



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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TO ALL –

ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS, AND NATIONAL AND PROVINCIAL DEPARTMENTS, HEADS OF PROVINCIAL TREASURIES AND ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

2017 REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES

1. The Minister of Finance, in terms of Treasury Regulation 20.2.2, granted approval to amend the **maximum remuneration payable per day** to non-official members of *Commissions and Committees of Inquiry* by 5,5 per cent with effect from 1 April 2017 as follows:


	COMMISSION OF INQUIRY		COMMITTEE OF INQUIRY	
	Per day	Per hour	Per day	Per hour
Chairperson	R4 957	R620	R4 092	R511
Member	R3 685	R461	R2 483	R310

2. With reference to Treasury Regulation 3.1.6, the remuneration applicable to **Committees of Inquiry** is applicable to members of **Audit Committees** appointed from outside the public service.
3. The indicated rates are sitting fees and exclusive of payments in respect of preparation, research and travelling (to and from meeting venues) time.
4. Due to the recent tax legislation amendments, the South African Revenue Service (SARS) has confirmed the interpretation of the VAT law that requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any directors fees earned for services rendered as a non-executive director. **Kindly note that the above rates are VAT inclusive.**

The value of the fees must, however, exceed the compulsory VAT registration threshold of R1 million in any 12-month consecutive period but NEDs can voluntarily register for VAT as well. ¹

¹ Further details on the remuneration of Non-executive Directors is available on <http://www.sars.gov.za/Media/MediaReleases/Pages/14-February-2017--Non-Executive-Directors-of-Companies-must-register-for-VAT.aspx>.

5. *Employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving on Commissions or Committees of Inquiry or audit committees are not entitled to additional remuneration.*
6. Any additional expenditure that could arise by implementing this approval must be defrayed from institutions'/departments'/public entities' existing budget allocations.

 G H MANACK

GOOLAM MANACK
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)
for DIRECTOR-GENERAL: NATIONAL TREASURY
DATE 27/11/2017