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THE PRESIDENCY

No. 1288

27 November 2008

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

No. 41 of 2008: Eskom Subordinated Loan Special Appropriation Act (2008/ 09-2010/11 Financial Years), 2008.



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*(English text signed by the President.)
(Assented to 25 November 2008.)*

ACT

To appropriate additional money for the requirements of the National Treasury to provide a subordinated loan to Eskom in support of its investment in enhanced electricity generation capacity and security of supply; and to provide for matters connected therewith.

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

Appropriation of additional money for requirements of National Treasury

1. (1) Subject to the Public Finance Management Act, 1999 (Act No.1 of 1999), an amount of R 60 billion is hereby appropriated out of the National Revenue Fund for the requirements of the National Treasury for the following financial years: 5

- (a) 2008/09 financial year: R 10 billion;
- (b) 2009/10 financial year: R 30 billion; and
- (c) 2010/11 financial year: R 20 billion.

(2) The money contemplated in subsection (1) must be transferred to Eskom in each financial year in support of its investment in enhanced electricity generation capacity and security of supply, subject to a loan agreement being entered into between the Minister of Finance and Eskom. 10

(3) The loan agreement must provide for—

- (a) the loan to be subordinate to other debts of Eskom; 15
- (b) payment terms that—
 - (i) provide for the repayment of the loan over a 30-year period at a market-related interest charge; and
 - (ii) take into account the medium-term impact of Eskom's capital investment plan on Eskom's balance sheet; and 20
- (c) such regular reporting by Eskom on its financial status and on the implementation of its investment plan as required by the National Treasury.

Short title

2. This Act is called the Eskom Subordinated Loan Special Appropriation Act (2008/09–2010/11 Financial Years), 2008. 25