



**the dpsa**

Department:  
Public Service and Administration  
**REPUBLIC OF SOUTH AFRICA**

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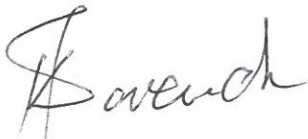
## **CIRCULAR NO. EIM 1/2016**

**TO: ALL HEADS OF NATIONAL DEPARTMENTS, OFFICES OF PREMIER, PROVINCIAL DEPARTMENTS AND GOVERNMENT COMPONENTS**

### **TRANSITIONAL ARRANGEMENTS IN THE PUBLIC SERVICE REGULATIONS, 2016: CONDUCTING BUSINESS WITH AN ORGAN OF STATE**

1. The Minister for Public Service and Administration issued Public Service Regulations, 2016 (PSR, 2016) with effect from 1 August 2016.
2. In terms of transitional arrangements prescribed in Annexure 1 (2) of the PSR, 2016: "(2) An employee, who at the time of the coming into effect of these Regulations, conducts business with an organ of state or is a director of a company which conducts business with an organ of state, other than an employee who is in his or her official capacity a director of company listed in schedule 2 or 3 of the Public Finance Management Act, shall—
  - (a) within one month, disclose that the employee is conducting business with an organ of state or is a director of a company that conducts business with the organ of state;
  - (b) within six months-
    - (i) cease conducting business with the organ of the state or resign as an employee;
    - (ii) resign as a director of a company that conducts business with an organ of state or resign as an employee;
  - (b) if the employee does not resign within the six month period, the employee must submit proof that the employee has ceased conducting business or has resigned as a director of a company that conducts business with an organ of the state within a month of doing so."

3. The purpose of this circular is to draw the attention of Heads of Department (HOD) to these transitional arrangements and request the HOD to ensure that:
  - 3.1. By 31 August 2016 all employees who are conducting business with an organ of the state disclose such to the HOD. If the employee is an HOD, the disclosure should be made to the Executive Authority (EA). Attached is an example of a disclosure form;
  - 3.2. By 31 January 2017, all employees who are conducting business with an organ of state either resign as employees; or submit to the HOD (or in the case of an HOD, to the EA) proof that the employee has ceased conducting business; or has resigned as a director of a company that conducts business with an organ of the state; and
  - 3.3. This circular is brought to the attention of all employees.
4. Employees are encouraged to disclose in full, as the DPSA will perform an analysis thereof, which will guide the process further. Reporting measures in this regard will follow.
5. Your co-operation is appreciated.



**DIRECTOR-GENERAL**

**DATE:**

*23/08/2016*