

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 3096 [NW4164E]
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3096. Mr R A Lees (DA) to ask the Minister of Finance:

- (1) Whether the National Treasury has done a due diligence to determine the ability of the Takatso Consortium to make the R3,0 billion payment to SA Airways (SAA) as is required in the agreement pertaining to the transfer of 51% of the shares to the Takatso Consortium; if not, why not; if so, what are the relevant details of the (a) process followed to conduct the due diligence and (b) outcome of the due diligence;
- (2) whether the due diligence process made a determination that the R3 billion will be made available to SAA by the consortium; if not, why not; if so, what are the relevant details?

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REPLY

The process of selecting a Strategic Equity Partner for SAA and the subsequent negotiations and conclusion of the terms and conditions for the sale of 51% of SAA's shareholding was performed by the Department of Public Enterprises.

The National Treasury did not perform any due diligence related to the transaction as it was not subject to section 54(2) of the PFMA. The Minister of Finance's approval in terms of Section 54(2) of the PFMA was not required for this transaction. Section 54(2) of the PFMA does not find application in this instance as it is the government, as the shareholder selling its stake in SAA. Section 54(2) of the PFMA only finds application where a public entity concludes any of the transactions mentioned under Section 54(2) of the PFMA. In other words, Section 54(2)(c) would apply in an event whereby SAA was seeking to dispose a significant shareholding in any of its subsidiaries or was seeking to acquire significant shareholding in another company.