

Have your say on SEZ Act regulations

The public has been invited to have their say on the draft regulations on the Governance and Composition of the Special Economic Zones Act.



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“The Minister of Trade and Industry, Dr Rob Davies, invites members of the public to make inputs and comments on the draft Regulations on the Governance and Composition of the Special Economic Zones Act No. 16 of 2014 (the SEZ Act). Members of the public and interested parties have until the 14 September 2018 to comment on the draft Regulations,” said the Department of Trade and Industry (dti) on Tuesday.

The draft regulations, seek to provide for the management and operations of Industrial Development Zone (IDZ) entities not to be separated and for the existing SEZ operator or entity to hold a license and permit to function as both the management entity and state owned operator.

SEZs are geographically designated areas of a country that are set aside for specifically targeted economic activities.

The draft regulations also provide for the separation of the SEZ entity from the operator, where a private company is appointed to either operate the SEZ wholly or in part, in terms of section 32(2) of the SEZ Act, for purposes of proper implementation and administration of SEZs, in terms of section 41 of the SEZ Act.

The SEZ Act commenced by Presidential Proclamation on 9 February 2016 and introduced a new regulatory framework for

the planning, design, development, management and operation of SEZs. This new regulatory framework replaces the old framework IDZs, which was based on the IDZ Regulations.

“The difference in the governance and institutional framework required in the new SEZ Act from the old IDZ regulatory framework is very significant and most IDZ operators, at the time of the enactment of the SEZ Act, would require time to comply. Recognising this need, the SEZ Act provided for a transitional period where the IDZs were given three years to amend their governance and institutional structures, to comply with the requirements of the SEZ Act. The most significant sections impacting on this transition is section 25, on the establishment of an SEZ entity,” said the dti.

Section 25 of the SEZ Act makes provision for the establishment of the SEZ entity and the appointment of the SEZ operator, whereas under the IDZ Regulations, the IDZ applicants would be issued with the IDZ operator permits, and effectively making them SEZ entities and operators at the same time.

The SEZ Act and the current regulations now require a new entity with a board to manage a state owned entity. In addition, the operator would have its own board.

“The introduction of the SEZ entity in addition to the SEZ operator has in some instances resulted in more implementation complexities. Additionally, there is really not much value being added by the introduction of the SEZ entity particularly if the operator is an existing state owned company.”

“In terms of the current arrangements, the licensee or the SEZ applicant must establish or appoint an existing state owned company as an SEZ entity with its own boards, to manage the SEZ, also appoint an operator to develop and manage the same zone.”

The gazette can be found on <http://www.thedti.gov.za/gazettes/41811.pdf>.

Comments on the regulations can be sent by post to the Director-General’s office for attention:

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Else they can be hand delivered to the dti Campus, Block AI 77 Meintjies Street, Sunnyside, Pretoria.

Comments may be also emailed to: MMolefane@thedti.gov.za

For more, visit: <https://www.bizcommunity.com>