**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **3161 [NW3873E]**

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**3161. Mr R A Lees (DA) to ask the Minister of Finance:**

Whether, with reference to his letter to Mr R A Lees dated 2 June 2022, he has found that the concerns regarding certain terms and conditions contained in the agreement entered into between the Department of Public Enterprises and the Takatso Consortium, dealing with the transfer of SA Airways shares to the Takatso Consortium had been attended to, to the satisfaction of the National Treasury; if not, why not; if so, what are the relevant details? NW3873E

**REPLY**

Yes, as I communicated to the Honourable Member in my letter dated 2 June 2022, there is no requirement in terms of the Public Finance Management Act 1 of 1999 (PFMA) for the Minister of Finance to grant approval or provide concurrence in respect of the Takatso transaction. In terms of Section 54(2) of the PMFA, the Minister of Finance is only required to note the intention of the Department of Public Enterprises (DPE) to dispose the majority of Government’s shareholding of SAA by selling the Government’s stake in South African Airways SOC Ltd (SAA). Section 54(2) of the PFMA only finds application where a public entity concludes any of the transactions mentioned under the section. Section 54(2)(c) would apply in an event whereby SAA was seeking to dispose a significant shareholding in any of its subsidiaries or was seeking to acquire a significant shareholding in another company. The disposal of a majority shareholding in SAA was already approved by Cabinet and no further approval, concurrence or noting is required from the Minister of Finance in terms of the PFMA.

However, following perusal of the document that the DPE shared with the department in relation to some of the terms and conditions entered into between the DPE and the preferred Strategic Equity Partner, NT took the opportunity to make suggestions to the DPE with some of the terms and conditions of the agreement. We continue to engage with the DPE in relation to the disposal of 51% of Government’s shareholding in SAA.