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POLICY ON APPOINTMENT OF INSOLVENCY PRACTITIONERS BY THE MASTER OF THE HIGH COURT DISCUSSION POINTS

Page vii

- Section 4 (a); (b); and (c) - Promotes relevant experience for bigger value estates

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- Section (e) (i) - Yearly this revision might keep better control of the Panel of Liquidators
- Widen the standards for entry into the profession but not diminish the quality. With regard to education and training, a core level of experience is required to maintain a standard in this market.

Page ix

- Section (ix) - This could result in more than the necessary number of Liquidators appointed on one estate.
- Will it be a sustainable profession, especially for PDI appointees?

Page 1

- Section A - The aim has a good objective.

Page 1

- Section B - All Master's offices should follow the same procedures and policies, thus displaying transparent uniformity.

Page 3

- Section 1.15 - (A) Assessments need to be done on all PDI's work performance to ensure that they are obtaining the necessary skills transference to be able to be 'promoted' accordingly to the list and categories. With regards to removing persons who should not be on the list, this is overdue and is needed to get rid of all the cheque collectors and dead wood.

- (D) There is a long time frame between the initial appointment and the first meeting – often applications to liquidate are to hide assets and dispose of them- this will enable that.

Page 4, (H)

- This is a good suggestion as long as it is effectively implemented and carried across all boards (Master's offices).

Page 7, (B)

- If a PDI obtains a requisition, be it from 1 nomination, they have made an effort thus a preferential appointment should be considered for the PDI because an effort has been made on their part. Should more consideration in the appointment result in the appointment not being given to the PDI who is attempting positive skills transference, then the appointment should be given to the PDI to enable them and sustain them rather than the PDI appointments being made purely for statistical reasons.

Page 7; section F (1), 1.20

- Better performance is less internal conflict.
- Continual conflict between practitioners as a result of money driven attitudes rather than good performance. Get rid of cheque collectors and give the work to those who are actively involved and who are making an effort.

Page 7, section 2 (1.22)

- Limited resources = can new measures be accommodated in the budget? Is there the required man power to maintain control?

Page 7, section 2 (1.23)

- The policy might control consistency. Corruption can be controlled through consistency between all departments. If all offices held the implemented ONE system way, more control would be achievable. Each Master has own discretion.

Page 8

- Section 3 (1.25) – Not sure BUT in terms of the CPA are creditors not then entitled to appoint their own service provider? I.e. Service level agreements, does the creditor not have a right to nominate? On the flip side, are the risk factors of liquidations sufficient for them to become involved? I.e. what would

Nedbank's % of risk for liquidation be for them to become concerned to be involved or make a stand for or against this?

- Section 3 (1.26) – Experience is the most important thing is protecting the interest of workers.
- Section 3 (1.27) – What ways would this be limited by appointing too many or inexperienced practitioners?
- Section 3 (1.28) – How sustainable is this profession if it is not controlled and limited?
- Effective management of Assets?? A formal code of conduct for the insolvency industry is in need. Accreditation of practitioners is required, including licensing? Boost the image of the industry and regulate the liquidation process, however, is the liquidation and recovery process of assets for the benefit of creditors – is their choice now going to be precluded. This process of leaving appointment of liquidators to an administrative official may lead to abuse.

Page 9

- Section 1 (1.35.1) – (ii) – very important – practising individuals. (iii) – very important. (iv)- Very important, with at least 2 years' experience.
- 1.35.4 – education by practitioners to advise on employees. Knowledge and transference to the Unions on dealing with claims.

Page 10

- Effectiveness of insolvency law and reform relies heavily on implementation. Can the effectiveness of the implementation become the criterion for appraisal of change and reform? Do we have the infrastructure to enable change to enable reform?
- Reform would require improving the quality of the profession.

Page 15

- Section (D) – PDI, BEE
- Section B 1 3.4 (a) – Sustainability? (b) – one who has attempted to obtain support?

Page 18

- Section B – These criteria will control lists of potential appointees.

Page 22

- Section 5 – facilitate appointments in area of business.

Page 23

- Actual skill transference and perhaps a period of clerkship are required. Skills cannot be transferred without hands on experience. Current PDI's are not shared skill at all.

Page 27

- Section 4 3.61 (b) – value of assets are not realistically made. Large estates could then be dealt with ineffectively by inexperienced liquidators and thus the creditors are hugely disadvantaged.
- Section 4 3.61 (c) – there is a long period between the appointment and the meeting which leaves the Master responsible for the assets until vesting them in the liquidator/trustee.

Page 28

- If reform is needed and desired then the infrastructure to implement these changes should be adequate and attainable to make the transition.

Page 29

- Section 3.66 (a) – opens the Master to problems regarding the assets.

Page 30

- Section C 3.70 – This suggestion should be strongly supported!

Page 31

- 3.76 – Important

Page 34

- Continuity across all boards. Problems are prevalent as a result of each office having a different policy on making appointments.

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