

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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 **Memorandum from the Parliamentary Office**

**National Assembly : 1059**

Please find attached a response to Parliamentary Questionfor **written reply** asked by **Mr K J Mileham (DA) to the Minister of Mineral Resources and Energy:**

**Ms Hilda Mhlongo**

**Deputy Director-General: Corporate Services**

**………………/………………/2023**

Recommended / Not Recommended

**Mr. Jacob Mbele**

**Director-General: Mineral Resources and Energy**

**………………/………………/2023**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2023**

**1059.** **Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy:**

(1) Whether the policies of PetroSA have changed with regard to the prepayment for the purchase of bulk petroleum products from external suppliers since 1 July 2022; if not, what is the position in this regard; if so, (a) what necessitated the change and (b) who authorised the changes to the policy; (2) what checks and balances have been put in place to ensure that the products paid for (a) are actually received and (b) meet the appropriate technical specifications; (3) what credit checks and/or other vetting procedures were utilised prior to implementing the specified change; (4) on which provisions of the Public Finance Management Act, Act 1 of 1999, does PetroSA rely to make such prepayments? **NW1169E**

**Reply:**

1. PetroSA does not have a prepayment policy.

(a) See 1 above

 (b) Not applicable, any change in policy has to be approved by the PetroSA

 Board

(2) (a) Payment for products is only released when the cargo vessel is docked at our seashores either in Mossel Bay or Cape Town and after confirmation received from PetroSA appointed Shipping Agents and Surveyors that the vessel has arrived and is ready to discharge and,

 (b) The product is sampled upon vessel arrival, to confirmed that the cargo on board the

 vessel meets PetroSA Standard import specifications. PetroSA pays and takes title after

 all the samples and confirmation has been done. If it happened that the cargo is off spec,

 PetroSA would reject it without incurring any costs.

(3) There was no policy change as per 1 above, however, companies that transact with

PetroSA are registered onto the National Treasury Database as well as PetroSA

supplier database. There is a rigorous vetting process conducted by the PetroSA

Treasury, Risk and Compliance Departments to ensure that suppliers listed on the

database are in a position to deliver the requested products.

 (4) If there is a contractual requirement for pre-payment, PetroSA rely on Regulation 31.1.2 (c) of the PFMA Treasury Regulations which authorises pre-payments only when contractual arrangements with suppliers bind the entity.