

Amended PIC Act signed into law

The Public Investment Corporation Amendment Act has been promulgated and published in the Government Gazette.



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This, after it was signed into law by President Cyril Ramaphosa.

“[It] provides that the Minister of Finance, as representative of the shareholder, ‘may designate the Deputy Minister of Finance or any Deputy Minister in the economic cluster’ to be appointed as Chairperson of the Board,” said the PIC in a statement on Wednesday.

The PIC new Act prescribes how the PIC Board shall be constituted. This will be done in consultation with Cabinet.

Other important provisions in the Act to promote transparency in the PIC’s investment processes and decisions, include:

- The requirement to publish the details of new investments, on behalf of its clients, on the PIC website;
- The requirement to report annually, the total number and details of “significant transactions” to the Minister of Finance, which require approval in terms of the Public Finance Management Act, 1999;
- The requirement to “publish and submit a report on all investments to the Minister of Finance for tabling” in Parliament;

and

- The requirement for the PIC to “consider certain guidelines when investing deposits” on behalf of its clients.

PIC chief executive Abel Sithole welcomed the Amendment Act, saying it was a significant step towards greater transparency and accountability regarding the PIC’s investment processes.

“Ultimately, the PIC is accountable to its clients and their beneficiaries and to government as shareholder and guarantor of its clients. The new legislation provides for greater oversight by all stakeholders,” Sithole said.

The Amended Act empowers the Minister of Finance, as the shareholder representative, to implement the amendments progressively, therefore barring specific directives from the Minister in the near future, the current governance structures and processes continue.

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