

South Africa

Inherited Debt Relief Act, 1998

Act 54 of 1998

Legislation as at 23 September 1998

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Inherited Debt Relief Act, 1998

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South Africa

Inherited Debt Relief Act, 1998

Act 54 of 1998

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Commenced on 23 September 1998

[This is the version of this document from 23 September 1998.]

(English text signed by the Acting President.)

ACT

To empower the Minister of Finance to borrow the amount of R936138 000 during the financial year ending on 31 March 1999, for the purpose of discharging certain debts of the former Transkei, Bophuthatswana, Venda and Ciskei and former self-governing territories of Gazankulu, Kangwane, Kwandebeie and Lebowa that had devolved upon certain provinces in terms of the [Constitution of the Republic of South Africa](#), 1993, and were still outstanding on 31 March 1995, and, where applicable, compensating such a province for its partial repayment of such a debt after that date; to make arrangements for the transfer to those provinces of the money so borrowed and for their payment of the balances outstanding on those debts; and to provide for incidental matters.

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

1. Definitions

In this Act, except if inconsistent with the context—

“**affected province**” means any one of the following provinces, namely—

- (a) Eastern Cape;
- (b) Mpumalanga;
- (c) North West; and
- (d) Northern Province;

“**former homeland**” means the former—

- (a) Republic of Transkei, Bophuthatswana, Venda or Ciskei; or
- (b) self-governing territory of Gazankulu, Kangwane, Kwandebele or Lebowa; and

“**inherited debt**” means the liabilities incurred on behalf of any former homeland, which—

- (a) in terms of section 239(3) of the [Constitution of the Republic of South Africa](#), 1993 ([Act No. 200 of 1993](#)), or by virtue of any allocation made in terms of that section, had devolved upon an affected province;
- (b) was still outstanding on 31 March 1995; and
- (c) is represented by the amount as specified in column 2 of the Schedule to this Act opposite the name of the affected province concerned (which is specified in column 1 of that Schedule).

2. Minister of Finance may borrow money to discharge affected provinces' inherited debts and compensate them for partial repayment

- (1) Despite the provisions of any other law, the Minister of Finance may borrow an amount of R936 138 000 during the financial year ending on 31 March 1999, for the purposes of settling the outstanding balances of the affected provinces' inherited debts and compensating any affected province for having partially settled its inherited debt after that date, as provided hereafter.
- (2) (a) The Minister of Finance will transfer to each affected province from the money so borrowed —
 - (i) the sum of money that may be required to settle the outstanding balance of the affected province's inherited debt; and
 - (ii) where applicable, a sum of money equivalent to the total amount the affected province had repaid on its inherited debt after 31 March 1995.
- (b) A transfer in terms of paragraph (a), will be made on the terms and conditions that the Minister of Finance determines, subject to subsection (3).
- (3) The money so transferred to an affected province for the purpose of settling the outstanding balance of its inherited debt, must be utilised for that purpose without delay.
- (4) An affected province must keep separate accounts in respect of the money so transferred to it.

3. Short title

This Act is called the Inherited Debt Relief Act, 1998.

Schedule

Inherited debts	
Column 1: Name of affected province	Column 2: Amount of inherited debt (R'000)
Eastern Cape	R596 700
Mpumalanga	R 58 281
North West	R189 124
Northern Province	R 92 033
Total (R'000):	R936 138