

Ref number 775735

14 May 2024

Mr Sifiso Dlamini
Deputy Director: Department of Employment and Labour

By e-mail: Sifiso.Dlamini@labour.gov.za

Dear Sir,

**DRAFT REGULATIONS FOR THE REGISTRATION OF THIRD PARTIES
TRANSACTIONING WITH THE COMPENSATION FUND**

We present herewith, on behalf of the South African Institute of Chartered Accountants (SAICA), our written submission on the request for comments on the Draft Regulations for the Registration of Third Parties Transactioning with the Compensation Fund issued in terms of the Compensation for Occupational Injuries and Diseases Act (COID Act) issued on 10 May 2024.

SAICA has in the past submitted comments on our concerns which relate specifically to limitations on third parties that transact with the Compensation Fund (Fund) in favour of Medical Service Providers or the Healthcare Organisations which provided the service to the injured or diseased beneficiary.

Medical Service Providers or the Healthcare Organisations have historically contracted third parties to assist them to transact with the Fund. This is has been done through assignment, cession or agency agreements.

SAICA notes that the Fund does not seek to exclude third parties as before but wants to regulate them. As such it is important to note that such regulation must be in line with the primary legislation which is the COID Act and considers possible conflict of interest in regulating a party that one transacts with.

On possible conflict of interest, it should be noted that the regulations should not be perceived to have onerous requirements on third parties to the extent that they would withdraw from being third parties or withdraw claims against the Fund. For example section 10.1.2 of the regulations

require a systems demonstration for audit purposes without a caveat that a systems demonstration may give the Fund access to parts of the system that are not relevant to the demonstration or access to personal information of other unrelated parties due to how some systems are integrated.

On ensuring that legislation is in line with the primary legislation, section 97 of the COID Act states that the Minister may make regulations in relation to any other matter, whether or not connected with any matter mentioned in the legislation, which may be deemed necessary or expedient to prescribe in order to further the objects and purposes of the COID Act. This issue of third parties has been debated in Parliament and these regulations may also need oversight from Parliament before final publication.

SAICA remains open to a consultative engagement to discuss the above further.



Your sincerely,

Walter Bhengu
Project Director: Governance and Legislation