# [COSATU to present a submission on Financial Sector Laws Amendment Bill to Parliament today at 16h30](http://mediadon.co.za/2021/05/18/cosatu-to-present-a-submission-on-financial-sector-laws-amendment-bill-to-parliament-today-at-16h30/" \t "_blank)

[May 18, 2021](http://mediadon.co.za/2021/05/18/cosatu-to-present-a-submission-on-financial-sector-laws-amendment-bill-to-parliament-today-at-16h30/)

 The Congress of South African Trade Unions (COSATU) will present its submission on the Financial Sector Laws Amendment Bill to Parliament’s Standing Committee: Finance today at 16h30 Tuesday during its virtual public hearings.

 This is a critical, progressive, and long overdue amendment of our financial sector legislation.  It will protect depositors and workers, the government, the financial sector, and the economy from reckless behaviour in the banking sector.  When banks collapse it is workers, pensioners, and depositors whose monies are lost.  It is bank workers who are retrenched and see their pensions stolen.  It is the state which is forced to spend scarce resources propping up banks.

 South Africa has felt this pain when the African Bank hovered on the verge of collapse.  Pensioners and workers are still reeling from the loss of their hard-earned savings when VBS was looted into the ground by shameless management, politicians, and their friends.

 This Bill will further empower the Reserve Bank and government to hold banks accountable and to intervene when needed.  It will require the establishment of depositor insurance funds under the supervision of the Reserve Bank to ensure that workers, pensioners, and other depositors are provided with some cover.  This will help protect the public fiscus from having to bail out banks when resources are badly overstretched.

 COSATU is deeply concerned though that the Bill does not go far enough on one fundamental matter.  When collapsed banks’ assets are disposed of it needs to be pensioners, the unemployed, and workers who are first in line to receive the compensation due to them.  It is immoral and in fact unconstitutional for the Bill to provide for secured lenders, e.g., other banks and commercial lenders to be first to receive compensation.  Workers and pensioners cannot afford for their little payments to be delayed for months and years.  Neither can they afford to receive whatever funds remain once banks and other lenders have had their fill.

 Parliament needs to seize this moment and amend and strengthen the Bill to ensure that pensioners, the unemployed and workers must by law be required to be the first to receive what is due to them when banks’ assets are disposed of.  This must not be delayed for another bill in some distant future.

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