



**the dpsa**

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

Private Bag X916, PRETORIA, 0001. Tel: (012) 336 1000, Fax: (012) 326 7802  
Private Bag X9148, CAPE TOWN, 8000. Tel: (021) 467 5120, Fax: (021) 467 5484

Enquiries: [SalomonH@dpsa.gov.za](mailto:SalomonH@dpsa.gov.za)/[modieгим@dpsa.gov.za](mailto:modieгим@dpsa.gov.za)  
(012) 336 1281

**TO: ALL HEADS OF DEPARTMENT AND GOVERNMENT COMPONENTS**

Dear Colleague,

**RE: FEEDBACK REQUIRED ON THE IMPLEMENTATION OF PUBLIC SERVICE REGULATIONS, 2016, REGULATION 13 (C): PROHIBITION REGARDING PUBLIC SERVICE EMPLOYEES CONDUCTING BUSINESS WITH AN ORGAN OF STATE**

Regulation 13 (c) of the Public Service Regulations 2016, promulgated in August 2016 by the Minister for Public Service and Administration, regulates as follows:

“An employee shall not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act;”

The above regulation prohibits public service employees from conducting business with an organ of state; either in a personal capacity or as a director of a private or public company.

To manage the implementation process, transitional arrangements were introduced under Public Service Regulations, 2016 that required the following of employees with business interests involving organs of state:

- To indicate to their HODs, not later than the end of August 2016, any business interests concerning an organ of state. DPSA issued a circular (EIM Circular 1) with a template for this purpose. Another Circular (EIM Circular 2) provided a template to be used by Departments to report the number of employees conducting business with an organ of state to the DPSA.

- To decide, by the end of January 2017, if they want to pursue a career in the Public Service or business interests that involves conducting business with an organ of state;
- To resign from the Public Service if the decision was to pursue business interests involving conducting business with an organ of state, or
- To resign from all interests where business are conducted with an organ of state, and by the end of February 2017 to provide proof of such resignation to their Heads of Department (HOD), and in the case of HODs, to their Executive Authorities.

This circular serves to remind HODs that employees who indicated they are conducting business with an organ of state, should have reported by the end of January 2017 if they want to remain Public Servants and should have forwarded you proof of their resignation from those business interests involving an organ of state. You should also be in a position to report on the number of employees who decided to resign, in order to pursue their business interests.

Herewith attached, please find a template to be used to disclose to the DPSA progress pertaining to the implementation of the transitional measures regarding the prohibition on Public Servants to conduct business with and organ of state.

The information should reach the DPSA not later than 7 March 2017. If you have any queries, your office is welcome to contact Dr Salomon Hoogenraad-Vermaak on 012 336 1281 or [SalomonH@dpsa.gov.za](mailto:SalomonH@dpsa.gov.za).

Kind regards



Mr. M DIPHOFA

**DIRECTOR-GENERAL: DEPARTMENT FOR PUBLIC SERVICE AND ADMINISTRATION**

Date: 24/02/2017