

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2850**

**DATE OF PUBLICATION: 15 SEPTEMBER 2017**

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| **2850.     Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises:**  (1)     Whether, with reference to her reply to question 1569 on 6 September 2017, Denel Vehicle Systems, a division of Denel, was given permission to be exempt from the provisions of the Public Finance Management Act, Act 1 of 1999, for the year ending 31 March 2016; if so, (a) who granted the exemption and (b) why was it granted;  (2)      whether the exemption was gazetted; if not, why not; if so, what are the relevant details;  (3)     why was the exemption not tabled in Parliament? NW3157E |

**REPLY:**

**DENEL SOC LIMITED**

INTRODUCTION

Please note that PQ 1569 was referring to contracts awarded to VR Laser by Denel. The issue of PFMA exemption relates to transactions entered into by Denel Vehicle Systems’ predecessor, BAE Systems Land Systems South Africa (LSSA), prior to the acquisition by Denel. Therefore, these are distinct matters which are unrelated.

In relation to the DVS application for exemption from the PFMA, the following responses are applicable to PQ 2850:

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| (1) | Denel SOC Ltd has not yet received a response to its application for the exemption from the National Treasury (NT). | |
|  | (a) | NT would be the authority for granting exemptions; however, no response has been received as yet. Therefore, this question should be directed at NT as the authority and custodian of the process and in view of the exemption not having been granted, this question is premature. |
|  | (b) | See response in (a) above. |
| (2) | See response in (a) above. | |
| (3) | The tabling, presumably, should be preceded by the Gazetting. Therefore, depending on the outcome of NT’s consideration, it is expected that the tabling in Parliament of the exemption shall be effected. | |

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