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## **MEDIA STATEMENT**

### **BUSA WELCOMES THE POSTPONEMENT OF THE EFFECTIVE DATE FOR THE CONSUMER PROTECTION ACT AND COMPANIES ACT TO 1 APRIL 2011.**

BUSA welcomes the decision by the Minister of Trade and Industry, Dr Rob Davies, to postpone the effective date for both the Consumer Protection Act and the Companies Act to 1 April 2011.

BUSA has led discussions between the private sector and the dti on these Acts and had approached the Minister regarding difficulties with meeting the original implementation dates.

We fully concur with the statement that “that this postponement will also give business and the public sufficient time to prepare themselves for compliance with the new laws”.

#### **The Companies Act:**

The postponement will allow for due process to be followed in the finalisation of the Companies Amendment Bill and its accompanying regulations. The regulations will require at least a further thirty day period for public comment.





Once those processes have been completed, additional time should be utilised for the development of comprehensive compliance programmes by business.

We note that the postponement does not relate to the establishment of the Companies and Intellectual Property Commission. In this regard, BUSA reiterates its calls for the Minister to act decisively to address challenges with CIPRO. In the opinion of BUSA CEO Jerry Vilakazi, “a fully functional CIPRO is critical, as CIPRO will in all practicalities be converted into the new Commission”. BUSA is also currently coordinating a private sector initiative to augment the situation with CIPRO, a key economic institution.

### **The Consumer Protection Act**

BUSA believes that the additional period should provide enough time for the National Consumer Commission, due to come into operation in the last quarter of 2010, to be properly resourced and capacitated.

The establishment of the Commission will provide the contact point for other regulatory authorities (e.g. the Financial Services Board and SA Reserve Bank) to apply for industry-wide exemptions from certain provisions of the Act and for the Commission to carry-out its various other functions, such as reviewing industry codes and making recommendations thereon to the Minister, and consulting with the Minister on draft Regulations. The Commission would not have been in a position to do this had the general effective date have remained the 24 October 2010.

Further, BUSA expects the Minister to shortly publish thresholds for the exemption of juristic persons from the Consumer Protection Act. Should this threshold not be published, all companies regardless of size will be subject to the Act.

Like the Companies Act, the additional time will allow for the finalisation of Regulations. From the drafting of the Act it is clear that the legislature intended the finalisation of the Regulations to coincide with the general effective date.

BUSA’s involvement with the key pieces of legislation, and in particular with the Minister of Trade and Industry is part of our contribution to the development of a transparent, predictable and consistent regulatory environment in South Africa.



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