

FINANCIAL AND FISCAL COMMISSION ACT 99 OF 1997

(English text signed by the President)

[Assented To: 26 November 1997]

[Commencement Date: 1 January 1998]

as amended by:

Financial and Fiscal Commission Amendment Act 25 of 2003

Financial and Fiscal Commission Amendment Act 4 of 2015

[with effect from 7 July 2015]

ACT

To give effect to the constitutional requirements relating to the Financial and Fiscal Commission; and to provide for matters in connection therewith.

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[Arrangement of Sections amended by s. 20 of Act 4/2015]

1. Definitions

In this Act, unless the context indicates otherwise -

“chief executive officer” means the chief executive officer appointed in terms of [section 19\(1\)](#);

[Definition of “chief executive officer” inserted by s. 1 of Act 4/2015]

“Commission” means the Financial and Fiscal Commission referred to in [section 2](#);

“employee”, except in [sections 20](#) (1), [21](#) and [33](#), includes a member of the public service seconded to the Commission;

“financial year” means the financial year beginning 1 April and ending 31 March the ensuing year;

[Definition of “financial year” substituted by s. 1 of Act 4/2015]

“Independent Commission” means the Independent Commission for the Remuneration of Public Office-bearers established by [section 2](#) of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997 (Act No. 92 of 1997);

[Definition of “Independent Commission” inserted by s. 1 of Act 4/2015]

“Minister” means the Minister of Finance;

“organ of state” means the same as in [section 239](#) of the Constitution;

“President” means the President acting as head of the national executive in terms of [section 85](#) of the Constitution;

“Public Finance Management Act” means the Public Finance Management Act, 1999 (Act No. 1 of 1999);

[Definition of “Public Finance Management Act” inserted by s. 1 of Act 4/2015]

“state department”

[Definition of “state department” deleted by s. 1 of Act 4/2015]

“this Act”

[Definition of “this Act” deleted by s. 1 of Act 4/2015]

PART 1

STATUS, FUNCTIONS AND POWERS OF COMMISSION

2. Status

The Financial and Fiscal Commission established by [section 220](#) of the Constitution is a juristic person, independent and subject only to the Constitution, this Act and the law.

3. Functions

(1) The Commission makes recommendations to organs of state on financial and fiscal matters in accordance with [section 220](#) of the Constitution.

[Subs. (1) substituted by s. 2 of Act 4/2015]

(2) The Commission -

(a) must perform the functions mentioned in subsection (1) to the extent that its performance of those functions are envisaged in the Constitution or required by national legislation; and

(b) may perform those functions -

(i) on its own initiative; or

(ii) on request of an organ of state.

(2A)

- (a) An organ of state in one sphere of government which seeks to assign a power or function to an organ of state in another sphere of government in terms of a law must first, before assigning the power or function-
- (i) notify the Commission of the fiscal and financial implications of such assignment on-
- (aa) the future division of revenue raised nationally between the spheres of government as required by [section 214](#) of the Constitution;
- (bb) in the case of an assignment to a provincial or local organ of state, the fiscal power, fiscal capacity and efficiency of the relevant province or municipality; and
- (cc) any transfer of employees, assets and liabilities, if any; and
- (ii) request the recommendation of the Commission regarding such assignment.
[Subpara. (ii) substituted by s. 2 of Act 4/2015]
- (b) The Commission must, not later than 180 days from the date of its receipt of the notification and request contemplated in paragraph (a) or such other period agreed with the relevant organ of state, make such recommendation on the intended assignment as may be appropriate.
[Para. (b) substituted by s. 2 of Act 4/2015]
- (c) An assignment contemplated in paragraph (a) has no legal force unless the organ of state making such assignment has requested and given consideration to the Commission's recommendation contemplated in paragraph (b).
[Para. (c) substituted by s. 2 of Act 4/2015]
- (d) The organ of state assigning any power or function to another organ of state must in an accompanying memorandum explain to the Commission, the organ of state to which a power or function is being assigned, the National Treasury and any other functionary responsible for authorising such assignment, the extent to which it has considered and taken into account the Commission's recommendation contemplated in paragraph (b).
[Para. (d) substituted by s. 2 of Act 4/2015]
- (e) Despite paragraph (c), if the Commission does not make a recommendation within the period contemplated in paragraph (b), the relevant organ of state may, after consultation with the National Treasury, proceed to assign a power or function to another organ of state if such assignment takes into account the measures referred to in subsection (2A)(a)(i).
[Para. (e) substituted by s. 2 of Act 4/2015]

[Sub-s. (2A) inserted by s. 1 of Act 25/2003]

- (2B) An organ of state must notify the Commission or request the Commission to perform a function in the form prescribed by the Commission.

[Sub-s. (2B) inserted by s. 1 of Act 25/2003]

- (2C) If the Commission fails to comply with subsection (2A)(b), the Commission must submit written reasons for such failure to Parliament, and if appropriate, also to the relevant provincial legislature.

[Sub-s. (2C) inserted by s. 1 of Act 25/2003]

- (2D) Before requesting the recommendation of the Commission, the organ of state seeking to assign the power or function must, in the case-

[Words preceding para. (a) substituted by s. 2 of Act 4/2015]

- (a) of a national organ of state, obtain the written approval of the National Treasury; or
- (b) of a provincial organ of state, obtain the written approval of the provincial treasury.

[Sub-s. (2D) inserted by s. 1 of Act 25/2003]

- (3) The Commission must be impartial.

- (4) No person or organ of state may interfere with the functioning of the Commission.

- (5) All organs of state must assist the Commission to perform its functions effectively.

[Sub-s. (5) substituted by s. 1 of Act 25/2003]

- (6) The Commission must submit for tabling copies of all its recommendations made in terms of a provision of the Constitution to both Houses of Parliament and to the provincial legislatures.

4. Powers

- (1) The Commission is responsible for determining and overseeing the strategic direction and the operational policy of the Commission, and may do all that is necessary or expedient to perform its functions effectively, which includes the power to-

[Words preceding para. (a) substituted by s. 3 of Act 4/2015]

- (a) determine its own staff establishment and appoint employees in posts on the staff establishment;
- (b) obtain the services of any person, including any organ of state or institution to perform any specific act or function;
- (c) confer with any person or organ of state;

- (d) acquire or dispose of any right in or to property, but ownership in immovable property may be acquired or disposed of only with the consent of the Minister;
 - (e) open, and operate on, its own bank accounts;
 - (f) insure itself against any loss, damage, risk or liability;
 - (g) perform legal acts, or institute or defend any legal action in its own name;
 - (h) do research and publish reports; and
 - (i) do anything that is incidental to the exercise of any of its powers.
- (2) The Commission may not borrow money or overdraw its bank accounts.

PART 2

MEMBERSHIP OF COMMISSION

5. Composition

- (1) In terms of [section 221](#)(1) of the Constitution, the Commission consists of the following women and men appointed by the President:
- (a) A chairperson and a deputy chairperson;
 - (b) three persons selected, after consulting the Premiers, from a list compiled in accordance with the process set out in subsection (2);
 - (c) two persons selected, after consulting organised local government, from a list compiled in accordance with the process set out in [section 5](#) of the Organised Local Government Act, 1997 (Act No. 52 of 1997); and
 - (d) two other persons.
- (2) (a) Whenever there is a vacancy on the Commission in respect of the members contemplated in subsection (1)(b) the Minister, within 14 days of receiving the Commission's written notification of the vacancy, must notify each Premier accordingly and each Premier may nominate one person for appointment to the Commission.
- (b) The Minister must compile a list of the nominees and must circulate the list to each Premier.
 - (c) The Premiers must endeavour to reach consensus on a short-list of nominees, comprising at least one name more than the number of vacancies that must be filled.

- (d) If the Premiers reach consensus on a short-list, that short-list is the list contemplated in subsection (1)(b).
 - (e) If the Premiers cannot reach consensus, the list of nominees circulated in terms of paragraph (b) must be regarded as being the list contemplated in subsection (1)(b).
- (3) The President must make an appointment to fill a vacancy on the Commission within a period of six months from the date when the vacancy occurs.
- [Subs. (3) substituted by s. 4 of Act 4/2015]
[S. 5 substituted by s. 2 of Act 25/2003]

6.

[S. 6 repealed by s. 5 of Act 4/2015]

7. Qualifications

A member of the Commission must have appropriate expertise.

8. Terms of office

- (1) Members of the Commission are appointed for a term of office not exceeding five years.
 - (2) The appointment basis of-
 - (a) the Chairperson of the Commission is full-time; and
 - (b) other members of the Commission are part-time.
 - (3) When the term contemplated in subsection (1) expires, a member may, subject to subsection (4), be reappointed in accordance with [section 5](#).
 - (4) A person may not hold office as a member of the Commission for a period of more than 10 consecutive years.
 - (5) Despite subsection (1), a member of the Commission who immediately before the commencement of section 6 of the Financial and Fiscal Commission Amendment Act, 2015, was appointed on a full-time basis continues to serve on a full-time basis until that member's term expires.
- [S. 8 substituted by s. 6 of Act 4/2015]

9. Remuneration, allowances and benefits

- (1) Members of the Commission shall be entitled to such remuneration, allowances and other benefits-
 - (a) as determined by the President, from time to time, by notice in the *Gazette*, taking into consideration the recommendations of the Independent Commission; and

- (b) approved by the National Assembly in terms of subsection (5).
- (2) The remuneration of a member shall not be reduced, nor shall the allowances and other terms and conditions of office and service benefits be adversely altered, during the term of office of the member.
- (3) The Independent Commission shall, when investigating or considering the remuneration, allowances and other terms and conditions of office and service benefits of the members of the Commission, consult with the Minister.
- (4) A notice in terms of subsection (1)(a) or any provision thereof may commence with effect from a date specified in the notice, which date may not be more than one year before the date of publication of the notice.
- (5)
 - (a) A notice issued under subsection (1)(a) shall be submitted to the National Assembly for approval before publication thereof.
 - (b) The National Assembly shall, by resolution-
 - (i) approve the notice, whether in whole or in part; or
 - (ii) disapprove the notice.

[S. 9 substituted by s. 7 of Act 4/2015]

10. Resignations

A member of the Commission may resign by giving at least three months' written notice to the President, but the President may accept a shorter notice period in a specific case.

11. Removal from office

- (1) The President may remove a member of the Commission from office, but only on the ground of misconduct, incapacity or incompetence.
- (2) A decision to remove a member on the ground of misconduct or incompetence must be based on a finding to that effect by a tribunal appointed by the President.
- (3) The President may suspend a member of the Commission from office while awaiting the finding of the tribunal concerning that member.
- (4) The President must consult-
 - (a) the Premiers before removing from office a member contemplated in [section 5\(1\)\(b\)](#); or
 - (b) organised local government before removing from office a member contemplated in [section 5\(1\)\(c\)](#).

[Sub-s. (4) substituted by s. 3 of Act 25/2003]

12.

[S. 12 repealed by s. 8 of Act 4/2015]

13. Acting Chairperson

If the Chairperson of the Commission is absent from office or otherwise unable to perform the functions of office, or during a vacancy in the office of Chairperson, the Deputy Chairperson acts as Chairperson.

PART 3

OPERATING PROCEDURE OF COMMISSION

14. Meetings

- (1) The Commission decides when and where it meets, or may authorise the Chairperson to decide on its behalf.
- (2) At least four meetings must be held each year.
- (3) The Chairperson or the Deputy Chairperson presides at meetings of the Commission, but if both are absent from a meeting, the members present must elect another member to preside at that meeting.

(4)

[Subs. (4) deleted by s. 9 of Act 4/2015]

15. Quorums

- (1) The majority of the members of the Commission constitutes a quorum for a meeting of the Commission.
- (2) A question before the Commission is decided with a supporting vote of at least two thirds of the members present.

16. Rules

[Heading of s. 16 substituted by s. 10 of Act 4/2015]

- (1) The Commission must -
 - (a) determine rules of procedure for the conduct of its business;
[Para. (a) amended by s. 10 of Act 4/2015]
 - (b) keep minutes of its proceedings and decisions; and
[Para. (b) amended by s. 10 of Act 4/2015]
 - (c) make rules regarding the effective corporate governance of the Commission, the distinct roles of, and the relationship between, the Chairperson of the Commission and the chief executive officer and the conduct of the employees of the Commission.
[Para. (c) added by s. 10 of Act 4/2015]

[Existing provision numbered as subs. (1) by s. 10 of Act 4/2015]

- (2) The Commission may, after consultation with the Minister, by notice in the Gazette, make rules regarding-
 - (a) requests by organs of state for the Commission to make recommendations in terms of section 3(2)(b)(ii);
 - (b) a power for the Commission to call for the production of books, documents or other objects, or to summon any person as a witness, cause an oath or affirmation to be administered to the person, or to examine the person; or
 - (c) any other ancillary or incidental administrative or procedural matter that is necessary to prescribe for the proper performance by the Commission of its functions.

[Subs. (2) inserted by s. 10 of Act 4/2015]

17. Committees

- (1) The Commission may -
 - (a) appoint one or more committees to assist the Commission in the performance of any of its functions or the exercise of any of its powers; or
 - (b) dissolve a committee at any time.
- (2) A committee consists of -
 - (a) two or more Commission members; or
 - (b) at least one Commission member and at least one other person.
- (3) The Commission -
 - (a) must determine the functions of a committee;
 - (b) must appoint the chairperson and members of a committee, but only a Commission member may be appointed as the chairperson;
 - (c) may dismiss a member of a committee at any time;
 - (d) may determine a committee's procedure; and
 - (e) must determine, after consulting the Minister, the remuneration, allowances and other benefits of office of members of a committee who are not Commission members or employees.

18. Assignment of powers and duties

- (1) The Commission may -

- (a) delegate any of the Commission's powers to a Commission member, committee or employee; or
 - (b) instruct any Commission member, committee or employee to perform any of the Commission's duties.
- (2) A delegation or instruction in terms of subsection (1) -
- (a) is subject to any conditions the Commission may impose; and
 - (b) does not divest the Commission of the responsibility concerning the exercise of the power or the performance of the duty.
- (3) The Commission may confirm, vary or revoke any decision taken by a Commission member, committee or employee in consequence of a delegation or instruction.

18A. Conduct of members

- (1) A member of the Commission-
- (a) must perform the functions of his or her office in good faith and without fear, favour or prejudice;
 - (b) must disclose to the Commission any personal or private business interest which that member or that member's family member may have in any matter before the Commission, and must withdraw from the proceedings of the Commission when that matter is considered, unless the Commission decides that the member's interest in the matter is trivial or irrelevant;
 - (c) may not use the position or privilege of a member for private gain or to benefit another person improperly;
 - (d) may not act in any other way that compromises the credibility, impartiality, independence or integrity of the Commission; and
 - (e) must comply with the rules of conduct determined by the Minister by notice in the *Gazette*, after consultation with the Commission.
- (2) For the purposes of this section, 'family member' means a person's-
- (a) spouse;
 - (b) permanent life partner; or
 - (c) child, parent, brother or sister, whether such a relationship results from birth, marriage or adoption.

- (3) A member of the Commission who contravenes or fails to comply with subsection (1) commits misconduct.

[S. 18A inserted by s. 11 of Act 4/2015]

PART 4

ADMINISTRATION AND STAFF MATTERS

19. Chief executive officer and other staff of Commission

[Heading of s. 19 substituted by s. 12 of Act 4/2015]

- (1)
- (a) The Commission must, in accordance with [section 4](#)(1)(a) and for a renewable period not exceeding five years at a time, appoint a suitably qualified and experienced person as the chief executive officer, who must also be the accounting officer of and the Secretary to the Commission;
- (b) If a member of the Commission is appointed as chief executive officer of the Commission, the member is regarded as having resigned as a member of the Commission with effect from the date of assumption of duty as chief executive officer.

[Subs. (1) substituted by s. 12 of Act 4/2015]

- (2) As chief executive officer of the Commission, the person referred to in subsection (1) is responsible for-

[Words preceding para. (a) substituted by s. 12 of Act 4/2015]

- (a) the formation and development of an efficient administration;
- (b) the organisation, control and management of the staff;
- (c) the maintenance of discipline; and
- (d) the carrying out of the decisions of the Commission.

- (3) As accounting officer of the Commission, the person referred to in subsection (1) is responsible for-

[Words preceding para. (a) substituted by s. 12 of Act 4/2015]

- (a) all income and expenditure of the Commission;
- (b) all assets and the discharge of all liabilities of the Commission; and
- (c) the proper and diligent implementation of Part 5; and

[Para. (c) amended by s. 12 of Act 4/2015]

- (d) all the functions and duties of an accounting officer of a constitutional institution in terms of the Public Finance Management Act.

[Para. (d) added by s. 12 of Act 4/2015]

- (4) The chief executive officer may-

- (a) delegate any of his or her powers to any other employee of the Commission; or
 - (b) instruct any other employee of the Commission to perform any of his or her duties.
[Subs. (4) added by s. 12 of Act 4/2015]
- (5) A delegation or instruction in terms of subsection (4)-
- (a) is subject to any conditions the chief executive officer may impose; and
 - (b) does not divest the chief executive officer of the responsibility concerning the exercise of the power or the performance of the duty.
[Subs. (5) added by s. 12 of Act 4/2015]
- (6) The chief executive officer may confirm, vary or revoke any decision taken by an employee in consequence of a delegation or instruction in terms of subsection (4).
[Subs. (6) added by s. 12 of Act 4/2015]

20. Terms and conditions of employment

- (1) An employee of the Commission is employed subject to the terms and conditions of employment determined by the Commission.
- (2) Persons in the public service seconded to the Commission perform their duties subject to the control and discipline of the chief executive officer of the Commission.
[Subs. (2) substituted by s. 13 of Act 4/2015]

21. Pension benefits

- (1) A person appointed as an employee of the Commission may become a member of the Government Employees' Pension Fund mentioned in [section 2](#) of the Government Employees' Pension Law, 1996 (Proclamation No. 21 of 1996).
- (2) An employee of the Commission who becomes a member of that pension fund, is entitled to pension and retirement benefits as if that person is an employee in the public service, as defined in [section 1](#) of the Public Service Act, 1994.
[Subs. (2) substituted by s. 14 of Act 4/2015]

22. Services of non-employees

If the Commission contracts for the services of any person, other than an employee, to perform any specific act or function, the Commission may remunerate that person, and may reimburse that person for expenses.

PART 5

FINANCES OF COMMISSION

23. Funding

- (1) The Commission is entitled to money appropriated annually by Parliament to enable it to perform its functions effectively.
- (2) For the purposes of subsection (1) the Chairperson of the Commission -
 - (a) must submit to the Minister during each financial year, but before a date set by the Minister, estimates of the Commission's income and expenditure for the next financial year; and
 - (b) may submit to the Minister at any time during a financial year estimates of the Commission's income and expenditure supplementary to those mentioned in paragraph (a).
- (3) When submitting estimates the Chairperson must disclose full particulars of any income which has accrued, or is expected to accrue, to the Commission from a source other than an appropriation by Parliament.
- (4) The Commission must refund to the National Revenue Fund any money paid to the Commission in terms of subsection (1) that has not been used at the end of a financial year, unless the Minister agrees that the Commission may retain the money.

24. Accountability

As accounting officer of the Commission, the chief executive officer must -
[Words preceding para. (a) substituted by s. 15 of Act 4/2015]

- (a) keep full and proper records of -
 - (i) all income and expenditure of the Commission; and
 - (ii) all the Commission's assets, liabilities and financial transactions;
- (b) ensure that the Commission's available resources are properly safeguarded and used in the most efficient and effective way;
- (c) ensure that all statutory measures applicable to the Commission are complied with; and
- (d) within two months after the end of each financial year, prepare annual financial statements as required by the Public Finance Management Act.
[Para. (d) substituted by s. 4 of Act 25/2003 and s. 15 of Act 4/2015]

25. Audits

The Auditor-General must audit the accounts and financial records of the Commission.

PART 6

MISCELLANEOUS

26. Annual report

- (1) The Commission must annually submit to both Houses of Parliament, to each provincial legislature and to the national organisation representing organised local government recognised in terms of the Organised Local Government Act, 1997, a report on the activities of the Commission during a financial year.
- (2) The report must be submitted in accordance with [section 40](#)(1)(e) of the Public Finance Management Act, and must include-
[Words preceding para. (a) substituted by s. 16 of Act 4/2015]
 - (a) a summary of all recommendations made by the Commission in terms of a requirement of the Constitution; and
 - (b) audited financial statements reflecting the Commission's financial affairs during the year, as required by the Public Finance Management Act.
[Para. (b) substituted by s. 5 of Act 25/2003 and s. 16 of Act 4/2015]

27. Information required by Commission

- (1) The Commission may obtain information it requires for the performance of its functions from Statistics South Africa, referred to in section 4(1) of the Statistics Act, 1999 (Act No. 6 of 1999), or any other organ of state or person the Commission considers appropriate.
[Subs. (1) substituted by s. 17 of Act 4/2015]
- (2) Any information which the Commission requires for the performance of its functions and which is available to an organ of state or to any institution that derives any funds from the National Revenue Fund, a Provincial Revenue Fund or a municipality, must be supplied free of charge to the Commission, on the Commission's request, by that organ of state or institution.

28. Liability of Commission

- (1) The State Liability Act, 1957 (Act No. 20 of 1957), applies, with the necessary changes, in respect of the Commission, and in such application a reference in that Act to the Minister of a department concerned must be construed as a reference to the Chairperson of the Commission.
- (2) No person, including the Commission, is liable for anything done or omitted in good faith when performing a function or exercising a power in terms of this Act.

29. Protection of confidential information

- (1) No person may disclose any information acquired on a confidential basis in the course of the application of this Act, except when -
 - (a) necessary for the purposes of this Act;

- (b) required in terms of other legislation or the law;
 - (c) required in the course of legal proceedings; or
 - (d) a court so orders.
- (2) A person who contravenes subsection (1) is guilty of an offence and on conviction liable to a fine or to imprisonment not exceeding one year or to a fine and imprisonment.

30.
[S. 30 repealed by s. 18 of Act 4/2015]

PART 7

TRANSITIONAL ARRANGEMENTS

31.
[S. 31 repealed by s. 18 of Act 4/2015]

32.
[S. 32 repealed by s. 18 of Act 4/2015]

33.
[S. 33 repealed by s. 18 of Act 4/2015]

34.
[S. 34 repealed by s. 18 of Act 4/2015]

35. Short title and commencement

This Act is called the Financial and Fiscal Commission Act, 1997, and takes effect on 1 January 1998.