



NPO WORKING GROUP

Collaborating to create a vibrant civil society

c/o Inyathelo - The South African Institute for Advancement

2nd Floor, Buchanan Square, The Armoury, 160 Sir Lowry Road, Woodstock.

Date: 22 November 2022

National Council of Provinces

National Assembly

Parliament of the Republic of South Africa

CAPE TOWN

For attention: Hon. Y I Carrim and Committee members

By email: nmangweni@parliament.gov.za

Honourable Chairperson

RE: GENERAL LAWS (ANTI-MONEY LAUNDERING AND COMBATTING TERRORISM FINANCING) AMENDMENT BILL [B18-2022] B-version

We appreciate all the constructive engagement to date with Treasury, the Parliamentary Committee, and the drafting team behind the General Laws Amendment (AML-CTF) Bill. We are particularly pleased that our call for the scope and impact of the mandatory registration be narrowed, to focus on at-risk organisations, has been noted and adjustments made.

As the Committee considers the Bill, we do not wish to burden it with further detail, but to highlight some **main guiding points** being the following:

1. We ask for clear thinking on the aim of the Bill as it concerns the non-profit sector:

The aim of the Bill IS NOT:

- ❖ To improve governance in the NGO sector; or
- ❖ To 'catch' those currently unregistered not-for-profit organisations on a registry.

The aim of the Bill IS:

- ✓ To identify the persons who own or control all companies and organisations (and not for the general public, but for those who need to know); and
- ✓ To create a separate and special place for at-risk not-for-profits to have to register, so that **the failure to register will send an alert, create an initial offence, and prompt and permit investigation.**

2. Clarity needed on the role of the NPO Directorate:

We have noted a contradiction in the current position from that taken during previous Committee meetings and engagements with Treasury. Previously, the discussions had made it clear that mandatory registration with the NPO Directorate was *just* a registration. We were assured that the shortcomings of the directorate were realised and that the function of oversight and accountability could be performed by FIC and was not in the ambit of the NPO directorate's responsibilities.

When the suggestion of locating the registration with the FIC was discussed at the latest meeting, the contrary argument was made that the NPO directorate *did* have oversight capacity and would be performing a watch-dog function.

3. Practical issues with the register of at-risk organisations located with the NPO Directorate:

There is not only concern that the DSD will be unable to cope with the sheer administrative burden of registering every at-risk non-profit in South Africa and that there will be delays and misunderstandings, but that **the NPO registration is not a purpose-specific registration.**

Under the current draft of the Bill, if an organisation already (voluntarily) has an NPO number and transfers funds cross-border, their bank will ask for proof of compliance and be shown the organisation's NPO Certificate. The organisation will have that certificate whether they are, for example, eight years behind in filing reports, or not. There will be no official offence or breach of duty to act on.

Our alternative proposal is that, if existing VAs/NPCs/trusts (with or without NPO numbers) which plan to operate or transfer funds cross-border are required to register as 'reporting institutions' under Schedule 3 of FICA, then those which transfer funds without having so registered can immediately be flagged for this specific offence. The NPO directorate can be left to focus on improving its systems, while this Bill could immediately create an easy way to isolate and check on organisations where risky behaviour patterns have been identified.

We call on the technical drafting team to give due consideration to our suggestions regarding Schedule 3 reporting (not accounting) registration requirements. We realise that immense time and effort have been applied to the NPO option, but this should not mean that the drafting team cannot consider this fresh and simpler approach.

4. If the mandatory registration remains with DSD:

If the Committees cannot be persuaded to switch the compulsory registration to the FIC, then our prerequisites for agreeing to limited-ambit compulsory registration as an NPO would be that:

- i. The NPO Directorate is relocated as a structure which is independent of DSD or any government department;
- ii. The NPO Directorate (internally) keeps this list of organisations separate from those of voluntary NPO registrations, so that they can be separately tracked;

- iii. The NPO Directorate systems are substantially upgraded and reinforced for security, stability and to allow data to be readily located and extracted; and
- iv. The staffing and skills at the NPO Directorate are overhauled and upgraded. People with legal, forensic and audit skills should be on the team.

5. The NPO Amendment Bill & Explanatory Memorandum Revisited 19 October 2022

[B18-2022] recently re-issued NPO Amendment Bill and Explanatory Memorandum is not aligned with this latest position on restricted mandatory registration. This is a burning issue and we urge all parties to ensure synchronisation.

Yours sincerely

Feryal Domingo

Chairperson: NPO Working Group

feryal@inyathelo.org.za

DETAILED SUBMISSIONS ON GENERAL LAWS (ANTI-MONEY LAUNDERING AND COMBATTING TERRORISM FINANCING AMENDMENT BILL) UPDATED 22 NOVEMBER 2022

Sections	Current Financial Intelligence Act	The Bill	Our proposal	Our motivation and comments
Section 1(1)	<p>"beneficial owner"</p> <p>in respect of a legal person, means a natural person who, independently or together with another person, directly or indirectly -</p> <p>a) owns the legal person; or</p> <p>b) exercises effective control of the legal person;</p>	<p>"beneficial owner" in respect of a legal person;</p> <p>a) means a natural person who, independently or together with another person, directly or indirectly -</p> <p>a) owns the legal person; or</p> <p>b) exercises effective control of the legal person;</p> <p>i) ultimately owns or exercises effective control of -</p> <p>aa) a client of an accountable institution; or</p> <p>bb) a legal person, partnership or trust that owns or exercises effective control of, as the case may be, a client of an accountable institution; or</p> <p>ii) exercises control of a client of an accountable institution on whose behalf a transaction is being conducted; and</p> <p>b) includes -</p> <p>i) in respect of legal persons, each natural person contemplated in section 21B(2)(a);</p> <p>ii) in respect of a partnership, each natural person contemplated in section 21B(3)(b); and</p> <p>iii) in respect of a trust, each natural person contemplated in section 21B(4)(c)(d) and (e);</p>	<p>Add clause 1(1)(c): which reads:</p> <p>“(c) excludes, in the case of non-profit companies or voluntary associations members and others with voting powers, those members or others with voting powers if neither they nor any related person derives any benefit from the work of the non-profit company or voluntary association.”</p>	<p>With-member NPCs and voluntary associations must have members and:</p> <ul style="list-style-type: none"> • Where (as is usually the case) these members have nothing to gain from the work of the company, they do not pose a risk; • Where the members are other organisations (and sometimes the other organisations may have sub-groups as members), the gathering and updating of natural persons details through these layers is impossible, burdensome and costly; and • The unintended consequence of forcing the gathering and exposure of ultimate (non-beneficiary) members will be a decrease in good governance and accountability as many with-members NPCs will convert to no-member models and voluntary associations will limit their member base.
Section 1(1)			<p>Adding the definition:</p> <p>“cross-border non-profit entity” (OR ‘external flow non-profit entity’)</p>	<p>For reasons of the current unsuitability of the NPO Directorate for the gathering, secure storage and separation out of the</p>

Sections	Current Financial Intelligence Act	The Bill	Our proposal	Our motivation and comments
			<p>means a not for profit legal entity established or registered in the Republic or carrying out non-profit activities in the Republic as described in section 23 of the Companies Act, which (i) makes donations to individuals or organisations outside of the Republic's borders; or (ii) provides humanitarian, charitable, religious, educational or cultural services outside of the Republic's borders."</p>	<p>data required we suggest that the mandatory registration of the at-risk class of non-profits takes place under FICA.</p> <p>Using FICA instead of creating what will be perceived as a 'naughty' class of NPOs, is also a more neutral and politically acceptable road.</p> <p>Please note that no cross reference is here made to the definition of non-profit in the NPO Act, as this will limit the application of the clause, excluding common-purpose (inward/member facing/member-beneficiation organisations).</p>
Section 21B (2) Additional due diligence measures relating to legal persons, trusts and partnerships	<p>(2) If a client contemplated in section 21 is a legal person, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme—</p> <p>(a) establish the identity of the beneficial owner of the client by—</p> <p>(i) determining the identity of each natural person who, independently or together with another person, has a controlling ownership interest in the legal person;</p> <p>(ii) if in doubt whether a natural person contemplated in subparagraph (i) is the beneficial owner of the legal person or no natural person has a controlling ownership interest in the legal person, determining the identity of each natural person who exercises control of that legal</p>		<p>Adding 21(2)(c) to read:</p> <p>(c) if the client is a trust, voluntary association or non-profit company and is transferring or spending funds which were raised in the Republic outside of the Republic, shall determine whether the client is registered with the Centre as a reporting institution, and is complying with requirements of registration as a reporting institution.</p>	<p>Adding the duty to send up a flare if an organisation falls within the definition and is not registered as a reporting institution.</p> <p>The reporting institution structure already in place refers to Schedule 3 of the FICA, and that list currently contains only car dealers and those who deal in Kruger Rands.</p> <p>Adding this class of non profits to that list is, in our view, and neat and effective way of exercising oversight, empowering intervention and in a neutral way which does not seem to vilify these organisations but places them in a category with others who are carrying on legitimate activities but whose way of operating may place them at greater risk of being used for</p>

Sections	Current Financial Intelligence Act	The Bill	Our proposal	Our motivation and comments
	<p>person through other means; or</p> <p>(iii) if a natural person is not identified as contemplated in subparagraph (ii), determining the identity of each natural person who exercises control over the management of the legal person, including in his or her capacity as executive officer, non-executive director, independent non-executive director, director or manager; and</p> <p>(b) take reasonable steps to verify the identity of the beneficial owner of the client, so that the accountable institution is satisfied that it knows who the beneficial owner is.</p>			<p>money laundering, terrorist financing or fraud.</p>
<p>Section 21B Additional due diligence measures relating to legal persons, trusts and partnerships</p>	<p>(4) If a natural person, in entering into a single transaction or establishing a business relationship as contemplated in section 21, is acting in pursuance of the provisions of a trust agreement between natural persons, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme -</p> <p>c) establish the identity of the founder;</p> <p>d) establish the identity of -</p> <p>i) each trustee; and</p> <p>ii) each natural person who purports to be authorised to enter into a single transaction or establish a business relationship with the accountable institution on behalf of the trust;</p> <p>e) establish -</p> <p>i) the identity of each beneficiary referred to by name in the trust deed or other founding instrument in terms of which</p>	<p>(4) If a natural person, in entering into a single transaction or establishing a business relationship as contemplated in section 21, is acting in pursuance of the provisions of a trust agreement between natural persons, an accountable institution must, in addition to the steps required under sections 21 and 21A and in accordance with its Risk Management and Compliance Programme -</p> <p>c) in respect of the founders of the trust, establish the identity of</p> <p>i) each the founder; and</p> <p>ii) if the founder of the trust is a legal person or a person acting on behalf of a partnership or in pursuance of the provisions of a trust agreement, the beneficial owner of that legal person or partnership;</p> <p>d) in respect of the trustees of the trust establish the identity of -</p> <p>i) each trustee;</p> <p>ii) if a trustee is a legal person or person acting</p>	<p>Amend 21B(4)(c) to read:</p> <p>(i) each founder or initial donor which is still living; and</p> <p>ii) if the initial donor or founder of the trust is a legal person or a person acting on behalf of a partnership or in pursuance of the provisions of a trust agreement, the beneficial owner of that legal person or partnership if that legal person or partnership exists.</p> <p>Add as section 4(e) (iii):</p> <p>(iii) or if there are no identifiable individuals who are or may be beneficiaries, a description of the class or group of persons (or other living</p>	<ul style="list-style-type: none"> • Most common to refer to founders of trusts as ‘donors’; • In the case of charitable trusts the initial donor is often deceased or closed down. This proposed amendment stops financial institutions from demanding the impossible. <p>Addition of (iii) reason: Many charitable trusts will never be able to name or identify individuals who benefit from their work. A trust, set up, for instance, to protect the fynbos on Table Mountain, has no namable beneficiaries. A trust set up to develop awareness of and counter gender-based violence will also not be able to identify beneficiaries.</p>

Sections	Current Financial Intelligence Act	The Bill	Our proposal	Our motivation and comments
	<p>the trust is created; or</p> <p>ii) if beneficiaries are not referred to by name in the trust deed or other founding instrument in terms of which the trust is created, the particulars of how the beneficiaries of the trust are determined.</p>	<p>on behalf of a partnership, the beneficial owner of that legal person or partnership; and</p> <p>ii) each natural person who purports to be authorised to enter into a single transaction or establish a business relationship with the accountable institution on behalf of the trust whether such person is appointed as a trustee of the trust or not;</p> <p>e) in respect of the beneficiaries of the trust, establish -</p> <p>i) the identity of each beneficiary referred to by name in the trust deed or other founding instrument in terms of which the trust is created;</p> <p>iA) if a beneficiary referred to by name in the trust deed is a legal person or a person acting on behalf of a partnership or in pursuance of the provisions of a trust agreement, the beneficial owner of that legal person, partnership or trust; and or</p> <p>ii) if beneficiaries are not referred to by name in the trust deed or other founding instrument in terms of which the trust is created, the particulars of how the beneficiaries of the trust are determined.</p>	<p>organisms) which may benefit from the work of the trust.</p>	
<p>Regulation 1, definitions section</p>			<p>Addition of a definition to read:</p> <p>“cross border non profit organisation report”</p> <p>Means a report which must be submitted by accountable and reporting institutions in terms of section 28B of the Act.</p>	<p>This definition added to create a mechanism for reporting a cross border non profit organisation which has not provided notice as required.</p>

Sections	Current Financial Intelligence Act	The Bill	Our proposal	Our motivation and comments
Schedule 3: List of Reporting Institutions	(1) A person who carries on the business of dealing in motor vehicles. (2) A person who carries on the business of dealing in Kruger rands.		Add: (3) cross-border non profit entity (Or 'external-flow' or any other neutral but descriptive phrase)	The Minister may add to this list in Schedule 3 per government gazette. We think this a neat solution. Section 76 says (our summary): Minister by Gazette can add to list of reporting institutions category of persons used or likely to be used for money – laundering BUT if it would not be appropriate to make them accountable institutions in terms of schedule 1.

Sections	Current Trust Property Control Act	The Bill	Our proposal	Our motivation and comments
Section 1(b)	Addition	"beneficial owner" - in respect of the provisions of a trust instrument, means— (a) a natural person who directly or indirectly ultimately owns the relevant trust property; (b) a natural person who exercises effective control of the administration of the trust arrangements that are established pursuant to a trust instrument; (c) (i) each founder of the trust; or (ii) if a founder of the trust is a legal person, a person acting on behalf of a partnership or in pursuance of the provisions of a trust instrument, the natural person who directly or indirectly ultimately owns or exercises effective control of that legal person or partnership or the relevant trust property or trust arrangements pursuant to that trust instrument; (d) (i) each trustee of the trust; or (ii) if a trustee of the trust is a legal person or a person acting on behalf of a partnership, the natural person who directly or indirectly ultimately owns or exercises effective control of that	Amend (c)(i) and (ii) as marked: (i)- each initial donor or founder of the trust who is still living ; (ii)- if a founder or initial donor of the trust is a legal person, a person acting on behalf of a partnership, or in pursuance of the provisions of a trust instrument and that partnership, trust or legal person is still in existence , the natural person who directly or indirectly ultimately owns or exercises effective control of that legal person, or partnership or the relevant trust property or trust arrangements pursuant to that	The founding party for a South African charitable trust is usually referred to as the donor. The addition of the words 'initial donor' is to make it clear who is being referred to here. The balance of the amendments is to take care of the very long life of some trusts and the fact that initial donors may be deceased or no longer exist. The initial donor is a legal requirement for the formation of the trust and the identity of that donor is historical fact, ie is never updated. This proposed change is to stop banks unnecessarily

Sections	Current Trust Property Control Act	The Bill	Our proposal	Our motivation and comments
		<p>legal person or partnership; and</p> <p>(e) (i) each beneficiary referred to by name in the trust instrument or other founding instrument in terms of which the trust is created; or</p> <p>(ii) if a beneficiary referred to by name in the trust instrument is a legal person, a partnership or a person acting on behalf of a partnership or a person acting in pursuance of the provisions of a trust instrument, the natural person who directly or indirectly ultimately owns or exercises effective control of that legal person or partnership or the relevant trust property or trust arrangements pursuant to that trust instrument;”.</p>	trust instrument trust or partnership.	bothering trusts for details of deceased or defunct donors OR banks expecting there to be replacement ones.

Sections	Current Companies Act	The Bill	Our proposal	Our motivation and comments
Section 1	Addition of new definition of ‘beneficial owner’	<p>"beneficial owner"</p> <p>(a)- has the meaning defined in section 1(1) of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001); and</p> <p>(b)- for the purposes of this Act, in respect of a company, includes, but is not limited to a natural person, who, directly or indirectly, ultimately owns or exercises control of a company, including through-</p> <p>(i)- ownership of the securities of the company;</p> <p>(ii)- the exercise or control of the exercise of the voting rights associated with securities of that company;</p> <p>(iii)- the exercise or control of the right to appoint or remove members or the board of directors;</p> <p>(iv)- ownership, or the exercise of control of-</p> <p>(aa)- a holding company of that company;</p> <p>(bb)- a juristic person other than a holding company of that company;</p> <p>(cc)- a body of persons corporate or</p>	<p>Add sub-section (c) to state:</p> <p>(c) in the case of a non-profit company excludes members and others with voting powers if neither they nor any related person has or could have any personal financial interest in the activities or outcomes of the non-profit company.</p>	<p>NPC’s which work for public benefit are often accountable to members and:</p> <ul style="list-style-type: none"> • Where (as is usually the case) these members have nothing to gain from the work of the company, they do not pose a risk; • Where the members are other organisations (and sometimes the other organisations may have sub-groups as members), the gathering and updating of natural persons details through these layers is impossible, burdensome and costly; and • The unintended consequence of forcing the gathering and exposure of ultimate (non-beneficiary) members will be a decrease in good governance and accountability as many with-members NPCs will convert to no-member models.

Sections	Current Companies Act	The Bill	Our proposal	Our motivation and comments
		unincorporate; (dd)- a partnership; or (ee)- any other category or type of entity that may be specified in regulations for this purpose, that owns or is able to exercise control of, as the case may be, that company including through a chain or network of ownership; or (v)- the ability to otherwise materially influence the decision-making or policy of the company.		
Section 1	"foreign company" means an entity incorporated outside the Republic, irrespective of whether it is— (a) a profit, or non-profit, entity; or (b) carrying on business or non-profit activities, as the case may be, within the Republic;	No proposed amendment in the AML CTF Bill	"foreign company" means an entity incorporated or unincorporated entity or organisation outside the Republic, irrespective of whether it is— (a) a profit, or non-profit, entity; or (b) carrying on business or non-profit activities, as the case may be, within the Republic;	<p>Foreign non-profit companies and foreign trusts are already required to register in South Africa under section 23 of the Companies Act and section 8 of the Trust Property Control Act.</p> <p>This proposed amendment requires the registration with CIPC also of the foreign equivalents of voluntary associations (unincorporated or unregistered bodies and organisations) which may be carrying out non-profit activities in South Africa.</p> <p>This proposed amendment either replaces the AML-CTF Bill proposal to make registration as an NPO compulsory for these entities OR is needed to support the compulsory registration under FICA or NPO, as one then has a local registration number, regardless of type of legal entity.</p> <p>As the Companies Act already has well defined parameters for registration and the systems and processes to cope with these registrations (and the NPO Directorate does not) and also the oversight capacity, data searching capacity and reporting requirements in terms of the Companies Act are more effective and appropriate, it makes so much more sense to register</p>

Sections	Current Companies Act	The Bill	Our proposal	Our motivation and comments
				the foreign voluntary associations with CIPC.
Section 8 Categories of Companies			<p>Add 8(5) to read:</p> <p>Any association of persons which wishes to convert to a non-profit company under this Act, shall make application in the prescribed manner.</p>	<p>We very often encounter voluntary associations which wish to fall under the more credible, transparent and highly regulated CIPC and Companies Act, but there currently is no legal mechanism in place for conversion. A voluntary association which wishes to 'convert' has to start a new NPC, obtain tax exemption for it, then transfer everything across from the voluntary association to the new NPC. This process can take years, as the two organisations need to be run side by side for some time to allow the new NPC to develop a history which will be acceptable to donors.</p> <p>Providing a mechanism for voluntary conversion would allow these organisations to continue their operations with their financial history, bank accounts, employment contracts, SARS history and status etc all intact, but under the auspices and heft of the Companies Act. If we are to amend the Companies Act to enforce mandatory registration for conduit voluntary associations, it makes sense to take this as a positive opportunity to allow voluntary associations to make this transition. Many would be very pleased to be able to do so.</p>

Sections	Current NPO Act	The Bill	Our proposal	Our motivation and comments
Section 1	<p>Definitions of "constitution"</p> <p>'constitution' includes a trust deed and memorandum and articles of association</p>	The AML-CTF Bill includes no proposed changes to this definition, but they are needed to align with the intent of the Bill and other legislation.	<p>The substitution in subsection 1(iv) for the definition of "constitution" the following definition:</p> <p>“'founding document' includes a constitution, trust deed,</p>	<p>1. The current definition of the founding document as 'constitution' creates wide and deep confusion in the non-profit sector, as organisations which are in fact trusts and non-profit companies think they have to have a constitution, draft and adopt them, and inadvertently set up a second legal entity being a voluntary association. Changing the definition to a more generic "founding document" would make a big difference in providing clarity around this issue.</p>

Sections	Current NPO Act	The Bill	Our proposal	Our motivation and comments
			<p>memorandum of incorporation or, in the case of a foreign organisation, its founding document”</p> <p>*all other references in the Act to ‘constitution’ would have to be changed to read ‘founding document’.</p>	<p>2. For foreign non-profits which are obliged to register a local branch or equivalent, this definition should be amended to include their (various) founding documents, as these might not otherwise fit within the definition.</p> <p>3. The definition needs to be updated to refer to the new name for a company founding document, under the new Companies Act.</p>
Section 1	<p>Definition of ‘office bearer’</p> <p>“Office bearer means a director, trustee or person holding executive position”</p>	<p>The AML-CTF Bill includes no proposed changes to this definition, but it needs to be changed to align with the intent of the Bill and other legislation.</p>	<p>Substituting the definition of office bearer with the following wording:</p> <p>Definition of ‘office bearer’</p> <p>Office bearer means a director, trustee or person holding executive position elected to the committee or governing board of the organisation”</p>	<p>UPDATE: NOTE THAT IF NPO REGISTRATION WILL BE COMPULSORY FOR ANY CLASS OF NON-PROFITS IT IS VERY IMPORTANT TO FIX THIS MISALIGNMENT IN THE CURRENT NPO ACT</p> <p>This amendment proposed is in line with FICA, the Companies and Trust Property Control Acts.</p> <p>Directors of non-profit companies and trustees of trusts are those responsible for governance, who sit on the governing board and who have ultimate fiduciary responsibility for the organisation. In Voluntary Associations, those who govern and have ultimate fiduciary responsibility are those who are elected by the members to serve on the committee governing body.</p> <p>The reference in the current definition to ‘executive’ position is to those who manage/administer- the management team employed by the organisation. The correction is required to ensure that it is the same functional group or status being referred to and tracked across all three types of legal entities. If the amendment is not made then voluntary associations would not have to disclose details of their board, but those of their CEO and senior managerial staff.</p>

Sections	Current NPO Act	The Bill	Our proposal	Our motivation and comments
Section 12(1)	(1) Any nonprofit organisation that is not an organ of state may apply to the director for registration.	<p>(1) (a) A nonprofit organisation referred to in paragraph (b) must apply, and any other nonprofit organisation that is not an organ of state may apply, to the director for registration, subject to paragraph (c), and in accordance with the requirements and procedure contemplated in sections 13, 14 and 15.</p> <p>(b) a nonprofit organisation must be registered under this Act if it—</p> <p>(i) makes donations to individuals or organisations outside of the Republic’s borders; or</p> <p>(ii) provides humanitarian, charitable, religious, educational or cultural services outside of the Republic’s borders.</p>	See comments:	<p>Our first proposal and preferred outcome is that the compulsory registration of a limited and defined class of non-profits takes place not under the NPO Act, but under FICA, as a “reporting institution”</p> <p>However, if this is not accepted, the pre-requisite for limited-ambit compulsory registration as an NPO would need to be that:</p> <ol style="list-style-type: none"> 1. The NPO Directorate (internally) kept this list of organisations separate from those of voluntary NPO registrations, so that they can be separately tracked; 2. The NPO Directorate systems are substantially upgraded and reinforced for security, stability and to allow data required to be found and extracted; 3. The NPO Directorate is relocated as structure independent of DSD; <p>The staffing and skills at the NPO Directorate are overhauled and upgraded. People with legal, forensic and audit skills should be on the team.</p> <p>For foreign voluntary associations or equivalent, we suggest that the provisions of section 23 of the Companies Act are broadened to reach these and please see proposed amendments in the relevant section of this submission.</p>
Sections 24 to s25A	The director must keep a register in the prescribed form of - a) all nonprofit organisations that have been registered b) all nonprofit organisations whose registrations have been cancelled; and c) all nonprofit organisations that have voluntarily deregistered or have been wound up or dissolved.	NEW provisions regarding disqualification of ‘office bearers’ and measures to be taken to enforce their removal from office		<p>The amending and correcting of the definition of ‘office bearer’ is crucial for this to function as it should, and have the intended effect.</p> <p>The NPO Directorate would need to have a searchable database to locate relevant 'office bearers' and notify.</p> <p>This data base will be incredibly large and the annual uploading of relevant data would be time consuming for an understaffed directorate.</p>

