LEGAL PRACTICE BILL: [B 20 - 2012]

Information requested by the Portfolio Committee on Justice and Constitutional Development on 20 March 2013

- 1. At a meeting on 20 March 2013 the Portfolio Committee on Justice and Constitutional Development (the Committee) requested certain information regarding the Legal Practice Bill [B 20 2012] (the Bill). The purpose of this Note is to respond in writing to the various requests.
- 2. The Committee requested that the Constitutional Court judgments of Camps Bay Ratepayers' and Residents' Association, P S Booksellers v Harrison and Municipality of Cape Town (CCT 76/12) and South African Association of Personal Injury Lawyers v Minister of Justice and the Road Accident Fund (32894/12), where the Court raised concerns about exorbitant legal fees, be obtained.

The judgments, which are attached, are summarised below:

- (a) In Camps Bay Ratepayers' and Residents' Association, P S Booksellers v Harrison and Municipality of Cape Town (CCT 76/12) the fees of junior and senior counsel were taxed down. The Court found that the amount awarded by the Taxing Master was disproportionate to what was fair and reasonable and was set aside. The Court expressed disquiet at how counsel's fees have burgeoned in recent years. The Court stated that the legal profession owes a duty of diffidence in charging fees that goes beyond what the market can bear.
- (b) In South African Association of Personal Injury Lawyers v Minister of Justice and the Road Accident Fund intervening (2013 2 All SA 96 (GNP) the Court found that no contingency fee agreement could exist outside the Contingency Fees Act, 1997 (Act 66 of 1997).
- c) In De La Guerre v Bobroff, Law Society of the Northern Provinces and the Road Accident Fund (22645/2011) the Court found that there is no such thing as a common law contingency fee agreement. Contingency fee agreements must conform to the Act.
- 3. Regarding clause 12 of the Bill, dealing with vacation of office of Council members, the Committee enquired what the process is when a member of the Council must vacate office. The Bill is not specific enough.

- 3.1 Clause 12(4) of the Bill provides that the Council must follow due process of law if it intends to remove a member of the Council from office. This means that before a member is removed, the Council must ensure both procedural and substantive fairness. The member must be given an opportunity to be heard (in a hearing) and the Council must establish the guilt of the member or the disqualification in respect of misconduct, for instance.
- 3.2 Extracts from other Acts in this regard are set out below:

3.2.1 Section 5 of the Financial Services Ombud Schemes Act (37 of 2004):

"Vacating of office by members of Council

- (1) A member of the Council must vacate office-
 - (a) on resigning as a member;
 - (b) if the member is discharged by the Minister on the grounds of misconduct or incapacity and such member is afforded a reasonable opportunity to be heard;
 - (c) if the member becomes an unrehabilitated insolvent;
 - (d) if the member has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), or any offence involving dishonesty for which the member has been sentenced to a period of imprisonment without the option of a fine or to a fine exceeding the prescribed amount;
 - if the member has been absent for more than two consecutive meetings of the Council without leave of the chairperson presiding at the meeting; or
 - (f) if the member becomes subject to a disqualification referred to in section 3 (2) (b).
- (2) A member referred to in subsection (1)(f) must inform the Minister of the member's disqualification in terms of section 3(2)(b) and the Minister must appoint within a reasonable period of time a person under section 3(1) to act in the place of such member for the unexpired period of term of office.".

3.2.2 Section 10(2) of the Community Schemes Ombud Service (Act 9 of 2011):

"The Minister may, subject to the Promotion of Administrative Justice Act, 2000 (Act 3 of 2000), remove a member of the Board from office-

- (a) if such member becomes disqualified in terms of section 9;
- (b) if such member acted contrary to this Act;
- if such member failed to disclose an interest or withdraw from a meeting as required;
- if such member has failed to perform the functions of his or her office efficiently and effectively;
- (e) on the ground of misconduct, incapacity or incompetence; or
- (f) if such member is absent from three consecutive meetings without leave of the chairperson.".

3.2.3 Section 15(2) and (3) of the South African Postbank Limited (Act 9 of 2010):

- "(2) The Minister may, after having afforded the member of the Board concerned a reasonable opportunity to be heard, remove the member from office if that member-
- (a) acted in conflict with this Act;
- (b) refuses or fails to make a declaration contemplated in section 13 (3) (b) or refuses or fails to make disclosure as contemplated in section 16 (2);
- (c) after having been appointed, acquires any direct or indirect interest contemplated in section 13 (3) (b) (ii), read with section 13 (1) (g);
- (d) neglected to properly perform the functions of his or her office;
- in accordance with the Banks Act and after the Registrar of Banks has informed the Minister, is no longer a fit and proper person to hold that appointment; or
- (f) is absent from three consecutive Board meetings without prior leave of the Chairperson.
- (3) A member of the Board must vacate the office if he or she becomes disqualified from membership of the Board in terms of section 13.".
- 3.3 It might also be expedient to set out the details in this regard in regulations.

4. Regarding clause 14 of the Bill, dealing with the dissolution of the Council, the Committee requested a comparison with other Councils of other professions. Do other professions' councils also have a similar clause, and if so, who is responsible for dissolving the Council and what is the process followed?

4.1 Section 6 of the Health Professions Act (56 of 1974):

- "(3)(a) The Minister may dissolve the council if the council fails to comply with any of the provisions of this Act.
- (b) All the functions of the council are vested in the Minister until a new council is appointed.".

4.2 Section 25 of the South African Postbank Limited Act (9 of 2010)

- "(7)(a) Notwithstanding this section, the Minister may dissolve the Board if the Minister, on good cause shown, loses confidence in the ability of the Board to perform its functions effectively and efficiently.
- (b) The Minister may exercise the power only-
 - (i) after having afforded the Board a reasonable opportunity to be heard; and
 - (ii) after having afforded the Board a hearing on any submissions received.
- (c) If the Minister dissolves the Board, the Minister-
 - (i) may appoint an administrator to take over the functions of the Board and to do anything which the Board might otherwise be empowered or required to do by or under this Act, subject to such conditions as the Minister may determine; and
 - (ii) must, as soon as it is feasible but not later than six months after the dissolution of the Board, replace the members of the Board in the same way as they were appointed.".
- 4.3 The question is raised whether the Legal Services Ombud should also not play a role in the dissolution of the Council, for instance the Minister may only dissolve the Council on the recommendation of the Ombud.
- 5. The Committee requested that Legal Services Ombud as proposed in Chapter 5 of the Bill be compared with other Ombuds in respect of their manner of appointment, removal of the

Ombud and their terms of appointment and reappointment. Clauses 50(4), dealing with the period of appointment of the Ombud, and likewise clause 52(2), dealing with appointment and period of appointment of the director of the Office of Ombud, should be more specific. Clause 52(3), dealing with the reappointment of the director of the Office of Ombud, should spell out the number of times a director can be reappointed. Below is a comparison with other Acts, in table format:

Act	Manner of	Term of	T = -	
700	appointment of	appointment and	Period of	Removal of Ombud
	Ombud	reappointment of	reappointment of director	(Clause 51)
		Ombud	director	(Clause 51)
	(Clause 48)	Ollibad	(Clause 52(3))	
		(Clause 50(4))	(0.000002(0))	1. 12. 18. 13 p. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.
Financial Advisory And	Sec 21(1)		-	Sec 21(4)
Intermediary	The Board, after			The Board may on
Services Act (37	consultation with			good cause shown,
of 2002)	the Advisory			after consultation with
(Ombud for	Committee,	1		the Advisory
Financial	appoints.			Committee, remove
Services				the Ombud or a deputy
Providers)				ombud from office on
110010010)				the ground of
				misbehaviour,
				incapacity or
				incompetence, after
				affording the person
				concerned a
				reasonable opportunity
				to be heard.
Community	Sec 14(1)	Sec 15(2)	Sec 7(7)	Sec 16 (1)
Schemes		, ,	(,)	330 10 (1)
Ombud Service	The Board must,	The chief ombud	A non-executive	The Board must, in
Act (9 of 2011)	with the approval	and the chief	member of the	consultation with the
(0 "	of the Minister,	financial officer	Board-	Minister and subject to
(Community	appoint a chief	are appointed for		applicable labour
Schemes	ombud and a	a term of five	(a) holds office for	legislation, remove the
Ombud Service)	chief financial	years and may be	a period not	chief ombud and chief
	officer to assist	reappointed for	exceeding three	financial officer from
	the Service in	one or more	years and may be	office-
	meeting its	additional terms of	reappointed on	
	objectives.	five years, subject	expiry of his or her	(a) on account of
	(2) The Board	to the approval of	term;	misconduct;
	must invite	the Minister.	(b) may not serve	(b) for failing to perform
	applications for		for more than two	the duties connected
	the posts of chief		consecutive terms	with that office
	ombud and chief		of office;	diligently; or
	financial officer by		or onioo,	unigerity, or
	publishing			(c) if the chief ombud or
	,			the chief financial

Act	Manner of appointment of Ombud (Clause 48)	Term of appointment and reappointment of Ombud (Clause 50(4))	Period of reappointment of director (Clause 52(3))	Removal of Ombud (Clause 51)
	advertisements in the media. (3) The appointment must be made after following a transparent and competitive process.			officer becomes subject to any disqualification contemplated in section 9. (3) The Board may suspend the chief ombud or the chief financial officer during misconduct proceedings against him or her.
Tax Administration Act (28 of 2011) (Tax ombud)	Sec 14(1) The Minister must appoint a person as Tax Ombud.	Sec 14(1)(a) A term of three years, which term may be renewed .	unik Sk Territori	Sec 14(2) The person appointed under subsection (1) or (3) may be removed by the Minister for misconduct, incapacity or incompetence.
Military Ombud Act (4 of 2012) (Military Ombud)	Sec 5(1) The President must appoint.	Sec 5(4) A non-renewable period of seven years.		Sec 5(7) The President may remove the Ombud and Deputy Ombud from office on the grounds of misconduct, incapacity or incompetence, after affording the person concerned a reasonable opportunity to be heard, and subject to applicable legislation.

6. Clause 69 of the Bill deals with the vacation of office by a member of the Attorneys Fidelity Fund Board. It provides, among others, that a member of this Board must vacate his or her office "on account of incapacity and incompetence". The Committee enquired who determines this incapacity or incompetence.

- 6.1 Other Acts are not specific in this respect. Section 30 of the current Attorneys Act, 1979, is also not specific. (See also response in paragraph 4 above.)
- Clause 69(2)(a) of the Bill provides that the Board "must suspend a member from office after the commencement of <u>proceedings</u> by the Board concerning the removal of that member." In other words there must be some form of hearing by the Board concerning the removal of a member of the Board. This means that it is the Board which must remove a member from office and in so doing establish, in order to fulfill one of the requirements for vacation of office, the incapacity and incompetence of the member concerned. The Promotion of Administrative Justice Act, 2000, will be applicable in this instance because such member will have the right to be heard. Clause 70 of the Bill deals with meetings and resolutions of the Board. Clause 70(6) provides that the Board must determine the procedure for calling a meeting and procedure to be followed at meetings. It might be appropriate to include a provision in this subclause, requiring the Board to also determine how "removal proceedings" should be convened and conducted.
- 7. Regarding clause 96(1) of the Bill, dealing with the composition of the Transitional Council, the Committee enquired the Department arrived at eight attorneys, (more specifically, why are there two members of NADEL and two of the BLA?)

 Currently the BLA and NADEL have proportionate membership in the LSSA, with the statutory provincial law societies. The Legal Practice Council will not specifically provide for them and they requested to be directly involved in the transitional phase.
- 8. The Committee requested that the following "snapshot" information be obtained from the professions of 10 years ago, 5 years ago and today:
- (a) The number of practitioners, their gender and race;
- (b) how many are "surviving" economically; and
- (c) their qualifications, and their years of experience.

Information on how many new attorneys enter practice each year, and how many are absorbed by big firms, medium firms or small firms should also be included.

The information is set out in the attached documents received from the Law Society of South Africa and articles from *De Rebus* magazine.

9. The Department must provide information on current trends in both developed and developing countries, in so far as measures to transform the legal profession are concerned.

- 9.1 A document "Some Comparative Approaches to Regulating the Legal Profession" is attached.
- 9.2 In the Australian states of New South Wales and Queensland, there is a split profession. Nevertheless, subject to conditions, barristers can accept direct access work from clients. Each state Bar Association regulates the profession. In the states of South Australia, Victoria, and Western Australia, as well as the Australian Capital Territory, the professions of barrister and solicitor are fused, but an independent bar nonetheless exists, regulated by the Legal Practice Board of the state or territory. In the state of Tasmania, the profession is fused, although a very small number of practitioners operate as an independent bar.
- 9.3 In Canada (except Quebec), the professions of barrister and solicitor are fused, and many lawyers refer to themselves by both names, even if they do not practise in both areas.
- 9.4 The profession of barrister in England and Wales is a separate profession from that of solicitor. It is possible to hold the qualification of both barrister and solicitor at the same time. It is not necessary to leave the bar to qualify as a solicitor. Certain barristers in England and Wales are now instructed directly by members of the public. Members of the public may engage the services of a barrister directly; a solicitor is not involved at any stage. Barristers undertaking public access work can provide legal advice and representation in court in almost all areas of law and are entitled to represent clients in any court or tribunal in England and Wales. Once instructions from a client are accepted, it is the barrister (rather than the solicitor) who advises and guides the client through the relevant legal procedure or litigation. Before a barrister can undertake Public Access work, he or she must have completed a special course. There is also a separate scheme called "Licensed Access", available to certain nominated classes of professional client; it is not open to the general public.
- 9.5 In New Zealand and Namibia the profession is formally fused.
- 9.6 Spain has a division that corresponds somewhat to the division in Britain between barristers/advocates and solicitors.
- 9.7 In Nigeria there is no formal distinction between barristers and solicitors.

- 9.8 The legal profession in Hong Kong is divided into two branches: barristers and solicitors.
- 9.9 The Netherlands used to have a semi-separated legal profession comprising the lawyer and the *procureur*. Questions were raised on the necessity of the separation, given the fact that its main purpose the preservation of the quality of the legal profession and observance of local court rules and customs had become obsolete. For that reason, the *procureur* as a separate profession was abolished and its functions merged with the legal profession in 2008.
- 9.10 The legal profession in Zimbabwe is a fused profession and is regulated by the Law Society of Zimbabwe introduced by the Legal Practitioners' Act (Chapter 27:07).
- 10. The Committee requested information on aspects relating to fees in the United Kingdom.
- 11. The Committee requested information on how fees are charged in the United States of America for legal work.
- 11.1 State laws or bar association regulations, many of which are based on Rule 1.5 of the American Bar Association's *Rules of Professional Conduct*, govern the terms under which lawyers can accept fees. In 2012 the American Bar Association issued Model Rules of Professional Conduct, which were adopted by most of the States. The American Bar Association is a voluntary association.

Rule 1.5 deals with fees and provides as follows:

- "(a) A lawyer shall not make an agreement for, charge, or collect an unreasonable fee or an unreasonable amount for expenses. The factors to be considered in determining the reasonableness of a fee include the following:
- (1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer:
- (3) the fee customarily charged in the locality for similar legal services;
- (4) the amount involved and the results obtained:
- (5) the time limitations imposed by the client or by the circumstances;

- (6) the nature and length of the professional relationship with the client;
- (7) the experience, reputation, and ability of the lawyer or lawyers performing the services; and
- (8) whether the fee is fixed or contingent.
- (b) The scope of the representation and the basis or rate of the fee and expenses for which the client will be responsible shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation, except when the lawyer will charge a regularly represented client on the same basis or rate. Any changes in the basis or rate of the fee or expenses shall also be communicated to the client.
- (c) A fee may be contingent on the outcome of the matter for which the service is rendered, except in a matter in which a contingent fee is prohibited by paragraph (d) or other law. A contingent fee agreement shall be in a writing signed by the client and shall state the method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of settlement, trial or appeal; litigation and other expenses to be deducted from the recovery; and whether such expenses are to be deducted before or after the contingent fee is calculated. The agreement must clearly notify the client of any expenses for which the client will be liable whether or not the client is the prevailing party. Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination.
- (d) A lawyer shall not enter into an arrangement for, charge, or collect:
 - (1) any fee in a domestic relations matter, the payment or amount of which is contingent upon the securing of a divorce or upon the amount of alimony or support, or property settlement in lieu thereof; or
 - (2) a contingent fee for representing a defendant in a criminal case.
- (e) A division of a fee between lawyers who are not in the same firm may be made only if:
 - (1) the division is in proportion to the services performed by each lawyer or each lawyer assumes joint responsibility for the representation;
 - (2) the client agrees to the arrangement, including the share each lawyer will receive, and the agreement is confirmed in writing; and
 - (3) the total fee is reasonable.".

11.2 In some American jurisdictions, a lawyer for the plaintiff in a civil case can take a case on a contingent fee basis. A contingent fee is a percentage of the monetary judgment or settlement. The contingent fee may be split among several firms who have contractual arrangements amongst themselves for referrals or other assistance. Where a plaintiff loses, the attorney may not receive any money for his or her work. In practice, historically tort cases involving personal injury often involve contingent fees, with attorneys being paid a portion of the pain and suffering damages; one commentator says a typical split of pain and suffering is one-third for the lawyer, one-third for the physician, and one-third for the plaintiff.

The contingent fee has been described as the 'poor man's key to the courthouse'. Whereas, corporations or wealthy individuals can afford to hire attorneys to pursue their legal interests, the contingency fee affords any injury victim the opportunity, regardless of ability to pay, to hire the best attorney in his or her field. Most jurisdictions in the United States prohibit working for a contingent fee in family law or criminal cases.

11.3 In the United States, an up-front fee paid to a lawyer is called a retainer. Money within the retainer is often used to "buy" a certain amount of work. Some contracts provide that when the money from the retainer is gone, the fee is renegotiated. This is to be differentiated between a retainer in Commonwealth states, where a retainer is the contract that is initially signed by a client to engage a lawyer. Money may or may not be paid upfront, but the lawyer is still "retained".

11.4 The range of fees charged by lawyers varies widely from one city to the next. Most large law firms in the United States of America bill between \$200 and \$1,000 per hour for their lawyers' time, though fees charged by smaller firms are much lower. The rate varies by location as well as the specific area of law practised. The most widely followed set of rates are what is called the 'Laffey Matrix' that is available from the United States Attorney's Office for the District of Columbia. These have been available since 1982 and are updated each year. The hourly rates are shown by years of experience. For June 1, 2006 to May 31, 2007 the rates are as follows: 20+ years of experience, \$425 per hour; 11-19 years, \$375; 8-10 years, \$305; 4-7 Paralegals/law clerks \$205; and \$245; 1-3 years, years, \$120http://www.usdoj.gov/usao/dc/Divisions/Civil Division/Laffey Matrix 6.html. The Laffey Matrix appears to be growing in acceptance by many courts throughout the United States, but the matrix must be adjusted to account for higher or lower costs for legal services in other areas.

- 11.5 Corporate clients began driving attorneys increasingly towards alternative fee arrangements, or AFAs. AFAs can include flat fees (per matter), fixed fees (for a "book" of matters), success bonuses, and other options beyond straight hourly billing.
- 11.6 In a landmark 1985 decision, *Walters v. National Association of Radiation Survivors*, the U.S. Supreme Court held that statutory restrictions on attorneys' fees are subject only to highly deferential rational basis review when challenged as limitations upon the First Amendment right to freedom of speech and the Fifth Amendment right to due process. In other words, if the legislature can articulate *any* rational basis for restricting attorneys' fees, the court must defer to the legislature's considered judgment, and it would take an "extraordinarily strong showing" for a court to decide otherwise. The Court then held that Congress had a rational basis for restricting attorney's fees in veterans' benefits cases to \$10.
- 12. The Committee requested the Department to find out from the Competition Commission why a minimum tariff is considered to be anti-competitive as opposed to a maximum tariff? A letter dated 21 May 2013, from the Competition Commission is attached. The Commission states that its position, as a general rule, is that fee setting undermines competition. Despite this, the Commission recognises that some industries may require price regulation mainly due to public interest considerations. It states, however, that these must be balanced against competition policy. The setting of a maximum price does not prevent lawyers from chagrining below the set maximum. This not only encourages price competition between lawyers but it also ensures that consumers are protected from overcharging.
- 13. The Committee requested the Department to obtain the fee tariffs of advocates. The Department requested this information from the Bar Councils, but was told that they are not available.
- 14. Regarding the request of the Attorneys' Fidelity Fund that provision should be made for the capping of claims, the Committee raised several questions and requests:

- (a) The Committee requested that information be obtained form from the Attorneys' Fidelity Fund on the value of claims in the recent past and the nature of the claims. This information is contained in a document dated 3 April 2013 and is attached.
- (b) The Committee enquired what the law in New Zealand is on capping. The information obtained is that a single claim is capped at an amount of NZ \$100 000.
- (c) The Committee enquired what the nature of the claims were which wiped out New Zealand's Fidelity Fund a few years ago theft or negligence. Unfortunately, the Department was unable to source this information, and even the Fidelity Fund was unable to assist with this although the Fund mentioned this fact to the Department.
- (d) The Committee enquired as to the Department's view on capping of claims, as suggested by the Fund. The Department understands the reason for this and is not necessarily opposed to it. Consideration might, however, be given to retaining the current arrangement in the Attorneys Act, 1979, in terms of which a cap could be set with a proviso that the unpaid portion of the claim being paid at a later stage when the Fund is in a position to do so. Section 51 of the Attorneys Act provides as follows:
 - "51.(1) If the fund at any time has insufficient assets to settle all claims and judgments, such claims and judgments shall, to the extent to which they are not settled, be charged against future revenue of the fund.
 - (2) The board of control may in its discretion determine the order in which claims and judgments in terms of subsection (1) shall be settled, and may, if the revenue of the fund is not sufficient to settle all claims in full, settle any claim or judgment in whole or in part.".
- 15. The Committee requested costing for the Legal Practice Council, the Transitional Legal Practice Council and the Ombud. The Department did the costing and will make a presentation when so required.
- 16. The Committee requested that information be obtained regarding the number of attorneys who, since the enactment of the Right of Appearance in Courts Act in 1995, have made use of its provisions and have applied for the right to appear in the High Courts. The profession indicated it would have difficulty in providing this information. The information was therefore requested from the Registrars of the various High Courts. Responses, as set out below, were received from the following High Courts:

Eastern Cape High Court, Grahamstown:

858

Eastern Cape High Court, Bisho:

4 870

North Gauteng High Court:

6 517

Free State High Court:

651

Pietermaritzburg High Court:

2 190

Unfortunately, this information does not give a full picture in the sense that these are statistics since 1995. We do not know how many of these attorneys are still practising or who have used their right to so appear.

- 17. The Committee requested an exposition of the timelines contained in clause 119 of the Bill, dealing with the commencement thereof on an incremental basis.
- 17.1 An important date in the implementation of the Bill is the commencement of Chapter 2, which provides for the (permanent) South African Legal Practice Council.
- 17.2 The chronological order of commencement is as follows:
 - Chapter 10 (Transitional Council) comes into operation on a date fixed by the President.
 - Chapter 2 (permanent Council) comes into operation three years after the date of commencement of Chapter 10. On this date the Transitional Council ceases to exist.
 - The remaining provisions of the Act come into operation on a date, after the commencement of Chapter 2, fixed by the President.
- 17.3 The relevant clauses are the following:
 - Clause 96(3): The duration of the Transitional Council is **three years** and it ceases to exist on the date of commencement of Chapter 2.
 - Clause 97(1): The Transitional Council must, within 24 months after the commencement
 of Chapter 10, make recommendations to the Minister on certain aspects.
 - Clause 97(2): The Transitional Council must, within 24 months of the commencement
 of Chapter 10, negotiate with and reach an agreement with the attorneys' and
 advocates' professions in respect of the transfer of their assets, rights, liabilities,
 obligations and staff, to the Council or Regional Councils.
 - Clause 108(1)(a): The Minister must, within six months after receiving recommendations from the Transitional Council as provided for in section 97(1)(a), make regulations by publication in the Gazette, in consultation with the Transitional Council, in

order to give effect to the recommendations of the Transitional Council as contemplated in section 97(1)(a).

- (b) If the Transitional Council fails to make recommendations as provided for in paragraph (a), within the timeframe provided for in section 97, the Minister must, within **six months**, make the regulations in question, after consultation with the Transitional Council.
- (2)(a) The Transitional Council must, within 24 months after the commencement of Chapter 10, make rules in respect of certain aspects.
- Clause 119(2): Chapter 10 comes into operation on a date fixed by the President by proclamation in the Gazette.
- (3) Chapter 2 comes into operation three years after the date of commencement of Chapter 10 or on any earlier date fixed by the President by proclamation in the *Gazette*.
- (4) The remaining provisions of this Act come into operation on a date, after the commencement of chapter 2, **fixed** by the President by proclamation in the *Gazette*.