**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **261 [NW265E]**

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**261. Mr R A Lees (DA) to ask the Minister of Finance:**

(a) Whether he has found that all legal prescripts were followed by the Department of Public Enterprises, the board and executives of the SA Airways (SAA) and the business rescue practitioners in the business rescue process that SAA was subjected to since December 2019; if not, what are the detailed reasons that all the legal obligations were not adhered to; if so, what are the relevant details? NW265E

**REPLY**

The purpose of Business Rescue process as per the Companies Act is to provide for the efficient rescue and recovery of financially distressed companies so as to balance the rights and interests of all relevant stakeholders (employees, creditors and shareholders)

The primary objective of business rescue is the development and implementation of a business rescue plan that either:

* 1. Rescues the company by restructuring its debt and equity in a manner that maximises the likelihood of the company continuing in existence on a solvent basis; or
	2. Results in a better return for the company’s creditors or shareholders than would result from the immediate liquidation of the company

SAA was placed into voluntary business rescue on 06 December 2019 by its Board of Directors as they believed that the company was in financial distress, after which the airline’s Business Rescue Practitioners (BRPs) took over the management of the airline.

The National Treasury is not aware of any non-compliance to any legal prescripts in relation to SAA’s business rescue process as regulated by the Companies Act and the PFMA.