THE LEGAL TEAM LC LEE'S COMPLIANCE NEWSFLASH

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Dear Subscribers,

Here are the headlines for the week:

Contents

COMPANIES ARTICLES

SOUTH AFRICA

Ramaphosa Signs Law Giving Shareholders Binding Power Over Executive Pay

President Cyril Ramaphosa has signed sweeping amendments to the Companies Act into law, tightening governance rules around executive pay and forcing greater transparency at public and state-owned companies. The changes, signed into law in 2024, introduce binding shareholder oversight of remuneration policies.

Under the new framework, public and state-owned companies will be required to secure shareholder approval for their executive remuneration policies through a binding vote at annual general meetings. The policies must also be reviewed at least once every three years, or sooner if materially revised. According to law firm Bowmans, companies are also required to publish detailed annual remuneration reports, including the pay of individual directors and prescribed officers, as well as information on average and median employee pay and the gap between the highest and lowest earners. "Changes to the policy may not be implemented until approved by shareholders. Where a vote on the policy fails, the prior remuneration policy will apply until such time as shareholder approval has been obtained," Bowmans said. "These companies must also prepare an annual remuneration report, comprising a background statement, the remuneration policy, and an implementation report." Bowmans also said the implementation report will be subject to a “two-strike rule”, where repeated rejection at two consecutive annual general meetings may result in non-executive directors on remuneration committees being barred from serving on those committees for two years.

Full report in The Star

MINING SECTOR ARTICLES

SOUTH AFRICA

Council warns government not to surprise it with revised law

SA's mining industry has warned the government against 'surprising' or 'sandbagging' the sector with the long-awaited revised mining law, noting another poorly handled legislative overhaul could severely damage investment in the country's minerals sector.

Speaking at the Minerals Council SA's 136th AGM yesterday, the organisation's CEO, Mzila Mthenjane, said it had for 12 months been engaging with the government on revisions to the Mineral and Petroleum Resources Development Act (MPRDA) Amendment Bill. **'**We feel that we are being heard, and we trust that our inputs will be reflected in the revised MPRDA Bill,**'** Mthenjane said.

'A constructive and positive outcome of these engagements will see a shift in sentiment towards the SA mining industry, as well as the greater economy, given the multiplier effects of the mining industry.' News24 reports that council president and Northam Platinum CEO Paul Dunne agreed the engagements with the Department of Mineral & Petroleum Resources (DMPR) have been encouraging.

'However, we do not want to be surprised by a revised version of the Bill that does not reflect those engagements that we've had and held in good faith,' he said. Dunne described such a surprise as the sandbag effect.

'Historically, unfortunately, that was the case,' he said, referring to the 2017 and 2018 Mining Charter revisions, which the council argued created severe uncertainty and imposed unlawful obligations on mining companies.

Courts later set aside several charter provisions and ruled that the Mining Charter was policy rather than binding law. Dunne said the damage had been 'very severe' for the mining industry and SA's investment reputation.

The comments come ahead of the anticipated publication of a revised version of the MPRDA Amendment Bill, which Mineral & Petroleum Resources Minister Gwede Mantashe has said will be published in the second half of this year.

Full News24 report

LABOUR ARTICLES

SOUTH AFRICA

New laws for workers in South Africa are coming

The Department of Employment and Labour (DEL) has gazetted its intention to table the Employment Services Amendment Bill in the National Assembly shortly.

The draft Bill was approved by the Cabinet a year ago, and has been promised by the DEL as a way to modernise the regulation of South Africa's labour market.

Broadly, the laws aim to regulate the employment of foreign nationals and "enhance job opportunities for South African citizens".

The Bill amends the Employment Services Act 4 of 2014 to address rising unemployment and the high representation of foreign nationals in specific, lower-skilled sectors.

Notably, the bill will work hand in hand with the National Labour Migration Policy (NLMP), which provides a framework for managing foreign labour. The bill, meanwhile, provides policy legal force.

The NLMP introduces quotas on the total number of documented foreign nationals with work visas that can be employed in major economic sectors.

A quota may apply to a sector of the economy, an occupational category, or a geographical area—but can only be established after consulting the Employment Services Board and considering public comments.

In terms of the gazetted notice, the DEL said that new laws will:

- Insert and amend certain definitions in order to clarify expressions
- Extend the scope of the Act to cover foreign nationals, private employment agencies not operating for gain, and workers;
- Regulate the employment of foreign nationals in South Africa in a manner consistent with the purpose of the Act, the Immigration Act and the Refugees Act;
- Provide for the powers of the Minister to make regulations in respect of matters related to labour migration;
- Expand the functions of the Employment Services Board;
- Provide for the establishment and governance of Supported Employment Enterprises;
- Provide for further offences and the improved enforcement of the Act and immigration laws regulating work by foreign nationals;
- Provide for exemptions from the Act;
- Provide for the making of further regulations by the Minister; and
- Provide for matters connected therewith.

When the cabinet approved the bill, it said it would also promote national security and national interests.

“The purpose of the Bill is to propose the regulation of labour brokers to prevent worker exploitation, such as the provision of cheap labour through undocumented foreign nationals,” it said.

Tensions rising between South Africans and foreign nationals

The gazetting of the intention to table the Employment Services Amendment Bill comes as tensions between South Africans and foreign nationals are heating up.

In the year since the cabinet approved the draft bill, protest groups have gained momentum in targeting foreign nationals in the country.

While these groups take specific aim at illegal or undocumented foreigners in the country, intimidation and threats have caught legal foreigners in the net as well.

Anti-illegal-immigration group, March and March, has been leading the charge.

Frustrated South Africans, especially those without jobs, often blame foreign nationals for taking what little work is available in the country.

The DEL and the Department of Home Affairs have also executed several sweeps and crackdowns on employers in the country who have been hiring undocumented workers.

March and March has been protesting against illegal immigrants since its formation in early 2025, but tensions have since escalated, with heated clashes in recent weeks.

The group is now demanding the immediate and mass deportation of illegal immigrants currently living in South Africa, and has set 30 June as the deadline.

It is also moving ahead with a planned national shutdown on the day.

Matters have escalated to the point that hundreds of foreign nationals and refugees have spent several nights sleeping outside community centres and police stations to escape threats of violence.

Foreign governments, such as Ghana, have also issued evacuation notices to their citizens, offering them safe passage back to their home countries.

The government convened an urgent meeting at the Union Buildings involving ministers from the Justice, Crime Prevention, and Security Cluster to address the issue.

Defence Minister Angie Motshekga called for calm and urged protesters to treat people with respect and exercise their right to strike within the framework of the law.

BusinessTech

TRANSPORTATION ARTICLES

SOUTH AFRICA

Western Cape Aarto implementation suspended

The City of Cape Town and all other municipalities in the Western Cape will not be expected to implement the Administrative Adjudication of Road Traffic Offences (Aarto) Act on 1 July, when it comes into effect in several other local authorities.

This is according to a letter from Transport Minister Barbara Creecy to Cape Town Mayor Geordin Hill-Lewis, dated 21 May, which Moneyweb has seen.

Aarto was legislated in 1998 but has so far only been partially implemented in the Johannesburg and Tshwane metros, where the effectiveness of the system has been widely questioned.

The crucial demerit points system – which could see repeat offenders lose their driving licences if they exceed the allowed number of points – will only come into effect once it has been implemented nationwide.

Numerous efforts to proceed with the rollout have been postponed, most recently in December, due to municipalities – which will serve as issuing authorities – not being ready.

The repeated delays have led to calls for Aarto to be scrapped once and for all.

The latest date set for the further rollout to 69 municipalities, in what is named the second phase of Aarto, was 1 July 2026.

However, it remains unclear what the revised number of municipalities will be once those in the Western Cape are excluded in line with Creecy's letter.

Third phase timeline under pressure

The third phase, which will bring the remaining municipalities into the fold and include the activation of the demerit points system, was set for 1 January 2027, but Creecy's letter also casts doubt on that timeline.

These dates have not yet been promulgated and may therefore still change.

Creecy's letter is a response to one sent by Hill-Lewis to her a few days earlier, and it is clear from the content that the two also spoke on the phone.

She explains in the letter: "The deferment means that the Aarto rollout in the municipalities of the Western Cape province will be suspended and implemented as part of the remaining municipalities in the third phase. In terms of the proposed implementation plan, the third phase is envisaged to be implemented in 2027."

Creecy says the period of suspension will be used to engage and resolve an intergovernmental dispute that was, according to Moneyweb's sources, lodged by the City of Cape Town against the Department of Transport.

Western Cape dispute, municipal concerns

While the specific content of the dispute is not known, and the City of Cape Town has not responded to questions about it, Moneyweb was told that it relates to the same issues that the metro has raised concerns about over an extended period.

In September last year, then-acting traffic chief of Cape Town Pamela Mkosi wrote a letter to top officials at the Road Traffic Infringement Agency (RTIA), listing concerns "to be addressed before Aarto implementation in the City of Cape Town."

The RTIA is an agency of the Department of Transport established to administer Aarto.

Cape Town's concerns include:

- Insufficient information to budget for income and expenditure related to Aarto;
- Inadequate provision of equipment for the back office;
- Challenges with the printing of Aarto stationery by the Government Printing Works;
- Outstanding training on new operating procedures, as well as refresher training;
- The newly required registration of 3 000 traffic officers may not be completed in time;
- Non-performance of the South African Post Office, the sole provider for all postal and electronic service of notices;
- Lack of access to upload notices from handheld devices; and
- Uncertainty regarding the role of municipal courts.

Creecy says: "I am not steadfast on the date of January 2027, but that the third phase will be implemented around 2027 only after we have assessed the status of the implementation of the second phase and addressed any challenges that may have been identified."

In the meantime, the RTIA is accused of failing to comply with the legislated requirements for the operation of Aarto, to the detriment of road users.

Fines4U, a company that administers fines on behalf of more than 3 000 companies and thousands of individuals, has also written to Creecy, this time raising concerns about the way the RTIA is currently applying the legislation.

The company in 2017 won a court victory over the RTIA.

The court clarified that the RTIA is bound by strict timelines prescribed for the step-by-step escalation of fines, up to the point where demerit points are awarded and an enforcement order is issued.

This would authorise the sheriff to seize a transgressor's movable property, such as a vehicle or driver's licence, and report them to a credit bureau.

Outstanding representations

According to Cornelia van Niekerk, owner of Fines4U, the RTIA has, over the past three months, responded inconsistently to representations made on behalf of her clients, citing the RTIA's non-compliance with the timelines and calling for the cancellation of fines.

In some cases, the representations were rejected and about 5 000 were not even attended to.

The company put the RTIA on terms, threatening litigation and it has since begun processing the outstanding matters.

The RTIA told Moneyweb in response that it is engaged in an administrative process with Fines4U in respect of historical notices.

"The agency and Fines4U agreed on a 14-day timeline until 04 June 2026 for the agency to finalise all its processes in respect of such notices. The outcome of that process will determine the way forward on those notices," it said.

Antoinette Slabbert
Moneyweb

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