

## **MEDIA STATEMENT**

### **RESPONSE TO MEDIA REPORTS ABOUT THE CITY OF TSHWANE'S BOND ISSUE**

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National Treasury has noted media reports alleging that the City of Tshwane Metropolitan Municipality breached sections of the Municipal Finance Management Act (MFMA) when it sought to issue a bond in June 2012. Treasury's monitoring of, and oversight over, the financial affairs of municipalities, especially those relating to long-term borrowing, are governed by the MFMA.

The City of Tshwane did consult on its plans to raise long-term debt, including inviting comments from National Treasury and the Gauteng provincial treasury. However the decision making and accountability for the bond issue is the responsibility of the municipal council.

National Treasury can confirm though that with respect to the proposed bond issue the City of Tshwane Metropolitan Municipality acted within the legislative framework and did not breach Sections 45 and 46 of the MFMA.

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