

COMMITTEES ON FINANCE, PUBLIC ACCOUNTS AND PUBLIC SERVICES ADMINISTRATION CLARIFY PURPOSE OF MEETING WITH STEINHOFF



Parliament, Monday, 29 January 2018 – Attached is the [draft programme](#) of the briefing organised by the Standing Committee on Finance, the Standing Committee on Public Accounts and the Portfolio Committee on Public Service and Administration on Steinhoff, to take place on Wednesday, 31 January.

The meeting is not a public hearing, in which any interested organisation or individual could participate, but a briefing by Steinhoff and the institutions that have been invited.

It is an initial meeting for the Committees to gain a clearer idea of what happened at Steinhoff. It is also to establish what role regulatory and statutory bodies and the Johannesburg Stock Exchange have in investigating the matter, and also what role the government and the relevant parliamentary Committees must play. We are also interested to know about the cooperation between the regulators and other statutory bodies in South Africa, and in Germany, the Netherlands and elsewhere.

The aim of the briefing is not to supplant the role of the Financial Services Board, the South African Reserve Bank, the Independent Regulatory Board for Auditors and other regulatory bodies that are legally mandated to investigate the matter, and have the forensic, technical and other capacity to do so. The Briefing will not seek to pre-empt the outcomes of these very important investigations.

The briefing on Wednesday is not a Commission of Inquiry, but part of our necessary oversight role over the regulatory bodies that are investigating Steinhoff. We want them to clarify what they have done since the Steinhoff crisis broke, the scope of their investigations, their timelines, and when they intend to finish and report back to Parliament. We believe they need to be thorough but also swift and decisive.

We understand that Steinhoff is being investigated by a range of organisations here and in other countries. Court actions being considered against it and there are market-sensitive issues at stake. Within these constraints, we believe Steinhoff should still answer to Parliament in the public interest. After all, the collapse of Steinhoff shares has implications for public servants. Any material losses would have to be made up through the national fiscus, because government employees have a defined benefit fund.

However, our concern is not just with government employees, but all workers and others who have lost out in what may well be the biggest corporate scandal South Africa has faced. We are also concerned about possible job losses in Steinhoff companies.

Parliament's lawyers are engaging with Steinhoff's lawyers on the legal parameters of their participation in the briefing.

The Government Employees' Pension Fund and the Public Investment Corporation will also report on the implications for them of the Steinhoff collapse, what they have done since the crisis and the lessons they have already drawn about their investment decisions.

Over time, consideration will also need to be given to whether there is a need for policy and regulatory changes, to reduce the prospects of Steinhoff-type failures in the future.

The Committees will consider how they jointly and separately take issues forward after the briefing.

Other parliamentary Committees also have oversight functions related to Steinhoff, such as Trade and Industry, Police, and Justice and Constitutional Development Committees. Our three Committees will engage with them in this regard.

ISSUED BY PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSONS, MR YUNUS CARRIM, MR THEMBA GODI AND MR CASSEL MATHALE

Name: Mr Justice Molafo
Parliamentary Communication Services
Tel: 021 403 8444
Cell: 081 424 7481
E-mail: jmolafo@parliament.gov.za