

REPUBLIC OF SOUTH AFRICA

**PORTFOLIO COMMITTEE AMENDMENTS
TO
ESKOM AMENDMENT BILL**

[B 6-98]

(As agreed to by the Portfolio Committee on Public Enterprises (National Assembly))

[B 6A—98 (Reprint)]

REPUBLIEK VAN SUID-AFRIKA

**PORTEFEULJEKOMITEE-AMENDEMENTE
OP
ESKOMWYSIGINGS-
WETSONTWERP**

[W 6-98]

*(Soos goedgekeur deur die Portefeuljekomitee oor Openbare Ondernemings
(Nasionale Vergadering))*

[W 6A—98 (Herdruk)]

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AMENDMENTS AGREED TO

ESKOM AMENDMENT BILL [B 6-98]

CLAUSE 1

Clause rejected.

NEW CLAUSES

1. That the following be new Clauses:

Insertion of section 2A in Act 40 of 1987

1. The following section is hereby inserted in the Eskom Act, 1987 (hereinafter referred to as the principal Act), after section 2:

“Ownership of Eskom’s equity

2A. (1) The ownership of Eskom’s owner’s equity shall vest in the State.

(2) For the purposes of subsection (1), Eskom shall be deemed to be a company and its ‘owner’s equity’ shall be the claim which the shareholders of a company have on its assets as contemplated in the Companies Act, 1973 (Act No. 61 of 1973).

(3) The Minister shall take the necessary action to incorporate Eskom as a limited liability company with a share capital as contemplated in the Companies Act, 1973 (Act No. 61 of 1973).

(4) The State shall, upon the incorporation of the Company, be the only member and shareholder of the Company.”.

Amendment of section 4 of Act 40 of 1987

2. Section 4 of the principal Act is hereby amended by the substitution for subsection (3) of the following subsection:

“(3) The Minister may from time to time after consultation with the Minister of Minerals and Energy reserve matters, including matters relating to—

(a) national policy in connection with the generating and supply of electricity in the Republic; and

(b) the funding of electrification by Eskom in the Republic, and in respect of such matters issue directives to be followed by the Electricity Council.”.

CLAUSE 2

Clause rejected.

NEW CLAUSE

1. That the following be a new Clause:

Repeal of section 24 of Act 40 of 1987

3.(1) Subject to subsections (2) and (3), section 24 of the principal Act is hereby repealed.

(2) The Minister of Finance, after consultation with the Minister and the Minister of Minerals and Energy, shall determine the tax values of Eskom's capital assets for the purpose of calculating attributable wear and tear allowances as contemplated in the Income Tax Act, 1962 (Act No. 58 of 1962).

(3) (a) In granting any special tax allowances to Eskom, the Commissioner for the South African Revenue Service shall obtain the prior approval of the Minister of Finance.

(b) The Minister of Finance shall only grant such approval after consultation with the Minister and the Minister of Minerals and Energy.

NEW CLAUSE

1. That the following be a new Clause:

Laws amended

4. The laws mentioned in the Schedule are hereby amended to the extent indicated in the third column thereof.

CLAUSE 3

1. On page 2, from line 11, to omit all the words after "1998" up to and including "*Gazette*" in line 12.

LONG TITLE

1. On page 2, from the first line, to omit "reserves and other assets" and to substitute "owner's equity".

NEW SCHEDULE

1. That the following be a new Schedule:

SCHEDULE

LAWS AMENDED

(Section 4)

No. and year of law	Short title	Extent of amendment
Act No. 32 of 1948	Marketable Securities Act, 1948	The amendment of paragraph (c) of subsection (3) by the deletion of subparagraph (vii).
Act No. 40 of 1949	Transfer Duty Act, 1949	The amendment of subsection (1) by the deletion of paragraph (bA).
Act No. 77 of 1968	Stamp Duties Act, 1968	The amendment of paragraph (b) of subsection (1) by the deletion of subparagraph (iv).