

**MINISTRY**

**COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 2018/3228**

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**3228. Mr D R Ryder (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

What (a) amount did (i) his department and (ii) each entity reporting to him borrow from any entity in the People’s Republic of China (aa) in each of the past three financial years and (bb) since 1 April 2018, (b) is the name of the lender of each loan, (c) conditions are attached to each loan and (d) are the repayment periods for each loan in each case? and/or contract in line with all National Treasury and departmental procurement guidelines? NW3704E

**Reply:**

1. (i) The Department did not borrow monies from any entity in the People’s Republic of China in each of the past three financial years and since 1 April 2018.

(ii) **South African Local Governement Association (SALGA); South African Cities Network (SACN) and Municipal Dermacation Board (MDB)**

1. (ii) SALGA, SACN and MDB did not borrow any money from the People’s Republic of China in the past three financial years and since 1 April 2018.

(aa) (bb) (b) (c) (d) Not applicable as there was no money borrowed.

General, Section 66 of the PFMA directs the Accounting Officer of a Department not to borrow money, issue guarantees, indemnities or securities or enter into transactions that bind the revenue fund to a future commitment.

Furthermore, the Accounting Officer must ensure that appropriate proceedings of misconduct or criminal are instituted against any person responsible for transgressions with regard to borrowings, guarantees, securities or indemnities.

Moreover, should the Accounting Officer be responsible for transgressions with regard to borrowings, guarantees, securities s or indemnities, the National Treasury must, as soon as it becomes aware of the transgression, initiate appropriate misconduct or criminal proceedings against the Accounting Officer.

With regards to the public entities and constitutional institutions. Section 66 of the PFMA restricts borrowing, issues of guarantee and other financial commitments by the public entities and constitutional institutions, unless authorized and or approved by the Minister who is the Executive Authority for that public entity or constitutional institution, acting in concurrence with the Minister of Finance.