
GOVERNMENT NOTICE

NATIONAL TREASURY

No. R. 668**23 August 2012**

**PUBLIC FINANCE MANAGEMENT ACT, 1999: AUTHORISATION FOR RAND WATER TO
ISSUE A GUARANTEE TO ESKOM AND TO ENTER INTO FINANCE LEASE TRANSACTION
WITH ESKOM**

1. I, Pravin J Gordhan, Minister of Finance, hereby, in terms of—
 - (a) section 66(3)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, authorise the accounting authority of Rand Water to issue a bank guarantee in the amount of R26 million to Eskom Holdings SOC Limited (herein referred to as "Eskom"); and
 - (b) regulation 32.2.5(c) of the Treasury Regulations, published under Government Notice R.225 of 15 March 2005, as amended, authorise the accounting authority of Rand Water to enter into a finance lease transaction with Eskom for purposes of a power supply upgrade project.
2. The authorisation in—
 - (a) paragraph 1(a) is granted on condition that Rand Water in writing informs the Minister of Finance before any change in the financial structure or nature of the guarantee is made ; and
 - (b) paragraph 1(b) is granted on condition that -
 - (i) Rand Water in writing informs the Minister of Finance before any change in the financial structure or nature of the finance lease transaction is made;
 - (ii) the finance lease transaction is subject to the conditions in the technical accounting report for Eskom's premium supply assets; and
 - (iii) the financial lease transaction conforms to IFRIC interpretation 4 (Determining whether an Arrangement contains a Lease) of the International Financial Reporting Standard (IFRS) Interpretations Committee, approved by the International Accounting Standards Board.

**MINISTER OF FINANCE**
