

# PIC in legal advice move after promise over disclosure

By [Carol Paton](#)

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The chief investment officer of the Public Investment Corporation (PIC), Dan Matjila, says he has briefed lawyers to advise him on the confidentiality issues at stake in disclosing the PIC's unlisted shareholdings, following his recent undertaking to do so to Parliament's standing committee on finance.



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The DA has been at the forefront of a battle to force greater transparency in the PIC, particularly of its unlisted assets which make up 30% of its R1.8-trillion portfolio. The PIC manages the assets of the Government Employees Pension Fund as well as the government's social security funds.

In a letter to DA finance spokesman David Maynier, Matjila again provides assurance he has every intention of complying with the undertaking but hints that confidentiality clauses with the companies involved could limit this disclosure.

"The PIC has to ensure that in disclosing information to third parties it is not in breach of legal agreements ... binding on the PIC. This view was also echoed by the chairman of the standing committee on finance and the PIC was subsequently requested by the committee to seek the necessary legal advice ahead of disclosing the ... information. The PIC has since briefed lawyers on the matter to consider the legal aspects of our disclosure obligations and we are awaiting their final opinion."

In the past, the PIC has insisted it cannot provide details on its unlisted assets because of confidentiality agreements. It was only after the chairman of the board, Deputy Finance Minister Mcebisi Jonas, said that the information should be provided, that the PIC relented.

Maynier said that the letter was cause for concern.

"We welcome the fact that Dr Dan Matjila has kick-started the process to disclose information about the R50bn-plus unlisted portfolio held by the PIC. The fact that the PIC has shifted its position following a hammering by the finance committee is a positive development. However, it seems clear that confidentiality agreements are going to be used as legislative fig leaves behind which at least some investments will be hidden by the PIC."

As the asset manager and investor of government funds, the PIC is continually under pressure to finance transactions for political rather than commercial reasons. It makes transparency of its unlisted portfolio increasingly important.

Source: *Business Day* via I-Net Bridge

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