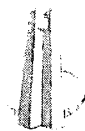


NOTICE 879 OF 2013



South African Reserve Bank

Designation Notice

Designation by the Governor of the South African Reserve Bank in terms of section 6(3)(a) of the National Payment System Act, 1998:

Designation of Diners Club (SA) (Proprietary) Limited as a designated clearing system participant

1. Introduction

1.1 The South African Reserve Bank ("the Reserve Bank") is empowered to designate a clearing system participant in terms of section 6(3)(a) of the National Payment System Act, 1998 (Act No. 78 of 1998) ("the Act"), as amended. Such designation may be made if it is in the interest of the integrity, effectiveness, efficiency or security of the payment system.

1.2 The objective of this Designation Notice ("Notice") is to designate Diners Club (SA) (Proprietary) Limited (Registration No. 1956/000068/07) ("Diners Club") as a designated clearing system participant. The designation will enable Diners Club to clear in the manner contemplated in section 4 (2)(d)(i) of the Act.

2. Background of the proposed designated clearing system participant

2.1 Diners Club is operating as a wholly owned subsidiary of The Standard Bank of South Africa Limited ("Standard Bank") under a franchise agreement with Diners Club International Limited.

2.2 Diners Club issues and acquires Diners Club branded cards that clients use to purchase goods and services, as well as withdraw cash.

2.3 Transactions initiated through the use of Diners Club cards may either be:

- 2.3.1 "on-us" payment instructions, as part of a closed-loop business model; or
- 2.3.2 payment instructions cleared and settled in the payment system by Standard Bank on behalf of Diners Club. These payment instructions fall within the ambit of clearing, as contemplated in the Act, and therefore it is required that Diners Club be designated by the Reserve Bank as a designated clearing system participant.
- 2.4 The Act allows for non-banks to clear payment instructions in the payment system if designated as a designated clearing system participant, and subject to any terms and conditions imposed by the Reserve Bank.

3. Designation

The Reserve Bank has considered the provisions of the Act together with the nature of the activities of Diners Club as indicated in clause 2.3.2, and has deemed it to be in the interest of the integrity, effectiveness, efficiency and security of the payment system to designate Diners Club as a designated clearing system participant.

Therefore, I Gill Marcus, Governor of the Reserve Bank hereby with effect from 01 September 2013:

- (1) DESIGNATE, in accordance with section 6(3)(a) of the Act, Diners Club as a designated clearing system participant, subject to the conditions listed in clause 4; and
- (2) CONFIRM, in terms of section 6(3)(a)(ii) of the Act, that the Reserve Bank settlement system participant associated with Diners Club, as the designated clearing system participant, is Standard Bank.

4. **Conditions**

- 4.1 The aforementioned designation is subject to Diners Club adhering to the following conditions within a period of twelve months from the date of this Notice:
- 4.1.1 comply with the entry and participation criteria to become a member of the payment system management body ("PSMB") as referred to in section 3 of the Act as well as a member of the relevant structures in the PSMB;
 - 4.1.2 comply with all other criteria set by the PSMB for clearing system participants, not contained in clause 4.1.1;
 - 4.1.3 enter into a mentorship and sponsorship agreement with Standard Bank as well as comply with any other requirements set by Standard Bank for sponsorship;
 - 4.1.4 participate in such Payment Clearing Houses ("PCHs") established by the PSMB to govern and manage the clearing and settlement of card-related transactions, for example, purchase transactions and cash withdrawals;
 - 4.1.5 obtain written approval from Standard Bank, which written approval shall not be unreasonably withheld, prior to participating in a PCH that is not set out in clause 4.1.4 above. Provided that written approval is granted, Diners Club may then follow the normal process for participation in a PCH;
 - 4.1.6 terminate participation in any PCH, subject to the process for termination determined by the PSMB, and prior written notice to the Reserve Bank and Standard Bank; and
 - 4.1.7 not sponsor, as contemplated in the "Sponsorship Criteria within the National Payment System" issued by the PSMB, any entity in any PCH.

- 4.2 The conditions listed above apply exclusively for the designation of Diners Club and may be varied, revoked or new conditions imposed by the Reserve Bank by way of a notice in the Government Gazette.

5. **Recordal**

It is recorded that the Diners Club activity referred to in clause 2.3.1 which does not fall within the clearing environment shall continue and be unaffected by the designation contemplated in this Notice.

Signed at Pretoria on this 12th day of August 2013



Gill Marcus

Governor of the South African Reserve Bank

NOTICE 880 OF 2013

STATISTICS SOUTH AFRICA

THE HEAD: STATISTICS SOUTH AFRICA notifies for general information that the Consumer Price Index is as follows:

Consumer Price Index, Rate (Base Dec 2012 = 100)

Rate: **July 2013—6,3**

(30 August 2013)
