



TO ALL : MEMBERS OF THE EXECUTIVE
: ACCOUNTING OFFICERS OF DEPARTMENTS
: CHIEF FINANCIAL OFFICERS OF DEPARTMENTS
: HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY INSTRUCTION NO. 02 OF 2025/2026

DETERMINATION OF PRICE THRESHOLD FOR PROCUREMENT OF OFFICIAL VEHICLES FOR MEMBERS OF THE EXECUTIVE

1. PURPOSE

- 1.1 The purpose of this Treasury Instruction is to prescribe the adjustment of the price threshold for the purchase of official vehicles for Members of the Executive.

2. ADJUSTMENT OF PRICE THRESHOLD FOR PROCUREMENT OF OFFICIAL VEHICLES

- 2.1 The Minister of Finance ('Minister') at the tabling of the 2019 Medium Term Budget Policy Statement, set the price threshold for procurement of vehicles for official use by Members of the Executive at R800,000.00 inclusive of the value-added tax (VAT), maintenance plans and security upgrades.
- 2.2 Par 2.6 of Chapter 4 of the Guide for Members of the Executive (the Guide) requires the Minister to, in consultation with the Ministers responsible for Police, Transport, and State Security, annually adjust and set the cost limitation for vehicles procured for Members of the Executive.
- 2.3 The Minister has adjusted the price limit for official vehicles from R800,000.00 to **R1,100,000.00** inclusive of VAT, maintenance plans and security upgrades with effect from the date of this Treasury Instruction.

3. REPORTING ON PROCUREMENT OF OFFICIAL VEHICLES

- 3.1 Accounting officers of departments must separately record the details of all acquisitions related to the costs of vehicles procured for official use by Members of the Executive in the annual report of their respective departments and at the end of each financial year. A reporting template is enclosed for this purpose (Annexure B1).
- 3.2. The enclosed RT57 Transversal Contract information which contains the prices and categories of vehicle make and models that may be selected for official use by Members of the Executive, is contained in **Annexure D** and effective from 01 August 2024.



4. PROHIBITION

- 4.1 Members of the Executive and departments are prohibited from purchasing vehicles of higher price than the set price limit referred to in paragraph 2.3. Members of the Executive are further prohibited from making personal additional financial contribution or through any form of creative or negotiated trade-in value to purchase a vehicle of a higher price whilst technically not exceeding the set price limit.
- 4.2 Members of the Executive and departments are prohibited from avoiding compliance to the price limit set in paragraph 2.3 by leasing a vehicle of a higher price threshold in lieu of a direct purchase. Paragraph 4.1 of the Guide stipulates the condition as a temporary arrangement under which hiring of a vehicle may be considered, i.e. when an official vehicle is not available of a similar make and model as may be purchased by a department.
- 4.3 Members of the Executive and departments are prohibited from subverting the provisions of the Guide and the price limit set in paragraph 2.3 by leasing a vehicle of a higher price threshold through other means such as the Fleet Management Trading Entities or similar arrangement.

5. REPEAL OF TREASURY INSTRUCTION 06 OF 2019/2020

- 5.1 National Treasury Instruction 06 of 2019/2020 is hereby repealed.

6. APPLICABILITY

- 6.1 This Treasury Instruction applies to all national and provincial departments.

7. EFFECTIVE DATE

- 7.1 This Treasury Instruction takes effect from 15 July 2025.

8. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

- 8.1 Accounting officers of departments are requested to bring the contents of this Treasury Instruction to the attention of relevant:
- a) Members of the Executive.
 - b) Chief Financial Officers; and
 - c) Heads of supply chain management division.
- 8.2 Head officials of Provincial Treasuries are requested to bring the contents of this Treasury Instruction to the attention of provincial departments in their respective provinces.



9. AUTHORITY

- 9.1 This Treasury Instruction is issued in terms of sections 6(1)(g), 6(2)(a) and 76(4)(g) of the Public Finance Management Act, 1999 and paragraph 2.6 of Chapter 4 of the Guide for Members of the Executives.

10. CONTACT DETAILS

Enquiries related to this Treasury Instruction may be directed to:

Name : Mr. Marumo Maake
Designation : Acting Deputy Director-General: Budget Office
Phone : (012) 406 9050
Mobile : 076 400 5811
Email : Marumo.Maake@Treasury.gov.za

Dr DUNCAN PIETERSE
DIRECTOR-GENERAL: NATIONAL TREASURY
DATE: 11/07/25