Act No. 26, 2002 DISESTABLISHMENT OF SOUTH AFRICAN HOUSING TRUST LIMITED ACT, 2002

(English text signed by the President.)
(Assented to 2 December 2002)

ACT

To disestablish the South African Housing Trust Limited; to transfer the rights and assets of the South African Housing Trust Limited to the National Housing Finance Corporation; to vest the obligations and liabilities of the South African Housing Trust Limited in the Government of the Republic of South Africa; and to provide for matters in connection therewith.

PREAMBLE

WHEREAS the South African Housing Trust Limited was incorporated in terms of the Companies Act, 1973 (Act No. 61 of 1973), as a company having a share capital with its main business being the promotion of the construction of low-cost housing in South Africa;

AND WHEREAS the above company was funded mainly by the Government of the Republic of South Africa and the private sector to carry out its main function;

AND WHEREAS the Government of the Republic of South Africa is currently the sole shareholder in the company;

AND WHEREAS agreement has been reached between the South African Housing Trust Limited and the National Housing Finance Corporation in terms of which the South African Housing Trust Limited is to transfer, for a nominal amount, its rights and assets to the National Housing Finance Corporation;

AND WHEREAS the Government of the Republic of South Africa will assume responsibility for the obligations and liabilities of the South African Housing Trust Limited;

AND WHEREAS it is no longer expedient for the Government of the Republic of South Africa to fund low-cost housing or to obtain funding for low-cost housing from the private sector, through the company;

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:-

Definitions

1. In this Act, unless the context indicates otherwise-

"Company" means the South African Housing Trust Limited;

"Companies Act" means the Companies Act, 1973 (Act No. 61 of 1973);

"effective date" means 1 September 2002;

"financial year" means the period from 1 April in any year to 31 March in the following year;

"Government" means the Government of the Republic of South Africa;

"Minister" means the Minister of Housing.

Disestablishment of South African Housing Trust Limited

2. (1) As from the effective date the Company ceases to exist as a company in terms of the Companies Act and must for the purposes of that Act be regarded as having been wound up.

(2) The Registrar of Companies must deregister the Company as a company in terms of the Companies Act with effect from the effective date.

Consequences of disestablishment

3. As from the effective date–

(a) all rights and assets of the Company, including the administrative, financial and other records of the Company, vest in the National Housing Finance Corporation referred to in section 3(6)(b) of the Housing Act, 1997 (Act No. 107 of 1997);

(b) all obligations and liabilities of the Company vest in the Government as part of the national debt, and the Government must meet these obligations and liabilities on the dates stipulated for compliance; and

(c) the directors of the Company retire as directors of the Company in terms of an agreement between the directors and the Government.

Effects on National Revenue Fund

4. (1) Any payment made by the Government after the effective date but during the financial year starting on 1 April 2002 to meet an obligation or a liability contemplated in section 3(b) must be a direct charge against the National Revenue Fund to the extent that such payment cannot be defrayed from funds appropriated under the Housing Vote in the relevant Appropriation Act.

(2) Payment of interest on and repayment of any obligations and liabilities in subsequent financial years are a direct charge against the National Revenue Fund as if they were payments in connection with loans as contemplated in section 73 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

Short title

5. This Act is called the Disestablishment of South African Housing Trust Limited Act, 2002.