



Association of Black Securities & Investment Professionals
(ABSIP)

Country Club Estate, Building 2, Woodlands Drive,
Woodmead
PO Box 1701, Gallo Manor, 2052
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Email: info@absip.co.za / Website: www.absip.co.za

Newsletter Issue number 2 March 2012

Dear Members

This is the second issue of a monthly newsletter that is the responsibility of the Executive Committee of ABSIP. It contains brief summaries of news items relating to the activities of the organisation over the previous month and upcoming events.

We strongly encourage our members to provide inputs to the newsletter on either topic that is of relevance to the organisation and submit to Monica@Absip.co.za

Launch of Black Business Council (BBC)

The Black Business Council officially adopted the new constitution on the 25th February 2012 and appointed office bearers on the same date. ABSIP extend its appreciation to those members who took their time and efforts by sending inputs regarding the constitution of BBC. The inputs were incorporated into the adopted constitution

The organisation was re-launched on the 1st of March 2012, at Gallagher Estate in Midrand. The relaunch was well supported by captains of industry, Cosatu president Sidumo Dlamini and four government ministers, Pravin Gordhan (Minister of Finance) , Ebrahim Patel (Minister of Economic Development), Mildred Oliphant (minister of Labour) and Tina Joemat-Pettersson (Minister of Agriculture, Forestry and Fisheries).

The new leadership of BBC is led by Ndaba Ntsele (President) and office bearers from Black Business sector and Black professionals; Lawrence Mavundla (Vice President), Thembakazi Mnyaka (Vice President), Tryphosa Ramano (Chairperson), Sandile Zungu (Secretary), Andile Khumalo (Treasurer) and Mxolisi Zwane (Head of Policy).

The focus of BBC is to ensure that there is economic transformation in RSA and that the economy is inclusive of all sectors of the economy. At the launch, the President of BBC, Ndaba Ntsele stated that black business was keen to tap into the opportunities emerging from the investment programmes and BBC was committed to ensuring that major black-controlled and -directed corporations emerged around the programme.

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Finance Minister Pravin Gordhan called for a form of business activism, built on the values not merely of profitable enterprises, but also companies that had a positive social and employment impact. He also stated that Black Business Council (BBC) must help create a new economic environment in South Africa.

Joemat-Pettersson, Minister of Agriculture, Forestry and Fisheries, said that a concept document for the funding scheme relating to black forest growers, had already been developed. Possible partners to the funding scheme for forest growers are development financial institutions such as the Industrial Development Corporation and the National Empowerment Fund. The process of consultations is on-going and the Forest Sector Charter Council, established in 2009, is coordinating the activity.

Economic Development Minister Ebrahim Patel questioned where the "black industrialists" were, saying that their absence from industry was a constraint to the desire to shift the South African economy from its current consumption-led bias to one that should be driven by the productive sectors

The event was successfully attended, and appreciation to the ABSIP members and Advisory council members who attended the event on behalf of ABSIP and also who supported ABSIP throughout the process.

We will continue to update members regarding progress in BBC and members are encouraged to participate in sub-committees of BBC.

Draft Codes for Financial Sector Charter (FSC)

ABSIP executive is pleased to inform you that the draft Phase II Financial Services Sector Code ("FSC"), submitted for gazette, by Minister Pravin Gordhan to the Minister Rob Davis, Department of Trade and Industry, has been approved in terms of section 9(5) of the Broad Based Black Economic Empowerment ("BBBEE") Act ("Act 53 of 2003").

The draft FSC has been approved for gazette for sixty ("60") days and not thirty ("30") as requested by FSC Council. The 60 days commentary period is to give members of the public sufficient time to make inputs on the charter and also to align with the BBBEE Act.

Financial institutions affected by the Charter include banks; long -term insurers, short -term insurers, re-insurers, collective investment schemes, investment managers, retirement funds, and licensed exchanges. Any other institution in the financial sector may opt to participate in the Charter.

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In order to ensure that the members can make an informed inputs on the charter, ABSIP executives is recommending that there be a roundtable discussion whereby the charter can be debated with the industry representatives. The date for the roundtable will be communicated in due course.

In conclusion we wish to thank the Minister of Finance and the Minister of Trade and Industry for their continuous leadership and unwavering support towards the transformation of the Financial Services Sector.

Feedback on the Budget Review with Commissioner of South African Revenue Services (“SARS”)

On the 24th February 2012, ABSIP and ABSIP Student Chapter hosted a budget review roundtable discussion with SARS commissioner, Mr. Oupa Magashula, and representatives from National Treasury, at the University of Johannesburg. The deputy Minister of Finance, Mr. Nhlanhla Nene, could not participate as he had an emergency to attend.

There were two sets of Panelists, one representing the ABSIP professionals (Economists and Accountants) and one representing ABSIP Student Chapter (students from WITS, UJ).

The commissioner presented the highlights of the Budget Speech, delivered by Minister Pravin Gordan on the 22nd February 2012. The commissioner highlighted that social spending has actually brought stability in the country. This is evidenced by an allocation of 57% of the R1 trillion budget on social spending. He emphasized that if Government doesn't address the triple challenges of Poverty, Unemployment and Inequality, there will be social upheaval in the country. He also emphasized that RSA has to build sustainable economic growth in 20 years' time and that it requires everybody to participate in it, as research has revealed that inequality does not build sustainable economies. This could be achieved by spending on infrastructure development in order to accelerate growth, thereby creating jobs.

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However, the priorities in infrastructure spending must be addressed within limits, especially funding. The National treasury stated that there are sufficient resources at public disposal in order to address funding of infrastructure development of more than R800 billion in 2012 and R3 trillion in next few years. The State Owned Entities ("SOE") will utilize its own balance sheet to fund borrowings. It was emphasized the important role of Presidential Infrastructure Co-ordination Council ("PICC") is playing in coordinating infrastructure spending between National, Provincial and Local Government, chaired by the President of the country.

Read more about the event on website, www.absip.co.za.

Upcoming events

There are various activities lined up for the next few months

- March 2012
 - 19 march 2012 - Celebrate Success of Ralph Mupita (CEO designate Old Mutual emerging Markets) – jointly with AWCA sponsored by Ernst & Young (invitation to follow)
- April 2012
 - Relaunch of Absip Woman in Finance in April 2012 (Date and venue to be finalized)
- May to August
 - Roundtable discussion about FSC charter codes (date to be finalized)
 - Roundtable discussion about the transformation of Asset Management Industry (date and venue to be finalized)
 - CEO Roundtable discussion (Topic, date and venue to be finalized)
 -
- September 2012
 - Conference and Absip Financial Services Awards – 27 September 2012

As valuable members we will continue to engage with you. We however, appeal to you to continue paying your membership fees, as without your support, this organization will not be able to succeed and be sustainable.

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For and on behalf of

A handwritten signature in black ink, appearing to be 'TR', is written over a light blue horizontal line.

National Executive Committee
President
Tryphosa Ramano

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