

15 April 2016

Dear Member

MEMBER UPDATE: SETA GRANT REGULATIONS: LABOUR COURT JUDGEMENT EFFECTIVE FROM 1 APRIL 2016

1. As members are aware, judgement was handed down by the Labour Court in August 2015 in the litigation brought by BUSA to challenge aspects of the 2012 SETA grant regulations.
2. The Court declared Regulations 3(11) and 4(4) of the 2012 Grant Regulations to be invalid, and it set them aside. However, it suspended the effect of that order until 31 March 2016.
3. The Minister initially took steps to appeal against the Labour Court judgement and order. But the appeal was not pursued, and it has lapsed.
4. This means that the Labour Court order can now be enforced. The order has been effective since 1 April 2016.
5. This means that:
 - 5.1 With effect from 1 April 2016 the mandatory grant that may be claimed is again 50% (and not 20%, as provided by the invalid Regulation 4(4) of the 2012 Regulations); and
 - 5.2 The sweeping mechanism introduced by the invalid Regulation 3(11) of the 2012 Regulations is no longer in place.

Kind Regards



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KHANYISILE KWEYAMA
CHIEF EXECUTIVE OFFICER