

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION NO.: 2565**

**2565. Mr W M Madisha (Cope) to ask the Minister of Public Enterprises:**

Whether the reported R290 million loan by the Johannesburg Metropolitan Municipality to Denel was lawful; if not, what steps are being taken to ensure that the money is being repaid in this regard? NW2855E

**RESPONSE:**

Based on information received from Denel SOC Limited:

Yes. The facility was lawful.

The facility was approved by the Board of Denel on 04 September 2012. Government (National Treasury and the Department of Public Enterprises) had approved the Domestic Medium Term Note (DMTN) in 2007/2008 for R2 200 000 000, which provided for both secured and unsecured components. The Regiments Capital R290 million loan (which funds turned out to be that of Johannesburg Metropolitan Municipality’s), was part of the unsecured component of the DMTN programme. This loan, like all the other loans under the DMTN programme, was duly registered with the Johannesburg Stock Exchange Securities. The identification and contracting of the up-takers of the facility would be the responsibility of the Board without further involvement of the Ministers of Finance and Public Enterprises.

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