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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2555

Mr. M J Cuthbert (DA) to ask the Minister of Trade, Industry and Competition:

- (1) What (a) return is the National Lotteries Commission (NLC) getting on each investment that it has and (b) are the full relevant details of the list of impairments on advances and/or investments;
- (2) what is the investment criteria policy of the NLC's investment committee, including the (a) type of investment (details furnished), (b) duration and/or period of the investment, (c) the investment quality (details furnished) and (d) which investments are not permitted? NW3226E

REPLY

I have been furnished with a reply to the question submitted, by Ms Thabang Mampane, Commissioner of the National Lotteries Commission, which is reproduced below.

“(1)(a) In the 2019/20 financial year the NLC achieved a return of 8,42%.

(b) In terms of Generally Recognised Accounting Practice (GRAP) 104, the NLC had fair value adjustment of R9,2 million during the 2019/20 financial year.

(2)(a) The NLC has an approved investment policy in compliance with Treasury Regulation 31.3.1. The following principles are noted from the approved investment policy-

- i) The pillars of the investment policy include amongst other Capital Preservation and maximization of returns.*
- ii) Monies that may be placed in long term investment products should be with banks that have bank guaranteed deposits*

- (b) In accordance with the approved investment policy, NLC investments in maturity periods of between 3 months to long-term of 5 years.*
- (c) The banks with which NLC invests are rated by the various rating agencies. The investment quality is determined by the investment ratings given by the rating agencies.*
- (d) The NLC is guided by an approved investment policy. Investments that do not have capital preservation are not permitted.”*

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