



LAW SOCIETY
OF SOUTH AFRICA



2018/2019

ANNUAL REPORT



Committed To **Building**
A Better Legal
Profession for All

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Building A Better
Legal Profession
for All





LAW SOCIETY
OF SOUTH AFRICA

ANNUAL REPORT

March 2018 to March 2019



PROFESSIONAL
AFFAIRS

DE REBUS

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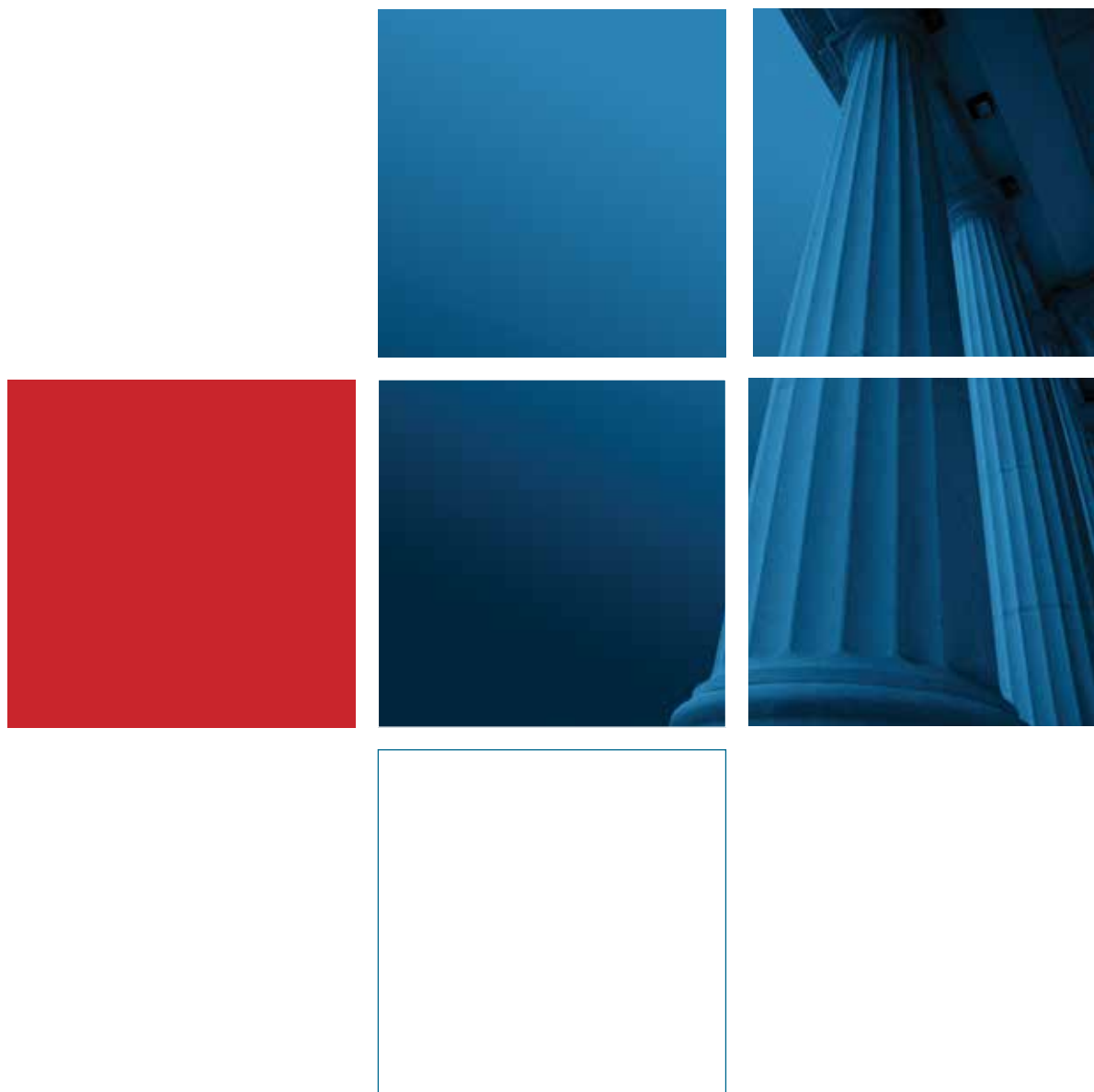
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We, the representatives of legal practitioners in South Africa, the Black Lawyers Association, the National Association of Democratic Lawyers, the Independent Lawyers Associations from the nine provinces of South Africa, as the constituent members of the Law Society of South Africa, in recognising the changes brought about by the Legal Practice Act -

- commit ourselves to building a transformed organised legal profession which is non-racial, non-sexist, democratic, representative, transparent and accountable to all whom it serves and the public at large; and to that end we shall strive to advance the interests of women, the youth and people living with disabilities;
- commit ourselves to protecting and advancing the rights and interests of our members in relation to the regulatory activities of the Legal Practice Council and other authorities;
- commit ourselves to influence the transformation of the economic structure in South Africa in order to advance the interest of our members, particularly the previously disadvantaged.

(From the first amendment to the constitution of the LSSA, 2018)

MISSION

To empower attorneys to provide professional services in an ethical, competent and caring manner.

AIMS AND OBJECTIVES

The Law Society of South Africa (LSSA) has the following fundamental, enduring and long-term aims and objectives, namely to

- promote on a national basis the common interests of members of the profession and the welfare of the profession, having regard at all times to the broader interests of the public whom the profession serves, and to endeavour to reconcile, where they may conflict, the interests of the profession and the public;
- safeguard and maintain the independence and integrity of the profession;
- maintain and enhance the professional standards, objectivity and standing of the profession and of its members both nationally and internationally, which standards shall be reviewed from time to time to take into account the objectives of the clause below;

- uphold and encourage the practice of law, and to promote and facilitate access to the profession;
- provide, where it deems it appropriate so to do, voluntary services in the interest of the profession or the public;
- promote legal aid and the accessibility of all to the law, the courts and any board, tribunal or similar institution;
- promote legal education and continuing legal education, practical legal training, research in the science of law and in legal practice and in any related science or practice, research in technology as it relates to legal practice, procedure and the administration of justice, and the practical application of technology in those fields;
- encourage the study and development of customary legal systems and their application in practice, and to seek harmonisation, and where appropriate integration, of those systems with the common and statutory law of the Republic of South Africa;
- uphold, safeguard and advance the rule of law, the administration of justice, the Constitution and the laws of the Republic of South Africa;
- initiate, consider, promote, support, oppose or endeavour to improve and strengthen legislation, whether existing or proposed;
- initiate, consider, promote, support, oppose or endeavour to modify proposed reforms or changes in law, practice, procedure and the administration of justice;
- secure throughout the Republic of South Africa, in so far as it is practicable, uniformity, simplicity and efficiency in the practice of law, in legal procedure and in the administration of justice;
- strive towards the achievement of a system of law that is fair, just, equitable, certain and free from unfair discrimination;
- endeavour to serve as the unified and representative voice of the legal profession of South Africa;
- nominate, elect, appoint or delegate persons to represent the profession or any part or division thereof at any conference or meeting or on any commission, advisory body, committee, commission of inquiry or similar body or proceeding established, convened or instituted by any government or other authority, institution or organisation, whether of a public or private character, for the purpose of considering any matter relating to law, practice, procedure or the administration of justice or any other matter of whatever nature, falling within the aims and objectives of the LSSA;
- co-operate or liaise with any fund or other body established for the purpose of guaranteeing the fidelity of practitioners of the profession;

- deal with any matters referred to it by the House of Constituents, any of its structures or the governing body of any constituent member; and
- take up membership of or otherwise co-operate with any other organisation or body, whether within or outside the Republic of South Africa, including organisations or bodies of an international character and, without derogating from the generality of the foregoing, combine, affiliate or merge with any other organisation or body of similar nature to its own and having objects similar to and reconcilable with its own, whether or not its field of operations extends beyond the borders of the Republic of South Africa as they may from time to time be established.

The LSSA has the following further aims and objectives, namely to:

- promote and encourage unity amongst the constituent members;
- assist the regulator to implement the Act and promote, advance and assist in the development or amendment of the legislation and urge improvement and acceptance thereof within the legal profession and the public;
- promote and enhance the legal profession in whatever way lawfully possible, and to maintain and enhance the integrity of the legal profession;
- ensure that the Legal Practice Council and the Legal Practitioners' Fidelity Fund's Board of Control in terms of the Act are democratic, legitimate, representative, responsible, accountable and transparent;
- influence the composition of the Board of Control of the Legal Practitioners' Fidelity Fund, and its decisions, in the interests of the profession and the public;
- strive to achieve a fully integrated legal profession, based on democratic principles, demographic representation, gender representation and to influence the transformation of the economic structure in South Africa in order to advance the interest of its members, particularly the previously disadvantaged;
- represent and promote the interests of its members; and
- continue to hold, administer and deal with the assets and liabilities of the LSSA, its infrastructure, its agreements and commitments, and all of its projects and activities, in a manner as deemed fit by the House of Constituents of LSSA.

(From the first amendment to the constitution of the LSSA, 2018)

Much of the period under review since we were elected Co-Chairpersons in March last year has been taken up by a tremendous amount of work relating to the implementation of the Legal Practice Act 28 of 2014 (LPA) including the key tasks performed by the National Forum on the Legal Profession (NF), attorneys and the LSSA itself.

This culminated in the first elections for council members of the Legal Practice Council (LPC) held in October 2018.

There is a perception that the regulations which governed the elections were rushed through and the process has not been ideal. However, valuable lessons have been learned by all. Given that this was a historic event for the legal profession, the LSSA urged all legal practitioners to exercise their right to vote. We congratulate the attorneys and advocates elected to the LPC and to the Provincial Councils, as well as the other council members who were nominated, and assure them of the ongoing support of the LSSA.

Section 35 of the LPA regulating non-litigious fees has proven to be challenging, with the South African Law Reform Commission hosting a conference at the end of October 2018 where various stakeholders were brought together to assist it to develop the framework to address the rules to regulate the fees.

Earlier, the LSSA had approached the Minister of Justice and Correctional Services to suspend the full implementation of this section. The Minister agreed to recommend to the President that only certain sections be suspended until the incoming LPC has adequately considered the matter.

The LSSA's Costs Committee's concern was that an interim fee tariff structure was not practical for the regulation of fees. The SALRC would be the institution to consider this issue having regard to its mandate. It would then make recommendations pertaining to tariffs for legal practitioners, as envisaged under subs 35(4). Significantly and subsequently, the Minister suspended most of the subsections of s 35 of the LPA that were of concern to the profession.

The other contentious aspect of the LPA, the regulations relating to practical vocational training (PVT), were approved. We are pleased to report that the LSSA's Legal Education and Development division, LEAD, has been approved to provide PVT for candidate attorneys as well as for pupil advocates from July this year.

We continue to work with the LPC on various issues and to represent practitioners' views to them.

The LSSA's trajectory

The LSSA is on a three-year trajectory to transition to a member-based organization. For this, its constitution was amended at the end of October 2018. This became necessary as the four statutory provincial law societies – which made up four of the six constituent members of the LSSA – ceased to exist on 1 November 2018.



Mvuzo Notyesi and Ettienne Barnard

The changes to the constitution provide for the replacement of the provincial law societies with 9 provincial attorneys' associations.

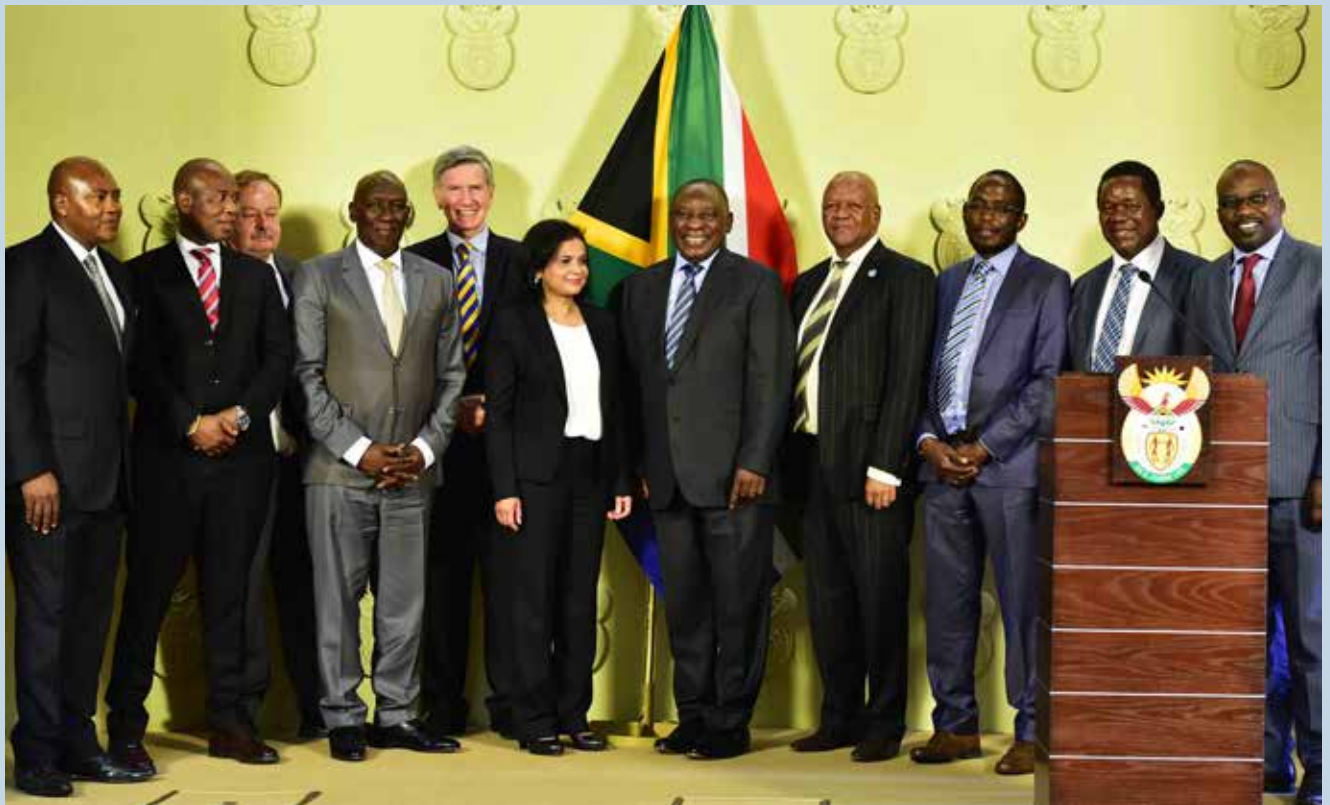
The revised governance structure: Black Lawyers Association (BLA); National Association of Democratic Lawyers (NADEL) and the independent lawyers' association, with the governance ratio between the bodies: 33:33:33.

Earlier in 2018, the LSSA conducted a number of roadshows throughout the country with the dual purpose of educating and informing practitioners of the changes to be brought about by the LPA, the impact of the LPA on the profession as well as on their practices. During the roadshows the majority of practitioners agreed that it would be important to have a unified, independent 'voice' for the attorneys' profession going forward into the new dispensation.

The main message from these is that we – the LSSA – are still here to support, assist, train and represent you.

We would like to highlight some of the initiatives that have been carried out to that end over the past year.

- The Contingency Fees Committee formulated draft guidelines for the profession which can be converted into Rules to be gazetted under the Contingency Fees Act 66 of 1997 by the Legal Practice Council. This has been long outstanding.
- As regards the draft changes to the Competition Amendment Bill, the Competition Law Committee made extensive submissions to Parliament on two occasions and proposed various amendments with a view to clarifying and improving its provisions. Oral submissions were also presented to the National Assembly's Portfolio Committee on Economic Development on 28 August 2018 and to the National Council of Provinces' Select Committee on Business and Economic Development on 13 November 2018. A number of the LSSA's Committee's submissions were taken into account and the Bill was significantly amended



President Cyril Ramaphosa (centre), and Minister of Justice and Correctional Services Adv Michael Masutha (right), and National Director of Public Prosecutions Adv Shamila Batohi, with the members of the selection and interview panel for the appointment of the NDPP: Auditor-General Kimi Makwethu; Mvuzo Nyotesi, National Association of Democratic Lawyers; Adv Jaap Cilliers, General Council of the Bar; Adv Lawrence Manye, Advocates for Transformation; Richard Scott, Law Society of South Africa; Minister Jeff Radebe (Chairperson); Lutendo Sigogo, Black Lawyers Association and Bogani Majola, South African Human Rights Commission. (Photo courtesy of GCIS.)

before its adoption by Parliament on 4 December 2018. The Competition Amendment Act was signed into law by the President on 13 February 2019.

- The Criminal Law Committee reports that there seems to be a welcome change in the structures of the NPA, particularly with the appointment of Adv Shamila Batohi as National Director of Public Prosecutions. As the LSSA we welcomed the nomination, selection and interview panel set up by President Ramaphosa to identify the new NDPP. We trust that this organisation will now fulfil its functions in terms of the Constitution and the National Prosecuting Authority Act 56 of 2008. We subsequently welcomed the appointment of Adv Batohi as the new NDPP.
- The Chief Master's Office has, on request by the LSSA, confirmed to the various Masters' offices that the need to appoint an independent trustee in a 'family business trust' does not apply to trusts registered before the issue of the Directive, that is 6 March 2017. Also, the sworn affidavit by an independent trustee is required only for the appointment of an independent trustee in a 'family business trust' – not other trusts. Directive 2 of 2017 contains certain untenable provisions and the failure by the Office of the Chief Master to issue a revised directive notwithstanding comprehensive and compelling submissions by the Committee to do so, is a matter of serious concern and merits ministerial intervention.
- The LSSA Deceased Estates Committee disagreed with the Davis Tax Committee's recommendation that the inter-spouse abatement should be withdrawn. The primary estate duty abatement was increased to R2.5m with effect from 1 March 2005 and to R3.5m from 1 March 2007. It has not been increased for 11 years. Fiscal drag has now entered the estate duty system. It is recommended that the primary estate duty abatement be forthwith increased to at least R15m.
- The Committee will liaise with the Office of the Chief Master in relation to security being required from attorneys at certain offices who assist in s 18(3) estates.

A stakeholder meeting involving two senior officials of the Competition Commission, and members of the Property Law and the Competition Law Committees focused on the questionable practices of the banks and the manner in which they set up panels of conveyancers from which they appointed their bond registration conveyancers.

A meeting at the request of the **Competition Commission** to resolve issues on service level agreements between banks and conveyancers was convened. Representatives of the Property Law, Ethics and Competition Committees of the LSSA attended the meeting, which led to certain provisions relating to conflict of interest being removed from the agreements. Other matters relating to the duration and unilateral termination of such service level agreements were also discussed, as well as the possible exclusionary effect of

the performance-scoring systems imposed on conveyancers. It was agreed that a further meeting be arranged to allow for further input and investigation to be done.

On 12 November 2018 the committees again met with the Competition Commission. One of the issues discussed during this meeting was **the impact of the various banks' conveyancing panel entry requirements and processes on the equitable distribution of work to smaller firms of attorneys**. It was pointed out that attorneys who hold trust money, hold the clients' fiduciary interests at stake, and have a duty to put the clients' interests first. Any attempt to leverage these funds in the hands of attorneys for investment purposes, may cause ethical problems for attorneys. Concerns were raised about fixing of trading conditions and a manipulation of allocations of work, and it was pointed out that this may be an unfair business practice and anti-competitive.

- On the issue of cyber security, the cybercrimes and cybersecurity Bill was separated, as suggested by our E-law Committee. We are also working with the Legal Practice Council and the Legal Practitioners' Fidelity Fund to set up proper digital verification for all practitioners, which will also provide a trusted 'key' to allow access to the emerging online Government platforms.
- We will be meeting with banks and others in the early part of 2019 to ensure that the profession is not left out of their developing online cryptography plans. We believe that the 'key' we hope to develop with the Legal Practice Council and the Legal Practitioners' Fidelity Fund will be of great strategic importance for the profession.

The LPC, at its first meeting during December 2018, resolved to publish the Code of Conduct with a closing date for comments of 7 February 2019, for the sake of inclusivity and transparency to enable all legal practitioners to have their say on the Code. The Code at this stage is regarded as a working draft document. The Code sets the standards of conduct to be enforced by the LPC and will apply to all legal practitioners. The LSSA, in its comments to the LPC, recommended that the separation of advocates and attorneys, as reflected in the draft Code, be reviewed in its entirety. Also, the LSSA suggested that the LPC should refer a number of matters, that may be regarded as anti-competitive, to the Competition Commission.

The LSSA pointed out that the clause relating to an attorney's dress when rendering services is vague and may be used to increase barriers of entry to the profession. The rule should be scrapped or rephrased, or the LPC should apply for an exemption for such conduct.

The LSSA made submissions to the National Efficiency Enhancement Committee (NEEC) regarding **the appointment of acting judges from the ranks of practising attorneys**.

The Immigration and Refugee Law Committee is concerned that the level of exclusion currently prohibits attorneys from an actual interfacing experience with Department of Home Affairs officials at almost all offices. This has made it virtually impossible for attorneys to engage in this aspect of practice and it is a particularly complex legal situation requiring legal assistance.

The LSSA was requested to review and submit comments on the latest draft of the CCMA Rules. In its comments, the LSSA included a proposed amendment of Rule 25 to the effect that legal representation should be allowed in respect of conciliation proceedings before the CCMA. The CCMA's Task Team considered the LSSA's proposal, but was not amenable to the proposal for legal representation, particularly in view of the fact that parties may apply to the Commissioner for legal representation in a particular matter. In the same breath, we were also informed about the CCMA's statistics for 2017 showing that consent was granted in the overwhelming majority of applications for legal representation.

The LSSA Labour Law Committee has been campaigning for many years with regards to candidate attorneys' right to represent parties at the CCMA as legal practitioners. The CCMA's new draft Rule 25(1)(b) provides that 'in any arbitration proceedings a party to the dispute may appear in person or be represented only by – (i) a legal practitioner, *including a candidate attorney* [our emphasis]. However, the CCMA advised that the CCMA Board has decided to pend the process of the amendment of the Rules until further notice.

- The Legal Aid Committee agreed to make its contribution when comments are invited on how community service and *pro bono* service, as envisaged in the Legal Practice Act 28 of 2014, should be implemented.
- The LSSA supports the Liquor Committee's view that it cannot be emphasised enough how important it is that the duty to obtain the prescribed reports must remain with the Government and not be shifted onto the public's shoulders, as the Government is resourced to do so and not the public. It should not be the burden of applicants to do the Governments' work.
- Our High Court Committee supported the South African Law Reform Commission (SALRC) proposal to increase the general prescription period from three to four years. The Committee also proposed that parties should be allowed to claim after the expiry of the prescription period where a debtor's whereabouts had been unknown despite reasonable efforts being made to locate the debtor, particularly where a debtor had deliberately evaded service of a summons.

The Magistrates' Courts Committee was asked to consider a proposal from the Rules Board aligning the summary judgment procedure in the magistrates' court with the High

Court summary judgment procedure. **The Committee was not generally in favour of the proposal and a submission is being made to the Rules Board.**

The main focus of the Personal Injury Law Committee during 2018 was the developments in relation to the Road Accident Benefit Scheme Bill (RABS) and what options were open should it be approved. **This Committee attended the meetings of the Parliamentary Portfolio Committee on Transport on RABS in Parliament throughout the year as an observer representing the LSSA. It was observed that it was clearly the intention of the majority members of the Portfolio Committee to ensure that RABS is enacted before the dissolution of Parliament for the 2019 elections.** There is no reason to doubt that this is still the intention. However, the key vulnerability of RABS remains the cost to the taxpayer of a no-fault system in a country with the highest per capita accident rate in the world. Accordingly, a critical re-evaluation of the costs of RABS in conjunction with RAF by the financial cluster, even at this late stage, could or should give cause for reconsideration.

Also set out are the committee's concerns with the State Liability Amendment Bill. A court may also order the State to provide for future treatment to an injured party at a public health establishment, which could be the very same establishment at which the harm was suffered in the first place. The Bill makes it clear that the State's liability for future medical treatment (even if it has to be delivered at a private health care establishment) will be limited to the costs that would have been incurred if such treatment was provided in a public health establishment.

- An even more troubling aspect of the Bill is contained in a new s 2(2), which amends the existing s 4 of the Act to provide for the application of s 2A even to claims which arose before it was enacted, but which have not been finalised. **In other words, the provisions of the Bill are retrospective and apply to all matters not finalised prior to its coming into effect.**

The proposed amendments materially affect the public interest as well as the interest of the profession. The LSSA therefore submitted comments and was invited to present at the public hearings held on 31 October 2018. At the hearings most presenters opposed the Bill in its current form.

- The Professional Solutions Initiative Committee was asked to provide input as to whether the draft Rules for Legal Practice, as published for comment, should make provision for a 'professional solutions' intervention. **A draft clause to cater for a professional solutions intervention was included as part of the LSSA's comments to the Rules. This ultimately resulted in the introduction of an alternative dispute resolution (ADR) process (Rule 39.4 – Rule 39.8). This process will provide a welcome alternative to the standard disciplinary process.**

dure, which is more suited to punishing unprofessional conduct as opposed to resolving disputes between the complainant and the attorney.

- **The electronic deeds registration system (e-DRS) – which is currently open for comment – remains one of the biggest challenges facing the deeds registration system and the conveyancing profession in the last number of decades,** and continued input and involvement of the profession are imperative to ensure that the system eventually developed will comply with the financial, security and social requirements of the South African economy and society.
- After numerous attempts at setting up a meeting with the Chief Registrar of Deeds, the Property Law Committee finally met with her on 21 November 2018, and used the opportunity to discuss the progress with the e-DRS Bill and the development of a system, transitional requirements, the appointment of a joint task team to provide inputs, and setting up of stakeholder consultation groups.

During the latter part of 2018 and early in 2019, the Office of the Chief Registrar of Deeds embarked on roadshows to engage conveyancers on the Department's project to develop an electronic deeds registration system. These roadshows and the question-and-answer sessions at these events, were closely monitored by our Committee.

- **During December 2018, the Committee met with the Banking Association of South Africa to discuss the content of the e-DRS Bill** and the impact that the development of an electronic registration system will have on the property industry as a whole, and more importantly on securities held by banks. The necessity of having a secure and cost-effective system to replace our current paper-based registration system is clear,
- BASA echoed the views expressed by the LSSA and it was agreed that the two organisations continue their talks and also to extend the discussions to as many role-players and service providers.

As regards the Small Claims Courts, the LSSA submitted comment to the Justice Department on the increase of the monetary limits of Small Claims Courts. After having sourced input from the profession, **the LSSA supported an increase to an amount of R20 000 which comes into operation on 1 April 2019.**

The LSSA Small Claims Courts Committee also participated in a workshop hosted by the Department to focus **on finalising the Guidelines for Small Claims Courts** and to consider comments from various stakeholders, including the LSSA's extensive comments. The workshop covered a wide range of topics, including the application of the National Credit Act in Small Claims Court cases and exploring the potential of Small Claims Court Commissioners to be able to subpoena witnesses.

Attorneys Development Fund

This year there is no report on the Attorneys Development Fund (ADF) due to the following:

The LSSA and the other members of the ADF (the Legal Practitioners Fidelity Fund, the Black Lawyers Association, Nadel and the Legal Practice Council) are saddened to report that the former CEO of the ADF fraudulently removed funds from the ADF. The estimate that is not confirmed is approximately in the region of R20 million. The forensic investigation is ongoing and it is hoped the quantum can be confirmed at the time of the AGM.

The members of the ADF were disappointed at the lack of control and oversight exercised by the ADF Board and called for the board to resign at the AGM of the ADF. A panel was established to act on behalf of the ADF members and stakeholders.

The broad mandate of the panel includes the following key objectives:

- review of the governance of the ADF Board operations;
- circumstances that led to surfacing of allegations;
- steps taken by the board to investigate (including time frames);
- policies;
- procedures;
- authorities;
- internal control environment; and
- risk management processes.
- preservation of assets Mr M Mukansi;
- financial institutions;
- other stakeholders/interested entities; and
- service providers to exercise remedies on behalf of the Board.
- monitoring of South African Police Service investigation
- monitoring of forensic investigation

Litigation

The LSSA has been involved in a number of matters this year.

SADC Tribunal

In December 2018 the LSSA welcomed the Constitutional Court judgment which confirmed that former President Jacob Zuma's participation in the decision-making process

and his own decision to suspend the operations of the Southern African Development Community (SADC) Tribunal to be unconstitutional, unlawful and irrational. The Court also declared the President's signature of the 2014 Protocol on the SADC Tribunal to be unconstitutional, unlawful and irrational, and directed the President to withdraw his signature from the 2014 Protocol. On 1 March 2018 the Gauteng High Court: Pretoria had ruled in favour of the LSSA and declared that the President's participation in the suspension of the operations of the SADC Tribunal and his subsequent signing of the 2014 Protocol unlawful, irrational and unconstitutional. The LSSA has written to the Presidency requesting that the President do so.

This case is about South African individuals being deprived of access to a regional court irrationally and unconstitutionally.

Proxi Smart

The applicant (Proxi Smart) applied for declaratory relief concerning the lawfulness of its business model for performing the administrative and related services pertaining to property transfers that it contended were not, by law, reserved to conveyancers or legal practitioners. In its judgment in May 2018, the Gauteng High Court: Pretoria held that the applicant had not made out a case for the relief it sought and dismissed the application with costs. A full bench has subsequently refused leave to appeal, but Proxi Smart is planning to appeal to the SCA.

Foreclosures of bonds over primary residences: Judge President's Practice Directive

The LSSA participated as *amicus curiae* in a matter before a full court in the Gauteng Local Division of the High Court. The matter related to foreclosures of bonds over primary residences. The Committee made input on certain legal issues identified by the court. The Judge President of the South Gauteng Division of the High Court issued a Directive in terms of s 14(1)(a) of the Superior Courts Act 10 of 2013, the purpose of which was to make provision of the constitution of a full court to hear certain matters relating to foreclosures of bonds over primary residences. The LSSA was invited to participate in the proceedings as *amicus curiae* to deal with certain identified legal issues.

Divergent practices have developed regarding the suspension of execution of a judgment for the selling in execution of immovable property, with the period of suspension applying in Gauteng being four months and six months in the Western Cape. The period of the suspension was to allow the judgment debtors to bring their arrears up to date.

The LSSA Council requested the Committee's input on the matter. The Committee considered the issue as relevant in the light of the fact that, in terms of Rule 78 of the Magistrates' Courts Rules, a party may apply to court to suspend execution and, therefore, the full court's decision could be used as guidance for similar matters being heard in the Magistrates' Courts.

However, the Committee was concerned that, by taking a stance on the matter, it may be conflicted, given the fact that attorneys represent both the interests of the financial institutions and the consumers.

Independent Institute of Education (Pty) Limited v the Kwazulu-Natal Law Society and others

At the end of February, the Kwa-Zulu Natal High Court granted a declaratory order that graduates of the applicant's (Independent Institute of Education) LLB degree are qualified to enter practice on the same basis as those with LLB degrees offered at public universities. The LSSA withdrew its application to oppose, it should be noted that the Justice Department had drafted an amendment to the Legal Practice Act, prior to the court action, allowing all graduates with LLB degrees from accredited universities access to the profession.

This is contained in the Judicial Matters Amendment Bill currently available for comment.

International engagement

The LSSA continues to represent the profession in regional, continental and international bodies, in the interest of the Profession

- SADC Lawyers Association (SADCLA): Regional body for SADC Bar Associations and Lawyers
- Pan African Lawyers Association (PALU): Continental body for African Bar Associations and Lawyers
- International Bar Association (IBA): International worldwide body for Bar Associations and Lawyers
- Commonwealth Lawyers Association (CLA): International body for Bar Associations and Lawyers of countries which previously were part of the British Commonwealth.

V BRICS Legal Forum, Cape Town, South Africa – 23 to 24 August 2018

The V BRICS Legal Forum conference was hosted by South

Africa, under the auspices of the LSSA, and included legal practitioners and legal academics from Brazil, Russia, India, China and South Africa (BRICS). The main conference was preceded by a conference of South African universities on 22 August 2018, with the aim of bringing more South African universities on board.

A talent programme in conjunction with a local university will be held later in 2019, for young law graduates and lawyers from the BRICS countries to be introduced to the key legislation as indicated in the specialist committee reports below.

South Africa added two new committees to the Forum that will be taken forward at the next meeting in Brazil later this year:

- Action group: To ensure that declarations are monitored and implemented.
- Rule of law: The broad implications and nature of work to be undertaken, this aspect requires a specific and focused committee and must be integrated in the other four committees (Financial and Tax Law; Arbitration and Mediation; Contracts and Company Law, the newly established Internet of Things (IOT).

The Legal Forum steering committee accepted the position of the LSSA that the BRICS Arbitration Centre to be established must comply with criteria to be developed that include transformation and access to all legal practitioners (subject to minimum training criteria).

A key declaration that was sponsored by South Africa was to approach the Governments of our countries with the purpose to seek representation and participation of the BRICS Legal Forum at the BRICS summit meetings. The meeting was encouraged that at the BRICS country summit in Sandton, the BRICS Legal Forum was acknowledged as a sector initiative.

The BRICS declaration from the Cape Town conference is included alongside in this Annual Report.

General

The high failure rate in the conveyancing exam has also come under the spotlight, both in regards to the training courses and the examination process. A possible review of this process should be discussed. One should keep in mind that there should not be any gatekeeping and the process should be streamlined to facilitate transformation.

Engagements between the LSSA and the Legal Practitioners' Fidelity Fund (LPFF) on the proposed phased-in contribution by members to the cost of professional indemnity insurance have been slow, but are continuing.

The LSSA is trying to engage with the Legal Practitioners' Insurance Indemnity Fund (LPIIF) to consider if this insurance could not be offered to members at a better rate than the open market.

The LSSA has set up a cybersecurity helpdesk to provide basic information to practitioners.

Mvuzo Notyesi and Ettienne Barnard

Co-Chairpersons

V BRICS LEGAL FORUM

CAPE TOWN SOUTH AFRICA DECLARATIONS

1. We, the representatives of the legal communities of BRICS member states, steeped in the values and principles encapsulated in the concept of the Rule of Law and giving highest value to the fundamental guarantees of human dignity, liberty and equality, having met in Cape Town from 23 to 24 August 2018 and deliberated on various legal issues that impact on socio-economic activities, trade and dispute resolution.
2. Acknowledging and supporting the objectives in the declarations signed by the BRICS heads of states, including the 10th BRICS Summit Cape Town Declaration under the theme BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the Fourth Industrial Revolution, we reaffirm our commitment to work towards realisation of these objectives by helping to create legal and policy frameworks having their basis in fairness, equality, inclusion, respect for social and human rights and the rule of law.
3. We acknowledge the Law Society of South Africa for hosting the V BRICS Legal Forum in which implementation of our declarations, creation of BRICS Legal Forum institutions and setting up of networks of emerging nations took center stage.
4. We considered and reaffirmed our commitment for helping create a rule based, fair, just and equitable democratic international trade and economic order based on principles of multilateralism and the rule of law that provides for sustainable

development and inclusive growth and in order to achieve that, help create commercial and investment disputes resolution mechanisms and institutions which are fair, efficient, representative and inclusive in their character and cater to the needs and requirements of BRICS and emerging markets and developing economies.

5. We will endeavour, wherever possible, to leverage existing dispute resolution institutions in member states and between member states to quickly establish BRICS dispute resolution centres within the shortest reasonable time in order to have institutions ready to handle disputes that may arise, provided such institutions adhere to the Rules and Procedures set by the relevant expert committee of BRICS Legal Forum.
6. We, endorse in principle the approach paper presented by the Bar Association of India which builds upon the resolution adopted in the Moscow declaration of the Legal Forum to create a network of commercial dispute resolution institutions in the BRICS and emerging markets and developing economies and to build professional capacity and required expertise in the BRICS countries and emerging markets and developing economies by collaborating with existing institutions and dispute resolution centres in the emerging world and to collaborate with new multilateral institutions created by BRICS, i.e. the New Development Bank and those anchored and supported by BRICS member states like the Asia Infrastructure Investment Bank, decided to take further steps to refine and to prepare a road map to implement the initiative through active and collaborative participation of all member states. We resolve to develop and promote effective mechanisms of dispute resolution through the process of commercial mediation.
7. We recognise the need to setup an ecosystem and networks to advance our objective of developing a just and fair world order in socio-economic activities of emerging economies.
8. Considering that the BRICS Legal Forum in Cape Town has been included in the official and sectoral meetings mentioned in the X BRICS summit Johannesburg declaration 2018, we will approach the Governments of our countries with the purpose to seek representation and participation of the BRICS Legal Forum representatives of the BRICS summit meetings.
9. We recognise the importance of enhancing high-level professional exchange for further development of the BRICS Legal Forum's effectiveness. This will be achieved through discussions and making decision on consensus. Further, we will conduct BRICS Legal Forum activities through various established committees of the BRICS Legal Forum based on rules and procedures adopted.
10. We are aware of the need to establish institutions and capacitating them in order to be able to implement our declarations and promoting annual legal talents program for young lawyers and exchange of students and experts among BRICS member states. We acknowledge the contribution of the Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation and the Association of Lawyers of Russia; for hosting the BRICS Legal Talent program as part of the IV BRICS Legal Forum.
11. Having agreed to set up BRICS Legal Forum institutions and their operating principles and mechanisms, we are poised to build upon and implement more effectively the resolutions passed in each declaration in member state, do hereby resolve to establish the Evaluation and Coordination Committee of the BRICS Legal Forum. A Committee that will promote that the adopted declarations are implemented by all member states. For this purpose, a terms of reference will be developed by a working group to be appointed and later approved by the heads of delegations.
12. We recognise the imperative of sustainable development, conducive trade environment including commercial environment free from corrupt tendencies in carrying out our mandate. Accordingly, we support initiatives aimed at dealing with crimes such as corruption, tax evasion, money laundering and drug trafficking.
13. We resolve to constitute a working group to help develop a mechanism within BRICS to cooperate in anti-corruption and money laundering law enforcement, extradition of fugitives, economic and corruption offenders and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption to ensure a robust implementation of the United Nation Convention against Corruption in the BRICS countries.
14. We resolve to constitute working groups: -
 - 14.1 to help develop a mechanism within BRICS for effective implementation and enforcement of laws relating to drug trafficking and drug-induced violence and crime.
 - 14.2 to develop legal cooperation and approaches in relation to custody and welfare of children in cross border family disputes and crimes against women and children.
15. We resolve further to strengthen our collaboration to help implementation aspects of Johannesburg declaration.

ration having a bearing to our role as lawyers in society and trade, particularly in relation to

- (i) Artificial intelligence and information and communication technology which are integral to the Fourth Industrial Revolution but require constant legal cooperation and development of legal frameworks to prevent cybercrimes and to address security related implications and threats that arise from misuse of ICT and
- (ii) For implementation of the UN 2030 Agenda of Sustainable Development and Sustainable Development Goals (SDGs) by helping strengthen the institutions and legal and policy mechanisms that promote and sustain the rule of law in order to pave the way for equitable, inclusive, open, all round innovation driven development, encapsulating concerns of environmental and ecologically balanced economic growth to achieve the ultimate goal of eradication of poverty.

16. We will take steps to achieve better coordination and integration in the BRICS activities framework and to ensure collaboration and interaction with other stakeholders and participation in meetings and events organised by them each year, such as BRICS Business Forum etc.
17. Participants of the V BRICS Legal Forum (South Africa) express gratitude to the host party, the Law Society of South Africa, and highly appreciate its efforts in organising a very high quality Forum both in terms of content and hospitality.
18. We unanimously accept and endorse the proposal of Ordem dos Advogados do Brasil (OAB) to host the VI Legal Forum in Brazil in 2019 to take forward the spirit and objectives of the BRICS Legal Forum to structure a new world order based on the principles of fairness, justice, equality and inclusiveness and thank them for this gesture.



Heads of delegations celebrating the signing of the Cape Town Declarations at the V Brics Legal Forum in August 2018.

Lin Yanping, East China University of Political Science and Law; Ettienne Barnard, Law Society of South Africa; Prashant Kuma, Bar Association of India; Zhang Mingqi, China Law Society; Marcus Vinicius F Coêlho, Brazil Bar Association; Pinky Anand, Bar Association of India and Stanislav Alexandrov, Association of Lawyers of Russia.

Key:

- 05 – May 2018
- 07 – July 2018
- 09 – September 2018
- 10 – October 2018
- 11 – November 2018
- BLA – Black Lawyers Association
- CLS – Cape Law Society
- KZNLS – KwaZulu-Natal Law Society
- LSFS – Law Society of the Free State
- LSNP – Law Society of the Northern Provinces
- Nadel – National Association of Democratic Lawyers

1. Mr Notyesi was attending another meeting in his capacity as Co-Chairperson in September 2018.
2. Ms Khwinana is an alternate member for Nadel.
Ms Khwinana attends some meetings as chairperson of the Attorneys Development Fund.
3. Ms Myburgh is an alternate member for the CLS.

Councillor	Constituency	Meeting attended
Ettienne Barnard*	Co-Chairperson	05, 07, 09, 10, 11
Mvuzo Notyesi* ¹	Co-Chairperson	05, 07, 10, 11
David Bekker	LSFS	05, 07, 09, 11
Walid Brown*	BLA	05, 07, 09, 10, 11
Max Boqwana	Nadel	05, 07, 09, 10, 11
Dave Bennett	LSNP	05, 07, 09
David Geard	CLS	05, 07, 09, 10, 11
Krish Govender ²	Nadel	05, 07, 09, 10, 11
Mfana Gwala*	Nadel	05, 07, 09, 10, 11
Peter Horn	CLS	07, 09, 10, 11
Nolitha Jali	Nadel	05, 07, 09, 11
Nomahlubi Khwinana ²	Nadel	07, 09
Mabaeng Denise Lenyai	BLA	05, 07, 09, 11
Noxolo Maduba-Silevu	BLA	05, 09, 10
Anthony Millar	LSNP	05, 09, 10, 11
Nkosana Francois Mvundlela*	BLA	05, 09, 10, 11
Janine Myburgh ³	CLS	07
Lunga Peter	BLA	05, 07, 09, 10, 11
Richard Scott*	KZNLS	05, 07, 09, 10, 11
Jan Stemmett	LSNP	05, 07, 09, 10, 11
Jan van Rensburg*	LSNP	05, 07, 09, 10, 11

* Member of the Management Committee (Manco).

The Law Society of South Africa (LSSA) Council and Management acknowledge the financial support of the Legal Practitioners' Fidelity Fund in the provision of legal education and the maintenance and enhancement of the professional standards of the legal profession.

The LSSA is committed to its objectives of a transformed, informed and sustainable profession. The LSSA continues to combine core legal education functions with innovative solutions directed at practising attorneys to respond better to the diverse and specific challenges and needs of the professions, such as disruption (technology and loss of work), a shrinking economic environment and increased regulatory compliance.

The annual report contains comprehensive operational and key activities over the past year. The report is specifically designed to ensure that the LSSA moves to an integrated annual report to inform stakeholders and those who are interested in the profession to gain a deeper understanding of the LSSA, its operations and key objectives for the future.

The report ushers in the new chapter in the profession, with the implementation of the Legal Practice Act 28 of 2014 (LPA) and the establishment of the Legal Practice Council. This has led the LSSA to redefine its role as a voluntary body representing the interests of the profession and its key stakeholders; with core values in an ethical and professional manner in the interest of society and the clients whom we serve.

The new role of the LSSA calls for renewed commitment and a new passion from staff and all involved in the LSSA.

The Council via the Management Committee (Manco) is responsible for the strategic direction, while ensuring that the LSSA's fiduciary, governance, ethical and risk management requirements are satisfied.

The committees of the Council, which assist it, in the execution of its mandate, are organised to oversee operations and

LSSA Senior Management	
Lizette Burger	Senior Manager: Professional Affairs
Zimasa Mtwecu	Acting Senior Finance Manager
Nkhensane Nthane	Senior Manager: Human Resources
Anthony Pillay	Acting Executive Director
Ogilvie Ramoshaba	Senior Manager: Legal Education and Development
Mapula Sedutla	Editor: <i>De Rebus</i>
Barbara Whittle	Senior Manager: Communication

governance.

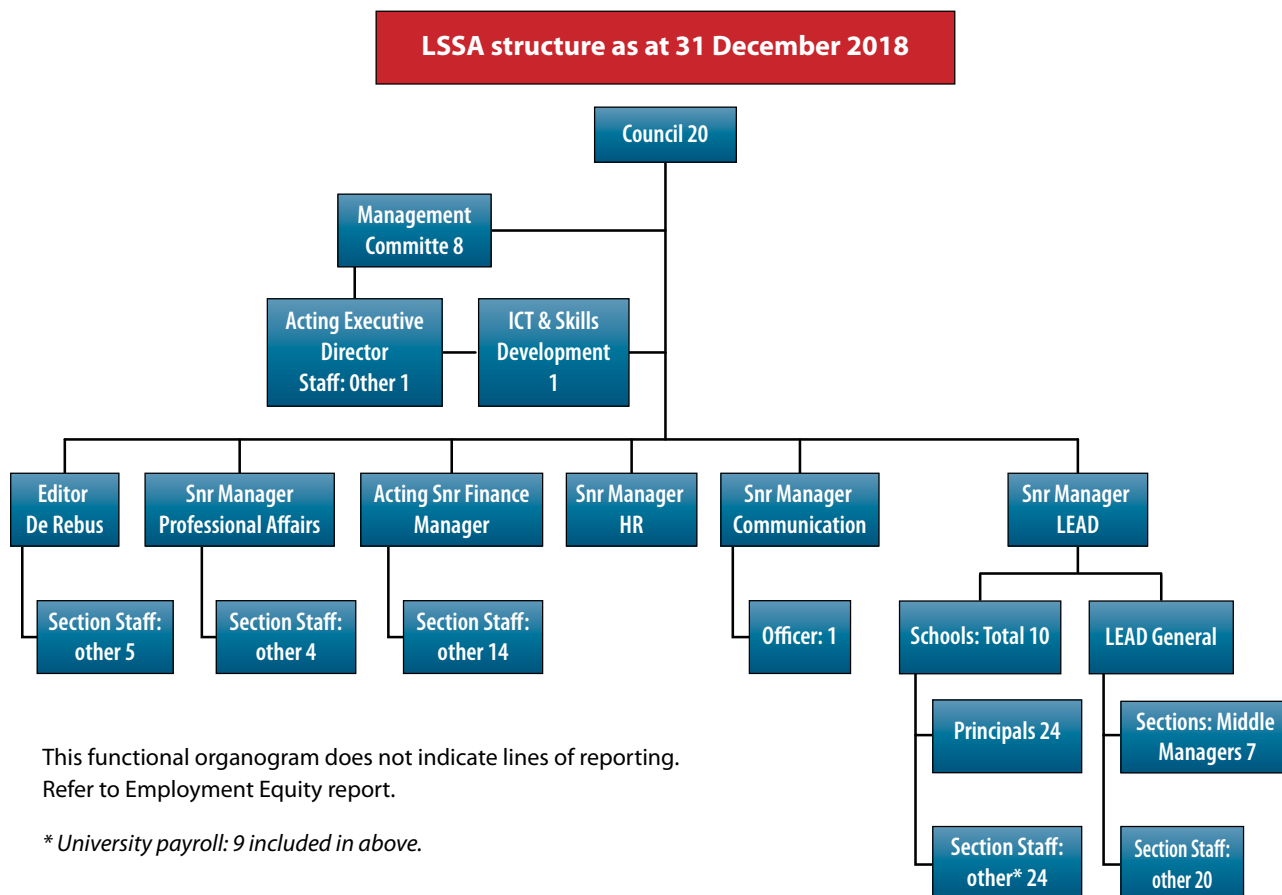
Six committees supported the Council in 2018:

1. The Management Committee (Manco);
2. The Transformation Committee, including its subcommittees (constitutional changes and governance policy);
3. The Audit and Risk Committee (ARC) including its subcommittees;
4. The Legal Education Committee; and the
5. De Rebus Editorial Committee.

The challenges on the new role of the LSSA will require a focus on the effectiveness of the LSSA in delivering its mandate (evaluation) and the programmes of the LSSA, including strategic direction, going forward.

The development of partnerships within the broader legal community, civil society organisations and the private sector in the interest of a membership-based organisation will be an important element in the medium term.

LSSA functional organogram



COMMUNICATION

Metrics, dashboards and analytics have become the new normal in the communication environment. Although the voluminous data can be overwhelming, these are important as they guide the communicator on information being sought by users, both online through the website and through accessing information on e-mailed newsletters and other forms of media.

The LSSA uses various communication forms:

- Press releases: To express the LSSA's views on specific topical issues; and their coverage in print and broadcast media. LSSA press releases can be viewed on the LSSA website under the 'News, media, events' tab.
- Media interaction: Providing attorneys as speakers on request of reporters.

- Newsletters: General news (monthly newsletter, and *Legalbrief LSSA Weekly* every Friday morning).
- Advisories: For focus on specific important issues (such as the implementation of the Legal Practice Act).
- *De Rebus*, the SA Attorneys' Journal, articles (for example, the monthly LSSA column in *De Rebus*).
- Social media (Twitter and LinkedIn).

Interview requests arise from most topical events, for example, interview requests from the *Omotoso* trial in Port Elizabeth, with Criminal Law Committee members William Booth and Amanda Vilakazi speaking extensively on the role of the defence lawyer.

All communication modes have their own formats and uses, and all have the ultimate aim of driving traffic to our website, to achieve the key objective of keeping members informed – www.LSSA.org.za.

An overview of a year's analytics shows the following top searches:

1. National Wills Week
2. Legal Practice Act
3. Getting legal assistance
4. Complaining about an attorney
5. Becoming an attorney
6. Professional examinations

The average session duration (time spent on an LSSA web page) was 02:02.

National Wills Week attracts the most site visits across the year.

The page searches between December 2018 and February 2019 indicate that young lawyers are seeking information on the admission examinations and how to register their contracts of articles,

1. Professional examinations
2. Legal Practice Act
3. Candidate attorneys
4. Complaining about an attorney
5. Legal Practice Act: Frequently asked questions
6. Opt in to receive the *De Rebus* advisories

Some reader statistics from our analytics

55%

70%

62%

53%

- More than half (55%) of desktop users are using Windows.
- 70% of mobile users are using Android.
- 62% users are accessing the website on their desktops
- 53% are reading newsletters on mobile devices.

Our Twitter and LinkedIn profiles are growing strongly. As at early February 2019 we had almost 10 000 Twitter followers and 13 000 LinkedIn followers.



The tweet with the highest impressions was:

Law Society of SA @LawSociety_SA Nov 8 The LSSA is concerned at the confusion created by reports that the new Legal Practice Council has replaced the Law Society of South Africa (LSSA).

This is incorrect. The LSSA continues as an independent body to represent, support & assist attorneys.

DE REBUS

The SA Attorneys' Journal

Editorial Committee

Giusi Harper (Chairperson)

Peter Horn

Mabaeng Denise Lenyai

Maboku Mangena

Mohamed Randera

As from March 2019, practising attorneys and candidate attorneys will no longer receive a free printed copy, but will receive only an electronic version of *De Rebus*. This is due to the financial constraints of the Law Society of South Africa – which publishes *De Rebus*. The journal will be distributed electronically and have a paid-for subscription service for readers who wish to receive a printed copy. The distribution electronically ensures the future sustainable existence of the journal and overrides any negative perceptions. The added benefit of having a digital journal is that legal practitioners will be able to conduct research faster on the electronic version. In line with the educational role of the journal, the digital version of the journal will be best suited for Post-Qualification Professional Development (PPD, formerly known as CPD).

In addition, areas of interest as indicated by members can be individually directed in real time.

The success of the digital version of the journal will be measured by whether readers will continue to read the journal online and whether legal practitioners will continue to send



The LinkedIn post with the highest impressions over the first two months of 2019 was:

Are you a candidate attorney registering your practical vocational training contract (PVT) with the Legal Practice Council? It is of the utmost importance that your PVT and supporting documentation is lodged with the Council within 2 months from the date of the contract to ensure compliance with Rule 22.1.2 of the Legal Practice Act, 2014.

articles for publication. *De Rebus* will continue to be a credible educational tool which brings the legal profession the latest news on developments in the profession in a digital format.

Purposes

- The mandate of *De Rebus* is to be an educational tool for the profession, while it informs legal practitioners of the latest developments in the profession.
- The journal also aims to provide practitioners, with a platform to discuss and share opinions on matters relating to the profession.
- The journal plays a pivotal role in the profession as its content is authoritative, credible and enables practitioners to practise more efficiently and effectively. It also reinforces collegiality in the profession, which in turn promotes the maintenance of high professional standards.

Achievements

Print circulation as at December 2018
23 125

- 19 119 attorneys
- 3 486 candidate attorneys
- 335 paying subscribers
- 1 185 complimentary recipients. Complimentary recipients included judges, magistrates and law faculty libraries across the country.

Digital circulation, as at December 2018:

- The *De Rebus* website had 3 792 subscribers.
- There were 26 334 active subscribers on the newsletter mailing list.
- The *De Rebus* app was downloaded 4 826 times.
- Twitter and LinkedIn pages had 4 662 and 3 982 followers, respectively.

As at December 2018, the *De Rebus* website was ranked seventh in the law, government and politics segment with 33 662 unique browsers, by the Audit Bureau of Circulations.

Advertising sales declined in 2018, as per the trend in all print media.

The journal continues to be relevant and pertinent in the profession. This can be seen by the number of articles, letters and opinions legal practitioners send for publication. This is an important element of having a publication that is dedicated to the profession because the engagement it receives shows that the publication covers topics that are relevant.

FINANCE

The LSSA's Audit and Risk Committee (ARC) operates under an approved charter and terms of reference.

The responsibilities and standards under which the ARC operates are based on best practice standards as defined in the Corporate Governance Policy of the LSSA.

This report runs from 1 January 2018 to 31 December 2018.

ARC has the following specific responsibilities.

1. Finance function and finance policy

The Committee reviews the expertise, resources and experience of the LSSA's finance function, ensuring that this is benchmarked; and discloses the results of the review in the annual report.

2. Budget

The Budget Review Subcommittee oversees the development and preparation of the annual budget in terms of guidelines established by the ARC.

The Budget subcommittee implements a mid-term budget review process including analysis of significant variances against budget.

The ARC reviews actual financial performance against budget and reports to the Council (from 1 April: the House of Constituents).

3. Internal audit

The LSSA's internal audit function, the oversight of internal audit and the control environment, is conducted by the Internal Audit Subcommittee (IAS) within ARC.

4. Risk management

The Committee is an integral component of the risk management process under the authority of the LSSA Council, which is responsible for Risk Management within the LSSA. Specifically the Committee oversees

- financial reporting risks;
- internal financial controls;
- fraud risks as they relate to financial reporting; and
- ICT risks as they relate to financial reporting.

The first line of oversight is conducted by the IAS, which reports to the Council.

For the year under review, the following are key matters that were addressed

- Due to the impact of the LPA, the financial sustainability and risks associated therewith were addressed
- The LSSA underwent a substantial change management process under the oversight of the ARC.
- The ICT structure was fundamentally changed with the ICT moved to the Cloud with significant enhancement and improved capability, much of the benefits will flow in 2019.
- A performance review of ARC, was conducted by members, the results indicated satisfactory performance with minimal intervention measures identified.
- Developed strategic organisational risk management and strategic governance guidance to assist the LSSA Manco.
 - Consolidated the key core functions of the LSSA, especially legal education.
 - The following were additional strategic risks identified with corresponding risk aversion measures:
 - Admission examination security and integrity (exam paper leaks);
 - Education certificate issued - security and processes;
 - Uniformity and standardisation of programmes for the centres of the School for Legal Practice;
 - Professional recognition compliance gaps: SAQA, CHE and SASSETA.
- Constitutional changes for income tax purposes.
- New format for Strategic Risk Register to incorporate business continuity plans and new action metrics.
- Development of a stand-alone key ICT register.

Statement by the LSSA ARC

The ARC reports to the LSSA Council (and after 1 April 2019 to the House of Constituents) via the LSSA Management Committee (after 1 April, Executive Committee). The following statement was communicated to the Council members prior to their approval of the Annual Report and the financial statements for the financial year ended 31 December 2018.

Statement by the ARC of the LSSA's consolidated financial statements prepared in accordance with the general principles of the International Financial Reporting Standards (IFRS).

The Committee instituted this in pursuance of the Governance Charter for the purpose of verifying that the operations of the LSSA and its accounting records are maintained in a proper manner, having

- appointed SAB&T as external auditors, reviewed their audit planning process, examined and discussed their reports;

- noted that the opinion of SAB&T on the Annual Financial Statements (AFS) for the year ended 31 December 2018 is unqualified;
- noted that this is the auditors' final year as external auditors, in terms of the LSSA auditor rotational policy;
- convened 5 meetings during the financial year.
- At each ARC meeting, the Internal Audit Subcommittee (IAS) reported on their regular meetings and discussed risk management and internal audit reports and the ARC reviewed the documents which it deemed necessary in the discharge of its duties.
- The ARC considered the assurance from the IAS concerning the effectiveness of the internal control measures and internal administration.
- Corrective measures were instituted and monitored where control weaknesses were identified by the IAS.
- The remuneration committee is chaired by an independent practitioner (experienced in remuneration matters), Mohamed Husain, with the other members being the ARC chairperson and independent SAICA member of ARC.
- The Budget subcommittee reports were considered and appropriately actioned.
- The audit plan specifically defines a review of the LSSA's internal control environment as a value added service to the external audit.
- **That the foregoing provides a reasonable basis for its statement and in terms of the ARC charter and the LSSA Corporate Governance Policy, to the best of its knowledge and judgement:**
 - confirms that the financial activities of the LSSA are conducted in a proper manner, in particular in relation to risk management and monitoring;
 - affirms the review that the internal control environment is satisfactory;
 - confirms regulatory compliance for the year under review;
 - confirms that the ARC performed a non-executive role and was not involved in the management and operational affairs of the LSSA;
 - affirms that the operations of the LSSA have been conducted and its financial records are maintained in a proper manner and that, to this end, the financial and operational processes are in compliance with the governance protocols established; and
 - confirms that the AFS of the LSSA as at 31 December 2018, which comprise the balance sheet, the income statement and the cash flow statement for the year then ended, a summary of significant accounting poli-

cies and other explanatory information; provides a true and fair view of the financial position of the LSSA and of the results of its operations and its cash flows for the year under review.

Ashwin Trikamjee, Chairperson
Jan van Rensburg, Vice-chairperson
Peppy Kekana
André de Lange
Vincent Faris (independent nominee, SAICA)
Willie Scholtz (Risk and ICT expert)
Jan Maree
Igna Klynsmith (Chairperson IAS)
LSSA Co-Chairpersons serve as ex officio members.

HUMAN RESOURCES

This report covers the period from 1 January 2018 to 31 December 2018.

Staff numbers

Consolidated staff numbers					
	Total as at 31/12/2017	Budget 2018	Less terminations and transfers out	Add appointments and transfers in	Total as at 31/12/2018
LSSA	32	33	2	0	30
<i>De Rebus</i>	6	6	0	0	6
LEAD	56	60	6	4	54
Total:	94	99	8	4	90

New appointments

Title	Name	Section	Post	Date	Equity
Ms	Ros Elphick	Communications	Communications Officer (temporary; six-month contract)	01 June 2018	W/F
Ms	Prudence Mabena	LEAD Courses and Distance Learning	Training Coordinator	11 July 2018	A/F
Ms	Phionah Luthada	LEAD SASSETA Projects	Training Coordinator	1 August 2018	A/F
Mr	Ridhwaan Mahomed	Johannesburg School for Legal Practice	Receptionist	1 October 2018	I/M
Mr	Mbulelo Dili	LEAD Skills Development	Skill Development Officer	29 October 2018	A/M

Terminations

The LSSA had eight terminations during the period of this report. Exit interviews indicated personal choices by the employees concerned.

LSSA staff training 2018

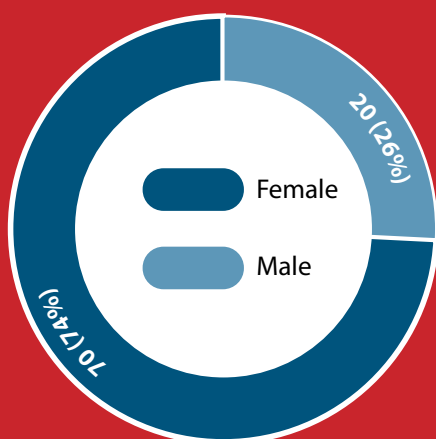
The LSSA invested R391 000 for the development and skilling of staff. Over and above the recommendations by Management, the staff training committee makes recommendations on the various types and nature of training requirements.

Employment equity statistics 2018

Employment equity return 2018*

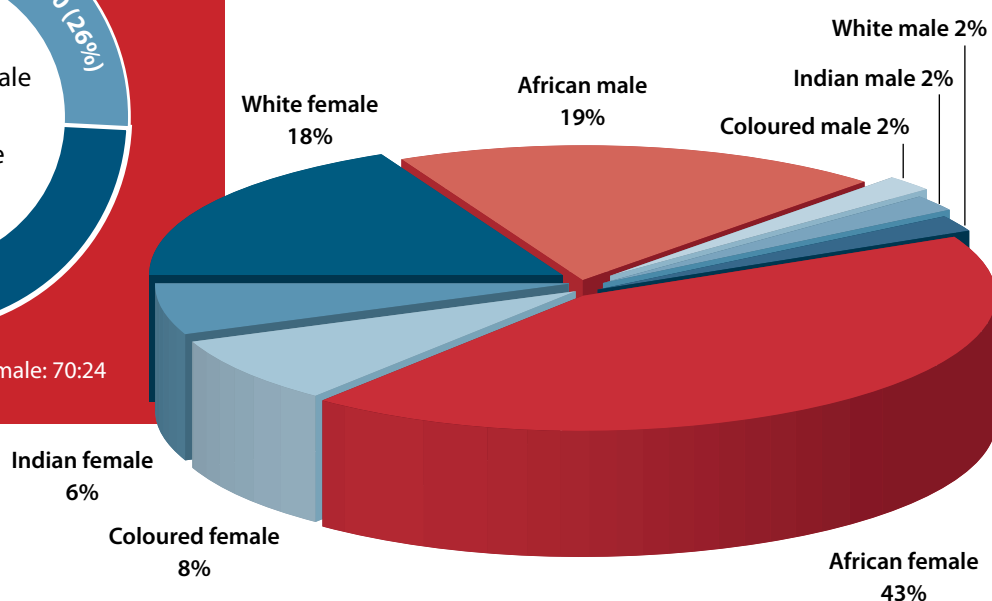
OCCUPATIONAL LEVEL	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	1	0	0	0	0	0	0	0	1
Senior management	2	0	0	0	2	0	0	2	0	0	6
Professionally qualified and experienced specialists and mid-management	0	2	0	1	4	3	2	4	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	1	6	0	1	6	2	1	21
Semi-skilled and discretionary decision making	11	0	0	0	24	4	3	5	0	1	48
Unskilled and defined decision making	0	0	0	0	3	0	0	0	0	0	3
Total permanent	17	2	1	2	39	7	6	17	2	2	95
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	17	2	1	2	39	7	6	17	2	2	95

Employee gender ratio



Ratio (actual): Female to male: 70:24

LSSA employment equity: Workforce profile



* For EE reporting purposes, terminations effected in December 2018 are included in staff numbers for the year end as the effect on staff numbers only impacts in the new month.

Challenges in 2018

Security of tenure and stability about the future remains the biggest challenge.

Lack of adequate information to communicate regarding developments about the future.

Uncertainty on the transitional period of the LSSA and limited prospects about the future, contributed to staff insecurities.

Objectives for 2019

Ensure staff are motivated and committed to the LSSA despite the uncertainty and related challenges.

Continue to communicate and provide open and honest information about developments on the future of the LSSA.

Continue to empower all staff through training and development in their areas of specialisation.

Engage with staff on their inputs on the development of a sustainable LSSA.

LEGAL EDUCATION

Committee Members

Raj Badal* (Chairperson)	Dave Bennett
Taunyane Hlapolosa	Peter Horn
Jan Maree	Mbongeleni Mchunu*
Zaahira Tiry	Zincedile Tiya*
Ashwin Trikamjee	Praveen Sham

* Subcommittee includes Krish Govender of the Legal Practice Council.

Key focus

- **LEAD has been accredited by the Legal Practice Council (LPC) as a legal education provider for 2019.**
- More than 11 500 persons enrolled for LEAD programmes in 2018.
- LEAD presented 45 e-learning webinars in 2018.
- More than 700 practitioners and other experts were involved in LEAD training activities in 2018.
- A blended learning programme was introduced at the centres of the Schools for Legal Practice for matrimonial and divorce law and personal injury claims in addition to insolvency law.
- For 2019 it is intended that the 25-day courses will be enhanced to be in line with the PVT programmes which includes the Schools for Legal Practice in terms of the LPA regulations.
- **The Significant Leadership Programme for Women Lawyers was again presented in 2018, and it is proposed to continue in 2019.**

- LEAD offered training for institutions such as the Independent Municipal and Allied Trade Union (IMATU), Special Investigations Unit (SIU) and the Department of Justice and Constitutional Development (DOJ&CD).
- Continue to supplement the work of the Judicial Education Institute by collaborating with the National Association of Democratic Lawyers (NADEL) in the presentation of Judicial Skills training.
- Continuing to work with the Black Lawyers Association – Legal Education Centre and the Education section of NADEL in the provision of legal education for the profession.
- Through SASSETA funding, LEAD in collaboration with the BLA and NADEL, placed 100 LLB graduates in law firms as candidate attorneys and 60 graduates from Technical Vocational Education and Training (TVET) colleges as administration assistants. This provided both access to the profession and skills development.

At its meeting in November 2018, the Legal Education Committee approved all LEAD programmes for 2019.

Key developments

The SCLE made a submission regarding Practical Vocational Training (PVT) to the National Forum on the Legal Profession via the LSSA Council.

As regards PVT, the view of the committee has consistently been that, as the objective of the Legal Practice Act 28 of 2014 was to unify the profession, there should be one uniform training programme for all candidate legal practitioners (candidate attorneys and pupils). Once legal practitioners complete the uniform training; they would then decide whether they want to practise as an attorney or an advocate. The advantage of this training is that it promotes a uniform and transformed profession in line with the objectives of the Legal Practice Act; it could also seamlessly facilitate for an attorney to convert and practise as an advocate and vice versa.

Legal education conference

The LSSA co-hosted the legal education conference on 1 and 2 March 2018. Committee member Zaahira Tiry made a presentation on behalf of the Committee. She emphasised the position of the Committee that there should be uniform training for all candidate legal practitioners. The Committee raised concerns that the conference resolutions were very brief and did not include or correctly capture a summary of other presentations, including that of the Committee.

The Committee established a sub-committee to deal with urgent matters and to revert to the Committee. The subcommittee ensured that the content of the training at the LEAD centres of the School for Legal Practice is aligned to and in terms of the regulations of the Legal Practice Act.

Summary of attendance of all LEAD programmes for 2018

	2018	2017
School for Legal Practice	1609	1500
Conveyancing and notarial training	777	600
25-day courses for candidate attorneys	2478	2631
Diplomas and certificates	134	128
Practice management training	1249	1066
Seminars	2533	2486
Mediation	122	149
Other training including		
<i>E-learning</i>	774	472
<i>New business (including support staff training, business rescue course; corporate training; training to external clients)</i>	1851	2003
Total	11 527	11 074

PROFESSIONAL AFFAIRS

The Professional Affairs division of the LSSA was active during the period under review, with a significant number of legislative changes that necessitated intervention by the Committees.

The Committees engaged with numerous stakeholders and made various submissions to Parliament and other bodies. These include Section 35 of the Legal Practice Act, the Code of Conduct published in terms of the Legal Practice Act, the Road Accident Benefit Scheme Bill, the Electronic Deeds Registration Systems Bill (e-DRS), the Competition Amendment Bill, input to the Rules Board for Courts of Law on the Magistrates' Courts Rules and Uniform Rules of Court, the Commission for Conciliation, Mediation and Arbitration, the Competition Commission, SARS and National Treasury. Submissions can be viewed on the LSSA website.

The activities of the Committees are reported on under the 'Specialist Committee reports' in this Annual Report.

Practitioners are invited to send comments and proposals in respect of any legislation to kris@LSSA.org.za for consideration by the relevant specialist Committee. We often source practitioners' views on various issues through newsletters and advisories. You are urged to ensure that your name appears on the LSSA's database. To do so, please send an email to LSSA@lssa.org.za.

The Committees are ably assisted by Ricardo Wyngaard (Senior Legal Officer), Kris Devan (Personal Assistant), Edward Kafesu (Committee Secretary) and Nonhlanhla Chanza (Parliamentary Liaison Officer).

We would like to convey our sincere gratitude to Committee members, for their support and guidance. They voluntarily offer their expert knowledge and service for the benefit of the profession.

LEGAL PROVIDENT FUND

Board of Directors

Adv Hannine Drake (Chairperson)	David Bekker
Iqbal Ganie	Jacques Malan
Jolly Mokorosi	Janine Player
Andrew Stansfield	

The Legal Provident Fund (LPF) was created by the attorneys' profession to satisfy the retirement funding needs of support staff in legal practices. As a result, the bulk of the membership are employees in attorneys' offices and in advocates' chambers. In addition, a substantial number of legal professionals are also members. The LPF was first registered in 1967, and has grown to accommodate around 4 300 active members and 500 participating employers throughout South Africa. It now manages more than R1 billion in assets.

The LPF is ultimately governed by its board members, called trustees. We are currently engaged in a streamlining process whereby the number of trustees will be reduced to eight members, with four trustees and alternates to be appointed by the Law Society of South Africa (LSSA) and the General Council of the Bar (GCB), and four independent trustees with experience in the pension fund industry. This will be in line with the Financial Services Conduct Authority's (FSCA's) recommendation that 50% of umbrella fund boards consist of independent trustees. Full details of the current trustees and their credentials may be accessed via the LPF website, at www.legalprovidentfund.co.za.

The LPF is a defined contribution provident fund which is regulated by the FSCA as a 'Type B' umbrella fund, meaning that the fund operates under one set of rules to which employers become bound when they choose to become participating employers. This simplifies the administration of the fund and promotes cost-effectiveness for members.

The LPF is further managed by the principal officer who provides guidance to the Board in many areas where specialist independent input is required. Her performance in this role is assessed each year, with a very positive outcome on each

occasion. Alexander Forbes Financial Services is contracted by the Board to perform administration and actuarial consulting services. All service providers to the fund are regularly reviewed.

The Board regularly reviews investment performance and is satisfied that investment returns are in aggregate aligned with trustee expectations. This is so despite a challenging investment environment during 2018, particularly in respect of the equity and property markets which took strain. The LPF retains its default investment portfolio which is aligned, and changes, with the life stage of each member.

Audited financial statements were finalised for the year ended 31 March 2018 and were submitted to the FSCA on time. There were no adverse audit findings. **The LPF has had no complaints against it before the Pension Funds Adjudicator.**

A continuing challenge in the retirement fund industry is ensuring that members have optimal benefits to see them through retirement. This depends on many variables, including the size of member contributions and member education on the value and importance of early and comprehensive retirement savings despite more immediate financial pressures on members' pockets. We are exploring various ways to make it easier for members to increase their contributions incrementally, some of which we expect to implement in 2019.

We have also been engaging with the LSSA to better understand how its retirement offering is impacted by the changes brought about by the Legal Practice Act 28 of 2014, and how we can further optimise our retirement fund offering to their employees and to practitioners' employees. We will continue to engage with the LSSA, the GCB and the Legal Practice Council during 2019.

It stands to the credit of my fellow trustees, the principal officer and the administrator that the LPF has delivered another year of excellence to its membership.

ALTERNATIVE DISPUTE RESOLUTION COMMITTEE

Members

Ebrahim Patelia (Chairperson)	Fazel Bulbulia
Daryl Burman	Charles Cohen
Mahomed Essack	John O' Leary
Maribe Mamabolo	Letuba Mampuru
Ugeshnee Naicker	Ugeeta Pala
Dumisani Sonamzi	

Key focus areas

Together with LEAD, the Committee focuses primarily on the training of practitioners in the ADR field, keeping them informed, as well as influencing and participating in development in the ADR field.

Key developments in ADR

Court-annexed mediation

The Court-annexed mediation project of the Department of Justice and Constitutional Development is crucial for the formalisation of mediation in the civil justice system.

We have continued to monitor the pilot project by the Department. Recently the Department announced that the project will be extended to identified Regional Courts in

the Eastern Cape, Free State, KwaZulu-Natal, Northern Cape and Western Cape during 2019. We remain concerned at the lack of resources being provided to the project in regard to finances, infrastructure, marketing and training.

Arbitration

The Committee spent considerable time in 2018 perusing and commenting on the preparatory documents for the BRICS Legal Forum. This will be an ongoing project and the need for specialist member participation has been identified. The Committee welcomes suggestions of suitable arbitration practitioners – e-mail kris@LSSA.org.za.

Focus for 2019

- A draft Uniform Rule 41A, dealing specifically with mediation as a dispute resolution mechanism, was circulated in mid-December 2018. The Committee will consider this and make comments.
- It seems that in the last two years there has been a downturn in participation by attorneys in training courses in the ADR field. In 2019 we will discuss whether this also applies to other training areas, and also whether a fresh focus in training content is needed.

The Committee sadly records the death of Committee member Jerome Mthembu and expresses condolences to his family and colleagues.

COMPANY MATTERS COMMITTEE

Members	
Miranda Feinstein (Chairperson)	Johan Fouché
Nolukhanyiso Gcilitshana	Paul Hay
Umesh Jivan	Nano Matlala
Arnold Mohobo	Abigail Reynolds
Peter Veldhuizen	

The Committee considered

- the Companies Amendment Bill, 2018. A detailed consideration of the Bill was undertaken and a comprehensive memorandum submitted to the Department of Trade and Industry (the DTI);
- the roles of directors of companies under business rescue, what they entailed, how they can be reconciled with the role of business practitioners and whether any amending legislation should be proposed, as it was understood that certain directors of companies under business rescue had expressed concerns in this regard. The Committee concluded that the fact that the business rescue practitioner had fiduciary duties akin to those of directors does not per se remove the fiduciary duties from the directors. Section 137(2) of the Companies Act exempts the board of directors from certain fiduciary duties to the extent that the directors act in accordance with the business rescue practitioner's instructions or directions. The Committee concluded that there was no necessity to propose amendments to the Companies Act.

Focus for 2019

The Committee has previously made proposals for the amendment of Practice Note 2 of 2016 to the Companies and Intellectual Property Commission (CIPC). This will be taken forward in 2019.

Priyesh Daya, the deputy chairperson of the Committee, resigned in October 2018.

COMPETITION LAW COMMITTEE

Members	
Paul Coetser (Chairperson)	David Bekker
Gavin Gow	Hussan Goga
Petra Krusche	Eric Mbhele
Lunga Peter	Matshego Ramagaga
Jan van Rensburg	Howard Stephenson
Kagi Tladi	

Key developments

Section 35 of the Legal Practice Act

Section 35(1) of the Legal Practice Act 28 of 2014 (LPA) contemplates that fees of legal practitioners must be in accordance with tariffs to be promulgated by the Rules Board for Courts of Law. The Committee considered whether this could constitute a type of price fixing in contravention of s 4(1)(b)(i) of the Competition Act 89 of 1998. However, the relevant sub-sections of s 35 have not come into force as yet, which means that there is no regulation of attorneys' fees in this regard at present. The South African Law Reform Commission (SALRC) is mandated in the LPA to do an investigation into whether a tariff of maximum fees for legal practitioners should be published and if so, what those fees would be. Therefore, the Committee decided to pend its discussion until the SALRC has done its work.

Standard agreements imposed by banks on attorneys

Certain delegates from the Committee, together with delegates from the LSSA Ethics and Property Law Committees, held two meetings with the Competition Commission, at the Commission's invitation. The main discussion topic was the impact on the legal services market of standard agreements imposed by banks on attorneys. These agreements are fairly one-sided in favour of the banks, and attorneys have very little bargaining power to negotiate changes to their provisions. A particular concern is that certain banks require attorneys to invest significant amounts of trust moneys with those banks in order for the attorneys to be on those banks' panels, especially in conveyancing matters. This is particularly prejudicial to smaller and one-person firms. The Commission intends investigating the matter further in due course.

Competition Amendment Bill

On 11 July 2018, the Minister of Economic Development introduced a Competition Amendment Bill to Parliament. The Bill is a piece of legislation that significantly expands the scope of competition law enforcement and the powers of the competition authorities. The Bill's main objective is to address the high levels of concentration in the South African economy and the lack of full participation in the economy by smaller firms and firms owned and managed by historically disadvantaged persons. It intends to strengthen the powers and resources of the Commission and the Tribunal to deal with these issues. In addition, it sets out an additional procedure for regulation of takeover by foreign firms of South African companies which may prejudice national security.

Unfortunately, certain aspects of the proposed amendments in the Bill are unclear and may have unintended consequences. As a result, the Committee made extensive submissions to Parliament on two occasions and proposed various amendments to the Bill with a view to clarifying and improving its provisions. Petra Krusche also presented oral submissions to the National Assembly's Portfolio Committee on Economic Development on 28 August 2018 and Paul Coetser presented oral submissions to the National Council of Provinces' Select Committee on Business and Economic Development on 13 November 2018. A number of the Committee's submissions were taken into account and the Bill was significantly amended before its adoption by Parliament on 4 December 2018. The Bill was signed into law by the President on 13 February 2019.

Focus for 2019

The Committee will closely monitor any new developments relating to the enactment and implementation of the Competition Amendment Bill and any regulations and guidelines.

In addition, the Committee will consider any matter relating to the implementation of the Legal Practice Act insofar as it impacts on competition issues.

The Committee will continue to monitor and make submissions on competition law legislation and competition issues impacted by other legislation. It will also continue to liaise closely with the Competition Commission.

CONSTITUTIONAL AFFAIRS AND HUMAN RIGHTS COMMITTEE

Members	
Busani Mabunda (Chairperson)	Daryl Burman
CP Fourie	Saber Jazbay
Sonja Labuschagne	Macdonald Moroka
Mvuzo Notyesi	Xolile Ntshulana
Shamila Singh	

Key developments

Legislation

The Committee dealt with a number of important and sometimes contentious pieces of legislation, including:

- Section 25 of the Constitution. The Committee drafted submissions to the Constitutional Review Committee on the review of s 25 of the Constitution to make it possible for the state to expropriate land for public purpose and in the public interest without compensation. The LSSA's submissions can be viewed on its website.
- The Draft Children's Amendment Bill, 2018. The Department of Social Development has published this Bill, which proposes major amendments to the Children's Act. The Bill has been revised a number of times and the Committee will make submissions on its constitutional aspects at the opportune time.
- The National Health Insurance (NHI) Bill and the Medical Schemes Amendment (MSA) Bill. The Committee considered the constitutional implications of these Bills. The NHI Bill requires close scrutiny by the Committee, as many contentious issues have already been raised. Once the Bill resurfaces, the Committee will convene a meeting to specifically deal with it. The MSA Bill still needs to be approved by Cabinet, whereafter it will follow the parliamentary process.
- The Road Accident Fund Benefit Scheme (RABS) Bill. The Committee is closely monitoring developments relating to the RABS Bill. The Bill had been vigorously opposed by various groups. The LSSA, through its Personal Injury Committee, had made extensive submissions at the Parliamentary Portfolio Committee. The submissions appear on the LSSA's website. There may be constitutional challenges should the Bill be passed by the National Assembly.
- Foreclosures. The LSSA participated as *amicus curiae* in a

matter before a full court in the Gauteng Local Division of the High Court. The matter related to foreclosures of bonds over primary residences. The Committee made input on certain legal issues identified by the court.

- Constitutional Review. There is always room for institutions to make submissions for reforms to the Constitution. This is a standing item on the Committee's agenda. Practitioners are invited to submit constitutional review issues to the Committee to consider.

Stakeholder relations

In line with a decision that the Committee should foster relationships with likeminded organisations, representatives from Lawyers for Human Rights were invited to attend meetings of the Committee. Areas of possible cooperation were discussed, which will be taken forward in 2019.

Focus for 2019

- The Committee will continue to consider all relevant pieces of legislation to decide whether there are pressing constitutional issues arising.
- The Committee considered various activities it can embark upon to commemorate Human Rights Day. It will be submitting a proposal to the Management Committee that, for 2019, advice / help desks be set up at courts, community and legal aid justice centres.

CONTINGENCY FEES COMMITTEE

Members	
George van Niekerk (Chairperson)	Frank Dorey
Poobie Govindasamy	Howard Maimela
Anthony Millar	Marinkie Putuka
Yandisa Tsipa	Yusuf Wadee
Henri van Rooyen	

Key developments

Guidelines

The Committee formulated draft guidelines for the profession which can be converted into Rules to be gazetted under the Contingency Fees Act 66 of 1997. The Committee will continue to engage with the other specialist committees to agree on the Rules.

SA Law Reform Commission conference

The SA Law Reform Commission (SALRC) convened a conference on Access to Justice, Legal Costs and other Interventions which was held in Durban from 31 October to 2 November 2018. The SALRC will distribute a working document following the conference which will require input from the profession, including the Committee.

Mathimba and Others v Nonxuba and Others (2946/2017) [2018] ZAECHC 85; [2018] 4 All SA 719 (ECG)

The decision of the Full Bench of the Eastern Cape Division of the High Court, Grahamstown in the matter of Mathimba has clarified a number of issues:

- A contingency fee agreement between an attorney and client which does not comply with the Contingency Fees Act is invalid and liable to be set aside. In that event the attorney may only recover fees on a party and party scale;
- The maximum prescribed limit of 25% of the sum awarded, applies collectively to the fees of all legal practitioners involved in the matter. What is contemplated is a single contingency fee agreement to which all the legal practitioners (attorneys and counsel) are a party. In other words, counsel cannot charge an additional 25% apart from the fee recovered by the attorney;
- The attorney may not recover, in addition to the maximum permissible amount under the Contingency Fees Act, the taxed costs paid by the other side. The party and party costs which are recovered from the unsuccessful party are due to the client;
- The 25% limit is calculated on the capital amount only and not on costs as well.

The Committee has noted that the application of the Act in debt-collecting matters has to be clarified.

Focus for 2019

The Committee will:

- Finalise the Rules to be gazetted under the Contingency Fees Act.
- Interrogate the SALRC's working document on access to justice and make recommendations.
- Monitor and deal with issues relating to the Contingency Fees Act.

COSTS COMMITTEE

Members	
Asif Essa (Chairperson)	Jan van Rensburg
Xoliswa Bacela	Graham Bellairs
Johan le Roux	Sinawo Makangela
Lufuno Mathobo	Morné Scheepers
Charles Zietsman	

Key developments

Two significant events that are relevant to the Committee took place during 2018. The first was the commencement of the key remaining provisions of the Legal Practice Act 28 of 2014 (excluding subsections of s 35 dealing with fees for legal services). Secondly, the **South African Law Reform Commission's (SALRC) Access to Justice, Legal Costs and Other Interventions Conference** took place from 31 October to 2 November 2018.

Draft fee tariff structure

The Committee considered communication from the Rules Board for Courts of Law (the Rules Board) and the SALRC pertaining to fees for legal services as envisaged in terms of s 35 of the Legal Practice Act (LPA). The Rules Board circulated a draft fee tariff structure to regulate the profession, pending implementation of the SALRC's recommendations by the Minister of Justice and Correctional Services. The Committee invited written comments, which were submitted to the Rules Board in response to the draft fee tariff structure.

Section 35 of the Legal Practice Act

In addition, the Committee advised the LSSA to request the Minister to suspend the subsections relating to the fee tariff structure proposed for implementation as an interim measure. The Committee's concern was that an interim fee tariff structure was not practical for the regulation of fees. The SALRC would be the institution to consider this issue having regard to its mandate. It would then make recommendations pertaining to tariffs for legal practitioners, as envisaged under subs 35(4). Significantly and subsequently, the **Minister suspended most of the subsections of s 35 of the LPA that were of concern to the Committee.**

The Access to Justice, Legal Costs and Other Interventions Conference

The SALRC must investigate, report and make recommendations to the Minister by 1 November 2020 on aspects relating to access to justice and legal fees. As part of that process,

the SALRC convened the Access to Justice, Legal Costs and Other Interventions Conference. From the Committee's side, Asif Essa and Ettienne Barnard presented papers at the Conference.

Several papers were presented by various stakeholders on a wide range of topics, including socio-economic factors impeding access to justice, comparative foreign jurisdictions, transformative costing, contingency fees, non-litigious legal costs, *pro bono* and community service. The SALRC provided access to most papers to the LSSA (these are available on its website) and it was resolved that the relevant specialist committees should consider the submissions contained in the various papers and make recommendations to the Council on the way forward.

Engagement with advocates' profession

The Committee also engaged with the advocates' profession as regards matters of mutual interest and it is proposed that this interaction will be ongoing.

Rules Board for Courts of Law

It is to be noted that Committee members Asif Essa and Graham Bellairs serve on the Rules Board for Courts of Law, the latter having been re-appointed by the Minister in 2018.

Focus for 2019

The recommendations on the way forward as regards the issue of access to justice and legal costs will no doubt take up a significant portion of the Committee's deliberations during 2019.

The Committee will endeavour to ensure that there is synergy between the relevant stakeholders so that the interests of the profession are considered in the context of fees and tariffs. The Committee will focus on the topics as articulated in this report and other issues that are of significance in the context of fees and tariffs.

CRIMINAL LAW COMMITTEE

Members	
William Booth (Chairperson)	Elsje Clark
Llewelyn Curlewis	Johan Kramer
Motsomi Litheko	Avinash Maharaj
Nolundi Nyati	Zincedile Tiya
Amanda Vilakazi	

Key developments

The Department of Correctional Services (DCS) had been invited to attend the Committee's October 2018 meeting, but for the second time in a row, they were unable to attend. However, Adv Trish Matzke, Deputy Director of Public Prosecutions at the National Prosecuting Authority (NPA), attended and submitted a detailed report. The engagement with Adv Matzke was extremely encouraging. Concerns of the Committee as well as those of legal practitioners in general were raised. There seems to be a welcome change in the structures of the NPA, particularly with the appointment of Adv Shamila Batohi as National Director of Public Prosecutions. It is hoped that this organisation will now fulfil its functions in terms of the Constitution and the National Prosecuting Authority Act 56 of 2008.

The Committee discussed engaging with the DCS on various aspects, including the prison visit project, conversion of sentences in terms of s 276A of the Criminal Procedure Act 51 of 1977, and the problems that are experienced with regard to the Commissioner of Correctional Services not adequately identifying suitable candidates for release. Prisoners who are serving sentences of five years or less should be considered for release under correctional supervision. The composition of parole boards, as well as the concern legal practitioners have that these boards do not have suitably qualified persons serving on them to correctly and fairly adjudicate in parole hearings, were also discussed.

The lack of adequate medical facilities at centres throughout South Africa and the fact that in certain places, particularly in the Western Cape, there is only one psychiatrist who has to deal with the serious medical needs of prisoners at all prisons within the area, was discussed. In general, all the facilities at prisons were discussed and it was agreed that at many centres there need to be serious revamping to ensure that prisoners' constitutional rights are not infringed.

The question of overcrowding was addressed and numerous other aspects were also dealt with, including problems that are experienced with awaiting trial prisoners and their ability to adequately communicate with their families. Recently at Pollsmoor Correctional Facility, for a period of many months there were no public telephones available for prisoners to contact their families. This was a particular concern when families of inmates who do not reside within the immediate area of the prison were unable to visit them.

Committee member Amanda Vilakazi attended the recent National Efficiency Enhancement Committee (NEEC) meetings. These meetings are held two to three times a year.

The Provincial Efficiency Enhancement Committee (PEEC) meetings also take place approximately three times per year, where representatives of the LSSA also attend. It is essential

that legal practitioners have representation at this level to be able to address concerns that they have with regard to the efficient running of courts, the DCS, the South African Police Service (SAPS) and other role-players in the criminal justice system.

There have been many reported instances where people, many years after the event, discover that they have paid an admission of guilt fine unbeknown to them at the time. The fine would, therefore, reflect on their criminal record, which could have a very detrimental effect on such persons when they apply for employment.

Furthermore, with regard to the SAPS, concerns were raised about the fact that detectives are not on duty after hours at many police stations. Often, people are detained unnecessarily for petty offences because there are no detectives to process their cases and release them. In certain instances, it is not necessary to arrest every suspect when a summons or warning notices would be sufficient, particularly when the person is not a flight risk and the offence is of a minor nature. This is an aspect that will be raised again at the NEEC and PEEC meetings.

William Booth and Amanda Vilakazi did numerous media interviews with regard to the role of defence lawyers during the media frenzy around the Omotoso trial in Port Elizabeth.

Focus for 2019

Further engagement will be taking place between the Committee and the representatives of the National Director of Public Prosecutions (NDPP).

Submissions are being considered with regard to amendments to the Criminal Procedure Act as it relates to the effect of admission of guilt fines.

The Committee will submit proposals to the DCS with regard to more regular legal visits to inmates, consultations with expert witnesses in prisons and the attendance of legal practitioners at parole hearings.

I wish to thank the Deputy Chairperson, Llewelyn Curlewis, and other members of the Committee, as well as Ricardo Wyngaard and Lizette Burger from the LSSA.

DECEASED ESTATES, TRUSTS AND PLANNING COMMITTEE

Members	
Hussan Goga (Chairperson)	David Bekker
Marchel Davel	Thumeka Dwanya
Ceris Field	Paul Hay
Noxolo Maduba-Silevu	Mervyn Messias
Ngqiqo Sakhela	Lutendo Sigogo
Willie van der Westhuizen	Karen van Niekerk

Key developments

The Committee meeting in 2018 coincided with the publication of the Closing Report on the work done by the Davis Tax Committee (DTC). The DTC published its second and final report on estate duty, which contained extensive proposals in relation to estate duty and trusts. This has, for example, resulted in the Minister of Finance announcing a higher estate duty tax rate of 25% for estates greater than R30 million. The Committee agreed to engage further with the DTC's proposals at the appropriate time. The Committee disagreed with the DTC's recommendation that the inter-spouse abatement should be withdrawn. The primary estate duty abatement was increased to R2.5m with effect from 1 March 2005 and to R3.5m from 1 March 2007. It has not been increased for 11 years. **Fiscal drag has now entered the estate duty system. It is recommended that the primary estate duty abatement be forthwith increased to at least R15m.**

The Committee noted, with concern, that the 2018 Budget Review states: 'Given that interest rates lower than prime are now uncommon, it is proposed that the official rate be increased to a level closer to the prime rate of interest. This would allow the benefit of lower rates to be measured with reference to a rate that approximates the rate offered by commercial banks to low-risk clients.' If the official interest rate is changed, as proposed, it would have significant tax implications for taxpayers.

During 2018, the Committee engaged with the Office of the Chief Master with reference to the appointment of independent trustees pursuant to Directive 2 of 2017. This Directive has not been implemented consistently by the various Masters' offices. The Chief Master's Office has, on request by the LSSA, confirmed to the various Masters' offices that the need to appoint an independent trustee in a 'family business trust' does not apply to trusts registered before the issue of

the Directive, that is 6 March 2017. Also, the sworn affidavit by an independent trustee is required only for the appointment of an independent trustee in a 'family business trust' – not other trusts. **Directive 2 of 2017 contains certain untenable provisions and the failure by the Office of the Chief Master to issue a revised directive notwithstanding comprehensive and compelling submissions by the Committee to do so, is a matter of serious concern and merits ministerial intervention.**

Chief Master's Directive 2018-01, dealing with interest on future maintenance and age of majority for purposes of s 91 adverts, came into operation as of 1 April 2018.

The coming into operation of the remaining provisions of the Legal Practice Act resulted in the demise of the provincial statutory law societies. It remains to be seen how this will impact on the advances made by the provincial subcommittees, which operated under the auspices of the erstwhile statutory law societies. **It is imperative for the LSSA, the newly established Legal Practice Council and the attorneys' profession to ensure that the solid foundations laid by the subcommittees are not rendered ineffective.**

Focus for 2019

If the official interest rate is changed, as proposed in the Budget Review, it will have significant tax implications for taxpayers. The Committee intends preparing comments to engage with this process once draft legislative amendments are introduced.

The Committee will liaise with the Office of the Chief Master in relation to security being required from attorneys at certain offices who assist in s 18(3) estates.

I thank my fellow Committee members and the LSSA staff for their invaluable contribution in supporting the Committee's mandate.

E-LAW COMMITTEE

Members	
Gavin McLachlan (Chairperson)	Brendan Hughes
Lynnette Marais	Ian McLaren
Crystal Maphalla	Wilfred Phalatsi
Sizwe Snail	Memory Sosibo

Key focus

Cyber law awareness and general cyber competency has become more important than ever for practitioners. The Committee encourages wider competence in the profession and, wherever possible, we are working with LEAD to achieve this. LEAD will be working with us on adding relevant cyber law topics to the PLT training courses and we will be using Committee members and other specialist young IT lawyers to develop and present content as well as to provide videos that can be made available through LEAD's e-LEADer distance e-learning portal.

Developments

We have continued to work closely with the Property Law Committee as the move to online conveyancing started to gather momentum in the year under review. This will be accelerating in 2019 as the development of the e-Deeds Registration System (e-DRS) has started. We attended the initial countrywide consultation workshops and will be working together with the Property Law Committee and the Chief Registrar of Deeds on an ongoing basis to help develop a system that meets the needs of all citizens.

We have begun a forum with cyber SAPS, the National Prosecuting Authority and others to try and coordinate efforts as much as possible to contribute to the construction of an effective and relevant service that benefits all citizens. We held a useful meeting with the risk management and recovery section of the Legal Practitioners' Fidelity Fund, the Attorneys Insurance Indemnity Fund and the relevant SAPS cyber group. They are also looking for training courses, which we are currently developing with LEAD.

We have continued to interact usefully with Government. The Cybercrimes and Cybersecurity Bill was recently separated, as we had initially suggested. The Cybercrimes Bill was recently passed to the National Council of Provinces for approval before submission to the President. It should contribute significantly to combatting cybercrime as there are many new specific offences that will be able to be prosecuted.

These processes and interactions were coordinated by our Professional Affairs Manager and her team and we are most appreciative of their continued support. They were instrumental in arranging that we meet the Judiciary Task Team chaired by Judge President Dunstan Mlambo. **The team is working on free access to judgements, among other things.** It appears that we will be asked to become more involved, especially as we have years of experience in promoting wider access to public domain resources. We do, however, work with existing legal information suppliers as well as SAFLII as we are aware that they are all part of a greater whole.

Focus for 2019

We will be starting to record short video sessions on cyber-crime topics and adding general topics. We will be meeting with LEAD early in 2019 to do the first few sessions using the LSSA's recording facilities.

We will be involved in the digitisation process for our courts with Judge President Mlambo. The digitisation of lower and upper courts together with proper document management is well overdue. The Chief Justice is driving the process and we hope to see some real progress soon. There are also green shoots of hope as far as real connectivity is concerned with the recent decision to auction more spectrum and to release it for public use. The re-creation of a unified Department of Communications is to be applauded.

The regulations for the Protection of Privacy Act were promulgated and it seems that the Act will, at long last, be promulgated in full during 2019. It is vital that all practitioners appreciate the protection of privacy and we will work on spreading the general awareness of its importance, including working with the Information Commissioner.

We are also working with the Legal Practice Council and the Legal Practitioners' Fidelity Fund to set up proper digital verification for all practitioners, which will also provide a trusted 'key' to allow access to the emerging online Government platforms.

We will be meeting with banks and others in the early part of 2019 to ensure that the profession is not left out of their developing online cryptography plans. We believe that the 'key' we hope to develop with the Legal Practice Council and the Legal Practitioners' Fidelity Fund will be of great strategic importance for the profession.

ENVIRONMENTAL AFFAIRS COMMITTEE

Members	
Norman Brauteseth (Chairperson)	Zukisani Bobotyana
Hajira Kara	Ilan Lax
Podu Mdhuli	Zoleka Ponoane
Catherine Warburton	Terry Winstanley

Key developments

This has been a relatively quiet year for the Committee. We welcomed a new member, Podu Mdhuli, representing the Black Lawyers Association. Sadly, we lost Jerome Mthembu, who passed away in December 2018, and will be sorely missed.

Rhino poaching

One of our outstanding issues, which will be carried into 2019, is the interaction between the Department of Environmental Affairs and the Committee, relating to the ongoing fight against rhino poaching. We have offered our limited resources to the Department in order to enhance their crime-fighting efforts, and hopefully that will yield some fruit.

Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA)

We have discussed the ongoing challenges in the implementation of SPLUMA, particularly at municipal level. One of our resolutions is to gather sufficient information to engage meaningfully with the relevant role-players, in an endeavour to improve the administration of this complicated law and its implementation.

Focus for 2019

The Committee will continue to monitor developments in the field of environmental law and, where necessary, make the necessary interventions. Endeavours will also be made to strengthen the relationship between the Committee and relevant role-players.

My thanks goes to the Committee members for their ongoing, and largely unsung efforts, through their practices and other representative organisations, to enhance the objects of the LSSA generally, and this Committee specifically. They have a deep commitment to the interests of the environment and to the operation of just, fair and workable legal instruments to balance social, economic and conservation objectives.

Once again, we as a Committee are grateful for the outstanding assistance given to us by the LSSA staff and committee administrators. We look forward to the role that this Committee can play under the Legal Practice Act 28 of 2014.

ETHICS COMMITTEE

Members	
Krish Govender (Chairperson)	Dave Bennett
John Christie	Linda Magaxani
Charlotte Mahlatji	Nicci Messina
Masika Modupe	Deirdré Milton
Odwa Nyembezi	Nicole Sauli-Koren
Ed Southey	Butch van Blerk

The past year has been eventful as was anticipated. With the passage of the Legal Practice Act 28 of 2014 (LPA), the Legal Practice Council (LPC) came into being, finally on 31 October 2018, when it held its inaugural meeting, with new challenges.

Against this background, the Ethics Committee of the LSSA has to interrogate its role and functions during this period of transition from the old law societies to the new national regulatory authority, the Legal Practice Council, with its nine provincial councils, to be elected during February 2019. The cue that we would have to take flows from the Code of Conduct (the Code) which was first published in the *Government Gazette* on 10 February 2017 by the National Forum on the Legal Profession.

The LPC, at its first meeting during December 2018, committed itself to publish the Code for the sake of inclusivity and transparency to enable all legal practitioners (LPs) and candidate legal practitioners (CLPs) (includes candidate attorneys and pupils) to have their say on the Code. The Code at this stage is regarded as a working draft document. (For convenience, wherever the letters LPs is used, it is used inclusive of candidate legal practitioners).

As a result of the publication in the *Gazette* during December 2018, all LPs and CLPs had until 7 February 2019 to submit any fresh comments to the LPC which will then finalise the Code. The Code sets the standards of conduct to be enforced by the LPC and will apply to LPs, CLPs and to LPs not in private practice. **The draft Code is broadly an amalgam of the old code for attorneys and the old code for advocates. What will hopefully emerge is a Code that lays emphasis on a unified code that embraces the concept of a legal practitioner,**

rather than reinforcing the old divisions of the past legal profession. The opportunity for all to participate in this transformation and restructuring of the old divisions should not be lost on all of us. We have a joint and several duty to study the draft Code and suggest changes and improvements, thereby making it easier to understand and apply.

How will the new LSSA, operating as a voluntary association of LPs and CLPs, after elections during 2019, align the activities of its Ethics Committee with that of the LPC? There will no doubt be an Ethics Committee within the new LSSA.

Under the LPA, the LPC has formed sub-committees to enable it to carry out its obligations and functions, and one such committee is the Rules, Ethics and Policies Committee (REPC). This Committee will, inter alia, deal with the finalising of the new Code and its adoption and publication, which should all occur before the end of March 2019. The enforcement and application of the Code by the LPC will be a powerful development towards strengthening ethical conduct amongst all LPs, especially at a time when public opinion of the conduct of lawyers has dropped.

The challenge for the new LSSA Ethics Committee will be to monitor the development and operation of the Code under the LPC and at the same time maintain a strong, creative purpose in its deliberations, such that new ideas and concepts from the LSSA could filter into the regulatory role and functions of the REPC. Matters emanating from many sources, not only artificial intelligence, cyber law and cybercrime, will present new challenges on the way forward. There are enough ethical problems within our existing practices which still occupy our attention daily. To mention briefly, the case of Proxi Smart, a matter relating to touting that went to the Competition Commission (CC) and in which certain settlements have been effected, competition law issues, banking 'malpractices' involving conveyancing panels and many more.

The work of the Ethics Committee over 2018 was quite interesting and covered all the developments of the LPA and encompassed interesting debates around the pending litigation matters, CC issues and matters referred to the Committee.

The Chairperson of this Committee also attended two meetings as part of a stakeholder meeting involving two senior officials of the CC, and members of the Property Law and the Competition Law Committees. These meetings focused on the questionable practices of the banks and the manner in which they set up panels of conveyancers from which they appointed their bond registration conveyancers. **The upshot of these dubious practices is that they compromised the ethics that conveyancers are supposed to protect and uphold. The possible anti-competitive practices of the banks arising from this also impacted negatively on black economic**

empowerment of conveyancers. These matters are under investigation by the CC and 2019 may present some developments and surprises in this regard. No doubt, the LPC and its committee will be looking on with a sharp eye.

Finally, words do not do justice to the collegiality of and hard work that is done by the members of this Committee. Special thanks and gratitude is extended to these members, as we move to the end of an era and the dawn of a new one, namely, Butch van Blerk, Deidré Milton, Masika Modupe, Nicci Sauli-Koren, John Christie, Dave Bennett, Ed Southey and our researcher and scribe, Ricardo Wyngaard.

The important work continues.

FAMILY LAW COMMITTEE

Members	
Susan Abro (Chairperson)	Zenobia du Toit
Refilwe Masilo	Deidré Milton
Nkosana Mvundlela	Ugeshnee Naicker
Ncumisa Nongogo	Nomaswazi Shabangu-Mndawe
Brian Segal	Karin van Eck

Focus areas

The most important issues dealt with by the Committee included family law arbitration; South African Law Reform Commission (SALRC) Alternate Dispute Resolution Project 94; the future of the LSSA Specialist Committees under the new dispensation; the definition of community service and/or *pro bono* (or lack thereof) in the Legal Practice Act 28 of 2014; difficulties with the various courts and hearings; new SALRC projects and draft legislation; and dealing with queries and comments on judgments.

Key developments

Amendment of the Arbitration Act

The Committee in conjunction with the Family Law Arbitration Foundation of South Africa (FLAFSA) submitted proposals for the amendment of the Arbitration Act to the Deputy Minister of Justice and Constitutional Development in 2017. These included the removal of the prohibition against arbitration in domestic matters. The Deputy Minister undertook to submit such non-contentious amendments for inclusion in the General Laws Amendment Act. We are still awaiting the outcome of this.

Training

LEAD commenced with introductory courses to explain what arbitration is about, including family arbitration. This would be followed by training within the more specialised fields of arbitration. The training of arbitrators in family law continued in conjunction with LEAD, and at the beginning of 2018, Susan Abro and Zenobia du Toit arranged and conducted joint introductory training in commercial arbitration around the country.

South African Law Reform Commission Alternate Dispute Resolution Project 94

Committee members remain involved with this project and are involved in meetings with the project co-ordinator and other stakeholders on an ongoing basis.

Other issues

Further issues that are being dealt with by the Committee include the amendments of procedural rules relating to family law matters in the courts (comments have been submitted and the outcome is still awaited); briefing of counsel; and the administration of estates with specific reference to customary issues.

Focus for 2019

The LSSA Family Law Committee will continue to deal with any issues which might arise relevant to family law and related matters.

At international level, The Hague Conventions Conference and their application across Africa will take place in Cape Town in April 2019. This will include the involvement of the International Bar Association, the International Academy of Family Lawyers, the LSSA Family Law Committee and FLAF-SA.

FINANCIAL INTELLIGENCE CENTRE ACT COMMITTEE

Members	
David Bekker (Chairperson)	Greg Duncan
Angela Itzikowitz	Maboku Mangena
Perino Pama	Aneesah Patel
Praveen Sham	Dee Takalo

Key developments

Draft Amendments to regulations in terms of the Financial Intelligence Centre Act, 2001 (FICA)

The draft amendments were published for comment. The Committee reviewed its comments submitted to National Treasury and was satisfied with the contents. A copy of this submission is available on the LSSA website.

Amendments to FICA and regulations

It is anticipated that the former provincial law societies as regulatory bodies will be exited. The effect will be that practitioners will resort directly under the Financial Intelligence Centre (FIC). The Legal Practice Council will be the regulator and will have to arrange the regulation in terms of FICA with the FIC. The LSSA will have to play an advisory role to practitioners and will have to protect their interests. The position of advocates practising with Fidelity Fund certificates will have to be considered by the FIC.

Financial Intelligence Centre updates

Practitioners are advised to visit the website of the FIC on a regular basis to keep updated on the latest information. In terms of s 4(c) of FICA, Public Compliance Communications and Guidance Notes are issued from time to time. Directives are issued in terms of s 43A(1) of FICA. Interesting documents are also published on a regular basis by the FIC. Practitioners are advised to look at documents named 'Typologies' issued in March and May 2018. These are important documents to protect the interests of your practice and clients from money laundering and fraud.

Focus for 2019

Risk matrix

A risk matrix for practitioners was discussed in 2018 but

deferred for further consideration as it was not directly prepared for the challenges of practitioners in their different types of practices. The matrix is still under construction.

Effect of the Legal Practice Act (LPA)

The coming into operation of the LPA will have a profound influence on the structure of the LSSA and its committees. Several committees of the LSSA will be combined to save costs. The probabilities exist that this Committee will be combined with another committee. Committees' membership will also be reduced, and committee members will have to be of proven expertise. The practical effect of all these issues will be considered and it is possible that practitioners will have to apply to be appointed to a committee.

In conclusion, I extend my heartfelt appreciation to my fellow Committee members and colleagues at the LSSA for their commitment displayed while executing the Committee's mandate.

HIGH COURT COMMITTEE

Members	
Umesh Jivan (Chairperson)	Anver Bhayat
Graham Bellairs	André Bloem
Asif Essa	CP Fourie
Peter Horn	Niel Joubert
Itiseng Matlapeng	Macdonald Moroka
Dudu Mthimunye-Hluyo	Zuko Tshutshane

Key developments

Appointment of Acting Judges

The LSSA made submissions to the National Efficiency Enhancement Committee (NEEC) regarding the appointment of acting judges from the ranks of practising attorneys. A response is awaited.

Case flow management

Committee members attended the Provincial Efficiency Enhancement Committee (PEEC) meetings and reported on the functioning of the High Court and the time period for the allocation of trial dates, as well as their engagement with the respective PEECs.

These meetings allow for the important exchange of information between all the role players involved in the administration of justice and the maintenance of court buildings.

Amendment of the Rules of the Superior Courts Act 10 of 2013

The Committee submitted comments to the Rules Board for Courts of Law on the various amendments to the Rules proposed during 2018.

Prescription period

The South African Law Reform Commission Revised Discussion Paper 147 on Project 125, dealing with the prescription period, which was issued during the year under review. **The Committee supported the amendments to the Prescription Act which, inter alia, include increasing the general prescription period from three to four years.**

International Conference on Access to Justice, Legal Costs and Other Interventions

The Conference, facilitated by the South African Law Reform Commission, was held from 31 October to 2 November 2018 in Durban. The provisions of s 35 of the Legal Practice Act 28 of 2014 were, inter alia, discussed. Asif Essa presented a paper entitled 'Legal practitioners and non-litigious legal fees'.

Code of conduct for legal practitioners, candidate legal practitioners and juristic entities

The draft Code published by the National Forum on the Legal Profession was reviewed and discussed.

Rationalisation of courts

Issues regarding the rationalisation of courts, access to justice, the travelling distances to courts, especially for inhabitants of rural areas, was brought to the attention of the Committee by Zuko Tshutshane in relation to the Eastern Cape.

Focus for 2019

The issues raised by Mr Tshutshane will be escalated for discussion with the Department of Justice and Constitutional Development before the rationalisation process is put into effect.

The Committee will continue to engage with the Office of the Chief Justice and the NEEC in order to open communication regarding the appointment of acting judges from the ranks of practising attorneys.

The Committee will continue to interrogate and make submissions on draft legislation pertaining to the administration of justice.

IMMIGRATION AND REFUGEE LAW COMMITTEE

Members	
Julian Pokroy (Chairperson)	Ashraf Essop
Neil Goodway	William Kerfoot
Christopher Manzini	Boitumelo Maubane
Onesimo Mkumbuzi	

Key focus

During the year under review the Committee made input on the draft immigration regulations and various other pieces of legislation.

Key developments

Developments have taken place within the Department of Home Affairs (DHA) which make it increasingly more difficult to interface with the DHA at any level, and also to get appropriate responses. It would appear that there is a perceived reluctance on the part of the DHA to deal with practitioners at any level.

At all levels, the DHA has declined and/or failed to respond to requests from the LSSA for meetings to be held with top management as in the past. No reasons have been given and the letters and telephone calls remain unanswered.

The period under review has also been characterised by an upswing in the amount of erroneous and defective decisions that are being made on a regular and ongoing basis. **This necessitates practitioners to advise their clients to consider applying for reviews or appeals against decisions.** This is where the next crunch lies in that the Appeal and Review Section at the DHA head office is bogged down by a backlog in the processing of these visas.

The granting of a visa or extension thereof is generally an urgent matter and issues such as continued status and legality of a stay in the country are paramount to validity of visas, timeous filing of extensions and changes of status.

At a time when South Africa is facing not only huge unemployment, but also a dearth of skills at certain levels, this is not conducive towards the successful and speedy processing of visas for highly skilled foreigners.

Citizenship law falls indirectly under the ambit of operation of our Committee and this is where further and possibly the largest difficulties arise.

The Civic Affairs Division of the DHA at regional and provincial levels refuses to deal with what they term 'third party agents' such as attorneys, advocates and immigration consultants. From a practical perspective, what this means is that practitioners are unable to service clients on matters such as the obtaining of unabridged birth certificates, passports, identity documents and anything else falling under the umbrella of 'Civic Affairs'.

The level of exclusion, in fact, prohibits attorneys and/or their candidate attorneys or staff members from an actual interfacing experience with DHA officials at almost all of the offices. This has made it virtually impossible for attorneys to engage in this aspect of practice and it is a particularly complex legal situation requiring legal assistance.

A Court Order of the Gauteng High Court was obtained against the Minister and Director General of Home Affairs contesting this and **an order was granted compelling those offices to take in applications. The court order has unfortunately been dealt with by the DHA with contempt.**

The processing times during the period under review in respect of all applications has slowed down very considerably and it is becoming almost impossible to predict how long it will take to process applications.

I would like to take the opportunity to thank Lizette Burger and Kris Devan at the LSSA for their continued administrative back-up and professional support. I would also like to thank my fellow Committee members for their continued support and input.

Sadly, in the period since my last report, two of our Committee members have passed away: Solly Lockhat, and more recently Jerome Mthembu. We extend our condolences to their respective families.

Focus for 2019

The Committee will continue with its endeavours to meet with the DHA. It will also continue to monitor and interrogate relevant legislation and make submissions and other interventions, where necessary.

INTELLECTUAL PROPERTY LAW COMMITTEE

Members	
André van der Merwe (Chairperson)	Johnny Fiandeiro
Mfana Gwala	Ncumisa Nongogo
Paul Ramara	Baitseng Rangata
Jan-Hendrik Senekal	Lesane Sesele
Waheeda Shreef	

Key developments

Copyright Amendment Bill

During June 2018, the Department of Trade and Industry (DTI) published a substantial Copyright Amendment Bill for comment. In order to avoid a duplication of time and effort, the LSSA had agreed to support the detailed submissions and comment prepared by the South African Institute of Intellectual Property Law (SAIIPL). Those extensive submissions and comments were duly lodged by SAIIPL and supported by the LSSA.

During October 2018, a second Copyright Amendment Bill (the so-called 'B Bill') was published by the DTI for comment. The B Bill was focused almost exclusively on the aspect of collecting societies and their regulation, and we understand that the DTI Portfolio Committee had entrusted the drafting of the B Bill to a Committee of Experts. Once again, SAIIPL was consulted for their detailed submissions and comment on this topic. However, in the interim, the DTI Portfolio Committee was informed by the DTI's legal advisers that certain constitutional questions had arisen in respect of this Bill, and the advisers had then provided an opinion in this regard. This appears to have stalled the progress of the B Bill. We await further news concerning the progress of the B Bill from the Portfolio Committee in due course.

Other issues

The Committee dealt with a number of other issues, including the impact that the Legal Practice Act 28 of 2014 is expected to have on the IP profession (particularly s 35, dealing with fees of legal practitioners); the IP Laws Review project; and the protection of geographical indicators.

Esmé du Plessis

Esmé du Plessis stood down after many years as the Chair-

person of this Committee. The Committee wishes to express its gratitude and pay tribute to her. Esmé's wide knowledge and experience in the field of intellectual property law enabled her to provide excellent leadership and guidance to the Committee and the legal profession, and she gave freely of her time and expertise in this regard. Over the years she was also engaged in commenting on various amendments to our IP laws. We thank and salute Esmé for her untiring efforts and work, and for her unselfish service to the legal community and profession in our country over many decades.

Focus for 2019

The Committee is of the view that there should be specific legislative provision for the protection of geographical indicators and a submission will be made to the Minister of Trade and Industry.

The Committee will continue to monitor and assess legislative changes and other developments within the area of intellectual property and address them appropriately.

JOINT ATTORNEYS AND ACCOUNTANTS COMMITTEE (JAAC)

Members	
Iqbal Ganie (Chairperson)	Robert Burawundi (LPFF)
Jan de Beer (LPFF)	Frank Dorey
Asif Essa	Etienne Horn
Peppy Kekana	Clayton Manxiwa
Nkosana Mvundlela	Jan van Rensburg

Key focus

The purpose of this Joint Committee is to facilitate interaction and cooperation between the South African Institute of Chartered Accountants (SAICA), the Independent Regulatory Body for Auditors (IRBA), the Legal Practitioners' Fidelity Fund (LPFF), the former provincial law societies (until 1 November 2018) and the LSSA, as well as other stakeholders.

At each Committee meeting, the representatives of each of the former provincial law societies would indicate any matters affecting the auditing standards so that SAICA and IRBA may take these concerns to their members in order to ensure the proper auditing process in an endeavour to reduce any potential risk to the LPFF.

At each meeting, a full report was given to the auditors of the progress by the National Forum as regards the Legal Practice Act 28 of 2014 (LPA) and on 17 October 2018, the accountant members were informed that the rest of the LPA would be coming into effect on 1 November 2018. The accountants were reminded that the Legal Practice Council (LPC) would be the regulator for the legal profession. They were also reminded that, with effect from 1 March 2019, 5% of the interest accrued on monies invested is due to be paid to the LPFF.

Focus for 2019

A working group consisting of both accounting and attorney members has been established to consider the changes that are to come about as a result of the promulgation of the LPA. The members on behalf of the attorneys' profession are Johan van Staden, Glenn Flatwell, Thandanani Zondi and Jan de Beer.

SAICA is to host a roundtable discussion with a panel that consists of auditors of legal practitioners' trust accounts, as well as representatives of the LPC and LPFF. The first proposed seminar is expected to be held in April 2019.

LABOUR LAW COMMITTEE

Members	
Motseki Morobane (Acting Chairperson)	Llewellyn Curlewis
Adriette Dekker	Peter Hobden
Roy Ramdaw	Jan Stemmett
Jason Whyte	

Key developments

Labour Courts

At a meeting with Judge President Basheer Waglay in April 2018, the Judge President confirmed that the Labour Court was operating from the following High Court divisions: Mpu-malanga, Polokwane and Durban. The Labour Court will also be allocated chambers at the High Court in Port Elizabeth. Legal practitioners should note that labour law matters can be heard in any of these centres and not only at the seats of the Labour Courts.

In the past, attorneys were appointed as Acting Judges on a *pro bono* basis during the July and December recesses to deal with backlogs in the Labour Courts. The Judge Presi-

dent indicated that he will liaise with the profession should the need for the appointment of acting judges arise.

CCMA Rules

The Committee met twice with the Commission for Conciliation, Mediation and Arbitration (CCMA), specifically to discuss joint training and capacity-building initiatives, among others. At the meeting in May, the LSSA's proposed amendment to Rule 25 of the Rules for the Conduct of Proceedings before the CCMA were discussed. The LSSA was requested to review and submit comments on the latest draft of the CCMA Rules. In its comments, the LSSA included a proposed amendment of Rule 25 to the effect that legal representation should be allowed in respect of conciliation proceedings before the CCMA. The CCMA's Task Team considered the LSSA's proposal, but was not amenable to the proposal for legal representation, particularly in view of the fact that parties may apply to the Commissioner for legal representation in a particular matter. In the same breath, we were also informed about the CCMA's statistics for 2017 showing that consent was granted in the overwhelming majority of applications for legal representation.

Right of candidate attorneys to represent parties

The Committee has been campaigning for many years with regards to candidate attorneys' right to represent parties at the CCMA as legal practitioners. The CCMA's new draft Rule 25(1)(b) provides that 'in any arbitration proceedings a party to the dispute may appear in person or be represented only by – (i) a legal practitioner, *including a candidate attorney* [my emphasis]. However, the CCMA advised that the CCMA Board has decided to pend the process of the amendment of the Rules until further notice.

Rules Board for Labour Courts

At long last, the Rules Board for Labour Courts has been appointed, which comprises of attorneys, judges and advocates. We congratulate our fellow Committee member, Jan Stemmett, who has been appointed on the Board on behalf of the profession. The Board has already commenced drafting the Labour Court Rules, which will be published for comment in due course.

The draft Labour Appeal Court Rules are still being awaited.

Legislation

The following Acts were published in the *Government Gazette* on 27 November 2018 and will come into operation on a date to be proclaimed by the President: Basic Conditions of Employment Act 7 of 2018; Labour Relations Amendment Act 8 of 2018; National Minimum Wage Act 9 of 2018 and the Labour Laws Amendment Act 10 of 2018.

The Committee is saddened by the passing on of its Chairperson, Jerome Mthembu, in December 2018. May his soul rest in peace. We will remember him for the contribution he made in the legal profession.

Focus for 2019

The Committee will continue to monitor and deal with developments in the area of labour law.

LEGAL AID COMMITTEE

Members	
Noxolo Maduba-Silevu (Chairperson)	William Booth
Katherine Gascoigne	Philippa Kruger
Moshanti Makgale	Makgabhana Majobhi Mokoena
Asanda Pakade	Zincedile Tiya
Jan van Rensburg	

Key developments

Prison visits

During its two meetings, the Committee discussed the possibility of working with Legal Aid South Africa and the Judicial Inspectorate of Prisons for the purposes of visiting prisons to assist inmates with any legal issues on which they may need legal advice.

Legal Aid South Africa

Legal Aid South Africa, through its representatives, advised that the 5% budget cuts for Legal Aid SA that were anticipated from National Treasury were averted for now and that there would, therefore, be no negative impact, in the short term, in its current level of delivery of legal services.

Committees

The Committee was informed that there was a possibility of it being merged with the Criminal Law Committee and the *Pro Bono* Committee in future as the LSSA was looking at the restructuring of all its committees.

Focus for 2019

The Committee agreed to make its own contribution, through the Professional Affairs Committees, when comments are invited on how community service and *pro bono*

service, as envisaged in the Legal Practice Act 28 of 2014, should be implemented.

The Committee will also pursue the issue of prison visits.

LIQUOR MATTERS COMMITTEE

Members	
Kobus Burger (Chairperson)	Mhlanga Bala
Sandile Dlomo	Barry Kruger
Eugene Kruger	Mashudu Kutama

Key developments

Final National Liquor Policy of 2016

On the national front, the National Liquor Policy of 2016, having already been published on 30 September 2016, and its implementation and applicability raise huge questions, as the policies enunciated therein cannot be enforced by the Government, or currently the provinces who, with regard to retailers, have yet to implement these policies into their own legislation. The purpose of the policy seems to be the promotion of uniformity across the provinces with regard to liquor legislation. In this regard North West and Limpopo have adopted their own provincial liquor laws. It is expected that when provincial liquor laws are eventually adopted, they will include most of the policy positions which are propagated in the National Liquor Policy. After the submission of written comments by various role players, no further feedback has been received concerning the progress of the aforementioned.

Developments at provincial level

Consequent to last year's slight improvement in service delivery by the administration of the Free State Gambling Liquor and Tourism Authority, the trend has continued through 2018, and it appears that the backlog in respect of new applications is now considerably less. The Free State Gambling Liquor and Tourism Amendment Bill was published on 2 November 2018 and purports to include or incorporate some of the aspects enunciated in the National Liquor Policy above, like the provision of tax clearance and BBBEE certificates when applications are lodged. It further purports drastically to change the manner in which prescribed reports from the South African Police Service (SAPS), municipalities and liquor inspectors are obtained and handled. However, once the Bill is introduced in the legislature, further submissions

will be facilitated as required by s 118 of the Constitution, where further opportunities for input will be possible and indeed very desirable, especially with regard to the purported changes to the manner in which the prescribed reports are obtained. **On this point, it cannot be emphasised enough how important it is that the duty to obtain the prescribed reports must remain with the Government and not be shifted onto the public's shoulders, as the Government is resourced to do so and not the public. It should not be the burden of applicants to do the Governments' work.**

From the feedback received from practitioners, it appears that the Eastern Cape, KwaZulu-Natal and Limpopo Liquor Boards seem to function fairly well, although there is room for improvement. In terms of the Mpumalanga Liquor Act, applications first have to be submitted with the municipalities who in turn have to file their reports. Failure to do so in time delays the finalisation of applications. **Since the enactment of the Western Cape Liquor Amendment Act, 2015 it is neither easier nor quicker to obtain licenses.** In fact, the turnaround time has increased drastically, and it takes up to a year to obtain a liquor license. This is unacceptable. Much can also be done regarding the functioning, and especially the administration, of the North West Liquor Board. The Northern Cape Liquor Board is still dragging its feet regarding turnover times for new applications, and applications such as structural alterations and transfers, also do not get processed timeously.

MAGISTRATES' COURTS COMMITTEE

Members	
Graham Bellairs (Chairperson)	Vanessa Graham
Niclas Mabuse	Mvuzo Notyesi
Odwa Nyembezi	Bukky Olowookorun
Gerhard Painter	Praveen Sham
Jacques Tarica	Jan van Rensburg

Key developments

Guidelines for assessment of consumers' gross and discretionary income

The Committee supported the proposed guidelines for assessment of consumers' gross and discretionary income published by the Department of Trade and Industry.

Foreclosures

The Judge President of the South Gauteng Division of the High Court issued a Directive in terms of s 14(1)(a) of the Superior Courts Act 10 of 2013, the purpose of which was to make provision of the constitution of a full court to hear certain matters relating to foreclosures of bonds over primary residences. The LSSA was invited to participate in the proceedings as *amicus curiae* to deal with certain identified legal issues.

Divergent practices have developed regarding the suspension of execution of a judgment for the selling in execution of immovable property, with the period of suspension applying in Gauteng being four months and six months in the Western Cape. The period of the suspension was to allow the judgment debtors to bring their arrears up to date.

The LSSA Council requested the Committee's input on the matter. The Committee considered the issue as relevant in the light of the fact that, in terms of Rule 78 of the Magistrates' Courts Rules, a party may apply to court to suspend execution and, therefore, the full court's decision could be used as guidance for similar matters being heard in the Magistrates' Courts.

However, the Committee was concerned that, by taking a stance on the matter, it may be conflicted, given the fact that attorneys represent both the interests of the financial institutions and the consumers.

SALRC Discussion Paper on Prescription Periods

The Committee considered a discussion paper submitted by the South African Law Reform Commission (SALRC) proposing different prescription periods, including an increase of the general prescription period from three to four years. The Committee supported the proposal. The Committee also proposed that parties should be allowed to claim after the expiry of the prescription period where a debtor's whereabouts had been unknown despite reasonable efforts being made to locate the debtor, particularly where a debtor had deliberately evaded service of a summons.

The Committee supported the proposal for the removal of the period of six months' notice before being allowed to issue summons against organs of state.

National Credit Amendment Bill

The Committee considered the provisions of the National Credit Amendment Bill, dealing with debt intervention and the role to be played by the National Credit Regulator (NCR). The Committee was of the view that this function compromised the independence and impartiality of the NCR and might create a conflict of interest with its existing functions.

Concern was also expressed about the capacity of the NCR to fulfil this function. Although the Committee supported the principle behind the provisions to protect consumers who are over-indebted, it expressed concern that the Bill would have the effect of eroding judicial oversight by outsourcing that function to the Consumer Tribunal.

Rules Board for Courts of Law

The Committee's Chairperson has been reappointed to the Rules Board for Courts of Law (Rules Board) and he regularly reports back on matters which are being deliberated on by the Rules Board. The fruitful discussions and views of Committee members are of assistance to him in his deliberations with the Rules Board.

Judicial case flow management in the Magistrates' Courts

The Rules Board requested the LSSA's comment on proposed amendments to the Magistrates' Courts Rules to provide for judicial case flow management in the Magistrates' Courts, similar to the procedure in the High Court. The Committee supported the amendments.

Summary judgment procedure

The Committee was asked to consider a proposal from the Rules Board aligning the summary judgment procedure in the magistrates' courts with that of the High Court. The Committee was not generally in favour of the proposal and a submission is being made to the Rules Board.

Focus for 2019

Proposed amendments to legislation and rules of court have been circulated by the LSSA to legal practitioners for consideration and comment and hopefully this process will be continued.

The Committee will continue to exist and function in terms of the LSSA's amended constitution until such time as committees are reconstituted as may be required by the LSSA's House of Constituents.

Members are invited to make submissions to the Committee on proposed amendments to rules and legislation and any other issues for consideration and submission to the Rules Board or relevant government departments. These can be emailed to kris@LSSA.org.za.

PERSONAL INJURY LAW COMMITTEE

Members	
Jacqui Sohn (Chairperson),	Lindy Langner
Sinawo Makangela	Jan Maree
Azwifaneli Matodzi	Vincent Matsepe
Gert Nel	Matodzi Neluheni
Benock Shabangu	Ignatius Shirilele

Key focus

The main focus of the Committee during 2018 was the developments in relation to the Road Accident Benefit Scheme Bill (RABS) and what options were open should it be approved.

Key developments

Road Accident Benefit Scheme Bill

RABS has been described as the single most significant development in our social welfare system since the implementation of social welfare grants. Significant concerns have been raised as to whether RABS is affordable and sustainable and whether it is capable of effective implementation, having regard to the current situation in the public health sector and the administrative capacity that the Road Accident Fund (RAF) will require to administer RABS as well as run down existing claims under the Road Accident Fund Act 56 of 1996.

The funding model relied on by the Department of Transport to promote RABS is contained in one actuarial report, which concedes that because of the many variables and unknowns, the projected outcomes could vary very significantly, one way or another.

A late amendment to RABS recognises the vulnerability of the costing model and provides for annual actuarial evaluations to determine the sufficiency of the money in the benefit account to be opened by the Administrator. The amendment further provides that, in the event that the ratio of the actuarial value of monetary assets to liabilities of the benefit account, expressed as a percentage, falls below 90%, the Minister of Transport must take all reasonable steps provided for in the Act to restore the ratio to 90% or above and may, in consultation with the Minister of Finance, undertake a review of the benefits or an adjustment of revenue sources or both, taking into account the requirements of the Constitution, the impact on the public and the fiscal position of Government.

In simple terms this means that benefits can be reduced by the Minister by regulation in order to keep RABS at least 90% fully funded at all times.

The fact that RABS is to be fully funded and will not operate as a *'pay as you go scheme'* (as does RAF) means that money from the fuel levy after the enactment of RABS will not only be allocated to payment of actual current liabilities incurred in terms of RABS, but will also be allocated to reserves to cover contingent liabilities which may or may not arise in the future.

At the same time, money needs to be allocated to a transition account which the Administrator must also open and which is to be used to pay all expenses, including compensation and costs, arising under RAF.

The average time to settle a claim under RAF is approximately 5 (five) years. One can therefore safely assume that, for at least five years and probably another five thereafter, there will be a significantly increased funding requirement in order to keep the two schemes running in parallel. The actuarial report dated January 2017 anticipated that the fuel levy would have to increase to R3.33 per litre (current cost R1.96) to pay for both schemes in 2018/2019 and would remain at more than R3.00 by 2026/2027.

Because of the devastating impact RABS will have on members of the public unfortunate enough to be injured in a car accident after its enactment and, in particular, on the most vulnerable members of society and because of the significant adverse effect the exclusion of lawyers from processing claims under RABS will have on the public and the profession, the Committee is of the view that urgent steps need to be taken by the organised profession and in particular by the LSSA acting in the public interest and in the interest of the profession, to challenge the legality of RABS should it be enacted in its current form.

Parliamentary process

Public hearings on RABS took place in Parliament from 15 to 18 May 2018. The LSSA opened the presentations. Our presentation focused on the policy statement which stipulated that RABS be reasonable and equitable and the fact that the Bill, itself, fell far short of this in many respects. During the course of the presentation, members of the Parliamentary Portfolio Committee on Transport asked for an 'alternative' solution if RABS did not provide a workable scheme to resolve the current problems in the RAF. The LSSA submitted an alternative hybrid scheme as a proposal for consideration by the Portfolio Committee. Despite this, the Portfolio Committee did not take account of the proposal at any stage of its future deliberations.

The presenters at the public hearings were all individuals or associations drawn from those who had made submissions

in response to an invitation published in November 2017. It was pointed out that many associations and individuals and, in particular, civic and other public interest groups who had commented on the 2014 Bill had not submitted comments again in 2017 as the 2017 Bill was for all intents and purposes virtually identical to the 2014 Bill. The point was made that these persons should also have been given an audience. However, the hearings continued without an invitation being extended to any interested parties who had not resubmitted comment in 2017.

At the conclusion of the public hearings in May 2018 – and despite the fact that there was universal opposition to RABS – the Portfolio Committee passed a motion of desirability in RABS, thus paving the way for it to proceed to the deliberation stage prior to enactment.

In July and August 2018 the Portfolio Committee embarked on a series of Section 75 hearings in all the provinces (one hearing per province) at which members of the public were invited to comment within an allocated time slot of three minutes. A report back by a minority party member attending the hearings was that the majority of the general public was against RABS.

After the hearings in the provinces were concluded on 14 August 2018 the Portfolio Committee began its deliberations on the Bill, which included receiving input from the National Treasury. Following on this input, certain material amendments were made to the Bill as it then stood, the most important of which being the introduction of the concept of annual actuarial valuations (referred to above) as well as the creation of three separate accounts, namely the benefit account (to pay RABS compensation), the transition account (to pay RAF claims) and the operations account (to pay for administrative expenditure).

The deliberations continued sporadically from August to November 2018 and, after a heated debate, concluded with the adoption of a Portfolio Committee report on RABS on 20 November 2018. The adoption was opposed by minority parties, but to no avail.

RABS was referred to the National Assembly for the second reading, together with the Portfolio Committee's report. There was universal opposition to RABS during the debate, with only the ruling party supporting RABS. The Portfolio Committee's report was approved, but when it came to a vote on RABS, the opposition parties walked out of the chamber and as a result there was no quorum and the decision had to be postponed.

Two further attempts to have RABS voted on in the National Assembly also failed through a lack of quorum. At this point, RABS remains a Bill but will no doubt appear again on the Order Paper for the National Assembly in 2019. If approved by

the National Assembly, RABS will be referred to the National Council of Provinces for concurrence and thereafter to the President for approval and signature.

This Committee attended the meetings of the Parliamentary Portfolio Committee on Transport on RABS in Parliament throughout the year as an observer representing the LSSA. It was observed that it was clearly the intention of the majority members of the Portfolio Committee to ensure that RABS is enacted before the dissolution of Parliament for the 2019 elections. There is no reason to doubt that this is still the intention of the ruling party. However, the key vulnerability of RABS remains the cost to the taxpayer of a no-fault system in a country with the highest per capita accident rate in the world. Accordingly, a critical re-evaluation of the costs of RABS in conjunction with RAF by the financial cluster, even at this late stage, could or should give cause for reconsideration.

State Liability Amendment Bill

Significant changes were proposed to the State Liability Act, 1957 by way of an amendment which provides that a court must order, in a successful claim against the State resulting from wrongful medical treatment that exceeds the amount of R 1 million, that compensation be paid to the creditor in terms of a structured settlement.

Section 2A(2) of the Bill provides further that all future costs and loss of earnings shall be paid by the State by way of periodic payments made at least once a year and which shall cease upon the death of the claimant. In essence this means that only past expenses, past loss of earnings and general damages will be paid as a lump sum. This lump sum will also determine the capital recovered upon success for the purposes of capping fees in terms of the Contingency Fees Act 66 of 1997.

A court may also order the State to provide for future treatment to an injured party at a public health establishment, which could be the very same establishment at which the harm was suffered in the first place. The Bill makes it clear that the State's liability for future medical treatment (even if it has to be delivered at a private health care establishment) will be limited to the costs that would have been incurred if such treatment was provided in a public health establishment.

An even more troubling aspect of the Bill is contained in a new s 2(2), which amends the existing s 4 of the Act to provide for the application of s 2A even to claims which arose before it was enacted, but which have not been finalised.

In other words, the provisions of the Bill are retrospective and apply to all matters not finalised prior to its coming into effect.

The proposed amendments materially affect the public interest as well as the interest of the profession. The LSSA therefore submitted comments and was invited to present at the public hearings held on 31 October 2018. **At the hearings most presenters opposed the Bill in its current form.**

Although the Bill was initially scheduled for further deliberation by the Portfolio Committee on Justice and Correctional Services, it was later withdrawn from the agenda for the day to afford the public a further opportunity to comment. It has not since reappeared.

Contingency Fee Act 66 of 1997 (CFA); Rules

The Committee was requested to finalise draft rules in terms of the CFA for consideration by the former statutory law societies. A set of rules was completed and forwarded for consideration by the statutory law societies but could not be finalised before their dissolution.

Focus for 2019

The Committee will continue to monitor and participate in developments relating to RABS and the State Liability Amendment Bill.

The draft CFA rules will be reviewed further by the LSSA and then referred to the Legal Practice Council.

PRACTICE DEVELOPMENT COMMITTEE

Members	
Praveen Sham (Chairperson)	Koos Alberts
David Bekker	Robert Burawundi
Llewellyn Curlewis	Jan de Beer
Thomas Harban	Thulani Kgomo
Motlatsi Molefe	Harshna Munglee
Mirah Ranchod	

The Committee was changed to a Development Action Group as a subcommittee of the Standing Committee on Legal Education (SCLE). It was also agreed that the Committee would have meetings on the same day as the SCLE.

Key developments

The Practice Development Committee (PDC) noted again

that Legal Education and Development (LEAD) had received the highest number of registrations for the practice management training course since the first mandatory course was presented in 2010. Registrations for 2018 stood at 1 249 for the full course, which was 183 registrations more than the 2017 registrations. Registrations received for individual modules were 38. The trend that has been in existence over the past few years whereby LEAD continued to receive more registrations for the second intake still continued as practitioners applied for Fidelity Fund certificates (FFCs) to be able to practise the following year.

The following five firms were accredited to provide in-house practice management training (PMT) for 2018: Webber Wentzel, ENSafrica, Bowmans, Cliffe Dekker Hofmeyr and Baker McKenzie.

The PDC noted a number of advocates who enrolled for the PMT course and who wanted to practise with FFCs, as provided for in subsections 34(2)(a)(ii) and 34(2)(b)(i) of the Legal Practice Act 28 of 2014 (LPA). The PDC confirmed its previous stance that advocates should also be enrolled for practice management training and pay the same fee as attorneys.

The PDC agreed that, while it welcomed the increased numbers and the establishment of more centres, these had an impact on the capacity. The Committee supported the idea of a recruitment drive to attract new instructors so as to have a pool for every subject at every centre. The Committee continued to give its support for the presentation of practice management-related seminars and webinars. The Committee confirmed that mentorship and education were some of the best methods of skills transfer.

Focus for 2019

LEAD will go on a renewed drive to recruit more mentors and mentees to increase the number of pairings.

PRO BONO COMMITTEE

Members	
Mohamed Randerá (Chairperson)	Poobie Govindasamy
Shaun Hangone	Benedict Jordan
Vincent Matsepe	Mfundiso Mavonya
Ncumisa Nongogo	Liesl Williams

Key developments

SADC Lawyers' Association Regional Consultative Meeting for the establishment of a Regional *Pro Bono* Network

At the Committee's March meeting, Stanley Nyamanhindi, the CEO of the SADC Lawyers' Association (SADCLA), addressed the Committee on the SADCLA's Regional Consultative Meeting for the establishment of a Regional *Pro Bono* Network. Mr Nyamanhindi indicated that, compared to the other SADC countries, the South African legal profession has made significant strides with the provision of *pro bono* legal services. SADCLA consulted other SADC law societies to set up structures to provide a regional platform to cater for the demand for *pro bono* services in the SADC region.

Members of the Committee and the *pro bono* coordinators attended and participated in the meeting. Presentations were made by Alfred Hona and Humphrey Shivamba. The theme for the consultative meeting was 'Strengthening the human rights infrastructure of the SADC region by increasing access to justice.' CEOs of twelve out of the fifteen regional law societies attended the meeting. Of critical importance was an understanding of the operational aspects of *pro bono* within the different countries, especially South Africa. **The meeting resulted in the formation of a *pro bono* network.**

Pro bono report

At the Committee meeting in August, it was agreed that the *pro bono* coordinators should share the respective methods of operation and *pro bono* statistics with a view to formulating a consolidated report that can, as part of the transitional phase, be presented to the LSSA's Council for consideration by the Minister of Justice and Correctional Services (the Minister) and the Legal Practice Council (LPC).

Legal Costs and Other Interventions Conference

The South African Law Reform Commission (SALRC), as part of its mandate to investigate aspects of access to justice and fees for legal services and to make recommendations to the Minister, hosted the Legal Costs and Other Interventions

Conference from 31 October to 2 November 2018. The LSSA was requested to submit abstracts for consideration by the SALRC. The Committee prepared an abstract, given that one of the most direct ways in which legal practitioners can extend access to justice to those who are most in need of it, is to render legal services on a *pro bono* basis. Unfortunately, the SALRC resolved to request only two representatives from the LSSA to make presentations at the conference. *Pro bono* and community service featured as one of the conference themes. The Committee will continue to engage with the process during 2019 with the aim of highlighting the important role of *pro bono* legal services in facilitating access to justice.

Liaison between the LSSA and the LPC

The Committee met for a third time on the last day before the key provisions of the Legal Practice Act came into operation. The implication is that it was the last meeting at which the *pro bono* coordinators from the erstwhile statutory law societies could attend and participate at the meeting. **Potential future liaison between the LSSA and the LPC on *pro bono* / community service-related matters will have to be clarified in the near future.**

The Committee agreed that the report containing the recommendations received from the provincial consultative workshops and the methods of operation at the erstwhile law societies be finalised in one consolidated report.

Most important, the Committee endorsed the leading recommendation that s 29 of the Legal Practice Act be amended specifically to make provision for *pro bono* services to be rendered under the ambit of community services and to amend s 95(1) by the addition of a new subsection to empower the Minister to promulgate regulations pertaining to community service. These can potentially replicate rule 25 of the former Uniform Rules for the Attorneys' Profession and the Bar Rules relating to *pro bono* service.

Focus for 2019

- It is envisaged that the liaison between the LSSA and the newly-established LPC and its provincial councils will be an important aspect to clarify during 2019 as far as *pro bono* services are concerned.
- The report containing the recommendations received out of the provincial consultative workshops and the methods of operation at the erstwhile law societies will be finalised in one consolidated report for recommendation to the Minister and the LPC.
- The Committee will continue to participate in the SADCLA *pro bono* network.

PROFESSIONAL SOLUTIONS INITIATIVE COMMITTEE

Members	
Mahomed Essack	David Geard
Khomotso Matsaung	Roland Meyer
Arnold Mohobo	Zanele Nkosi
Kabelo P Seabi	

The Committee has, in its second year of appointment, made significant progress towards the introduction of an alternative method of dealing with less serious complaints against attorneys.

The Committee initiated the implementation of a pilot project to run over a one-year period at the erstwhile Cape Law Society (CLS), which commenced on 1 August 2017. The objective of the pilot project was to assess the feasibility for the introduction of a 'Diversion Programme' for attorneys aimed at protecting the public and to promoting, maintaining and restoring confidence in the profession.

During this period the Committee was also asked to provide input as to whether the draft Rules for Legal Practice, as published for comment, should make provision for a 'professional solutions' intervention. A draft clause to cater for a professional solutions intervention was included as part of the LSSA's comments to the Rules. This ultimately resulted in the introduction of an alternative dispute resolution ("ADR") process (Rule 39.4 – Rule 39.8). This process will provide a welcome alternative to the standard disciplinary procedure, which is more suited to punishing unprofessional conduct as opposed to resolving disputes between the complainant and the attorney. Many of the challenges identified below have been resolved by the provisions of the new Rules and are, to a large extent, moot.

Craig Lucas, Head of Disciplinary Department at the erstwhile Cape Law Society, prepared a detailed report on the lessons learned from the pilot project. The Committee met on 20 September and considered, among other, the report where **it was noted that most of the challenges experienced during the Pilot Project were foreseen during the initial meetings of the Committee and would be addressed through the operation of the new rule.**

PROPERTY LAW COMMITTEE

Members

Dave Bennett (Chairperson)	John Christie
Sharon de Lange	Hussan Goga
Anita Gounde	Ken Mustard
Kanyi Peter	Xolani Mpeto
Bonwabile Nyanda	Wilfred Phalatsi
Nicole Sauli-Koren	Anri Smuts
Anton Theron	Charl Theron
Mpostoli Twala	

Key developments

Electronic Deeds Registration Systems Bill

The Committee considered the Electronic Deeds Registration Systems (e-DRS) Bill and also addressed the Parliamentary Portfolio Committee on Rural Development and Land Reform (the Department) on the Bill. The Bill provides for the development, establishment and maintenance of an electronic deeds registration system.

E-DRS remains one of the biggest challenges facing the deeds registration system and the conveyancing profession in the last number of decades, and continued input and involvement of the profession are imperative to ensure that the system eventually developed will comply with the financial, security and social requirements of the South African economy and society.

After numerous attempts at setting up a meeting with the Chief Registrar of Deeds, the Committee finally met with her on 21 November 2018, and used the opportunity to discuss the progress with the e-DRS Bill and the development of a system, transitional requirements, the appointment of a joint task team to provide inputs, and setting up of stakeholder consultation groups.

During the latter part of 2018 and early in 2019, the Office of the Chief Registrar of Deeds embarked on roadshows to engage conveyancers on the Department's project to develop an electronic deeds registration system. These roadshows and the question-and-answer sessions at these events, were closely monitored by the Committee.

During December 2018, the Committee met with the Banking Association of South Africa (BASA). The main purpose of the meeting was to discuss the content of the e-DRS Bill and the impact that the development of an electronic registra-

tion system will have on the property industry as a whole, and more importantly on securities held by banks. The necessity of having a secure and cost-effective system to replace our current paper-based registration system is clear, especially in view of the failures and shortcomings of the existing Deedsview and database of the Deeds Office having an ever-increasing impact on the accuracy and speed at which property transactions can be completed. Increasing pressure will be experienced as the need to deliver more title deeds and land parcels develop, and there is also pressure from the global market on South Africa to improve its ease of doing business and specially to provide property rights and securities faster, cheaper and more securely than the present paper-based system can do.

BASA echoed the views expressed by the LSSA and it was agreed that the two organisations continue their talks and also to extend the discussions to as many role-players and service providers in the property registration industry as possible in order to co-ordinate the industry's approach to e-DRS.

Service level agreements between banks and conveyancers

The Competition Commission requested a meeting with the LSSA to resolve issues pertaining to the service level agreements between banks and conveyancers. Representatives of the Property Law, Ethics and Competition Committees of the LSSA attended the meeting, which led to certain provisions relating to conflict of interest being removed from the agreements. Other matters relating to the duration and unilateral termination of such service level agreements were also discussed, as well as the possible exclusionary effect of the performance scoring systems imposed on conveyancers. It was agreed that a further meeting be arranged to allow for further input and investigation to be done.

On 12 November 2018 the committees again met with the Competition Commission. One of the issues discussed during this meeting was the impact of the various banks' conveyancing panel entry requirements and processes on the equitable distribution of work to smaller firms of attorneys. It was pointed out that attorneys who hold trust money, hold the clients' fiduciary interests at stake, and have a duty to put the clients' interests first. Any attempt to leverage these funds in the hands of attorneys for investment purposes, may cause ethical problems for attorneys. Concerns were raised about fixing of trading conditions and a manipulation of allocations of work, and it was pointed out that this may be an unfair business practice and anti-competitive.

World Bank's assessment on the ease of doing business in South Africa

The Committee also met with representatives of the World

Bank, who are assisting the Department in assessing the ease of doing business in South Africa, for a discussion on the process of registration of property in South Africa, how it ranks globally, and what measures could be implemented to improve the turnaround time for registration of transfer of property in order to advance our global ranking. It is believed that the discussions and information shared with the representatives will be of assistance to them in better understanding the complex process of property registration in South Africa and all the ancillary requirements (such as clearance and other compliance certificates, transfer duty receipts, FICA requirements, etc.), which have to be met before such registration can be effected.

Community Schemes

Again, after numerous attempts to set up a meeting with the Office of the Chief Ombud of the Community Schemes Ombud Service, the Committee eventually succeeded in securing a meeting with the Acting Chief Ombud. At this meeting the vast difficulties encountered by the profession with the registration of community schemes and the absence of a proper working data base; the lack of availability of and access to records, information and governance documents; delays experienced with approval of rules and amendments thereof were discussed. The Committee also endeavoured to ensure better channels of communication with the Office of the Chief Ombud in future, and to improve dispute resolution services and legal representation at the Ombud's hearings.

Other issues

Various other issues were dealt with by the Committee, including input and feedback in respect of the Deeds and Sectional Title Regulations Board meetings; the Proxi Smart Services (Pty) Ltd matter; conveyancing examinations; transfer duty refunds from SARS; the 2018 Guidelines for Conveyancing; the review of s 25 of the Constitution with regard to expropriation of land without compensation; the circulars issued by the Chief Registrar of Deeds regarding the validity period of rates clearance certificates; and the Sectional Titles Regulation Board meeting minutes.

From the above, it is apparent that it was a very busy year for the Property Law Committee, and I wish to express my highest gratitude and appreciation to members of the Committee for giving so generously of their time and experience to serve the profession. I must also thank the staff of the LSSA who so greatly assisted the Committee in its work throughout the year. Thank you for your effort and support in this regard.

Focus for 2019

The Committee will remain involved in the discussions re-

garding e-DRS and endeavour to participate in the development of a system that is secure, fast and cheap.

The Committee will further continue to monitor and assess developments (legislative and otherwise) within its field of expertise and deal with them appropriately.

SMALL CLAIMS COURT COMMITTEE

Members	
Mojau Ramathe (Chairperson)	Ettienne Barnard
Llewelyn Curlewis	Jerome Levitz
Charmaine Lindsay	Cuma Siyo
Nomachule Oliphant	Ngqiqo Sakhela
Butch van Blerk	

Key developments

Department of Justice and Constitutional Development

The Committee met with the Department of Justice and Constitutional Development (the Department) to address the implications of the Consumer Protection Act on the jurisdiction of Small Claims Courts, the LSSA's submission made during 2017 on the Small Claims Court Act, and a potential increase of monetary limit of Small Claims Court.

The Department's representative, Adv Pieter du Rand, indicated that the Department agrees, in principle, with the LSSA's stance on the Consumer Protection Act. Accordingly, the Department has already initiated discussions with the Department of Trade and Industry and it is envisaged that amendments will be introduced to make changes to several pieces of legislation. The Department also confirmed that a revision of the Small Claims Court Guidelines was underway and comments were received from various parties, including extensive comments by the LSSA submitted during April 2018. These Guidelines are not cast in stone. They will be reviewed on a regular basis and further input will be requested from stakeholders during the next revision.

Increase of monetary limit of Small Claims Court

The LSSA submitted comment on the increase of the monetary limits of Small Claims Courts. After having sourced input from the profession, the LSSA supported an increase to an amount of R20 000 and that the limit be adjusted appropri-

ately on an annual basis to ensure that the relative value of a monetary claim is maintained over time.

Guidelines for Small Claims Courts

The Committee participated in a workshop hosted by the Department to focus on finalising the Guidelines for Small Claims Courts and to consider the comments from various stakeholders, including the LSSA's extensive comments. The workshop covered a wide range of topics, including the application of the National Credit Act in Small Claims Court cases and exploring the potential of Small Claims Court Commissioners to be able to subpoena witnesses.

Small Claims Courts brochure

We finalised a brochure entitled: 'Small Claims Court: What you need to know', which explains the procedures in the Small Claims Courts.

Small Claims Courts app

The Committee created an app which collates various resource materials dealing with Small Claims Courts. In its short time span of existence, the app has already proven to be a popular tool.

TAX MATTERS AND EXCHANGE CONTROL COMMITTEE

Members	
Robert Gad (Chairperson)	Charles Ancer
Iqbal Ganie	Mzawuthethi Kalimashe
Asanda Pakade	Hellen Phaleng-Podile
Nano Matlala	Dirk Terblanche

Key developments

Tax legislation

The Committee reviewed proposed tax legislation of general import, and made extensive written submissions in cooperation with other professional bodies. The most significant dealt with doubtful debts.

SARS and National Treasury

We attended several SARS workshops on the proposed tax changes. We supported these with written and oral submissions

to the Parliamentary Portfolio Committee and National Treasury. We were also represented at the report back sessions. **Largely, our submissions found favour and were duly incorporated into the Tax Bill.** We have improved our profile and now receive more frequent invitations to attend and make submissions on tax law.

More generally, Lizette Burger has a very good relationship with SARS, and she has regular access in order to raise any tax operational issues, such as the challenges being faced by attorneys in tax compliance and in reaction to the Tax Administration Act.

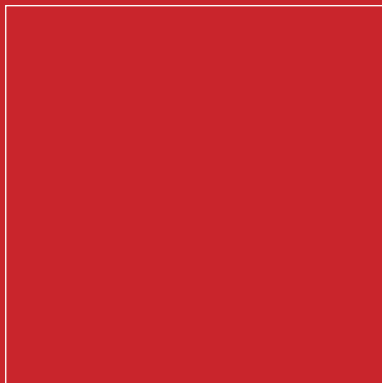
Members of the Committee also attended to operational and substantial law 'stakeholder' meetings with SARS.

2018 Annual Tax Indaba

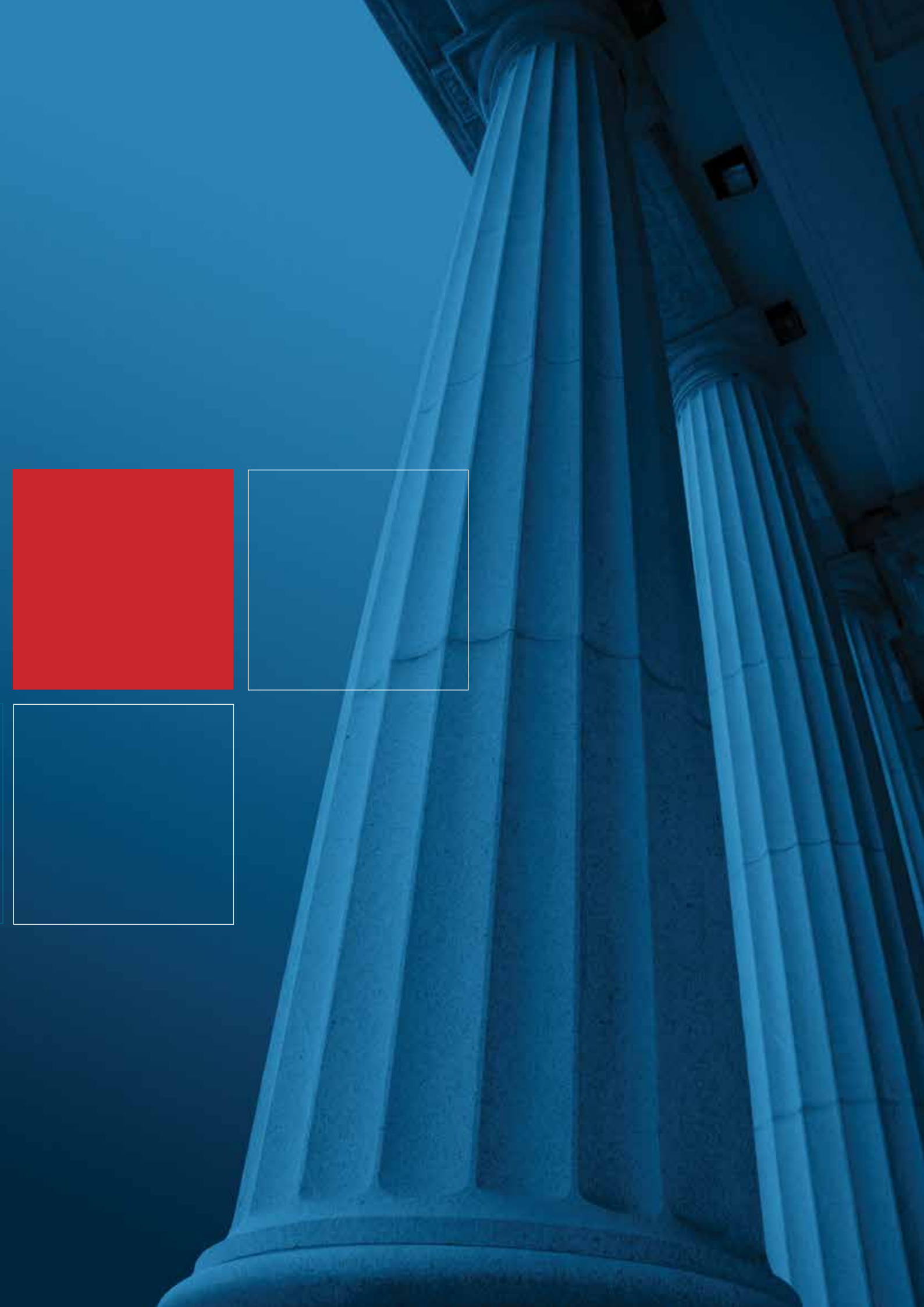
The Committee was represented at the 2018 Annual Tax Indaba, albeit not as a presenter. It is contemplated that tax attorneys would be invited to present at future Indabas. We were offered a limited number of free passes to attend, and made use of these.

As Chairperson, I would like to thank my Deputy Chairperson and Committee very much for all of their input and efforts during the course of 2018. I would also like to thank Lizette Burger for her efforts as well as those of her professional assistant, Kris Devan, Nonhlanhla Chanza (Parliamentary Liaison Officer), Ricardo Wyngaard (Senior Legal Official) and Edward Kafesu (Committee Secretary).





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2018 Audited Financial Statements (AFS)

Page 2- 24: AFS

Page 25 – 28: Supplementary information

Summary extract - AFS

	R' million <u>2018</u>	R' million <u>2017</u>
Income	R 57.849	R 53.552
Expenses	R 131.284	R 129.571
LPFF subvention	R 74.023	R 76.422
LSSA surplus	R 0.582	R 0.403

2018 % income analysis (stream) R 57. 849m

➤ LEAD & Schools fees	52 %
➤ Capitation levies	19 %
➤ De Rebus adverts & subs	0.7 %
➤ Interest	9 %
➤ Other income	9.3 %

NB: Capitation levies ceased in 2018 and from 2019 onwards, voluntary member fees will be levied.

LPFF Funding in 2019 will be via the LPC and **only** be applicable to accredited legal education training (via LPC)

**Law Society of South Africa
(Registration number 021-221-NPO)
Annual Financial Statement
for the year ended 31 December 2018**

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Index

The reports and statements set out below comprise the annual financial statement presented to the Council:

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Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Council's Responsibilities and Approval

The Council is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statement and related financial information included in this report. It is responsible to ensure that the annual financial statement fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statement.

The annual financial statement are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledge that it is ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour is applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statement. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council is also not aware of any material non-compliance with statutory or regulatory requirements which may affect the organisation, subject to below:

The LSSA Council is aware that the Legal Practice Act, 28 of 2014 will materially affect the sustainability of the organisation within the 2019 financial year as the LPC will only contribute to fund education activities.

The external auditors are responsible for the independently reviewing and reporting on the organisation's Annual Financial Statement. The Annual Financial Statement have been examined by the external auditors and their report is presented on page 3 - 4.

The Annual Financial Statement, which have been prepared on the going concern basis, were approved by the Council on 28 March 2019 and signed on its behalf by:

Signed on behalf of the Council By:

Mr E Barnard LSSA Co-chairperson

Mr M Notyesi LSSA Co-chairperson

Independent Auditor's Report

To the members of Law Society of South Africa

Opinion

We have audited the annual financial statement of Law Society of South Africa set out on pages 7 to 20, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statement, including a summary of significant accounting policies.

In our opinion, the annual financial statement present fairly, in all material respects, the financial position of Law Society of South Africa as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act, 1997 (Act 71 of 1997).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statement section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statement in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 20 to the annual financial statement which indicates that the impact of the Legal Practice Act, 28 of 2014 will materially affect the sustainability of the organisation and its ability to continue as a going concern beyond 2019. Our opinion is not modified in respect of this matter.

Other information

The Council is responsible for the other information. The other information comprises the Council's Report as required by the Nonprofit Organisation Act, 1997 (Act 71 of 1997) which we obtained prior to the date of this report. Other information does not include the annual financial statement and our auditor's report thereon.

Our opinion on the annual financial statement does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the council for the Annual Financial Statement

The Council is responsible for the preparation and fair presentation of the annual financial statement in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act, 1997 (Act 71 of 1997) and for such internal control as the Council determine is necessary to enable the preparation of annual financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statement, the Council is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statement

Our objectives are to obtain reasonable assurance about whether the annual financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statement.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statement, including the disclosures, and whether the annual financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia SAB&T

Registered Auditors

28 March 2019

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Council's Report

The Council has pleasure in submitting their report on the annual financial statement of Law Society of South Africa and for the year ended 31 December 2018.

1. Nature of business

Law Society of South Africa is representative body of the attorneys' profession in South Africa. The organisation operates in South Africa.

There have been no changes to the nature of the organisation's operations from the prior year..

2. Review of financial results and activities

The annual financial statement have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statement.

3. Council members

The Councillors in office at the date of this report are as follows:

Council members

Mr E Barnard LSSA Co-chairperson

Mr M Notyesi LSSA Co-chairperson

Ms N Jali

Mr M Boqwana

Mr D Geard

Mr A Millar

Mr D Bennett

Mr J Stemmett

Mr J Janse van Rensburg

Mr P Horn

Mr F Mvundlela

Mr L Peter

Ms M Lenyai

Mr D Bekker

Mr R Scott

Mr M Gwala

Mrs Noxolo Maduba-Silevu

Mr K Govender

Mr W Brown

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the organisation or in the policy regarding their use.

5. Events after the reporting period

With the implementation of the Legal Practice Act, 28 of 2014 the nature of business would change.

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Council's Report

6. Going concern

The annual financial statement have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, and commitment will occur in the ordinary course of business.

While the Council is aware that Legal Practice Act, 28 of 2014 will materially affect the sustainability of the organisation within the 2019 financial year, the Council believes that the organisation has adequate financial resources to operate as going concern in 2019. The Council has satisfied itself that the organisation has adequate financial resources to operate as going concern in 2019. The Council has satisfied itself that the organisation is in a sound financial position and a decision was taken by national form to transfer cash amounting to R 50 000 000 to LSSA for purposes of non-regulatory activities from 2019 onwards.

The Council is aware of the significant impact the Legal Practice Act, 28 of 2014 will have on the organisation, they will continue assessing the situation over the next twelve months.

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	8 833 277	9 746 395
Current Assets			
Trade and other receivables	4	23 419 883	25 822 278
Cash and cash equivalents	5	124 018 688	67 907 550
		147 438 571	93 729 828
Total Assets		156 271 848	103 476 223
Equity and Liabilities			
Equity			
Accumulated surplus		27 708 807	27 126 541
Liabilities			
Non-Current Liabilities			
Provisions	6	7 442 107	7 285 008
Current Liabilities			
Trade and other payables	7	36 212 349	27 373 107
Financial assistance	8	2 308 603	2 308 603
Operating lease liability		233 357	155 613
Current tax payable		7 876 149	7 719 134
Special projects and donations	9	72 066 071	28 156 066
Provisions	6	2 424 405	3 352 151
		121 120 934	69 064 674
Total Liabilities		128 563 041	76 349 682
Total Equity and Liabilities		156 271 848	103 476 223

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Statement of Comprehensive Income

	Note(s)	2018 R	2017 R
Revenue	10	43 343 993	40 812 565
Other income	11	83 337 627	84 072 869
Operating expenses		(131 284 306)	(129 571 134)
Operating Surplus	12	(4 602 686)	(4 685 700)
Investment revenue	13	5 191 663	5 089 998
Finance costs	14	(6 711)	(1 629)
Surplus/(Deficit) for the year		582 266	402 669
Other comprehensive income		-	-
Surplus/(Deficit) for the year		582 266	402 669

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 January 2017	26 723 872	26 723 872
Surplus for the year	402 669	402 669
Other comprehensive income	-	-
Total comprehensive income for the year	402 669	402 669
Balance at 01 January 2018	27 126 541	27 126 541
Surplus for the year	582 266	582 266
Other comprehensive income	-	-
Total comprehensive income for the year	582 266	582 266
Balance at 31 December 2018	27 708 807	27 708 807

Note(s)

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash (used in)/generated from operations	16	51 706 757	(6 459 697)
Interest income		5 191 663	5 089 998
Finance costs		(6 711)	(1 629)
Tax received - reduction of provision (paid)		157 015	(157 015)
Net cash from operating activities		57 048 724	(1 528 343)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(167 175)	(649 715)
Disposal on sale of property, plant and equipment	2	236	16 118
Net cash from investing activities		(166 939)	(633 597)
Cash flows from financing activities			
Movement in provisions		(770 647)	796 861
Total cash movement for the year		56 111 138	(1 365 079)
Cash at the beginning of the year		67 907 550	69 272 629
Total cash at end of the year	5	124 018 688	67 907 550

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statement have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statement have been prepared on the historical cost basis, except for the cash flow statement which is prepared on a cash basis of accounting, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Indefinite	
Buildings	50 years	
Furniture and equipment	6 years	
Computer equipment	3 years	

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a yearly basis, as follows:

Item	Useful life
Computer software	3 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit and other short term and highly liquid investments that are readily convertible to a known amount of cash and are subjected to an insignificant risk of change in value. These are initially measured at fair value and subsequently recorded at amortised cost.

Trade and Other Payables

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Trade and Other Payables

Debt instruments are defined in the standard, are subsequently measured at amortised cost using effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment deficit is recognised.

Attorneys Fidelity Fund

The Attorneys Fidelity Fund is an obligation on the basis of normal credit terms and do not bear interest. The liability is governed by an agreement between the parties.

Special projects and donations

Special projects are obligations not within the basis of normal business of the organisation. The creditor does not bear interest.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

Accounting Policies

1.5 Impairment of assets (continued)

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.7 Provisions and contingencies

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event; it is probable that the organisation will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.8 Revenue

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding value added taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Law Society of South Africa

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Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R			2017 R		
2. Property, plant and equipment						
	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 327 560	-	1 327 560	1 327 560	-	1 327 560
Buildings	7 872 440	(1 099 122)	6 773 318	7 872 440	(941 673)	6 930 767
Furniture and equipment	1 793 987	(1 624 310)	169 677	1 798 750	(1 498 832)	299 918
Computer equipment	5 359 888	(4 797 166)	562 722	5 262 499	(4 074 349)	1 188 150
Total	16 353 875	(7 520 598)	8 833 277	16 261 249	(6 514 854)	9 746 395

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	1 327 560	-	-	-	1 327 560
Buildings	6 930 767	-	-	(157 449)	6 773 318
Furniture and Equipment	299 918	16 442	(9)	(146 674)	169 677
Computer Equipment	1 188 150	150 733	(227)	(775 934)	562 722
	9 746 395	167 175	(236)	(1 080 057)	8 833 277

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	1 327 560	-	-	-	1 327 560
Buildings	7 088 216	-	-	(157 449)	6 930 767
Furniture and equipment	421 669	38 915	(1 325)	(159 341)	299 918
Computer equipment	1 540 802	610 800	(14 793)	(948 659)	1 188 150
	10 378 247	649 715	(16 118)	(1 265 449)	9 746 395

Details of properties

The land and building situated at 304 Brooks Street, Menlo Park was revalued at 31 December 2018 at R20 000 000 by an independent valuator, Andre Zybrands (Member of SA Institute of Valuers), using capitalisation of potential net income method.

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R	2017 R
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3. Intangible assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	197 379	(197 379)	-	286 807	(286 807)	-

Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Computer software	9 669	(9 669)	-

4. Trade and other receivables

Trade receivables	4 618 517	6 267 478
Provision for doubtful debts	(3 722 060)	(3 222 060)
Prepayments	1 388 125	1 581 715
Deposits	27 967	-
VAT	641 265	358 618
Attorneys Fidelity Fund	13 728 747	15 856 037
Other receivables	6 737 322	4 980 490
	23 419 883	25 822 278

Trade and other receivables pledged as security

Trade and other receivables have not been pledged as security for any financial obligation.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16 823	28 000
Bank balances	124 001 865	67 879 550
	124 018 688	67 907 550

In order to maximise interest received, funds are held in call accounts and linked money market accounts and are only transferred to the current accounts when payments are presented to the bank, in terms of a sweeping arrangement with First National Bank.

Law Society of South Africa

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Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

			2018 R	2017 R
6. Provisions				
Reconciliation of provisions - 2018	Opening balance	Additions	Utilised during the year	Total
SADC Provision	1 000 000	-	-	1 000 000
Restructuring	7 285 008	157 098	-	7 442 106
Seminars	520 000	-	-	520 000
Schools projects income	1 832 151	(927 745)	-	904 406
Subtotal	10 637 159	(770 647)	-	9 866 512
	10 637 159	(770 647)	-	9 866 512
Reconciliation of provisions - 2017	Opening balance	Additions	Utilised during the year	Total
SADC Provision	1 000 000	-	-	1 000 000
Restructuring	7 117 055	167 953	-	7 285 008
Seminars	520 000	-	-	520 000
Schools projects income	1 202 529	629 622	-	1 832 151
Subtotal	9 839 584	797 575	-	10 637 159
	9 839 584	797 575	-	10 637 159
7. Trade and other payables				
Trade payables			22 146 893	15 862 699
Revenue received in advance			11 140 914	8 798 679
Accrued leave pay			2 924 542	2 711 729
			36 212 349	27 373 107

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R	2017 R
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8. Financial assistance

Financial assistance brought forward	2 308 603	2 308 603
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Current liabilities

Financial assistance brought forward	2 308 603	2 308 603
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Financial assistance

In addition to the subvention of the LSSA in terms of Section 46(b) of the Attorney Act of 1979, as amended, the Society obtains funding from the Attorneys Fidelity Fund (AFF) to enable it to provide loans to law graduates for the payment of fees for Society's School for Legal Practice. These loans are not included in trade receivables and other receivables.

As at 31 December 2018 the loans unpaid by law graduates amounted to:	2 853 000	3 925 368
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9. Special projects and donations

Reconciliation of special projects and donations - 2018

	Opening balance	Additions	Utilised during the year	Total
LEAD project account	10 340 360	4 258 207	(1 363 677)	13 234 890
Schools	1 487 916	-	(1 459 258)	28 658
Attorneys Fidelity Fund	13 893 607	65 608 000	(74 023 228)	5 478 379
Provincial Law Societies grant	-	50 000 000	-	50 000 000
LSSA project	612 048	118 784	(357 355)	373 477
SASSETA projects	(242 367)	1 022 411	(519 501)	260 543
Sponsorships	67 899	1 739	(1 362)	68 276
Competition Commission	102 899	225 001	-	327 900
Legal Practice Act	1 893 704	-	(1 893 704)	-
Practical Vocational Training (PVT) Project	-	2 298 846	(4 898)	2 293 948
	28 156 066	123 532 988	(79 622 983)	72 066 071

Reconciliation of special projects and donations - 2017

	Opening balance	Additions	Utilised during the year	Total
LEAD project account	8 836 061	5 416 882	(3 912 583)	10 340 360
Schools	1 097 166	390 750	-	1 487 916
Attorneys Fidelity Fund	24 708 054	65 608 000	(76 422 447)	13 893 607
Irish training project	416 827	184 356	(601 183)	-
LSSA Project	-	1 200 000	(587 952)	612 048
SASSETA Projects	-	367 991	(610 358)	(242 367)
Sponsorships	29 284	45 615	(7 000)	67 899
Competition Commission	102 899	-	-	102 899
Legal Practice Act	1 154 728	743 976	(5 000)	1 893 704
	36 345 019	73 957 570	(82 146 523)	28 156 066

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R	2017 R
10. Revenue		
Capitation levies	11 127 234	9 862 560
Advertising	3 729 316	4 241 516
De Rebus subscriptions	105 284	574 189
Diplomas and certificates	1 125 738	1 092 868
Publication and other	97 132	412 948
Course fees	7 191 066	6 178 677
School fees	11 026 010	9 836 360
Bad debts recovered	264 165	595 768
Seminars	4 981 458	3 929 485
Financial assistance recovered	85 045	205 823
Projects	3 611 545	3 882 371
	43 343 993	40 812 565
11. Other income		
Selling of Documentation	2 563 125	2 331 658
Sundry Income	3 386 116	2 445 648
Practice Management	3 365 158	2 873 116
Attorneys Fidelity Fund	74 023 228	76 422 447
	83 337 627	84 072 869
12. Operating Surplus		
Operating Surplus for the year is stated after accounting for the following:		
Amortisation on intangible assets	15	9 668
Depreciation on property, plant and equipment	1 080 057	1 265 449
Employee costs	40 145 575	41 286 986
13. Investment revenue		
Interest revenue		
Bank	5 191 663	5 089 998
14. Finance costs		
Bank	6 711	1 629
15. Auditor's remuneration		
Fees	412 296	387 140

Law Society of South Africa

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Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R	2017 R
16. Cash generated from (used in) operations		
Profit before taxation	582 266	402 669
Adjustments for:		
Depreciation and amortisation	1 080 072	1 275 117
Interest received	(5 191 663)	(5 089 998)
Finance costs	6 711	1 629
Movements in operating lease assets and accruals	77 744	(69 483)
Movements in special projects and donations	43 910 005	(8 188 953)
Changes in working capital:		
Trade and other receivables	2 402 380	(6 051 237)
Trade and other payables	8 839 242	11 260 559
	51 706 757	(6 459 697)
17. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	1 451 248	4 482 314
- in second to fifth year inclusive	13 377 681	2 562 389
	14 828 929	7 044 703
Operating lease payments represent rentals payable by the organisation for certain of its office properties. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years. No contingent rent is payable.		
18. Guarantees		
The Society have provided the following guarantees:		
R 200 000 (2017: R 200 000) to the South African Post Office in respect of monthly mailing of De Rebus journal.		
19. Related parties		
Related party balances and transactions with key personnel and council members		
Related party balances		
Trade payables	3 070 808	1 859 087
Related party transactions		
Lecturing service, Committee and Council services rendered by members of the society or their firms or consultant member payment	9 304 225	7 002 641
Compensation paid to key management	12 324 653	11 201 149

Law Society of South Africa

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Annual Financial Statement for the year ended 31 December 2018

Notes to the Annual Financial Statement

	2018 R	2017 R
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20. Going concern

The annual financial statement have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Council is aware that Legal Practice Act, 28 of 2014 will materially affect the sustainability of the organisation within the 2019 financial year, the Council believes that the organisation has adequate financial resources to operate as going concern in 2019. The Council has satisfied itself that the organisation has adequate financial resources to operate as going concern in 2019. The Council has satisfied itself that the organisation is in a sound financial position and a decision was taken by national form to transfer cash amounting to R 50 000 000 to LSSA for purposes of non-regulatory activities in 2018.

The Council is aware of the significant impact the Legal Practice Act, 28 of 2014 will have on the organisation, they continue assessing the situation over the next twelve months.

Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Detailed Income Statement

	Note(s)	2018 R	2017 R
Revenue			
Capitation levies		11 127 234	9 862 560
Advertising revenue		3 729 316	4 241 516
De Rebus subscriptions		105 284	574 189
Certificates		1 125 738	1 092 868
Publication		97 132	412 948
Seminars		4 981 458	3 929 485
Courses		7 191 066	6 178 677
Schools		11 026 010	9 836 360
Financial assistance recovered		85 045	205 823
Projects		3 611 545	3 882 371
Bad debts recovered		264 165	595 768
	10	43 343 993	40 812 565
Other income			
Selling documentation		2 563 125	2 331 658
Sundry income		3 386 116	2 445 648
Practice management		3 365 158	2 873 116
Attorneys Fidelity Fund		74 023 228	76 422 447
Interest received	13	5 191 663	5 089 998
		88 529 290	89 162 867

Law Society of South Africa

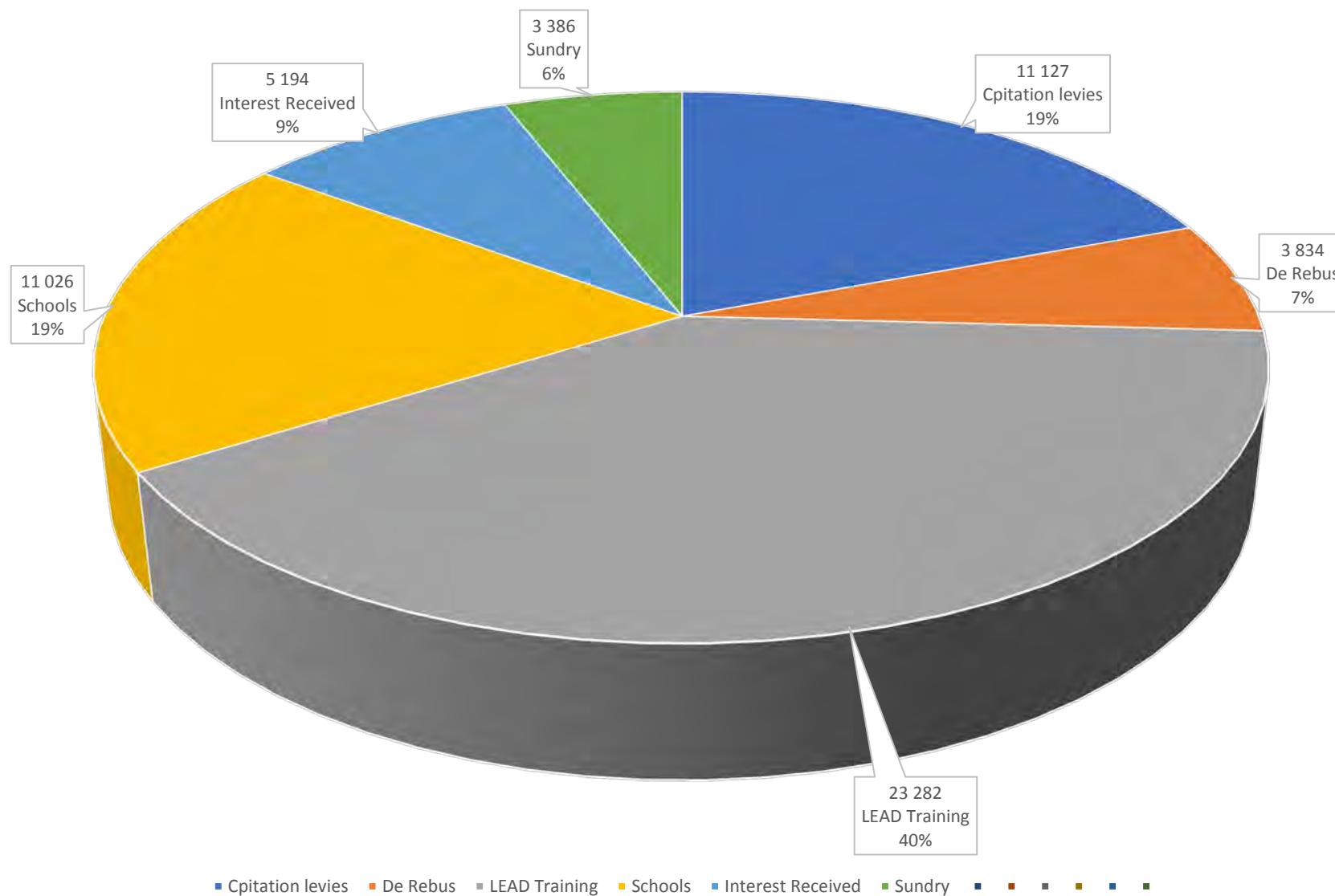
(Registration number: 021-221-NPO)

Annual Financial Statement for the year ended 31 December 2018

Detailed Income Statement

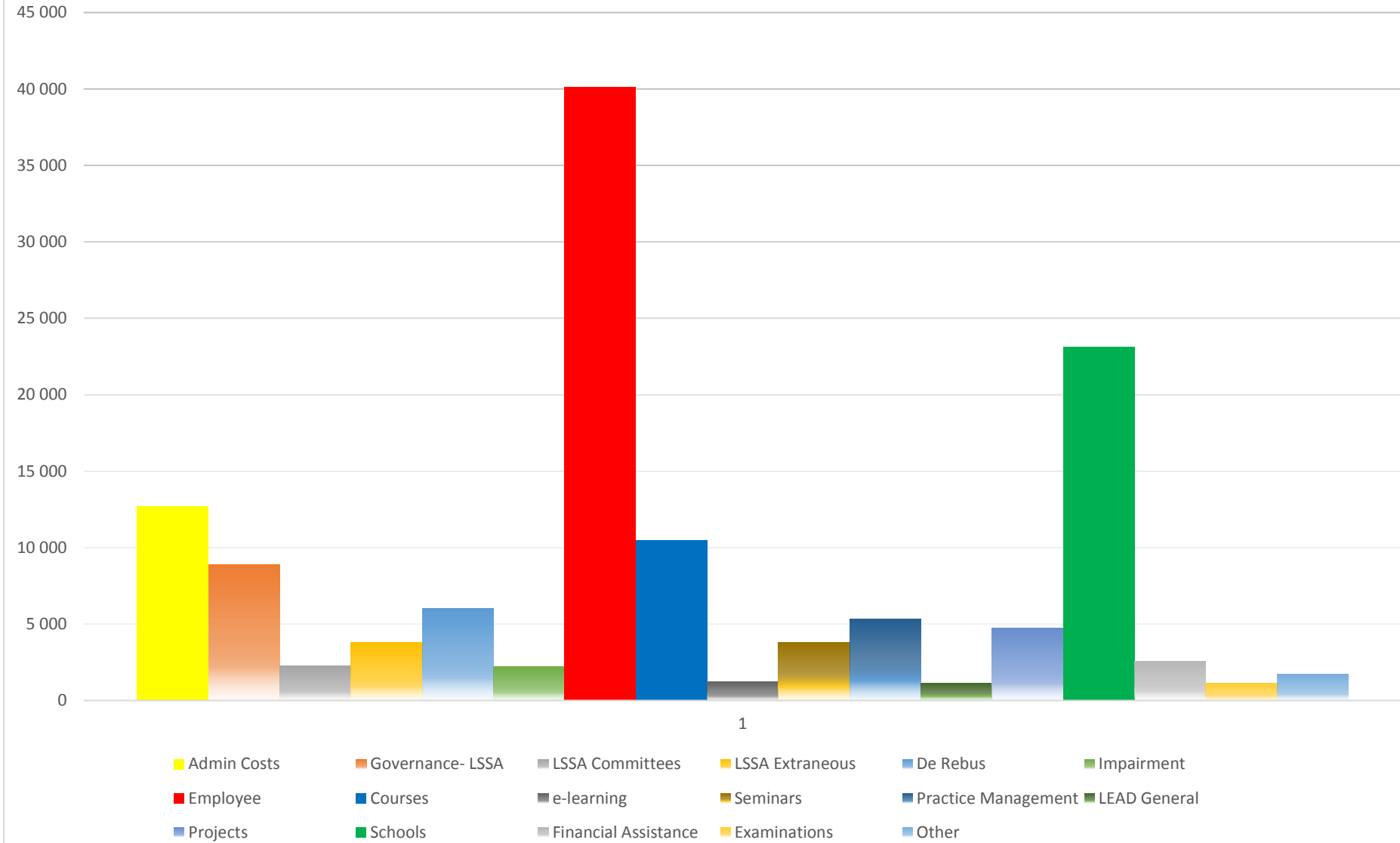
	Note(s)	2018 R	2017 R
Operating expenses			
Accounting fees		167 429	32 750
Administration and management fees		12 690 034	11 973 350
Advertising		545 935	966 681
Auditors remuneration	15	412 296	387 140
Bad debts		1 130 340	131 214
Bank Charges		349 386	338 344
Committees - LEAD		345 207	682 137
Commission paid - De Rebus		285 583	367 991
Committees - LSSA		2 242 315	2 642 575
Extraneous expenditure		3 810 126	3 268 869
Other publication cost - De Rebus		570 777	582 899
Depreciation, amortisation and impairments		1 080 072	1 275 117
Employee costs		40 145 575	41 286 986
Correspondence - Courses		387 216	262 581
E - learning		1 250 224	1 270 283
Project division		4 725 494	4 575 076
Meetings - LEAD		218 720	432 270
Financial assistance		2 539 495	2 732 532
Diplomas and certificates		47 602	467 602
Governance		8 875 131	8 204 290
Seminars publication		41 571	226 118
Schools		23 138 392	22 435 252
Examinations		1 136 823	929 673
Course material and production		2 041 785	1 947 362
De Rebus postage		2 324 059	2 210 339
De Rebus magazine printing		2 859 996	3 425 715
General activities - LEAD		806 669	1 364 570
Seminars		3 771 814	2 961 913
Courses		7 997 171	6 694 800
Practice management		5 347 069	5 494 705
		131 284 306	129 571 134
Operating surplus	12	588 977	404 298
Finance costs	14	(6 711)	(1 629)
Surplus for the year		582 266	402 669

LSSA Income 2018 R000's R 57.849 million



LSSA 2018

EXPENDITURE R 131.284 MILLION VALUE DISPLAYED IS R000'S



LSSA ANALYSIS	2018	2017	%	Note
TOTAL ADMINISTRATION	R12 690 034	R11 973 350	6%	
Advertising (staff recruitment)	0	86 400		
Building & office repairs & maintenance	364 397	670 945	-46%	1
Discount Allowed - bulk material	610 927	410 491	49%	2
Electronic communication	606 309	513 654	18%	3
Insurance	341 700	391 325	-13%	
Internal audit	50 000	70 000	-29%	
IT Support - outsourced	1 595 798	1 733 262	-8%	4
LEAD Sundry course material	124 144	148 162	-16%	
Library & publications	75 373	98 385	-23%	
Membership - various	71 732	76 617	-6%	
Motor vehicle lease (2) + fuel	383 542	281 171	36%	
Office automation	1 409 844	1 130 662	25%	5
Office refreshments & meetings	210 688	195 456	8%	
Postage & courier	342 149	235 056	46%	6
Printing & stationery	459 182	446 159	3%	
Rental Sunnyside & facilities	3 945 435	2 930 748	9%	7
S & T & Accommodation (Flights & km)	459 770	739 977	-38%	8
Staff costs sundry		125 891		
Staff training	322 901	363 142	-11%	
Telephone & switchboard	1 316 142	1 325 848	-1%	

NOTES

- 1 In 2017 LSSA lift renewal and roof repairs at Menlo Park
- 2 Income for bulk sales in 2018 increased by 10 % - law firms plus sales reduction due to online courses (less material)
- 3 LSSA increased fibre capacity due to move of IT to MS Azure cloud services - see items 4 & 5 below
- 4 Cancelled outsourced ICT (Sept '18) due to move to cloud refer note 3 & 5 net savings in 2019 R 900k
- 5 Increased licence fee - Office 365 for cloud services, net savings in total a minimum of R900k (2019). See note 3 & 4
- 6 Increased cost due to fuel costs - some divisional courier costs erroneously allocated in 2018 only.
- 7 UNISA - Sunnyside rental increase by 43 %, in addition increased security costs (Sunnyside)
- 8 Reduction in travelling (flights etc.) and meetings - staff

LSSA ANALYSIS

Sundry Income	2018	2017
<u>TOTAL</u>	-3 386 117	-2 445 648
Income - past exam papers	-238 101	-207 579
LSSA Cost recoveries	-391 872	-293 191
Sponsorship	-245 000	-220 000
LEAD material	-292 108	-102 161
Income : royalties	-201 912	-192 149
Income : proceeds on asset disposal	0	-17 899
Discount received	-3 147	-15 429
Income - recovery skills levy	0	-29 789
Income workshops & sundry training	-1 451 268	-993 616
e-Learning	-562 709	-373 836