

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA
NOTICE 167 OF 2020**

MR. HENRO KRUGER, MP

**NOTICE OF INTENTION TO INTRODUCE A PRIVATE MEMBER'S BILL
AND INVITATION FOR COMMENT ON THE DRAFT EASE OF DOING
BUSINESS BILL, 2020**

Mr Henro Kruger, MP acting in accordance with section 73(2) of the Constitution of the Republic of South Africa, 1996, intends to introduce the Ease of Doing Business Bill, 2020, in Parliament. An explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly (9th Edition).

Considering the cost of, and impact on the economy by, regulatory measures, the South African Cabinet in 2007 recognized a need for the consistent assessment of the socio-economic impact of regulatory measures. The Presidency consequently issued guidelines requiring Regulatory Impact Assessments (RIA) for all regulatory measures in 2012, which project was housed in Cabinet under the Deputy President. However, no clear compulsory measures were provided. In May 2015 the Presidency again issued guidelines called the Socio-Economic Impact Assessment System (SEIAS). These guidelines provided for a central unit within a department in the Presidency with corresponding functionality to be created in individual departments. From 1 June 2015, all Cabinet Memoranda that seek approval for draft primary legislation or secondary legislation must include an impact assessment that has been vetted by this central SEIAS Unit.

SEIAS estimates the costs and benefits of legislation, focussing on the different socio-economic groups created by inequality in the South African society. It accepts that because of inequality, some costs may be unavoidable. Although this approach is commendable, SEIAS by itself does not sufficiently address the cost of red tape. Assessing the impact of regulatory measures on the economy will improve the effectiveness, efficiency and the impact of government interventions. Specifically for developing countries impact assessments have the potential to contribute to poverty alleviation by reducing business entry costs and creating a regulatory environment that is friendly to small businesses, thus driving economic growth. It is necessary for South Africa to entrench this duty in legislation as it allows for certainty and uniformity.

The Ease of Doing Business Bill, 2020 (“draft Bill”) therefore seeks to provide for the assessment of regulatory measures developed by the executive, members and committees of Parliament and self-regulatory bodies. This assessment will consider the socio-economic impact of regulatory measures, including the detection and reduction of red tape and the cost of red tape for businesses.

The draft Bill provides for—

- the establishment of a central administrative unit to manage the RIA process. It also provides for the fiduciary duties, functions, powers and reporting duties of the RIA Unit. One of the functions of this Unit will be to provide for assistance to businesses in overcoming red tape;
- the evaluation of new regulatory measures. In this regard, the draft Bill places responsibilities on Ministers, members of Parliament, parliamentary committees and self-regulatory bodies when developing regulatory measures. It also provides for the mapping of such regulatory measures to determine whether a RIA is required and if so, the process to be followed. The draft Bill will also provide for instances that are exempted from these processes; and
- the evaluation of existing regulatory measures by Ministers and self-regulatory bodies. It further requires the development of a plan to reduce red tape and the costs thereof in existing regulatory measures.

Interested parties and institutions are invited to submit written representations on the proposed content of the draft Bill to the Speaker of the National Assembly within 30 days of the publication of this notice. Representations can be delivered to the Speaker, New Assembly Building, Parliament Street, Cape Town; mailed to the Speaker, P O Box 15 Cape Town 8000, or emailed to speaker@parliament.gov.za and copied to lurwinj@da.org.za.

Copies of the Ease of Doing Business Bill, 2020 may, after introduction, be obtained from:

The Democratic Alliance

PO Box 15, Cape Town, 8000

Attention: Mr L Jeneke

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