

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1221**

**DATE OF PUBLICATION: 26 APRIL 2018**

**1221.  Adv A de W Alberts (FF Plus) to ask the Minister of Public Enterprises:**

(1)      With reference to the appointment of Regiments Capital as investment advisor to the Transnet Second Defined Benefit Fund (TSDBF), (a)(i) for what reason(s) did the specified company make payments to Trillion Capital Partners, (ii) what services were rendered in this regard and (iii) what total amount was paid and (b) why did the TSDBF’s Board of Trustees give a blank mandate to Regiments Capital as investment advisor to make investments according to its best judgement on behalf of the TSDBF without consulting the board of trustees;

(2)       Whether the trustees were authorised to take the specific decision to give such mandate to the company; if not,

(3)      Whether he has found that their decision was *ultra vires*; if so, on what legal grounds did they rely in order to take this decision;

(4)       (a) what are the names of the trustees who (i) voted in favour of the appointment of the company as investment advisor and (ii)(aa) are currently and/or (bb) were previously directors on the Transnet Board and (b) what role did the Transnet Board play in appointing Regiments Capital as the investment advisor of the TSDBF;

(5)       Whether he will make a statement on this matter?   NW1317E

**This response is according to information received from the SOC:**

(1)(a)(i) As per invoices received "Transaction Fees".

(1)(a)(ii) According to Regiments these payments were made for services

 rendered during the structuring of the transaction. It was found by

 the TSDBF that no such fees were payable separately from the fee

 and cost structure agreed in the original investment management

 mandate agreement and as such not allowed.

(1)(a)(iii) R 228millon.

(1)(b) The TSDBF Board of Trustees appointed Regiments Capital in terms of a detailed duly legal and approved investment agreement.

 No blank mandate was given (supporting documents attached).

(2) The decision of the Trustees was in terms of the authority vested in terms of the Rules of the TSDBF.

(3) The decision of the Board of Trustees was not ultra vires but in terms of the authority vested in The Rules of the Fund.

(4)(a)(i) H Gazendam, Y Forbes, E Tshabalala,R Louw, V Naidoo,

 C Fichardt, J Benwell, M Myburgh, J Grobler.

(4)(ii)(aa) No current directors of Transnet.

(4)(bb) H Gazendam,Y Forbes, E Tshabalala

(4)(b) The Transnet Board did not play any role in appointing Regiments

 Capital as the investment advisor of the TSDBF.

(5) N/A

Minister: the dubious and problematic role of Regiments, Trillion and other entities in the state capture process will be investigated further by the respective SOC Boards – and presumably by the Zondo Commission.