

REPUBLIC OF SOUTH AFRICA

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**PORTFOLIO COMMITTEE AMENDMENTS  
TO  
ARMAMENTS CORPORATION  
OF SOUTH AFRICA, LIMITED  
BILL**

[B 18—2003]

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*(As agreed to by the Portfolio Committee on Defence (National Assembly))*

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## AMENDMENTS AGREED TO

### ARMAMENTS CORPORATION OF SOUTH AFRICA, LIMITED BILL [B 18—2003]

#### CLAUSE 3

1. On page 4, in line 21, to omit “recognised” and to substitute “accepted”.

#### CLAUSE 4

1. On page 4, from line 40, to omit paragraph (b) and to substitute:
  - (b) manage such technology projects as may be required by the Department;
2. On page 4, from line 42, to omit paragraph (c) and to substitute:
  - (c) establish a programme management system in support of the acquisition and technology projects contemplated in paragraphs (a) and (b);
3. On page 4, from line 44, to omit paragraph (d) and to substitute:
  - (d) provide for a quality assurance capability in support of—
    - (i) the acquisition and technology projects contemplated in paragraphs (a) and (b); and
    - (ii) any other service contemplated in this section required by the Department;
4. On page 4, in line 46, to omit paragraph (e) and to substitute:
  - (e) establish a system for tender and contract management in respect of defence matériel and, if required in a service level agreement or if requested in writing by the Secretary for Defence, the procurement of commercial matériel;
5. On page 4, in line 49, to omit “and end-user administration service” and to substitute “administration system”.
6. On page 4, in line 50, to omit “agreements” and to substitute “law”.
7. On page 5, from line 1, to omit paragraph (k) and to substitute:
  - (k) provide marketing support to defence-related industries in respect of defence matériel, in consultation with the Department and the defence-related industries in question;
8. On page 5, in line 4, after “Department” to insert “in a service level agreement”.
9. On page 5, from line 8, to omit paragraph (n).
10. On page 5, from line 11, to omit paragraph (a) and to substitute:
  - (a) The Corporation may, with the approval of the Minister—

- (i) exploit such commercial opportunities as may arise out of the Corporation's duty to acquire defence matériel or to manage technology projects;
- (ii) procure commercial matériel on behalf of any organ of state at the request of the organ of state in question; and
- (iii) and subject to the National Conventional Arms Control Act, 2002 (Act No. 41 of 2002), Regulation of Foreign Military Assistance Act, 1998 (Act No. 15 of 1998), and Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993), perform any function which the Corporation may perform for or on behalf of the Department in terms of this Act for or on behalf of any sovereign State.

#### CLAUSE 5

1. On page 5, after line 21, to insert:
  - (1) The Corporation must enter into a service level agreement with—
    - (a) the Department in respect of any function contemplated in section 4 relating to the Department;
    - (b) any other organ of state on whose behalf the Corporation procures commercial matériel; and
    - (c) any foreign State in respect of any function contemplated in section 4(3)(a)(iii).
2. On page 5, in line 22, to omit “contemplated in section 4(2)(n)”.
3. On page 5, in line 23, to omit “Chief Executive Officer” and to substitute “Board”.
4. On page 5, in line 24, to omit “or other organ of state” and to substitute “, other organ of state or foreign State”.

#### CLAUSE 6

1. On page 5, in line 44, to omit paragraph (c) and to substitute:
  - (c) the Secretary for Defence and the Chief of the South African National Defence Force, who serve as *ex officio* members.

#### CLAUSE 7

1. On page 5, after line 55, to insert:
  - (4) Subject to section 6(1)(c), no officer or employee as defined in section 1 of the Public Service Act, 1994 (Proclamation No. 103 of 1994), or person appointed under a special contract contemplated in section 12A of that Act may be appointed as a member of the Board.
2. On page 6, from line 2, to omit paragraph (a) and to substitute:
  - (a) holds office for three years and may be re-appointed for one further term; and
3. On page 6, from line 5, to omit “who is not in the full-time service of the State”.
4. On page 6, in line 7, to omit “with the concurrence of” and to substitute “after consultation with”.

## CLAUSE 8

1. On page 6, from line 11, to omit paragraph (a) and to substitute:
  - (a) he or she becomes disqualified to serve on the Board by virtue of section 7(3) or (4);

## CLAUSE 11

Clause rejected.

## NEW CLAUSE

1. That the following be a new Clause:

**Chief Financial Officer**

**11.** The Chief Executive Officer must, in consultation with the Board, appoint the Chief Financial Officer for such period and on such conditions as the Board may determine.

## CLAUSE 12

1. On page 7, from line 1, to omit “after consultation with” and to substitute “on the recommendation of”.
2. On page 7, in line 2, to omit “with the approval of” and to substitute “after consultation with”.

## CLAUSE 13

1. On page 7, in line 4, to omit “directions of the Board” and to substitute “policies and procedures of the Corporation”.
2. On page 7, from line 8, to omit “, with the approval of the Minister and the concurrence of the Minister of Finance”.

## CLAUSE 15

1. On page 7, in line 43, to omit “any other source” and to substitute:

such other source as may be consistent with the objectives and functions of the Corporation

## CLAUSE 17

1. On page 8, in line 11, after “tender” to insert “and contract”.
2. On page 8, from line 11, to omit “, including tender placement, evaluation, adjudication, contract placement and contract management”.

## CLAUSE 18

1. On page 8, from line 25, to omit paragraph (c).
2. On page 8, from line 38, to omit subsections (2) and (3).

CLAUSE 19

1. On page 8, in line 50, to omit “instruct” and to substitute “assign”.
2. On page 8, in line 52, to omit “instruction” and to substitute “assignment”.
3. On page 9, in line 4, to omit “instruction” and to substitute “assignment”.

CLAUSE 20

1. On page 9, in line 9, to omit “may” and to substitute “must”.
2. On page 9, in line 10, to omit “, defence”.

CLAUSE 22

1. On page 9, in line 28, to omit “accounting officer of the Department” and to substitute:

Secretary for Defence in a service level agreement