



SWAZILAND GOVERNMENT GAZETTE EXTRAORDINARY

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LEGAL NOTICE NO. 78 OF 1996

SWAZILAND BUILDING SOCIETY ACT, 1962
(Act No. 1 of 1962)

MINIMUM LOCAL ASSETS TO BE MAINTAINED
(WITHDRAWAL OF NOTICE) NOTICE, 1996
(Under Section 42 bis)
(Commencement 31st May, 1996)

In exercise of the powers conferred by Section 42 bis of the Building Societies Act, 1962; the Central Bank of Swaziland hereby withdraws Legal Notice No. 108 of 1993.

JAMES NXUMALO
Governor of the Central Bank of Swaziland

LEGAL NOTICE NO. 79 OF 1996

THE FINANCIAL INSTITUTIONS (CONSOLIDATION) ORDER 1975
(Order No. 19 of 1975)

THE COMPUTATION OF RISK ASSETS (AMENDMENT) NOTICE 1996
(Under Section 18)

In exercise of the powers conferred by Section 18 of the Financial Institutions (Consolidation) Order 1975, I hereby issue the following notice:-

Citation.

1. This notice may be cited as the Computation of Risk Assets (Amendment) Notice 1996 and shall come into force on 1st May, 1996.

Interpretation.

2. In this Notice, unless the context otherwise requires:

“principal notice” means the Computation of Risk Assets Notice, 1993 published under Legal Notice No. 109 of 1993.

Amendment of paragraph 2 of the principal notice.

3. Paragraph 2 of the principal notice is amended by the insertion of the following definitions:

“foreign exchange contracts” mean cross currency swaps, forward foreign exchange contracts, currency futures, currency options purchased and other contracts of a similar nature.

“interest rate contracts” mean single currency interest rate swaps, basis swaps, forward rate agreements, interest rate futures, interest rate options purchased and other contracts of a similar nature.

Replacement of Schedule II to the principal notice.

4. The principal notice is amended by the replacement of Schedule II thereto with Schedule II herein.

Addition of a new paragraph 6.

5. The principal notice is amended by the addition of a new paragraph 6 as follows:

“6. The Central Bank may, by notice to the principal place of business of each financial institution, prescribe the manner in which capital and reserves are, for the purposes of this Notice, to be computed.”

JAMES NXUMALO
Governor of the Central Bank of Swaziland

SCHEDULE II
(Paragraph 4 (2))

<u>Instruments</u>	<u>Credit Conversion Factors</u>
(1) Bills endorsed and rediscounted	100%
(2) Indemnities and Guarantees	
(a) Lending Related	100%
(b) Performance Related	50%
(3) Irrevocable Letters of Credit and Irrevocable Unutilised Facilities	
(a) Letters of Credit	20%
(b) Unutilised facilities with an original maturity of up to 12 months and over.	50%
(4) Underwriting exposures	50%
(5) Other contingent liabilities	100%
(6) Committed Capital Expenditure	0%
(7) Other commitments (e.g. formal stand-by facilities and credit lines) with an original maturity of up to 12 months, or which can be unconditionally cancelled at any time.)	0%
(8) Interest rate contracts	
Over 7 days and less than one year	0.5%
One year and less than two years	1.0%
For each additional year	1.0%
(9) Exchange rate contracts	
Over 7 days and less than one year	2.0%
One year and less than two years	5.0%
For each additional year	3.0%