Johannesburg

10 April 2017

## Independent Auditor's Report

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To the members of The South African Securitisation Forum

### Opinion

We have audited the annual financial statements of The South African Securitisation Forum set out on pages 5 to 10, which comprise the statement of financial position as at 28 February 2017, the statement of comprehensive income and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present, in all material respects, the financial position of The South African Securitisation Forum as at 28 February 2017 and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in Note 1.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the committee's own accounting policies to satisfy the financial information needs of the executive committee's members. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of the members for the annual financial statements

The executive committee's members are responsible for the preparation and presentation of the annual financial statements in accordance with the basis of accounting described in Note 1 and for such internal control as the executive committee's members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive committee's members are responsible for assessing the committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee's members either intend to liquidate the committee or to cease operations, or have no realistic alternative but to do so.



## Independent Auditor's Report

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### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the committee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee's members.
- Conclude on the appropriateness of the executive committee's members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the committee to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Furthermore, we communicate with the executive committee's members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nolands Inc  
Registered Auditor  
Practice Number: 900583e  
Registered Auditor  
Per: Craig Stansfield CA (SA), RA  
Director

Cape Town  
10 April 2017

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

Statement of Financial Position

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	2	469 507	392 006
<b>Total Assets</b>		<b>469 507</b>	<b>392 006</b>
<b>Funds and Liabilities</b>			
Funds			
Accumulated funds	3	459 387	381 506
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	4	10 120	10 500
<b>Total Funds and Liabilities</b>		<b>469 507</b>	<b>392 006</b>

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The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	5	442 500	392 500
Operating expenses		(394 593)	(320 427)
Operating profit		<u>47 907</u>	<u>72 073</u>
Investment revenue	6	29 974	20 922
Profit before taxation		<u>77 881</u>	<u>92 995</u>
Taxation	7	-	-
Profit for the year		<u>77 881</u>	<u>92 995</u>

DRAFT

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from operations	8	47 527	70 318
Interest income		29 974	20 922
Net cash from operating activities		<u>77 501</u>	<u>91 240</u>
Net cash movement for the year		77 501	91 240
Cash and cash equivalents at the beginning of the year		392 006	300 766
Cash and cash equivalents at the end of the year	2	<u>469 507</u>	<u>392 006</u>

DRAFT

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017  
Accounting Policies

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

**1.1 Significant judgements**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

**1.2 Financial instruments**

**Accounts receivables**

Accounts receivable are items that the Forum has issued invoices for, but not received payment for, as at the reporting date. They are stated at their estimated realisable value, which means that the amount stated is the figure the Forum realistically expects to receive.

**Accounts payable**

Accounts payable are items where the goods and services have been received by the Forum, but as at the reporting date have not yet been paid. They are stated at the amount of cash required to settle those liabilities.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently at amortised cost.

**1.3 Revenue**

Membership fees are recognised on the accrual basis in accordance with the substance of the relevant membership agreements.

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017  
Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	469 507	392 006
<b>3. Accumulated funds</b>		
Opening balance	381 506	288 511
Profit for the year	77 881	92 995
	<u>459 387</u>	<u>381 506</u>
<b>4. Accounts payable</b>		
Trade payables	10 120	10 500
<b>5. Revenue</b>		
Membership fees - current year	442 500	392 500
<b>6. Investment revenue</b>		
Interest received Bank	29 974	20 922
<b>7. Taxation</b>		
The Forum is registered as a Public Benefit Organisation. Its receipts and accruals derived from trading activities fall within the prescribed parameters as contained in Section 10(1)(d)(iv)(bb) of the Income Tax Act of South Africa. Accordingly, no provision for taxation has been made as all receipts and accruals are exempt from taxation.		
<b>8. Cash generated from operations</b>		
Profit before taxation	77 881	92 995
Adjustments for:		
Interest received	(29 974)	(20 922)
Changes in working capital:		
Accounts payable	(380)	(1 755)
	<u>47 527</u>	<u>70 318</u>

The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>9. Auditors' remuneration</b>		
Audit fees	10 361	11 970
Overprovision - prior year	(4 250)	(1 755)
	<u>6 111</u>	<u>10 215</u>

**10. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**11. Events after the reporting date**

The executive committee's members are not aware of any matter or circumstances of a material nature arising since the end of the financial year.

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The South African Securitisation Forum  
Annual Financial Statements for the year ended 28 February 2017

Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Revenue			
Membership fees	5	442 500	392 500
Other income			
Interest received	6	29 974	20 922
Operating expenses			
Auditors' remuneration	9	6 111	10 215
Bank charges		1 985	1 879
Consulting fees paid		276 157	236 600
Legal expenses		34 455	-
Sundry office costs		16 570	18 146
Travel - local		16 365	12 932
Website running costs		42 950	40 655
		394 593	320 427
Profit before taxation		77 881	92 995
Taxation	7	-	-
Profit for the year		77 881	92 995

DRAFT





## **APPROVAL OF 2016/2017 MEMBERSHIP FEES**

## **FEEDBACK FROM THE SUB-COMMITTEES**



## **LEGAL & REGULATORY**

## **Annual Report of the Legal & Regulatory Sub-Committee of the South African Securitisation Forum for the 2016/2017 year**

Members of the Executive Committee of the South African Securitisation Forum (the “Forum”), Chairpersons of the various sub-committees of the Forum, Colleagues, Ladies and Gentlemen.

### **1. Introduction**

I am presenting this report to you in my capacity as Chairperson of the Legal and Regulatory Sub-Committee (“sub-committee”). I would also like to extend my appreciation to all the members of the sub-committee for their input and time during the past term, which was a busy one on the legal and regulatory front 4 (four) formal sub-committee meetings were held during the term, namely in August and October 2016 and in February and May 2017. All the meetings were well attended.

### **2. Overview of the sub-committee’s 2016/17 activities**

#### **2.1 BASA/National Treasury initiatives**

A National Treasury task group is currently working on an initiative to enhance the securitisation regulatory landscape in South Africa. The task group consists of representatives of the Banks, National Treasury, SASF, SARB and ASISA. SASF is making a contribution to the workings of this task group.

##### **2.1.1 Securitisation Regulations**

The sub-committee prepared a submission setting out deficiencies in the Securitisation Exemption Notice. The 2 items that require amendment/clarification are the provisions dealing with significant risk transfer and whether non-banks can repurchase previously transferred assets.

The sub-committee proposal was presented to the National Treasury task group and was incorporated into a submission presented to SARB. The task group also made a proposal to establish a framework for so-called funding only securitisations where there is no risk transfer required. SARB has indicated that they are open to consider these proposals and the task group proposed

specific amendment to the Securitisation Regulations. SARB has indicated that they have taken most of the proposals on board and will now publish a revised Securitisation Exemption Notice towards the end of 2017.

#### 2.1.2 Simple, Transparent and Comparable Securitisations (STC)

A topic that is still high on the securitisation regulatory agenda globally is the regulatory frameworks to provide for STC securitisations. STC criteria are designed to mitigate securitisation risks, including uncertainty related to asset risk, structural risk, governance and operational risk. Transactions that comply with these criteria should therefore have lower structural and model risk. The Basel Committee has proposed preferential capital treatment for securitisations that comply with STC criteria and SARB has indicated that they will include the same rules in our regulations.

The jury is still out on what would be the best conduit to enforce STC criteria.

### 2.2 **JSE Debt Listings Requirements**

The JSE published draft amendments to the Debt Listing Requirements that was open for public comment until 10 February 2017. The sub-committee met in February and prepared comments that were submitted to the JSE. The proposed amendments make provision for asset backed securities, securitisations done in terms of the CP Regulations and securitisations done in terms of the Securitisation Regulations. The sub-committee is of the view that all securitisations should be done under the Securitisation Regulations.

### 2.3 **FACTA**

The Foreign Account Tax Compliance Act (FATCA) is a United States law to enforce the requirement for US citizens including those living outside the US to file yearly reports on their non-U.S. financial accounts to the US government. It requires all non-U.S. (foreign) financial institutions to search their records for indicia indicating U.S. person-status and to report the assets and identities of such persons to the U.S. Department of the Treasury.

There was uncertainty as to whether FACTA applied to securitisation issuer SPV's as well. A legal opinion was obtained from Werksmans. Werksmans is of the view that the Servicer is not required to register under FATCA and that the Issuer should not qualify as a "*Depository Institution*" provided that the transaction complies with the Securitisation Regulations. Further, they are of the view that the Issuer would not qualify as an "*Investment Entity*". However, from a US law point of view it is conceivable that the Issuer could be considered as a "*Financial Institution*" based on its own activities and role as a securitisation vehicle. The Issuer Owner Trust, in its own right, will not qualify as a "*Financial Institution*". The Security SPV will not qualify as a "*Custodial Institution*", a "*Specified Insurance Company*" or a "*Depository Institution*". The

Security SPV Owner Trust, in its own right, will not qualify as a "*Financial Institution*".

### **3. Outlook and Conclusion**

In conclusion, 2017 will continue to be a busy year on the legal and regulatory front.

A lot more work and time is still needed to fully restore market confidence in securitisation as a genuine and legitimate funding product.

I thank you all in anticipation for your contribution thereto.

**Hendrik Ackermann**  
**Chairperson**  
**May 2017**



## **COMMUNICATION AND EDUCATION**



## REPORT OF THE COMMUNICATION AND EDUCATION SUB-COMMITTEE OF THE SOUTH AFRICAN SECURITISATION FORUM FOR THE 2016/2017 YEAR

Members: Jana Kershaw  
Brendan Harmse  
Hendrik Ackermann

### EDUCATION

#### UCT Securitisation Course

The collaboration between the University of Cape Town Law Faculty and the South African Securitisation Forum to run a course in securitisation is celebrating its tenth year in 2017. The purpose of the course is to provide a detailed theoretical background of securitisation structures covering legal, accounting and taxation matters. But importantly also provides a strong practical application and local market dynamic for young professionals or new entrants to the asset class. Presenters include academics, as well as current industry experts in asset origination, securitisation structuring, debt placement, accountants, rating agencies and investors.

The course content was refreshed during 2016 to broaden the scope of the material to cover aspects of origination, credit ratings, risk and other investor considerations. This will bolster the detailed legal, structural and accounting content.

The 2017 course will be held on the 13<sup>th</sup> and 14<sup>th</sup> of September and the brochure has been included for reference.

#### IMN Capital Markets Conference

The SASF once again endorsed the Annual African Capital Markets Conference, which was held on the 30<sup>th</sup> November and 1<sup>st</sup> of December 2016 in Cape Town. The conference provides an annual opportunity for the SASF to raise, discuss and debate issues pertaining to the South African securitisation markets and continue to improve the understanding and profile of the asset class.

The SASF assisted in securing two dedicated panel discussions on securitisation at the 2016 conference, one relating to the outlook for securitisation as an asset class in South Africa and a panel discussion on the role of credit enhancement in promoting securitisation growth throughout Africa. Both sessions were well received.



SASF members have been elected to the steering panel for the 2017 IMN Conference, and will continue to advocate securitisation-related discussion at this years' conference.

#### STANDARDISED REPORTING:

The Forum has, as part of its objective to increase investor appetite for securitisations, continued to drive Standardised post-issuance reporting of securitisation transactions in order to further improve transparency and comparability of transactions. As part of such process, the Communication and Education sub-committee developed a Standardised Investor Reporting Template for RMBS transactions in South Africa, which has been distributed to industry members and is available on the SASF website.

#### COMMUNICATION:

The main instrument for communication between the Forum and its stakeholders continues to be our website. The site presently contains all relevant details of the Forum and its members. It also contains news, publications, investor reporting, information on education, our constitution, links to other international securitisation forums, as well as basic information on securitisations and its history in South Africa. Our aim is to provide all available securitisation investor reporting on the SASF website shortly after they are released. The majority of the JSE listed transaction reports are listed on the website.

On average we have had 441 visits to the site and 2,090 pages loaded per month over the last year and many investors using the website as its main source of transaction performance monitoring reports.

Copies of all reports tabled at the AGM of the Forum will also be posted on the site immediately after the AGM.

Jana Kershaw – May 2017

## Standardised Investor Reporting – Securitisation

### Transaction Name

#### Notes Outstanding:

JSE Stock Code	Original Rating	Current Rating	Original issued amount	Current balance	Amount repaid in current period	Issue Date	Expected maturity date	Call date	Legal final maturity	Credit enhancement %	Issue Margin
A1											
A2											
A3											
A4											
A5											
B1											
C1											
Subloan											
			0	0	0						

#### Credit enhancement available (excluding subordination of notes as listed above):

*Adapt as appropriate:*

	Current Value	Further detail / explanation
Excess Spread		
Subordinated loan		
Reserve Funds		

Date

xxxxx

Contact Person

xxxxx

E-mail

xxx@xx

**Pool Characteristics:**

	At Inception	Quarter (15 months prior)	Quarter (12 months prior)	Quarter (9 months prior)	Quarter (6 months prior)	Quarter (3 months prior)	Quarter (most recent)	Optional Notes
Reporting date								
Balance Notes Outstanding								
Balance Loans Outstanding								
Weighted average original LTV								
Weighted average current LTV								
Weighted average index LTV- Current property market valuation (closest estimation)								
Number of loans								
Average Balance								
Highest single borrower balance								
Seasoning								
Interest Margin								
Excess Spread								
PTI Ratio								
CPR*								
TRR#								
Non owner occupied								
Self employed borrowers								
* Constant Prepayment Rate (CPR) calculation (Moody's) = $1 - (1 - \text{Current Period Unscheduled Principal Payments} \div (\text{Current Period Outstanding Pool Balance} + \text{Unscheduled Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly = 12, quarterly = 4, semi-annual = 2, annual = 1).								
# Total Redemption Rate (TRR) calculation (Moody's) = $1 - (1 - \text{Current Period Total Principal Payments} \div (\text{Current Period Outstanding Pool Balance} + \text{Total Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly = 12, quarterly = 4, semi-annual = 2, annual = 1).								

**Arrear Buckets:**

	Balance of Loans	% of Total Balance of Loans
<= 1 month in Arrears		0%
1-2 months in Arrears		0%
2-3 months in Arrears		0%
3 - 6 months in Arrears		0%
> 6 months in Arrears		0%
Litigations		0%
Debt Review		0%
Third party attachments		0%
Properties sold		0%
TOTAL	0	0%

**Trigger levels:**

Any triggers breached?

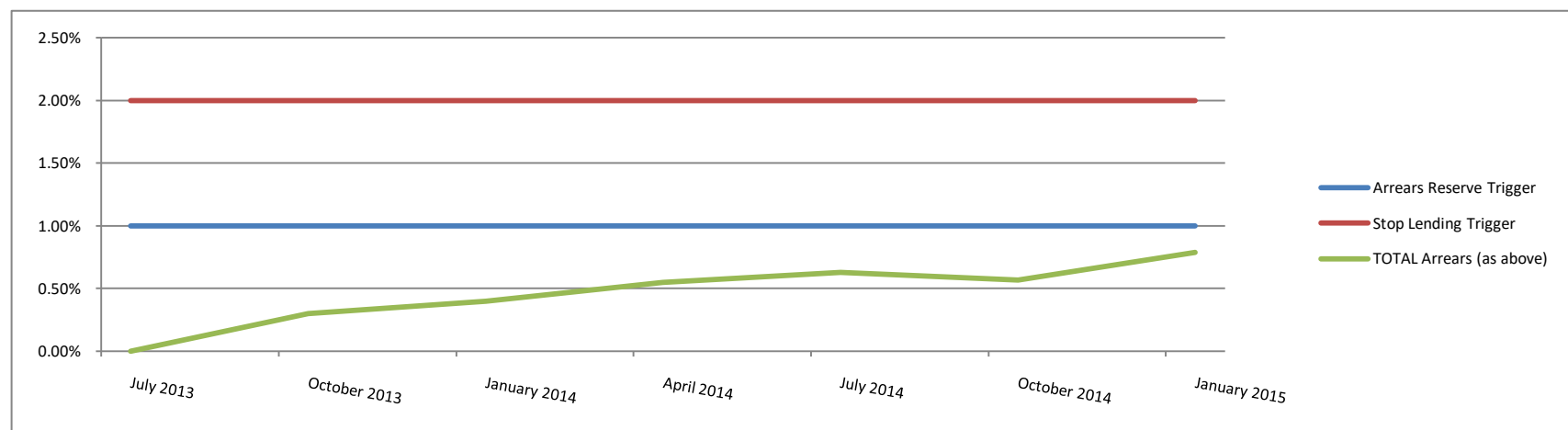
Yes / No

If yes, list triggers and provide details:

**Asset Reconciliation:**

	Since Inception	Last Quarter
Balance home loans at the beginning		
Replacement assets purchased		
Advances (Redraws, Re-advances, Further Advances)		
Contractual principal repayments		
Prepayments (including settlements)		
Write-offs		
Recoveries		
Balance home loans at the end		

<i>Adapt as appropriate:</i>	At Inception	Quarter (15 months prior)	Quarter (12 months prior)	Quarter (9 months prior)	Quarter (6 months prior)	Quarter (3 months prior)	Quarter (most recent)
Reporting date	Jul-13	Oct-13	Jan-14	Apr-14	Jul-14	Oct-14	Jan-15
Arrears Reserve Trigger	1%	1%	1%	1%	1%	1%	1%
Stop Lending Trigger	2%	2%	2%	2%	2%	2%	2%
TOTAL Arrears (as above)	0.00%	0.30%	0.40%	0.55%	0.63%	0.57%	0.79%
Principal deficiency? (Liab greater than assets?)							
Repurchases of NPL's – value							
Describe Arrears Trigger calculation method:							



## **SASF: Investor reports on the website as of 8 May 2017**

Please see below a list of all the latest Investor Reports currently displayed on the SASF website, together with the date of the latest issue available.

### ***Residential Mortgage-Backed Securitisations***

Blue Granite (Pty) Ltd - Standard Bank

BG 1: February 2017

BG 2: The BG2 assets were bought back by SBSA in July 2016 and there are no further investor reports.

BG 3: August 2016

BG 4: September 2016

Fox Street 1 (RF) Ltd – Investec

September 2016

Fox Street 2

November 2016

Fox Street 3 (RF) Ltd – Investec

November 2016

Fox Street 4 (RF) Ltd – Investec

March 2017

Fox Street 5 (RF) Ltd – Investec

October 2016

Greenhouse Funding (Pty) Ltd - Series 1 - Nedbank

February 2017

Greenhouse III – Nedbank

January 2017

Nqaba Finance 1 - Eskom Finance Company (EFC)

February 2017

Thekwini Funds- SA Homeloans

Thek 9: April 2017

Thek 10: April 2017

Thek 11: April 2017

Thek 12: February 2017

Thek 13: February 2017

Thek 14: February 2017

### ***Commercial Mortgage-Backed Securitisation***

Precinct Funding 1 (RF) Limited - Nedbank Capital

March 2017

### ***Asset-Backed Securitisations***

Fintech Receivables 2 – Nedbank Capital

September 2016

SA Securitisation Programme (previously Equipment Rentals Securitisation) - Sasfin Bank

Series 1

January 2017

Series 2

January 2017

Series 3  
January 2017

***Asset-Backed Securitisations - Autos***

Nitro Securitisation 5 (Pty) Ltd – Wesbank  
March 2017

SuperDrive Investments (Pty) Ltd - BMW FS securitisation - Standard Bank  
February 2017

Torque Securitisation (RF) Limited – RMB  
February 2017

Transsec (RF) Limited  
February 2017  
Transsec 2 (RF) Limited  
February 2017

***ABCP Conduits***

Blue Titanium (Pty) Ltd - Standard Bank  
March 2017

Indwa Investments (Pty) Ltd - Firststrand Bank  
February 2017

Inkotha Investments (Pty) Ltd - Firststrand Bank  
March 2017

Ivusi Investments (Pty) Ltd - Firststrand Bank  
March 2017

Synthesis Funding (Pty) Ltd - Nedbank  
October 2016 – NOTE – no more issues (Synthesis is currently not issuing listed notes to the market.  
Therefore investor reports are not being prepared.)

Thekwini Warehousing Conduit - SA Homeloans  
March 2017

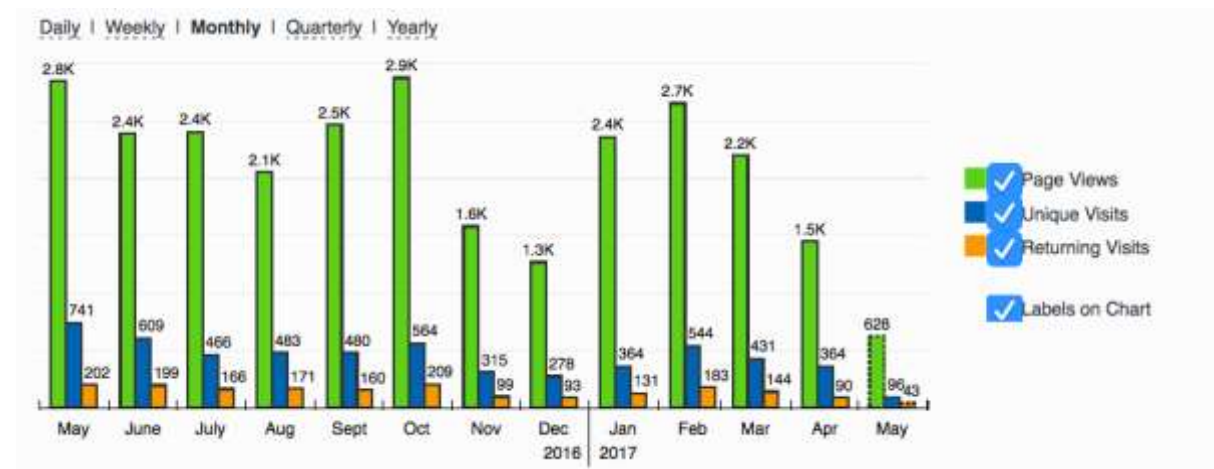
***Synthetic Securitisations***

***Micro-Lending Receivables***

Nyati Securitisation 1 (RF) Ltd  
August 2015

**[http://www.investec.co.za/products-and-services/financing-and-lending/corporate\\_lending/specialised-finance/debt-capital-market.html](http://www.investec.co.za/products-and-services/financing-and-lending/corporate_lending/specialised-finance/debt-capital-market.html)**

## SASF website usage up to 8 May 2017.



	Page Views	Unique Visits	First Time Visits	Returning Visits
Total	27,172	5,735	3,845	1,890
Monthly Average	2,091	442	296	146

	Page Views	Unique Visits	First Time Visits	Returning Visits
May 2017	628	96	53	43
Apr 2017	1,453	364	274	90
Mar 2017	2,200	431	287	144
Feb 2017	2,651	544	361	183
Jan 2017	2,357	364	233	131
Dec 2016	1,270	278	185	93
Nov 2016	1,582	315	216	99
Oct 2016	2,875	564	355	209
Sept 2016	2,468	480	320	160
Aug 2016	2,053	483	312	171
July 2016	2,402	466	300	166
June 2016	2,390	609	410	199
May 2016	2,843	741	539	202

*Returning Visits* - Based purely on a cookie, if this person is returning to your website for another visit an hour or more later

*First Time Visits* - Based purely on a cookie, if this person has no cookie then this is considered their first time at your website.

*Unique Visitor* - Based purely on a cookie, this is the total of the returning visits and first time visits - all your visitors.

*Page Load* - The number of times your page has been visited.

<http://statcounter.com/p6630383/summary/monthly-pur-labels-bar-last12months/>



## SECURITISATION

13 to 14 September 2017

Presented in Johannesburg



**UCT Law @ work**  
Professional Development Project

**Law@work, UCT Faculty of Law, is pleased to present a two-day course in securitisation.**

### ABOUT THE COURSE

Securitisation is a process by which illiquid assets such as cash flows and connected contract rights are pooled and repackaged into marketable instruments representing claims against the asset pool. These securities are then sold to third-party investors. Securitisation can be a cheaper and more flexible source of long-term financing than bank finance, particularly for companies below investment grade.

**This course is an introductory course intended to provide a foundation on the subject for anyone who wishes to become involved in securitisation, or who has come across it in the course of their job and requires more detail.**

### WHO WILL BENEFIT FROM THIS COURSE?

- Lawyers/advocates, including in-house counsel in financial institutions
- Bankers, financiers and persons involved in the extension of credit
- Mortgage originators
- Anyone who has a special interest in banking, financial markets and securitisation
- Anyone tasked with the implementation of securitisation

### COURSE OUTLINE

**This course will cover, in brief, the following pertinent issues regarding securitisation:**

- The economic rationale for securitisation and development of the securitisation market
- Who the key players in the securitisation market are
- Securitisable assets and selection of receivables
- The legal and regulatory framework
- Basel II and III
- ABS/true sale/insolvency
- Ratings
- Liquidity support, credit enhancement and profit extraction





- Raising of funds and factors influencing secondary market liquidation
- Investor protection and the role of trustees
- Servicing and administration agreement
- Risks
- Taxation issues
- Advanced transaction structures such as whole business securitisation, future flows, synthetics and CDOs
- Accounting issues
- The new Securitisation Regulations
- The application of the new Companies Act to ring fenced vehicles (SPVs)

On the second day of the course, a case study will take participants through the creation of a complicated securitisation structure step by step.

## COURSE PRESENTERS

**The course will be presented by prominent members of the Securitisation Forum and experts in the field of finance and regulatory reform.**

This course is endorsed by the South African Securitisation Forum (SASF), a non-profit association that exists to promote the development of securitisation in South Africa through education of the public, investors, originators and others with an interest or potential interest in the benefits of securitisation, both in South Africa and overseas.

For more information go to [www.sasf.co.za](http://www.sasf.co.za)



## REGISTRATION DETAILS

<b>Programme and venue information:</b>	Signing in will commence at 9:00 on the first day unless otherwise advised. Each day will end at approximately 17:00. Instructions regarding the programme and directions to the venue will be sent to you electronically a week prior to the event.
<b>Award of certificate:</b>	A certificate of attendance from UCT will be awarded to those who attend the full two days. Please ensure that you sign the attendance register each day.
<b>Course fee:</b>	R5,000 per delegate. The fee includes parking, teas, lunches and any course materials.
<b>Closing date for registration:</b>	One week prior to the course.
<b>Registration and enquiries:</b>	<p>Please contact Law@work, UCT Faculty of Law: Don Coue on 021 650 3242 Email: <a href="mailto:don.coue@uct.ac.za">don.coue@uct.ac.za</a> OR visit our website to download the registration form: <a href="http://www.lawatwork.uct.ac.za">www.lawatwork.uct.ac.za</a></p>

### Physical address

Law@work, UCT Faculty of Law  
Rm 3.20 Kramer Law Building  
Middle Campus, UCT  
Rondebosch, 7700

### Postal address

Law@work, UCT Faculty of Law  
Kramer Law Building, UCT  
Private Bag X3,  
Rondebosch, 7701

14/09/2021





## **TAX AND ACCOUNTING**



Annual Report of the Tax & Accounting Sub-Committee -South African Securitisation Forum for the 2016/2017 year

The Tax and Accounting Sub-Committee has picked up momentum in terms of attendees and participation in the past year.

The committee focused on the following issues:

Tax amendments and the impact on the securitisation industry:

- With the assistance of the Werksman's legal opinion, the industry was able to understand the application of FATCA to the securitisation vehicles;
- CRS has also made its way into the market over the past year;
- The application of CRS was very much similar to that of FATCA;
- Most securitisation vehicles were reviewed as Passive Non-Financial Entities and therefore were not required to register for FATCA or CRS;
- The CRS registration deadline is 31 May 2017;
- There were concerns with the tax implications of IFRS 9. SARS had not issued any guidance on the application thereof;
- The Banking Association has met with SARS to discuss IFRS 9;
- IRBA also has a working committee in respect of IFRS 9; and
- SAICA has escalated IFRS 9 concerns to SARS;
- Difficulties were encountered with trust Income Tax registration;
- SARS now requires trusts to open bank accounts in order to register for tax;
- This poses challenges as trusts in our industry are dormant and should not be incurring additional charges; and
- We are currently liaising with SAICA to resolve this matter.

IFRS amendments and the impact on the securitisation industry:

- There was specific focus on IFRS 9 and the implications for the securitisation industry;
- It was noted that impairment models, that are being built by the major banking institutions, are being analysed by the respective audit firms to ensure like thinking and reporting;
- It was noted that the IRBA has created a task group in relation to the impairment requirements in IFRS 9. An IRBA Staff Audit Practice Alert would be issued to provide auditors with the background to the issues and audit implications of IFRS 9 model in the banking environment;
- A revised IFRS 15 Revenue from contracts with customers is coming into play January 2018;

- Principles that an entity should report include: nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer (5 step model approach);
- High level discussions around IFRS16 have occurred. Operating leases would fall away; leases would be disclosed on the balance sheet as finance leases; and
- The new lease standards would become effective in 2019.

Audit Amendments and the impact on the securitisation industry:

- Director's remuneration continued to be a problem in the securitisation industry;
- It was impractical to disclose an independent non executive's director fee when the service had been paid to a company and not directly to the director;
- Deloitte has arranged for their technical team to present their findings to the forum so that clarity could be achieved;
- As part of the JSE listing requirements amendments announced in September 2016, Issuers need to submit 6 month interim results within 3 months of financial period end;
- Issuers are also now required to submit annual financial statements to the JSE within four months (previously six months) after the end of each financial year, commencing with year-ends ending on or after 30 September 2017;
- The timing of the preparation and approval of the financial statements for the year ended 31 December 2017 will need to be revised to ensure compliance with the amended Debt Listing Requirements;
- Audit firm rotation discussions are still ongoing. Clarity should be achieved in a few months;
- The audit firm rotation was an IRBA requirement whilst the audit partner rotation was a Companies Act requirement;
- Currently in the UK there is an audit firm tender/reconsideration every 10 years; and
- The audit firm rotation would have a severe impact on the audit industry especially with long standing relationships.

Rishendrie Thanthony  
Chairperson



## **MEMBERSHIP**

## **ANNUAL REPORT OF THE MEMBERSHIP SUB-COMMITTEE FOR 2017**

SASF membership stands at 29.

The Executive Committee agreed to maintain the annual membership fees at R15,000 per member. The fees received for 2016/2017 totalled R442 500.

### New Members joined over the past financial year:

- Sanlam Investments
- Futuregrowth Asset Management SA

### Member resignations over the past financial year

- Norton Rose
- Real People

### Outreach

- Outreach was made to SNG SizweNtsalubaGobodo (SNG) (Audit firm).
- Enquiries were made by Mkhabela Huntley Adekeye Inc. (Law Firm) and OMSFIN regarding membership.

Application forms together with relevant information on the Forum was subsequently forwarded.

<b>SA Securitisation Forum Members</b>
ABSA Capital
Allen & Overy LLP
Ashburton Investments
Bayport Securitisation (RF) Limited
BMW Financial Services (SA)(Pty)Ltd
Bowman Gilfillan
Cliffe Dekker Hofmeyr Inc
Deloitte & Touche
ENS
Futuregrowth Asset Management SA
Hogan Lovells (South Africa)
Investec Asset Management SA
Investec Bank Limited
KPMG Inc
Maitland Group South Africa Limited
Nedbank Capital
PricewaterhouseCoopers
Quadridge Trust Services (Pty) Ltd
Quince Capital
Rand Merchant Bank
SA Home Loans (Pty) Limited
SA Taxi Development Finance (Pty)Limited
Sanlam Investments
Sasfin Bank Limited
Standard Bank of South Africa Limited
STANLIB
TMF Corporate Services(South Africa)(Pty)Ltd
Webber Wentzel
Werksmans Inc

Nick Gunning  
May 2017





## **ELECTION OF OFFICE BEARERS FOR 2017/2018**



## **GENERAL**



## **Constitution**

### **THE SOUTH AFRICAN SECURITISATION FORUM CONSTITUTION**

#### **1. Objects**

- 1.1 **Objects.** The objects of the South African Securitisation Forum ("SASF") are: To promote the development of securitisation in South Africa through education of government, regulatory and other authorities, the public, investors, originators and others with an interest or potential interest, both in South Africa and overseas, in the benefits of securitisation to South Africa and aspects of the South African securitisation industry.
- 1.2 **Co-ordinate with other forums.** It is expected that the SASF would co-ordinate, where appropriate, with the European Securitisation Forum, the Australian Securitisation Forum and other industry advocacy groups in order to act as a constructive force in the world securitisation markets.

#### **2. Nature of the Association and its Profits**

- 2.1 **Universitas personarum.** The SASF is a universitas personarum, constituted under the South African common law, and as such:
- (i) the SASF is a non-profit association that does not have the object of carrying on any business whereby profit or gain is generated for the SASF;
  - (ii) (ii) the SASF has perpetual succession, that is, it continues as an entity notwithstanding changes of membership;
  - (iii) the SASF holds its assets distinct from its members and no member has any right, title, claim or interest to the assets of the SASF by reason of membership; and

- (iv) the SASF is responsible for payments of its own debts.

2.2 **Use of funds.** The SASF is required to utilise its funds and assets solely for the objects for which it has been established.

### 3. Powers

3.1 **Give effect to the objects.** The SASF shall have the necessary powers to give effect to its objects. This includes the power to:

- (i) enter into any arrangement with any governments or authorities, supreme, municipal or otherwise;
- (ii) invest and deal with the money of the SASF that is not immediately required in such a manner as the SASF may deem fit;
- (iii) remunerate any person or company or services rendered or to be rendered in respect of organising or managing the SASF's affairs;
- (iv) open bank accounts, and to draw, make, accept, endorse, discount, execute and issue negotiable or transferable instruments or any kind;
- (v) borrow money;
- (vi) apply for and to obtain any law, order, regulation or other authorisation or provision that is to the benefit of the SASF;
- (vii) make such rules as are conducive to the SASF attaining its goals; and
- (viii) generally do or have all such things done as may appear in the SASF to be incidental or conducive to the attainment of the objects of the SASF.

### 4. Method of Operation

4.1 **Meet with regulators, etc.** It is anticipated that members of the SASF and appropriate committees will meet with regulators and other relevant parties on a regular basis to develop a constructive dialogue that serves to educate regulators and improve industry appreciation for, and influence on, the development of legal, accounting, regulatory, capital and other related issues.

- 4.2 **Inform members.** The SASF will regularly keep members informed of important ongoing issues and developments.
- 4.3 **Education programs.** The SASF will sponsor high level education programmes that will attempt to be more focused on serving the securitisation community than those currently available from commercial programmes.
- 4.4 **Industry communication.** The SASF will promote discussion and consensus between all member groups of the SASF.
- 4.5 **Standards.** The SASF will develop industry standards and endeavour to standardise matters within the industry. The SASF will also sponsor research into new developments.

## **5. Executive Committee**

- 5.1 **Final authority.** The governing body of the SASF will be an Executive Committee. Final authority for the SASF, including the winding up of this constitution, will however, unless otherwise specified, reside with a majority of the members of the SASF.
- 5.2 **Conduct business; delegation.** The Executive Committee shall conduct its own business when in session and may delegate its authority to Committees and Task Forces. If the Chairperson decides it is impractical to meet in person, meetings may be conducted telephonically or by the circulation of written materials.
- 5.3 **Number of members.** The Executive Committee will consist of up to 21 members plus any officers given the power to vote on the Executive Committee who have not otherwise been appointed to the Executive Committee.
- 5.4 **Open to all SASF members.** The membership of the Executive Committee will be open to all members of the SASF.
- 5.5 **Election of Chairperson and Deputy Chairperson.** Each of the Chairperson and the Deputy Chairperson of the Executive Committee will be elected by majority vote of the Executive Committee.
- 5.6 **Term.** Each Executive Committee member's term will be 2 years, except for the initial Executive Committee members, whose term will be a period of 2 or 3 years in order that approximately one half of the Executive Committee membership will rotate each year (other than after the first year) except that:

- (i) the terms of the Executive Committee members elected as Officers (being Chairperson, Deputy Chairperson, Secretary, Treasurer, or other Executive Officer) must automatically be extended to coincide with their terms in such office;
  - (ii) the terms of the Executive Committee members may be extended by the Executive Committee as the Executive Committee shall deem appropriate; and
  - (iii) the terms of office of Executive Committee members shall end on the last day of February of the year in which those terms are scheduled to expire, which date is intended to follow closely in time the date of the SASF's annual meeting, at which elections of Executive Committee members and officers shall take place.
- 5.7 **Initial members.** The initial members of the Executive Committee (and any other Committee) will be appointed by the founding members of the SASF then present at the meeting first establishing the SASF.
- 5.8 **Categories.** Executive Committee membership will be divided between member categories as set out in the table below. It is intended that membership of the Executive Committee be representative of the diversity of participants in the securitisation industry, to the extent practicable, taking into consideration the SASF's overall goals set out in Clause1.

Member category	Maximum number of Executive Committee members
Issuer/Originator	3
Investor	4
Commercial Banks	6
Trustees	3
Law firms	2
Accounting firms	2
Other	1

- 5.9 **Members.** A person is qualified to be appointed to the Executive Committee if at the time of their appointment that person is employed by or is an officer or director of a member of the SASF or otherwise has an association, approved by the Executive Committee, with a member of the SASF. Each member of the Executive Committee may appoint an alternate and the representative and the alternate may both attend and participate at meetings of the Executive Committee. However, each member of the Executive Committee has only 1 vote, notwithstanding that the member and his/her alternate may both be present at a meeting.

5.10 **Cessation of employment.** A member of the Executive Committee shall not be required to resign his/her appointment on the termination of that member's employment or directorship with a member of the SASF, subject to the power of the Executive Committee to

(i) remove such member in terms of Clause 5.12 and

(ii) fill a casual vacancy in terms of Clause 5.13.

5.11 **Regular meetings.** The Executive Committee will meet not less than 4 times per year with such other interim meetings (including via teleconference) as deemed necessary by the Chairperson. The Chairperson or his or her designee, in consultation with the Executive Committee, will set dates for such meetings.

5.12 **Removal.** The Executive Committee may remove a member from the Executive Committee for any reason by vote of at least 75% of the full Executive Committee. Failure of any Executive Committee member or his alternate to attend, in person or by telephone, more than 2 Executive Committee meetings in any calendar year, constitutes sufficient cause for removal.

5.13 **Casual vacancies.** In the event of a casual vacancy occurring in the membership of the Executive Committee, the Executive Committee may appoint a member of the SASF to fill the vacancy and the member so appointed shall hold office, subject to this Constitution, until the conclusion of the annual general meeting at which that position would have been otherwise eligible to be filled but for the casual vacancy.

## 6. **Officers of the Executive Committee**

6.1 **Number of Officers.** The Executive Committee will consist of such number of officers as shall be decided by the Executive Committee.

6.2 **Officers.** Subject to the Executive Committee deciding otherwise, the officers of the Executive Committee will consist of:

(i) the Chairperson;

(ii) the Deputy Chairperson;

- (iii) the heads of each Subcommittee of the Executive Committee;
- (iv) the Treasurer;
- (v) the Secretary.

## **7. Officers**

### **7.1 Chairperson and Deputy Chairperson**

- (i) The principal duties of the Chairperson and Deputy Chairperson shall be to create policies, and strategies for effecting those policies, to accomplish the goals of the SASF set forth in Clause 1. Together, they will have all of the powers enumerated elsewhere in this Constitution and, in addition, will lead the Executive Committee. The Chairperson shall preside at, be a member and serve as the Chairperson of, all meetings by the Executive Committee, and shall call special meetings of any committee as necessary and appropriate, except as may otherwise be provided at the time any committee is established. The term of the appointment of each of the Chairperson and Deputy Chairperson shall be 2 years, except as extended by action of the Executive Committee as it shall deem appropriate.
- (ii) In the absence of the Chairperson, the Deputy Chairperson shall perform the duties of the Chairperson. The Deputy Chairperson shall generally assist the Chairperson and shall have such other powers and perform such other duties and services as the Chairperson or the Executive Committee shall prescribe, provided that the Deputy Chairperson shall report to the Chairperson.
- (iii) The Chairperson and Deputy Chairperson must have a broad understanding of and experience with the securitisation industry, and demonstrated leadership ability and experience with relevant trade or professional organizations and must be willing to devote the time necessary to carry out their responsibilities during their term.

### **7.2 Secretary**

- (i) The Executive Committee shall appoint a Secretary. The term of the appointment of the Secretary shall be 2 years, except as extended by action of the Executive Committee as it shall deem appropriate.
- (ii) The responsibilities of the Secretary shall include, in conjunction with the staff of the SASF, (a) the oversight of all records of the Executive Committee, the



subcommittees and the members; (b) recording or causing to be recorded the minutes of each meeting of the Executive Committee and (c) performing such other duties as may be requested by the Chairperson or the Executive Committee.

### 7.3 Treasurer

- (i) The Executive Committee shall appoint a Treasurer. The term of the appointment of the Treasurer shall be 2 years, except as extended by action of the Executive Committee as it shall deem appropriate.
- (ii) The Treasurer shall be responsible for preparation of the budget and shall present the annual financial statements to the Executive Committee for its final approval. The Treasurer shall report the financial condition of the SASF at each regular meeting of the Executive Committee. The Treasurer shall also perform such other duties as may be assigned to such office by the Chairperson or the Executive Committee.

## 8. Meetings

- 8.1 **Quorum.** The quorum for meetings of any committee shall be a majority of the voting membership of that committee at the time of the meeting, present in person or by proxy. No committee may conduct official business without a quorum.
- 8.2 **Voting.** Any matter to be voted upon by a committee shall, except where otherwise specifically required, be approved by the affirmative votes of a majority of members of that committee present in person (which includes presence by telephone) or by proxy.

## 9. Constitution

- 9.1 **Adoption and Ratification.** The Executive Committee will adopt the Constitution of the SASF.
- 9.2 **Amendment.** The Constitution may only be amended by a super-majority vote of two thirds of the members of the Executive Committee present in person or by proxy at a meeting at which a quorum is present.
- 9.3 **Additional Operating Procedures.** Any committee may establish additional operating procedures with regard to its own business to the extent not inconsistent with these Operating Procedures.

## 10. Committees

- 10.1 **Establishment and staffing.** The Executive Committee will establish and staff the other standing or ad hoc committees and task forces.
- 10.2 **Members.** Committees established by the Executive Committee will be open to any member of the SASF. The Executive Committee will appoint the members of each Committee.
- 10.3 **Head.** The head of each Committee must be an Executive Committee member, Officer or their principal alternate. The Executive Committee will appoint the head of each Committee.
- 10.4 **Term of head.** The head of each Committee will have a term of 1 year with a consecutive 3-year maximum, except as extended by action of the Executive Committee, as it shall deem appropriate.
- 10.5 **Initial Subcommittees.** The Executive Committee may decide from time to time to establish any subcommittee at its discretion. The initial subcommittees will be:
- (i) Legal and Regulatory Subcommittee;
  - (ii) Accounting and Tax Subcommittee;
  - (iii) Membership Subcommittee;
  - (iv) Market Standards and Practices Subcommittee;
  - (v) Communication and Education Subcommittee;
  - (vi) Investor Subcommittee;
- 10.6 **Meetings.** The Subcommittees may meet at any time they may choose. Dates for such meetings will be set by the head of the relevant subcommittee in consultation with the subcommittee.

## 11. Employees and Employment Matters

- 11.1 **Staff.** A dedicated, full-time professional and administrative staff at a level necessary to support and carry out its activities effectively and efficiently may be appointed to support the SASF.

## 12. Notices

- 12.1 **Types of notice.** If mailed, all notices, ballots or other material to be provided to members, officers or committee members of the SASF shall be deemed delivered when deposited with the South African Post Office or any courier service for certified delivery. Any notice delivered by facsimile shall be deemed delivered upon successful transmission of such facsimile. Any notice delivered by electronic message shall be deemed delivered upon successful transmission of such electronic message.
- 12.2 **Waiver of notice.** Whenever any notice is required to be given to any member, officer or committee member of the SASF under the provision of any statute or this Constitution, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## 13. Membership, Budget and Finance

- 13.1 **Membership of SASF.** Membership of the SASF will be open to all professional participants in the securitisation industry, including without limitation issuers, originators, dealers, arranging banks, underwriters and other financial intermediaries, investors, servicers, guarantors, rating agencies, trustees, information technology specialists, lawyers and accountants. A member (whether an individual or institution) need not be a South African resident. The Membership Subcommittee may develop further membership criteria from time to time, subject to approval by the Executive Committee.
- 13.2 **Application for membership.** An application for membership to the SASF by any individual or business organisation must be made in writing in the form approved by the Membership Subcommittee from time to time, signed by its nominated representative (who must be specified as such in the application) and lodged with the Secretary.
- 13.3 **Executive Committee must approve application for membership.** The Secretary must refer an application for membership of the SASF to the Executive Committee as soon as practicable after receiving the application. The Executive Committee may approve or reject an application for membership of the SASF in its sole and absolute discretion.

- 13.4 **Nominated representatives.** All notices and other communications to a member will be sent to its nominated representative. A member may from time to time replaced its then nominated representative by notification to the Secretary.
- 13.5 **Membership entitlements not transferable.** A right, privilege or obligation which a business organisation has by reason of being a member of the SASF
- (i) is not capable of being transferred or transmitted to another person or organisation,
  - (ii) terminates upon the cessation of the organisation's membership of the SASF and
  - (iii) is capable of being exercised only by the nominated representative of that organisation.
- 13.6 **Cessation of membership.** A business organisation will cease to be a member of the SASF if
- (i) the organisation resigns as a member by written notice to the Secretary or
  - (ii) the Executive Committee determines that such organisation's membership of the SASF should be terminated.
- 13.7 **Funding.** The SASF will be entirely self-funded through membership dues and other sources of revenue (such as educational conferences).
- 13.8 **Levels and dues.** Membership dues will vary according to organization size and scope of operations in the South African securitisation market. Anticipated membership levels are attached as Schedule 1. The Membership Committee may vary dues and levels from time to time, subject to approval by the Executive Committee.
- 13.9 **Appropriate membership level.** The Membership Committee may determine the appropriate membership level for an applicant, provided that such determinations shall be consistently applied in respect of all applicants.
- 13.10 **Pay dues.** In the year in which a member first joins the SASF, after 30 days (or such other period as shall be determined by the Chairperson in the reasonable exercise of his or her discretion) from notification by the membership committee of acceptance of that member, that member will not be able to attend meetings unless it shall have paid the required amount of membership dues. In subsequent years, a member will not be able to attend meetings unless it shall have paid the required amount of membership dues by March 31 of that year.

**13.11 Policies for broken periods.** Dues payable for new SASF members will be calculated based upon the pro-rata number of months of membership the new participant will enjoy, rounded to the closest month end. For instance, if a new larger financial intermediary were to join as of August, then they would owe membership dues for 5 out of 12 months at the R30K level (i.e. R12.5K). Pro-rata dues are payable after the end of June for the remainder of the year. This policy applies to new SASF members only.

**13.12 Yearly membership.** Members' financial commitment to the SASF will be on a yearly basis.

**13.13 Fiscal year.** The fiscal year of the SASF shall be from March 1 to February 28 each year and annual financial statements, prepared in terms of generally accepted account practice, shall be prepared as this date. These accounts shall be subject to annual examination by an independent firm of registered accountants and auditors. The annual financial statements shall be audited within 90 days after year end and shall be presented to the annual general meeting of SASF for ratification, after having been approved by the executive committee of SASF.

## **14. Indemnity**

**14.1 Liability.** Every member of the Executive Committee, agent, auditor, secretary, servant and any other officer or employee for the time being of the SASF, shall be indemnified out of the assets of the SASF, against any liability incurred by him arising out of his aforesaid office in defending any proceedings, whether criminal or civil, on which judgment is given in his favour or in which he is acquitted, provided that the SASF's liability pursuant to such indemnity shall only extend to such amount which the Executive Committee in its discretion may decide.

**14.2 Dissolution and winding-up.** Should the SASF be dissolved or wound up, the assets of the SASF must be given or transferred to another society, association or company that has a similar non-profit goal to that of the SASF, after all obligations of the SASF have been met

## SCHEDULE I

### SASF Membership Categories and Dues

As of February 2009

Type	Level	Due
Larger Rating Agencies (First year free)	I	R15 000
Financial Guarantors	I	R30 000
Larger Accounting Firms	I	R30 000
Larger Banks and/or other Financial Intermediaries	I	R30 000
Larger Law Firms	I	R30 000
Larger Issuers/Originators	I	R30 000
Larger Investors (First year free)	I	R15 000
Trustees	II	R15 000
Medium Banks and/or other Financial Intermediaries	II	R15 000
Medium Law Firms	II	R15 000
Medium Issuers/Originators	II	R15 000
Servicer Companies	II	R15 000
Smaller Rating Agencies (First year free)	II	R15 000
Medium Investors (First year free)	II	R15 000
Smaller Banks and/or other Financial Intermediaries	III	R10 000
Smaller Accounting Firms	III	R10 000
Smaller Investors (First year free)	III	R15 000
Mortgage Insurers	IV	R 7 500
Smaller Issuers	IV	R7 500
Smaller Law Firms	IV	R 7 500
Other Financial Entities	IV	R 7 500
Suppliers	IV	R 7 500



## SOUTH AFRICAN SECURITISATION FORUM

TENTH ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY 18 MAY 2017  
AT 11H30  
AT THE JOHANNESBURG COUNTRY CLUB, WOODMEAD, JOHANNESBURG.  
CORNER LINCOLN ROAD & WOODLANDS DRIVE, WOODMEAD, SANDTON

The 19<sup>th</sup> Hole – Function ID 027944

### AGENDA

11h15 Tea and coffee will be available

11h30

1. Welcome and Apologies
2. Adopt agenda
3. Approval of the Minutes of the Annual General Meeting held on 19 May 2016
4. Presentation and adoption of Chairman's Annual Report for 2017
5. Presentation and adoption of Financial Report for 2017
6. Budget for 2018
7. Membership Fees – 1 March 2017 to 28 February 2018
8. Reports from sub-committees
  - 8.1 Legal & Regulatory - Hendrik Ackermann
  - 8.2 Communication & Education/Investors - Jana Kershaw
  - 8.3 Tax & Accounting - Rishendrie Thanthony
  - 8.4 Membership - Nicholas Gunning
9. Election of Office Bearers for 2017/2018
10. General

The meeting will be followed by a finger lunch