

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 464 [NW518E]
DATE OF PUBLICATION: 26 FEBRUARY 2016

464. Mr D J Maynier (DA) to ask the Minister of Finance:

Whether any (a) consultants and/or (b) financial intermediaries were employed to dispose of the Government's holdings in a certain company (name furnished); if not, why not; if so, in each specified case (i) what was the names of the (aa) consultants and/or (bb) intermediaries and (ii) what was the (aaa) total cost and (bbb) breakdown of such cost of the (aaaa) consultants and/or (bbbb) intermediaries?

NW518E

REPLY:

Disposal

- (a) No
- (b) No

Government had the necessary expertise to dispose of the shareholding in line with its intended strategy without requiring the services of either consultants or financial intermediaries. In order to implement the package of support announced by Cabinet in September 2014, the National Treasury engaged in a market sounding between 1 and 2 October 2014. Financial institutions and primarily banks were invited to present their ideas around strategies for funding the allocation to Eskom through the sale of non-strategic government assets. Approximately 20 institutions presented a range of possible strategies for executing the disposal as well as providing indicative pricing. These possible strategies, along with other options identified independently by government, were all extensively analysed before deciding on the most appropriate approach to be adopted by government. However, no advisors were appointed and no costs were incurred in this regard.

Settlement

As a result of the PIC being a financial services provider, registered with the Financial Services board, government was required to appoint a broker to establish a brokerage account through which settlement would be effected.

- (a) No
- (b) Yes.

(i) Based on a closed Request for Proposal (RFP) issued on 10 July 2015, the National Treasury in cooperation with the Department of Telecommunications and Postal Services (DTPS) appointed Rand Merchant Bank (RMB) as government's broker.

(ii) RMB did not charge government for their brokerage services, but government was responsible for all regulatory costs.