

PUBLICATION FOR PUBLIC COMMENT: NONPROFIT ORGANISATIONS AMENDMENT BILL, 1999

The draft **Nonprofit** Organisation **Amendment** Bill, 1999, is hereby published for public comment.

Interested parties are invited to submit written comment to:

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0001

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Comments must be received not later than 17 January 2000.

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omission from existing enactments.

_____ Words underlined with a solid line indicate insertion in existing enactments.

BILL

To amend the Nonprofit Organisations Act, 1997, so as to rectify textual errors

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows—

Amendment of section 6 of Act 71 of 1997

1. Section 6 of the Nonprofit Organisations Act, 1997 (hereinafter referred to as the principal Act), is hereby amended by the deletion of subsection (2).

Substitution of section 9 of Act 71 of 1997

2. The following section is hereby substituted for section 9 of the principal Act:

“Panel of Arbitrators and Arbitration Tribunal

9. (1) The Minister must appoint persons so as to maintain a panel of arbitrators consisting of at least seven persons.

(2) (a) The Minister must designate one member of the panel of arbitrators to act as the chairperson.

(b) If the chairperson is unable to act in this capacity or the post becomes vacant, the Minister may designate any other member of the panel to act as chairperson.

(3) Whenever the Minister is required to [~~nominate~~] appoint a person to the panel of arbitrators in terms of subsection (1), the Minister must—

(a) publish in the *Gezette* and by any other widely circulated means of communication, a notice calling for nominees and stating the criteria for nominations;

(b) consider all nominations submitted in response to the notice;

(c) compile a short-list of nominees and publish it for comment in the manner contemplated in paragraph (a); and

(d) consider any comments received in response to the publication of the short list.

(4) The terms and conditions of appointment of members of the panel of arbitrators must be prescribed by the Minister.

(5) For the purposes of this Act, an Arbitration Tribunal maybe composed of not more than three members of the panel of arbitrators appointed by the chairperson.”

Amendment of section 24 of Act 71 of 1997

3. Section 24 of the principal Act is hereby amended by the substitution for paragraph (c) of subsection (2) of the following paragraph:

“(c) all nonprofit organisations which ~~deregistered~~ voluntarily or have been wound up or dissolved during the previous financial year.”.

Amendment of section 25 of Act 71 of 1997

4. Section 25 of the principal Act is hereby amended by the substitution for paragraph (a) of subsection (1) of the following paragraph:

“(a) **the constitution of a nonprofit organisation whose registration** has been cancelled, or that has voluntarily ~~deregistered or wound up or dissolves~~”. and

Amendment of section 34 of Act 71 of 1997

5. Section 34 of the principal Act is hereby amended by the substitution for the words preceding subparagraph (i) of paragraph (c) of subsection (2) of the following words:

“**[If the authorisation or registration of]** An organisation contemplated in paragraph (a) [would expire] must apply to be registered in terms of this Act—”

Short title

6. This Act shall be called the Nonprofit organisations Amendment Act, 1999.

MEMORANDUM ON THE OBJECTS OF THE NONPROFIT ORGANISATIONS AMENDMENT BILL, 1999**Background and main objects of Bill**

Section 6 (2) of the Nonprofit Organisations Act, 1997 (Act No. 71 of 1997) (the Act), read with section 28 (1) of the Act provide that any model document, **model constitution** for nonprofit organisations and codes of goods practice for nonprofit organisations or any amendment or substitution thereof prepared by the Directorate for Nonprofit Organisations must be announced by notice in the **Gazette** and **at least one other** widely circulated means of communication. A period of at least one month from the date of the notice must be allowed for interested **parties** to comment.

The **Bill** envisages to amend section 6 of the Act by deleting subsection (2). Experience has learnt that this process is very time consuming and expensive, especially since almost no comment were received after similar publications and the comment received also did not warrant the expenses incurred.

The Bill also envisages to effect corrections to the text of sections 9,24, 25 and **34** of the Act.

Financial implications of the Bill for the State

The deletion of section 6 (2) of **the Act will** effect a saving for the State.

Consultation

The provisions of the Bill have not been **consulted**, but the Bill will be published for general comment once approved by Cabinet.

Parliament procedure

The Department of Welfare and the **State** Law Advisers are of the opinion that the Bill must be dealt with **by** Parliament in accordance with the procedure set out in section 76 (1) or (2) of the Constitution of the Republic of South Africa, 1996.

(17 December 1999)
