
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**NOTICE 659 OF 2018****MR RA LEES, MP****NOTICE OF INTENTION TO INTRODUCE A PRIVATE MEMBER'S BILL AND INVITATION FOR COMMENT ON THE DRAFT PUBLIC FINANCE MANAGEMENT AMENDMENT BILL, 2018**

Mr RA Lees, MP, acting in accordance with section 73(2) of the Constitution of the Republic of South Africa, 1996, intends to introduce the Public Finance Management Amendment Bill, 2018, in Parliament. An explanatory summary of the Bill is hereby published in accordance with Rule 276(1) (c) of the Rules of the National Assembly (9th Edition).

Section 70 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("the Act") currently grants any Cabinet member the power to issue a guarantee, indemnity or security with the written concurrence of the Minister of Finance. Such a guarantee, indemnity or security may bind the National Revenue Fund in respect of a financial commitment incurred or to be incurred by the national executive; or may bind a national public entity in respect of a financial commitment incurred or to be incurred by that public entity. Despite the significant impact such a guarantee, indemnity or security may have on the economy of the country; the Act does not make sufficient provision for Parliamentary oversight. The Act does provide that the relevant Cabinet member must report any circumstances that resulted in a payment being made under a guarantee, indemnity or security to the National Assembly, but such a report is after the fact. No provision is made for Parliament to be notified when such an instrument is being issued. Should these instruments be subject to public scrutiny from the outset, many of the risks that these instruments pose to the economy, may be addressed timeously.

The Public Finance Management Amendment Bill ("draft Bill") seeks to introduce measures to extend Parliament's oversight capacity in relation to the granting of government guarantees, indemnities and securities in terms of the Act.

The draft Bill will provide that the Minister of Finance must table a report in Parliament which sets out his or her decision to approve or reject such a guarantee, indemnity or security no less than 30 days after such approval or rejection in terms of section 70(1) of the Act.

Interested parties and institutions are invited to submit written representations on the proposed content of the draft bill to the Speaker of the National Assembly within 30 days of the publication of this notice. Representations can be delivered to the Speaker, New Assembly Building, Parliament Street, Cape Town; mailed to the Speaker, P O Box 15, Cape Town 8000 or e-mailed to speaker@parliament.gov.za and copied to lurwinj@da.org.za.

The Bill may, after introduction, be obtained from:

The Democratic Alliance
PO Box 15, Cape Town, 8000
Attention: Mr Lurwin Jeneke / Mr Louw Nel
Telephone: 021 403 8641 / 021 403 3567
Facsimile: 021 466 8394
E-mail: lurwinj@da.org.za / louwn@da.org.za