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MEDIA STATEMENT

04 JULY 2019

STATEMENT BY THE PIC COMMISSION OF INQUIRY

The PIC Commission of Inquiry was established by President Ramaphosa in October 2018 to enquire into, make findings report on and make recommendations on the matters set out in its 17 terms of reference, including:

Whether any alleged impropriety regarding investment decisions by the PIC in media reports in 2017 and 2018 contravened any legislation, PIC policy or contractual obligations and resulted in any undue benefit for any PIC director, or employee or any associate or family member of any PIC director or employee at the time.

The Commission must, in its enquiry for the purpose of its findings, consider the period 1 January 2015 to 31 August 2018.

Whether the PIC has given effect to its clients' mandate as required by the Financial Advisory and Intermediary Services (FAIS) Act (Act No 37 of 2002) and any applicable legislation.

The Commission may, if necessary, investigate and make findings and recommendations on any other matter regarding the PIC, regardless of when it is alleged to have occurred, on condition that such other investigations, findings and recommendations do not cause any delay in the submission of the report on the applicable dates.

The Commission is committed to conducting the public hearings that commenced on January 21st 2019, in an open and transparent manner without fear or favour. Only once all witnesses who have come forward have testified will the evidence presented

be considered and evaluated, in keeping with the Terms of Reference, and a final report, containing the Commission's findings and recommendations, submitted to the President for his consideration.

The testimonies of over 70 witnesses, who have appeared before the Commission, have alleged multiple breaches of governance by the PIC, violations of PIC policies, victimisation, allegations of an organisation beset by a climate of fear, the ignoring of due processes and procedures and a disregard for the various delegations of authority. In addition, witnesses have raised questions about the effectiveness and functionality of the PIC Board and executive.

The testimony of the scores of witnesses has guided the further investigations undertaken by the Commission. Given that the Isibaya Fund, focused on unlisted investments, is the critical and primary vehicle through which the PIC's mandate for transformation, empowerment and development is given effect to, the bulk of recipients of PIC funding and/or investments are primarily a wide range of black entrepreneurs, companies and business initiatives. Thus, in looking into allegations of impropriety by the PIC it is inevitable that counterparties to such investments will also come under the spotlight. There is absolutely no substance to the allegations that the Commission is focused negatively on black business.

To date allegations relating to, at least, 38 transactions have been brought to the attention of the Commission and are at various stages of investigation. Transactions that have been brought to the hearings are those in respect of which there appears to be evidence of possible impropriety. These transactions have been both within South Africa as well as in a number of other African countries, and cover different types of transactions and investments. The testimonies presented, and the focus of the work of the Commission, are in keeping with the Terms of Reference that guide its work.

The Commissioners considered the allegations of racism arising from the testimony of PIC CFO Ms M More that have been made against Evidence Leader, Advocate J Lubbe SC. They concluded that there was nothing in the private meeting, held off the record and without prejudice, which Ms More agreed to, that warrants further investigation or action on the part of the Commission. The full transcript of the interaction is available on the Commission's website.

The Commission's task is to unearth impropriety wherever it is to be found in the functioning of the PIC, whether this is with regard to governance, victimisation, investments or transactions.

From inception the Chairperson of the Commission has repeatedly called upon anyone, irrespective of the nature of the transaction, to come forward with information they may have that can assist the Commission in its task. Notwithstanding that the Commission's term is due to end on 31 July 2019, this request is hereby reiterated.

ISSUED BY THE PIC COMMISSION