



# **national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

**TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS**

## **NATIONAL TREASURY INSTRUCTION NO. 14 OF 2020/2021**

### **UTILISATION OF FUNDS WITHDRAWN FROM NATIONAL REVENUE FUND IN TERMS OF SECTION 29 OF PUBLIC FINANCE MANAGEMENT ACT**

#### **1. PURPOSE**

The purpose of this Treasury Instruction is to further regulate the withdrawal of funds from the National Revenue Fund to use for services for which funds were appropriated in the previous financial year in terms of section 29 of the Public Finance Management Act, 1999 (Act No. 1 of 1999 (PFMA)) that deals with expenditure before the annual budget is passed.

#### **2. BACKGROUND**

- 2.1 Section 29(1) of the PFMA states that, if an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the National Revenue Fund for the services of the state or the province concerned during that financial year as direct charges against the Fund until the budget is passed.
- 2.2 According to section 29(2)(a) and (b)(i) of the PFMA, funds withdrawn from the National Revenue Fund in terms of section 29(1) may be utilised only for services for which funds were appropriated in the previous annual budget or adjustment budget and such funds may not exceed 45 per cent of the total amount appropriated in the previous annual budget in the first four months of that financial year. Section 43 of the PFMA and Treasury Regulation 6.3.1 regulate virements within votes once the Appropriation Bill is enacted. After enactment of the Appropriation Bill, virements are also provided for in the Appropriation Act (usually section 5)).

#### **3. VIREMENTS**

- 3.1 The accounting officer of a department may shift a proposed allocation in the vote for the department in the Schedule to the Appropriation Bill for a financial year as if section 43(1), (2) and (4) of the PFMA and Treasury Regulation 6.3.1 apply.
- 3.2 An accounting officer of a department may, with the approval of the National Treasury, exceed the eight per cent limitation in section 43(2) of the PFMA.
- 3.3 As required by section 29(2)(a) of the PFMA, funds may only be shifted to be used for services for which funds were appropriated in the Appropriation Act or an Adjustments Appropriation Act of the previous financial year.

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3.4 A shift approved by the National Treasury will be included in an Adjustments Appropriation Bill for the current financial year as well as all shifts approved by the accounting officer.

**4. APPLICABILITY**

This Instruction is applicable to all national departments.

**5. AUTHORITY**

This Instruction is issued in terms of section 76(2)(j) of the PFMA.

**6. REPEAL OF TREASURY INSTRUCTION NO. 2 OF 2020/2021**

This Instruction repeals National Treasury Instruction No. 2 of 2020/2021 relating to utilisation of funds withdrawn from the revenue fund in terms of section 29 of the PFMA.

**7. EFFECTIVE DATE AND DURATION**

This Instruction is effective from 1 April 2021 until repealed.

**8. REPORTING**

The accounting officer of a department must report on shifts in terms of this Instruction to the executive authority responsible for the department and the National Treasury within 30 days after the shift is approved.

**9. CONTACT INFORMATION**

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