



**LAW SOCIETY**  
OF SOUTH AFRICA



PROFESSIONAL  
**AFFAIRS**

**DE REBUS**



# 2023/2024 Annual Report

**Committed to Building a  
BETTER Legal Profession for ALL**



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OF SOUTH AFRICA



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**AFFAIRS**

**DE REBUS**

**ANNUAL REPORT**  
**April 2023 to April 2024**

***Committed to Building a BETTER  
Legal Profession for ALL***

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The background features a complex geometric design. The top half is dominated by various shades of blue, from light to dark, forming overlapping triangular and polygonal shapes. A prominent red shape, resembling a stylized mountain peak or a jagged line, cuts across the middle. Below this, a white area contains the main text. At the bottom left, a small purple triangle is visible.

# **MISSION, AIMS AND OBJECTIVES**

# The Law Society of South Africa

The Law Society of South Africa (LSSA) is the voluntary representative body of the attorneys' profession in South Africa. It represents more than 33 000 practising attorneys and 6 500 candidate attorneys. The LSSA serves as the voice of the attorneys' profession by representing and promoting the rights of attorneys in all matters affecting the profession. The LSSA protects and grows the professional services of attorneys and identifies and serves the common interest of attorneys. The LSSA brings together the Black Lawyers Association, the National Association of Democratic Lawyers and the independent attorneys, in representing the profession in South Africa. The LSSA was established in March 1998 as a voluntary association having perpetual succession. From 31 October 2018, the LSSA changed its constitution to be a members' interest organisation with an extended mandate, which includes the establishment of provincial associations in all nine provinces, with a focus on a transformed profession that acts in the interest of both the profession and society.

The LSSA serves the general public and national interests in several ways. The practising attorneys in South Africa depend on the public (clients) for their continued existence, and therefore, this involves a broader social compact for social interest and justice. The LSSA has a wealth of information at its disposal. The committees and members of more than 30 specialist committees support the fundamental members' representation of the LSSA. As part of its community education programme, the LSSA produces pamphlets on law-related topics, explaining the law's application to the public in plain English and other languages.

The key focus of the LSSA is legal education, and its critical objectives include:

- ❖ To train candidate legal practitioners and enhance qualified attorneys' skills and practices via its Legal Education and Development (LEAD) and its digital journal *De Rebus*.
- ❖ To ensure practitioners are informed and trained on significant changes via continuing legal education (referred to as PPD in the profession).
- ❖ As a professional body, its aim is to –
  - provide practice support and guidance;
  - represent the attorneys' profession;
  - enhance the profession; and
  - implement and advocate its mission and vision.

The LSSA intervenes on behalf of the profession to have influence in legal and other issues that affect the profession and, by extension, the public. The LSSA lobbies extensively with entities on behalf of the profession and submits proposals with the view to influence legislative and policy decisions to promote, preserve and uphold the rule of law and the administration of justice, as well as preserving and upholding the independence of the profession and enhancing and maintaining its integrity.

It is essential to note the difference in functions between the LSSA and the LPC:

Legal Practice Council	Law Society of South Africa
Represent public interests	Voice of the profession
Regulation	Assessments for entry to the profession
Discipline	Legal Education Training (mandatory and post-qualification professional development)
Transformation	Represent practitioners' interests, both local and international
Policies and codes of conduct	A forum for practitioners to gather and deliberate
Accreditation and monitoring	Practice management resources
Data and records	Transformation of the profession
Examinations / assessments	Lobby government on crucial issues
	Comment on proposals affecting the profession and society.
	Publishes a legal journal for all legal practitioners

## LSSA MISSION:

To represent the attorneys' profession, safeguard the rule of law via efficient and fair administration of justice.

## LSSA VISION:

To empower attorneys to provide excellent legal services to the community in an ethical, professional, considerate, and competent manner.

# LSSA STRATEGY

**Transitioning from a regulatory-aligned organisation to a resilient, agile and sustainable opportunities-driven Professional Body NPO.**

## 1. Relevance

Transformation initiatives | Representation - National and International | Inform | Products | Services | Publicise | Collaborate | Protect profession's image | National Footprint | Voice of profession.

- ❖ Member benefits and value-add.
- ❖ Small business forum – value-add to small practices.
- ❖ Collaboration | relationships with other professional bodies | Professional body – SAQA registered.
- ❖ Community and Societal contract (ESG).
- ❖ Communication | Stakeholders: LSSA reputation | Established channels | Intellectual property | Strong market position.

## 2. Income streams

- ❖ New business development: Products | Cross selling consumer market | TVET.
- ❖ Sustainable divisions.
- ❖ Education: Online platform | Transformative programme | Training products | LPFF joint initiatives | PPD | Quality assurance | Research and development.
- ❖ Increase income to reduce funding dependency.
- ❖ Maintain LPC funding.
- ❖ Continuing new revenue-generating initiatives.

## 3. Structural changes/environment

- ❖ ICT enhance and align to LSSA business and innovation strategies.
- ❖ Business processes that are agile and resilient.
- ❖ Human resource development for execution and delivery of strategy.

## 4. Long term

- ❖ Establish a university.
- ❖ Separate investment vehicle.

# DEMOGRAPHICS NATIONAL ATTORNEYS

## Age:

Age Group	Totals
< 21	1
21 - 24	1
25 - 34	6687
35 - 44	9058
45 - 54	7255
55 - 64	4340
65 - 74	2127
> 75	724
	<b>30193</b>

## Gender:

Age Group	Totals	Male	Female
< 21	1	1	0
21 - 24	1	1	0
25 - 34	6687	2727	3960
35 - 44	9058	4398	4660
45 - 54	7255	4312	2943
55 - 64	4340	3171	1169
65 - 74	2127	1803	324
> 75	724	679	45
	<b>30193</b>	<b>17092</b>	<b>13101</b>

## Race:

Age Group	Totals	Black	Coloured	Indian	White	Other
< 21	1	0	0	0	0	1
21 - 24	1	0	0	0	1	0
25 - 34	6687	3054	466	710	2406	51
35 - 44	9058	3538	526	830	3942	222
45 - 54	7255	2482	403	690	3555	125
55 - 64	4340	825	181	393	2881	60
65 - 74	2127	252	50	168	1637	20
> 75	724	40	8	43	626	7
	<b>30193</b>	<b>10191</b>	<b>1634</b>	<b>2834</b>	<b>15048</b>	<b>486</b>

## Gender and race:

Age Group	Totals	Black Male	Black Female	Coloured Male	Coloured Female	Indian Male	Indian Female	White Male	White Female	Other Male	Other Female
< 21	1	0	0	0	0	0	0	0	0	1	0
21 - 24	1	0	0	0	0	0	0	1	0	0	0
25 - 34	6687	1403	1651	153	313	206	504	947	1459	18	33
35 - 44	9058	2102	1436	196	330	298	532	1700	2242	102	120
45 - 54	7255	1863	619	227	176	270	420	1878	1677	74	51
55 - 64	4340	682	143	141	40	236	157	2069	812	43	17
65 - 74	2127	216	36	39	11	132	36	1397	240	19	1
> 75	724	36	4	7	1	37	6	593	33	6	1
	<b>30193</b>	<b>6302</b>	<b>3889</b>	<b>763</b>	<b>871</b>	<b>1179</b>	<b>1655</b>	<b>8585</b>	<b>6463</b>	<b>263</b>	<b>223</b>

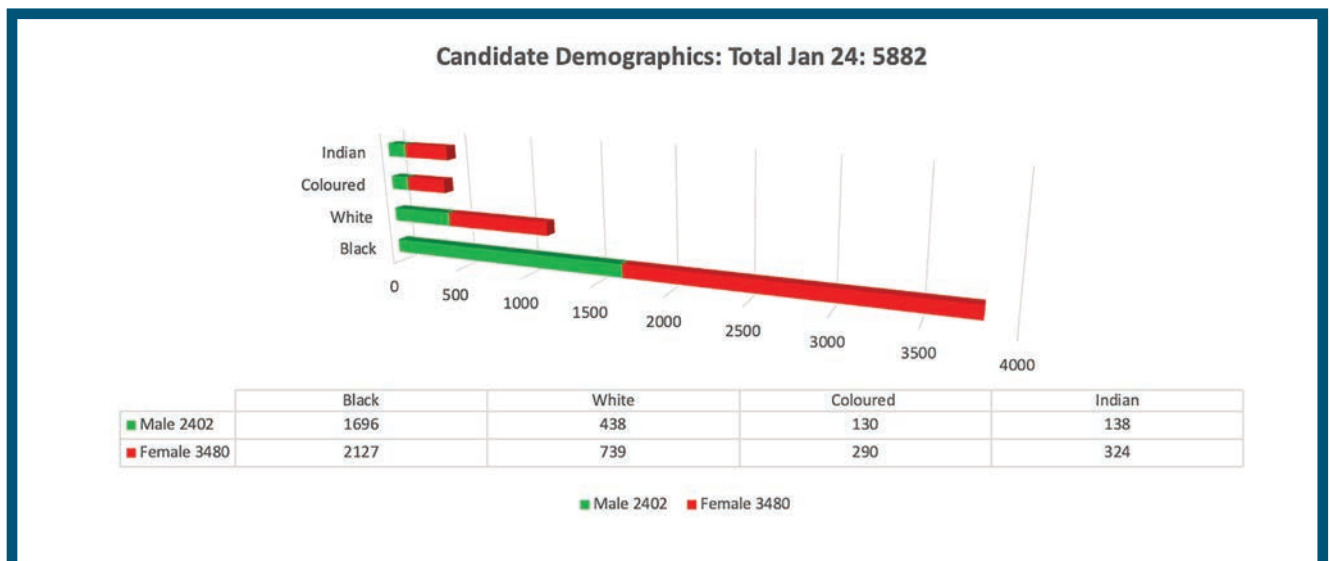
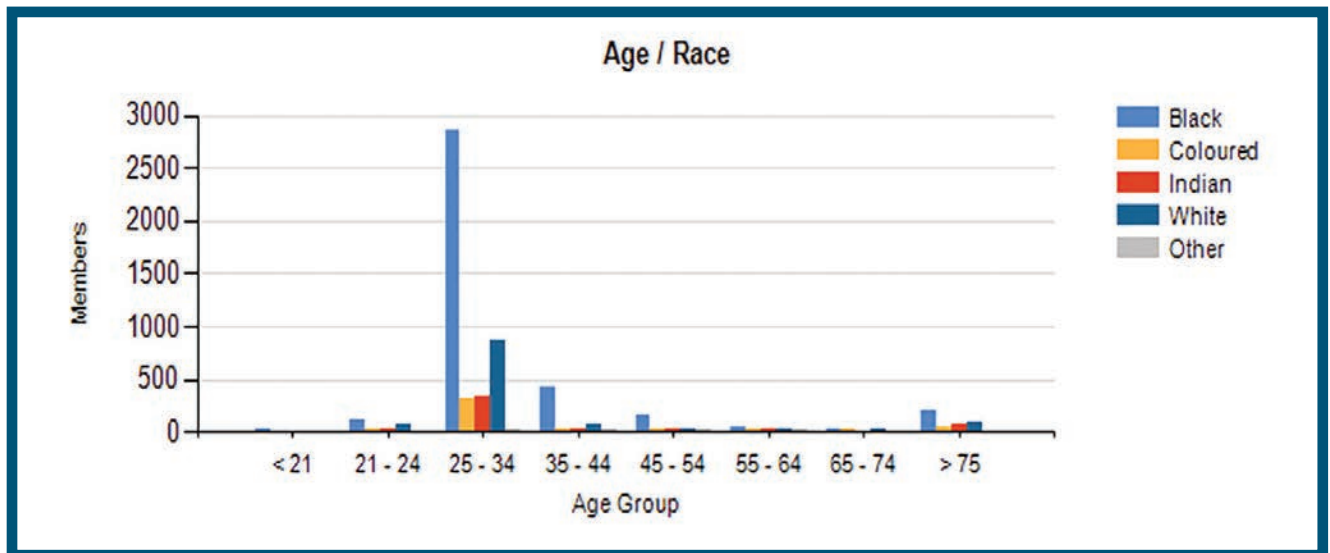
# DEMOGRAPHICS NATIONAL CANDIDATE ATTORNEYS

## Age:

Age Group	Totals
< 21	1
21 - 24	221
25 - 34	4382
35 - 44	545
45 - 54	218
55 - 64	81
65 - 74	9
> 75	425
	<b>5882</b>

## Gender

Age Group	Totals	Male	Female
< 21	1	1	0
21 - 24	221	66	155
25 - 34	4382	1795	2587
35 - 44	545	248	297
45 - 54	218	109	109
55 - 64	81	58	23
65 - 74	9	6	3
> 75	425	119	306
	<b>5882</b>	<b>2402</b>	<b>3480</b>



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# **REPORT BY THE PRESIDENT**

The past year has been a year of change, transformation, and new challenges that the LSSA and its leadership via the House of Constituents (HoC) have met head on, as these tested the LSSA's mandate and objectives. The profession was required to grasp and deal with the advancement of Artificial Intelligence (AI), increased compliance costs, reduced economic capacity, increased regulatory fees and payment towards professional indemnity insurance costs towards the latter part of 2024.

As per the previous Annual report, the ability to absorb graduates has been an ongoing challenge, and the deficit of available Practical Vocational Training (PVT) contracts has increased. The LSSA has previously acknowledged that the profession's transformation requires a holistic approach, including political, societal, and economic intervention and other essential stakeholders. The legal profession alone cannot address these and other challenges. We remain steadfast and positive to address challenges and grasp opportunities for practitioners.

If these trends continue, market-related costs and economic factors will likely enter the profession with subsequent adverse impacts.

There is no readily available solution to the host of issues. A new paradigm must consider where we are as a profession and where we hope to be. It is not enough to remain the same; we must envision where we want to be and how to get there. This requires a united and engaged profession that is in sync with our communities and society and always acts in the interest of all practitioners. Practitioners must understand that the profession operates within the business of law. Practitioners must accept this reality, which was not the case for new practitioners some years ago.

The ageing profession reflects the economic realities whereby most practitioners have not adequately provided for retirement; many did not foresee continued support for their families. This cycle will take years to change, and there is a continued lack of opportunities for younger practitioners.

Having painted a bleak picture should not paralyse the profession, but it is a call to think forward and change the current trajectory of inaction and staid ideas. It is a call to be bold and accountable and bring the profession into the current realities of practice.

The LSSA, having decided it is a professional body, needs to adapt and understand that practitioners are looking for leadership that is new, innovative, professional, ethical, and focused on legal *practise*, which calls for a new culture and ideas. This is not easy, and the profession needs to be effectively engaged and priorities developed in consultation with all practitioners. This may involve a review of the LSSA's *raison d'être* (purpose of existence) and other related core elements of the LSSA. This review is more than the current review of the structure and business model, given the funding reduction on legal education. Still, it can be added as a separate phase if approved by the constituent members. There is no straightforward or quick fix, and the adage adapt or die requires consideration for the long term. It is a question that an institution faces in an uncertain future. Due to these factors, we are at a precipice.



**Ntlai Eunice Masipa**  
**President of the Law Society of South Africa**

Legal practice is evolving by embracing technology, adapting to global challenges, and championing justice and ethical responsibility. As the world changes, the legal profession must change. The report has a separate section dealing with these changes.

#### **Legal education**

The funding of legal education has been a challenge for the profession, and the core funding by the Legal Practitioners Fidelity Fund (LPFF), including the subvention of regulatory activities, has impacted the LPFF. The Legal Practice Council (LPC) allocates funds from the LPFF, and the trend is a yearly reduction from the LPC. The budget for 2024 allocated:

- ❖ We are still engaging with the LPC on an allocation.

A survey of practitioners indicated that mandatory ethics modules should be part of the LLB degree, and the LSSA engaged the Council of Higher Education on this issue.

Mandatory training on behalf of the LPC continues to be provided by the Legal Education and Development (LEAD), which is legal education division of the LSSA:

PVT short courses are available for candidates in PVT Contracts | PVT Schools | Practice Management Training. The LSSA also offers webinars and seminars as part of Post Professional Development and specialisation training, including university certificate courses:

Conveyancing | Notarial | Business Rescue | Corporate Law.

The LSSA section on new business, which is separate from LEAD, has launched its Paralegal TVET programme, which commences in April 2024.

## Cost of practice

Some unethical lawyers' theft of trust funds continues to tarnish the profession and incur high costs for the LPFF. The professional indemnity premiums of the Legal Practitioners Indemnity Insurance Funds (LPIIF) have risen exponentially due to increased negligence by practitioners, hence the recovery of premiums by the LPIIF, as underwriters seek to reduce their loss ratios. The section on the LPFF in the annual report covers this in more detail. This has seen the LPFF reduce the subvention to the LPC for the regulation of the profession and impacts negatively on the funding of legal education.

## Insurance costs and claims (LPFF and LPIIF)

Independent international market, where practitioners must buy insurance in the market, indicates that insurance underwriters realise they have a more significant role in helping to prevent risk, mitigate loss severity, and close protection gaps. This is due to growing global risks, especially in the face of the growing number of what appear to be financially unsupportable risks. Increased premiums have not reduced losses for the past three years, and the last six months (December 2023) are almost at the previous year's annual loss. The use of AI to mitigate risks is already in the starting phase, and there will be no place to hide for South African firms; 'uninsurable' may soon be a reality.

Members will be required to pay 50% of the annual professional indemnity premiums in October 2024, and the premiums will increase by 10% annually until 100% is paid. This is also subject to claims history.

The Minister has capped the claims on theft by practitioners at R 5 million. Previously, there was no cap to ask questions of the profession's ethics and the reduction of theft. This will cause incorporated firms to seek additional cover in the insurance market.

The LSSA realises that the proposed changes will cause hardships to many small practices and is engaging the LPFF and the LPIIF, noting that the claims cap will require lobbying the Minister.

## Governance

The House of Constituents (HoC), based on members nominated by constituents, work in the interest of the LSSA and not their constituents. The LSSA has its own purpose, which includes a vision and mission. *It is not a sum of its constituents.* The primary focus of the LSSA is to deliver legal education to ensure that professional standards are maintained and that candidates are trained to be ethical and competent lawyers in the interest of society (clients). These guiding principles require the LSSA to represent all members within these key objectives; this is the LSSA's relevance, with many ancillary objectives flowing from there.

The LSSA HoC is surprised by staff joining a union, given that the LSSA is a non-profit institution and is contrary to its culture and ethos of serving the profession. However, the LSSA acknowledges the right of staff to be unionised.

## ICT

The LSSA experienced a cyberbreach on its server hosted in the Microsoft Azure Cloud service. The Legal Education data was breached, and while it was stopped, the service providers were uncertain about the stolen data. The LSSA increased its local network security and selected increased real-time monitoring services in the cloud environment. The mandatory report was submitted to the SA Information Regulator and the SA Intelligence Service. The data subjects were also informed. Fortunately, the LSSA advisory and subscribers are with another service provider. The transition to zero trust for ICT has been implemented.

## Sustainability

Every organisation must undertake this governance imperative.

It concerns resilience and adaptability; a section under the Audit committee report deals with this in depth. This is part of the HoC accountability for risk management. Currently, the LSSA Financial Sustainability implementation committee and Executive Committee (Exco) are considering the implementation report that was previously approved at the LSSA AGM. Once this has been unpacked, the LSSA will engage staff via management, with oversight by Exco.

## Profession's status

The challenges facing practitioners have been covered. The annual report includes a detailed report on the demographics. For the current year, we have split sole practitioners from small firms, as the trends talk about sustainability and highlight the struggle of sole practitioners, which indicates the impact of the various challenges, especially COVID-19 and the economic downturn.

	2024	2023
Sole practitioners	13 691	11 856
	<b>77%</b>	<b>69%</b>
Small firms 2-9	3 968	5 189
	<b>22%</b>	<b>30%</b>

## International engagement

The LSSA's draft of the international engagement policy is still being considered. As reported last year, the Audit and Risk Committee has only approved the following due to its financial sustainability policy and will revisit the allocation based on economic sustainability at its March 2024 meeting.

## Pan African Lawyers Union – PALU

The LSSA President's subcommittee attends the annual meeting. The current LSSA President serves as the Vice President of PALU, responsible for the SADC region. The meeting was held from 5 – 8 July in Zambia. The theme was 'Sovereign Debt Crisis in Africa: The Role of the Legal Profession'. This aptly applies to SA, and the impact of debt is keeping the continent spiralling in an endless loop, trying to service this debt without any resources to achieve the AU agenda 2063 and the UN SDG 2030 goals. The resources of the continent are what the lenders seek, and they are below-market cost. If we are to achieve a viable Global South socio-economic, political and development pact, we need to mobilise differently. Refer to the BRICS declarations on the Global South in this report. The illicit flows from the continent, estimated at \$ 80 billion, are part of the ravages and instability on our continent. FICA is, therefore, a serious issue dealing with the 'evil twins' of Anti-money laundering and counter-terrorist financing.

## BRICS Legal Forum

The LSSA hosted the BRICS Legal Conference from 8 to 9 December 2023. The meeting was well attended, and many outstanding presentations were made. Some of the international delegations had high-profile participants. The declarations were well-considered and moved us forward. The LSSA, through its participation and the practitioners who attended, realised that we have much work to do to raise our training and expertise in international and commercial arbitration.

A detailed report is included in the Committees section.

## International Bar Association – IBA

The LSSA representative Ms Tshepo Shabangu, a member of the Bar Issues Commission (BIC), works actively for South Africa and

the continent and serves on the IBA African regional forum. This is an ongoing initiative to transform the IBA, and the BIC seeks to make the IBA more representative in the global profession, with developing regions now making more significant inroads into changing the culture. The BIC is a vehicle for bar associations and law societies and significantly impacts the IBA as a whole. The membership also consists of law firms and practitioners with different objectives in the IBA. Costs for IBA conference attendance and membership fees for developing bars, and Bar Executives and Presidents from these bars would be able to attend the annual IBA meetings without having to pay the registration fees. This is a step in the right direction. Ms Shabangu has been shortlisted for the post of BIC Junior Vice-Chair for the 2025-2026 term.

Ms Shabangu's mantra on BIC is: Are our programs at the IBA relevant to all our members, including those of our African members? What is the value proposition for Bars and Law Societies?

### Globalisation conference – EU Lawyers Foundation

The LSSA hosted a successful globalisation conference to inform, educate, and showcase opportunities for local practitioners. This conference, held in Johannesburg in October 2023, was appreciated by practitioners. The IBA formed part of this collaboration and noted that in the ten years of running this conference in Africa, this was an engaged session, and local practitioners' learning brought value and expertise to the event.

### Provincial associations

A funding model has been established that deals specifically with the Provincial Associations. Input from the LSSA constituents is required before engagement with the associations.

**Established:** KwaZulu-Natal Legal Practitioners Association | Eastern Cape Legal Practitioners Association | Northern Cape Legal Practitioners Association | North West Attorneys Association | Limpopo Provincial Legal Practitioners Association.

The President will update the AGM on the progress made in the following provinces:

- ❖ Gauteng Attorney Association – there is a process of engagement with the GAA on the LSSA one-third governance principle.
- ❖ Free State Attorney Association – there will be ongoing engagement as the constitution is adopted, as many members were not engaged, and the process is of concern.
- ❖ Due to delays – Western Cape Task Team has not finalised the constitution.
- ❖ Mpumalanga Attorneys Association: – the Mpumalanga task team has postponed the launch meeting to revise the constitution after late input by a constituent and has agreed to finalise engagements by 4 April 2024 and launch shortly thereafter, probably the week beginning 22 April 2024.

### Legal Provident Fund

The Legal Provident Fund, established by the legal profession, does not cover many legal practitioners who still do not make adequate retirement provisions for themselves and their staff. This is a call for members to plan for their future and their families in a climate of extreme risks and financial challenges.

### Attorneys Admission Exams

The poor results continue to distress the profession. Many factors



*From left: Joanne Anthony-Gooden (Vice-President), Ntlai Eunice Masipa (President), and Matshego Ramagaga (Vice-President).*

contribute to these results, and they require intervention by all stakeholders in the education ecosystem and pipeline, including schools, universities, and the profession. The LSSA and the LPC have been engaging in this for some time, and the proposed new PVT curriculum linked to the admission exams will hopefully improve the results, but this is only part of the solution. We will continue to engage all stakeholders on practical legal education. The practical training at firms requires increased capacity, and the LSSA is engaging Safety and Security Sector Education and Training Authority on several initiatives. However, financial resources remain a barrier to rolling out effective interventions.

### Financial Intelligence Centre Act 38 of 2001

This has been a problem in our profession since the inception of the Act. Over the years, the LSSA has actively engaged and addressed this issue through various initiatives and interventions, including the Grey Listing of South Africa. While other industries were identified, the legal profession has been pilloried for poor compliance. The LSSA, in collaboration with the Financial Intelligence Centre, and resources developed for practitioners are available on the LSSA website, but many practitioners still struggle with compliance. Additional free information, guidance and education sessions will be rolled out in April 2024. Members struggle with the concept of risk management, and we will address this holistically, as risk management also involves cyber breaches and theft and is integral in practice management and the business of law.

### Litigation

**Appearance of attorneys before taxing masters:** The LSSA was a party in the matter of *Fenyane v Ndengane*, which is essentially an application to review the decision of a taxing master to disallow a practising attorney to appear at a taxation because she

does not have a right of appearance certificate in terms of s 25(3) of the Legal Practice Act 28 of 2014 (LPA).

The matter was heard in the Gauteng Local Division, Johannesburg and judgment was delivered on 11 March 2024.

The LSSA is pleased that the court found that the words 'appear in the High Court, the Supreme Court of Appeal or the Constitutional Court' in s 25(3) of the LPA refer to appearance before judges and not appearance before taxing masters.

Any duly admitted and enrolled practising attorney may appear on behalf of their clients before a taxing master.

**Road Accident Fund (RAF) medical tariffs:** In 2022, the Gauteng High Court granted an interim interdict to prohibit the implementation of new RAF medical tariffs, pending the outcome of a review application to set them aside. (The National Council of and for Persons with Disabilities and LSSA / Minister of Transport, the Road Accident Fund and Minister of Health). In terms of these tariffs, the RAF would have paid much less than the actual costs incurred, leaving the accident victim out of pocket. The RAF applied for leave to appeal to the Gauteng High Court, the Supreme Court of Appeal and the Constitutional Court. All these applications were dismissed.

Subsequently, the Minister of Transport published a set of draft replacement tariffs for comment, which appears to be more reasonable. If enacted, the review application will become moot.

**Audit of business accounts:** The Companies and Intellectual Property Commission (CIPC) interprets some provisions of the Companies Act and Regulations as requiring the business accounts of certain incorporated legal practices to be audited. The LSSA's position is that, on interpretation of the relevant sections, such legal practices are exempted. After engagement with CIPC, it was clear that common ground could not be found, compelling the LSSA to bring an application for a declaratory order. At the time of writing this report, a date for hearing is awaited.

### Legal Services Liberalisation under the AfCFTA

The Department of Trade, Industry and Competition (DTIC) is currently engaging in cross-border practice engagements for the SADC region, which will be part of the overall African Continent Free Trade Area. The profession is actively engaging and ensuring reciprocal rights are achieved. While many practitioners fear increased competition in our limited market, there are also many unlocked opportunities, and we must actively seek out opportunities.

### Legal Sector Code

After many years and several versions, the Department of Trade, Industry and Competition finally published the Draft Legal Sector Code (LSC) for public comment in July 2022. The LSSA established a Task Team to consider the document and solicit views of legal practitioners and attorneys' associations. Taking into consideration the comments received, the LSSA made comprehensive submissions.

The final version, developed by the LPC in conjunction with the Department of Justice and Correctional Services, was submitted to the Minister of Trade, Industry and Competition in September 2023 for gazetting in terms of s 9 of the Broad-Based Black Economic Empowerment Act 53 of 2003. This version incorporates comments received, where appropriate, and differs in some respects from the initial document. It is of concern that, at the time of writing this report, the Minister has not yet published the Codes.

### Section 35 - Law Reform Commission report

In terms of the LPA, the SA Law Reform Commission (SALRC) was mandated to conduct an investigation into legal fees, including access to justice and other interventions. In 2019, it published for comment an issue paper in this regard, and subsequently a discussion paper containing recommendations. The LSSA made substantial submissions on both the issue paper and the discussion paper.

The SALRC concluded its mandate and submitted its report, which contains significant legislative proposals that will negatively impact on access to justice, to the Minister of Justice and Correctional Services in March 2022. Although the Report was not published for comment, the LSSA furnished the Minister with further comments. The LSSA noted its disappointment that some of the crucial issues raised by the LSSA and other stakeholders were overlooked by the SALRC.

The LSSA is closely monitoring the situation.

### SASSETA FUNDING AWARDS 2023/2024

Programme	Amount Awarded	Number of beneficiaries
WIL: University Placements (Candidate placement) ends April 2026	R13 440 000	80 (prior 77)
WIL: University Placements (Candidate placement) Ended March 2024		10
Skills Programme: Assessor	R400.000.	50
Skills Programme: Moderator	R400 000.00	50

**Key Issues:** We are negotiating with SASSETA to fund the LSSA Women's Network's Board Induction Programme.

**Challenges:** The delay in payment of stipends is still a problem despite intervention meetings between the LSSA and SASSETA officials.

### Advocacy and lobbying

During the period under review, the LSSA made several submissions on behalf of the profession on issues that affect the profession, justice administration and the rule of law. Listed below are some of the issues dealt with. Many of these submissions and engagements are dealt with comprehensively in the committees' reports elsewhere in this annual report.

- ❖ Extensive engagement with CIPC for members on various matters and the e-platform for director changes.
- ❖ The Community service regulations have been welcomed, and the *Pro Bono* committee is engaging and assisting Pro Bono.org, despite some uncertainty in the manner the regulations were drafted.
- ❖ RAF has been a major activity for the LSSA, and the LSSA has made various interventions. The personal injury committee has provided guidance in the various litigation against the RAF.
- ❖ The LSSA appeared before the Portfolio Committee on Justice and Correctional Services to voice legal practitioners' concerns over the issues experienced at the Master's office. The LSSA proposed recommendations, some short-, medium- and long-term interventions, which would improve service delivery.

# VIII BRICS LEGAL FORUM JOHANNESBURG DECLARATION

## PRELUDE

The BRICS Legal Forum is a permanent platform spearheaded by legal professional bodies within the BRICS countries, aimed at providing an environment that is conducive for legal cooperation and diplomacy that will support the planning, development, preparation and implementation of such policies, regulatory and legal instruments required by BRICS countries to give effect to the resolutions by the BRICS Heads of State to achieve the common goals and objectives of BRICS and to promote the interest of the legal profession by building capacities and creating opportunities, including through cooperation in legal education.

The Legal Forum is committed to fostering the Rule of Law in BRICS countries, while supporting the development and growth of our collective societies, which are built on the foundation of fairness, equality and an inclusive worldview.

Our vision and purpose are to enhance collaboration with the legal institutions in BRICS countries with a long-term view on developing the Global South.

We the members of the legal fraternity at this 8th BRICS Legal Forum held at Johannesburg, South Africa on the 8th and 9th December 2023 hereby make the following declarations:


### WE DECLARE THAT:

1. We, the constituents of the BRICS Legal Forum, are committed to enhance collaboration with the legal institutions in BRICS countries with a long-term view on developing the Global South through strengthening the framework to mutually benefit BRICS countries.
2. We affirm our support to the BRICS countries and endorse the BRICS declarations, in particular the realisation of the Johannesburg II Declaration on 23 August 2023 themed "*BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism*".
3. We welcome the inclusion of new states as proposed by the BRICS Summit 2023 and look forward to expanding the BRICS Legal Forum to include the BRICS+ legal professionals.
4. We are committed to collaborate and support the BRICS Business Council to enhance intra-BRICS trade and investment in key economic sectors through the development of such policies and regulations to enhance market access for BRICS businesses in the respective BRICS countries.
5. We are committed to support initiatives by the BRICS countries to enable the BRICS businesses to work with Africa to unlock the full potential of the Africa Continental Free Trade Area.
6. We acknowledge the BRICS countries' support for inclusive multilateralism and make it the foundational philosophy and the endeavours of the BRICS Legal Forum.
7. We support and call on the international communities to cultivate a corruption-free business environment that encourages tax compliance and combats money laundering, terrorist financing, proliferation of weapons of mass destruction and drug and human trafficking while maintaining the ease of doing business.
8. We encourage the development of cooperation of BRICS countries legal communities in the field of legal education, links between the corresponding universities, law schools and all forms and formats of scientific and educational exchange within the BRICS process.
9. We will take steps to involve respective institutions of the newly admitted BRICS countries in the educational exchange and all forms of educational cooperation.
10. We acknowledge that technology can be used for the education of our societies and enhancing our education programmes so that the developing world is a market for skilled labour and we are committed to embrace technology, including in the field of the legal education.
11. We note that the right to accessible and affordable tech-



nology for developing nations is critical for a fair and just world. We support the use of technology to promote access to justice, whilst taking into consideration the barriers resulting from the digital divide prevalent in many BRICS member countries.

12. BRICS Legal Forum is committed to collaborate internationally with the appropriate international institutions such as the UN, to facilitate the development of the legal frameworks for the universal, ethical, and appropriate use of technology, to deal collectively with the scourge of cybercrime and to jointly develop AI governance framework based on broad consensus.
13. We emphasize that the historical cumulative emissions of developed countries, which determines current global warming and will continue to affect the rise of global temperature, is the root cause of climate change. Developing countries are struggling from the negative effects of climate change, as well as the pressure of development and reduction of emissions. We call on all parties to adhere to the goals, principles and framework of the United Nations Framework Convention and its Paris Agreement, especially the principle of common but differentiated responsibilities, to achieve the long-term climate goals of the Paris Agreement.
14. We will help develop appropriate legal frameworks that ensure that the technologies required to sustain a Green economy is shared with the developing world to enhance global capacity and equity in environmental protection.
15. We will endeavour to help develop appropriate legal frameworks to support the sustainable development of the Global South.
16. We recognise that fair and equitable distribution of the economic benefits is fundamental for our communities, especially for rural development and food security.
17. We envision BRICS Legal Forum that is inclusive in its content and form and makes it a priority to ensure that women play a meaningful role in all BRICS activities.
18. We support the development of appropriate institutional arrangements and protocols that will enable collaboration between the BRICS countries following the example of the African Continental Free Trade Area [AfCFTA] and call upon BRICS governments to facilitate the free movement of persons, capital, goods and services that will deepen economic integration, promote agricultural development, food security, and economic transformation.
19. We echo the commitment to promote employment for sustainable development, including the commitment to transformative employment that is representative of South Africa's demographics, paying particular attention to gender.
20. We have decided to prioritise the setting up of a network of Dispute Resolution institutions under the BRICS framework as envisioned in the previous BRICS Legal Forum declarations and the concept note, which was adopted as a blueprint by resolving to create a Board of Governors and common rules of the BRICS Disputes Resolution Network. In order to help achieve this, as a first step, we decided to adopt, with suitable modifications and adaptations, the benchmarked rules for conducting arbitrations of the Arbitration Foundation of Southern Africa, which are already serving as the basis for resolving Africa-China commercial disputes.
21. We propose to establish a specialised wing of BRICS Dispute Resolution Network or a separate institution dedicated to resolution of investment disputes arising within the BRICS, which ultimately would evolve into an institution of choice for the countries of the Global South, being sensitive and cognisant of their developmental and welfare needs, requirements and aspirations while providing a conducive environment to attract foreign investments.
22. We resolve to take urgent steps to establish cooperation with the New Development Bank and become one of its partners to create synergies helpful to develop BRICS Disputes Resolution Network and at the same time assist the NDB to implement its objectives of sustainable development by helping create/validate suitable legal-policy frameworks, solutions and instruments and by helping train local legal and professional communities.
23. In order to implement the foregoing initiatives, we resolve to create a 'working group' or a 'Task Force' for each of the areas with set timelines and milestones to be achieved, with a resolve to have the BRICS Dispute Resolution Network along with the finalised rules ready for adoption and ratification at the next BRICS Legal Forum to be held in Russia.
24. We also resolve to promote the BRICS Legal Forum and the BRICS Dispute Resolution Network and to create awareness about it at various international and regional forums as representatives of BRICS Legal Forum or while representing any of our member organisations.
25. In order to integrate the new members of BRICS in the BRICS Legal Forum initiatives, we accept the proposal of Russia, the host of the next BRICS Legal Forum, to invite legal and arbitration bodies in BRICS+ countries to an event in Dubai preferably in March/April 2024, as Dubai is geographically convenient and the UAE being a BRICS member.
26. We also unanimously accept and endorse the proposal of Association of Lawyers of Russia to host the IX BRICS Legal Forum in 2024 in Moscow, Russia, during the time which will be additionally advised, given Russian chairmanship in BRICS in 2024.
27. We thank the Law Society of South Africa for hosting the VIII BRICS Legal Forum in Johannesburg.

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# **THE HOUSE OF CONSTITUENTS**

# HOC ATTENDANCE 2023

NAME AND SURNAME	24 FEB 2023	23 MARCH 2023	28 JULY 2023	24 Nov 2023	Dec 2023
1. Ms E Masipa** <b>President</b>	Y	Y	Y	Y	<b>Yes</b>
2. Ms J Anthony-Gooden** <b>Vice President</b>	Y	Y	alternate	Y	<b>Yes</b>
3. Ms M Ramagaga** <b>Vice President</b>	Y	alternate	Y	Y	<b>Yes</b>
4. M Gwala**	Y	Y	Y	Y	<b>Yes</b>
5. Ms U Naicker**	Y	Y	Y	Y	<b>Yes</b>
6. K Govender	Y	Y	Y	Y	<b>Yes</b>
7. M Notyesi		Y			<b>Yes</b>
8. Ms C Selepe	Y	Y	Y	Y	<b>Yes</b>
9. S Makangela	Y	Y			<b>Yes</b>
10. S Tshehla	Y	Y	Y	Y	<b>Yes</b>
11. C Kgotlagomang	Y	Y	Y	Y	<b>Yes</b>
12. M Ponoane	Y	Y			<b>Yes</b>
13. Z Mgqeza			Y	Y	<b>Yes</b>
14. C Hendricks**	Y	Y	Y	Y	<b>Yes</b>
15. Ms T Mpanza**	Y	Y	Y	Y	<b>Yes</b>
16. Ms P Mawila			Y		<b>Yes</b>
17. Ms N Maema			Y	Y	<b>Yes</b>
18. V Nsibande				Y	<b>Yes</b>
19. Ms S Mkhize				Y	<b>Yes</b>
20. U Jivan**	Y	Y	Y	Y	<b>Yes</b>
21. E Barnard**	Y	Y	Y	Y	<b>Yes</b>
22. M De Wet				Y	<b>Yes</b>
23. T Joubert	Y	Y	Y	Y	<b>Yes</b>
24. Ms E le Roux	Y	Y	Y	Y	<b>Yes</b>
25. P Horn	Y	alternate	Y	Y	<b>Yes</b>
26. D Bennett	Y	Y		Y	<b>Yes</b>
27. A Jacobs	Y	Y		Y	<b>Yes</b>
28. Ms D Lenyai	Y	Y			No
29. R Mashabela	Y	Y	Y	Y	No
30. M Ramathe	Y	Y	Y	Y	No
31. Ms E Halgreen alternate			Y	Y	No
32. F Weber alternate			Y	Y	No

**\*\* LSSA Executive Committee Member**

The background features a complex geometric design with overlapping triangles and lines in various shades of blue and red. A prominent red diagonal line runs from the top left towards the middle right. The text is positioned in the lower-left quadrant, set against a dark blue background.

# **ANNUAL FINANCIAL REPORT**

# Statement by the LSSA Audit and Risk Committee (ARC): AFS 31 December 2023

ARC members: A Trikamjee (Chair), A de Lange (Vice Chair), W Scholtz (IAS chair), M Ntanga, PC Mogale, R Barnard - independent SAICA nominee.

The Committee reports to the LSSA House of Constituents (HoC), and the following statement is communicated to the Councillors before they approve the Annual Financial and Risk Reports and the Audited Financial Statements for the financial year ending 31 December 2023.

Statement by the Audit Committee on the financial statements was prepared in accordance with the general principles of the ARC charter and the combined King IV Risk Assurance framework adopted by the LSSA.

The ARC confirms for the purpose of verifying that the financial operations of the LSSA are conducted, and its financial recordings are appropriate, having –

- ❖ designated SAB&T as external auditors, reviewed their audit planning process, examined and discussed their management reports, and specifically their independent Auditor's Report;
- ❖ noted that the opinion of SAB&T on the financial statements of the LSSA for the year ended 31 December 2023 prepared in accordance with IFRS for SMMEs; and
- ❖ convened on a regular basis with the management and relevant services, including the following consideration of crucial elements:
  - Financial Control
  - Budgets
  - Quarterly Management reports of the LSSA
  - Risk Management
  - Transaction Monitoring
  - Risks on Strategy Implementation
  - Financial and operational sustainability
  - Legal and other Compliance
  - Provision of general guidance on governance

Received assurance and engaged the Management on the effectiveness of the internal control structure, risk management and internal administration and considering –

- ❖ the financial statements for the financial year ended 31 December 2023 to the best of its knowledge and judgment –
  - confirm that the activities of the LSSA are appropriately conducted, in particular, risk management and monitoring;
  - addressing the HoC and Exco on financial and operational sustainability, including risk management, budgets, and funding;
  - has verified that the operations of the LSSA and its financial recordings have been conducted and kept in an appropriate manner; and
  - that, to this end, it has verified that the LSSA's operations have been carried out in compliance with the formalities and procedures as per the LSSA's financial policies.

The above, therefore, confirms that the audited financial statements of the LSSA, which comprise the balance sheet as at 31 December 2023, the income statement and the cash flow statement for the year ended, and notes to the financial statements, including the summary of significant accounting policies and other explanatory information, and the note on legal education as subvented by the LPC (via the LPFF), give a true and fair view of the financial position of the LSSA as 31 December 2023 and the results of its operations and its cash flows for the year ended.

**A Trikamjee**  
*Chairperson*

# Audit and Risk Committee Critical Risk Considerations

The ARC appreciates the work of the LSSA's Internal Audit Subcommittee (IAS) for the work done with management and the ARC.

## Resilience and agility

**Resilience has various elements. ARC considered and agreed on the most critical concepts for LSSA management to engage and manage holistically.**

True resilience requires a balanced focus on six elements: Operations | technology | organisation| reputation | business model | financial.

**Operational resilience:** The LSSA ensures the ability to maintain services or agile capacities to meet changes and retain stability in operational disruption without sacrificing quality. We continue to provide services to clients. This involves keeping an innovative portfolio of services and products and valuing business enterprises in representative functions focusing on ethics, standards, and legal education.

**Technological resilience:** The LSSA must invest in robust, secure, and flexible infrastructure to manage cyber threats and avoid technology breakdown. The current Learner Management System (LMS) is over 25 years old and is a free source system without subsequent upgrade. There will be a gradual transition to a more modern LMS, subject to price. The move to Microsoft 365 and its synchronised database (CRM) is a start to ensure the participants' data seamlessly links to an LMS. The model currently being considered is software as a service (SaaS) with sequential licences to reduce costs. As we train over 10 000 participants annually, the integrated programmes require LMS, with other participants managed via CRM.

The use of data analytics is important to inform and develop services and products and implement IT systems that meet clients' needs. The competitive demands and regulatory compliance requirements can be timeously addressed by analytics.

**Organisational resilience:** This element requires equitably developing talent and upskilling or reskilling em-

ployees, flexibly and fast. To implement robust people processes that are bias-free and maintain robust succession plans throughout the organisation. For the LSSA, this is a diverse workforce in which everyone feels invested and performs at their best, provided they have the right skill set, with training for future skills and innovation being essential. HR must change to the future of work and sustainable job skills.

**Reputational resilience:** Resilient institutions align their values with their actions and words. Key stakeholders – from employees to members, clients to regulators, to a society increasingly seeking to hold organisations accountable, for example, environmental, social, and governance promises and actions.

The LSSA has a strong sense of self – enshrined in our mission, values, and purpose – which guides our actions. The LSSA's vision and mission must be aligned with values, culture and purpose.

**Business model:** The start of a rethought resilient business model has begun with the LSSA Exco meeting of February 2024 to consider this as driven by the financial sustainability requirement. The objective is for a business model that can adapt to significant shifts in the external and internal environment, client demands, and the regulatory and compliance terrain. These objectives are guided by our focused areas, including, the interest of legal practitioners, education and standards. While still a non-profit organisation, the LSSA operates on business principles while maintaining its professional body status and culture.

During times of crisis, resilient organisations will ensure strategic risk decisions evolve their business model.

**Financial sustainability:** The LSSA has established an Implementation Committee of the House of Constituents to deal with financial sustainability. In 2021, the AGM approved the plan developed by the Sustainability Committee. This element is not an end goal, but an ongoing evaluation of the enterprise's financial resources and trajectory, which must constantly review its fu-

ture and relevance and is, therefore, part of all the elements. Artificial Intelligence (AI) is powering the future of finance by reducing time, effort and costs while allowing executives and leaders to focus more on strategic, value-added work.

There is a demand for the transformational change of the finance function linked to human resources. It may seem radical, but this is about sustainability.

It is imperative to measure performance and allocate resources based on the return on investment from and risk mitigated by finance services, it should not simply be the cost to service operations.

- ❖ Align finance to business strategy. Focus on unique organisational strategy and the right financial resources to help the LSSA succeed.
- ❖ Prioritise high-value services. Allocate resources to the services, markets and products that deliver the most business value.
- ❖ Manage expectations instead of stakeholder satisfaction, shape customer (internal) expectations, and force them to choose between what they want and what is actually needed.

Risk modelling, an element of risk management, moves the LSSA further along the curve to reach mature resilience and agility. The following is the current development:

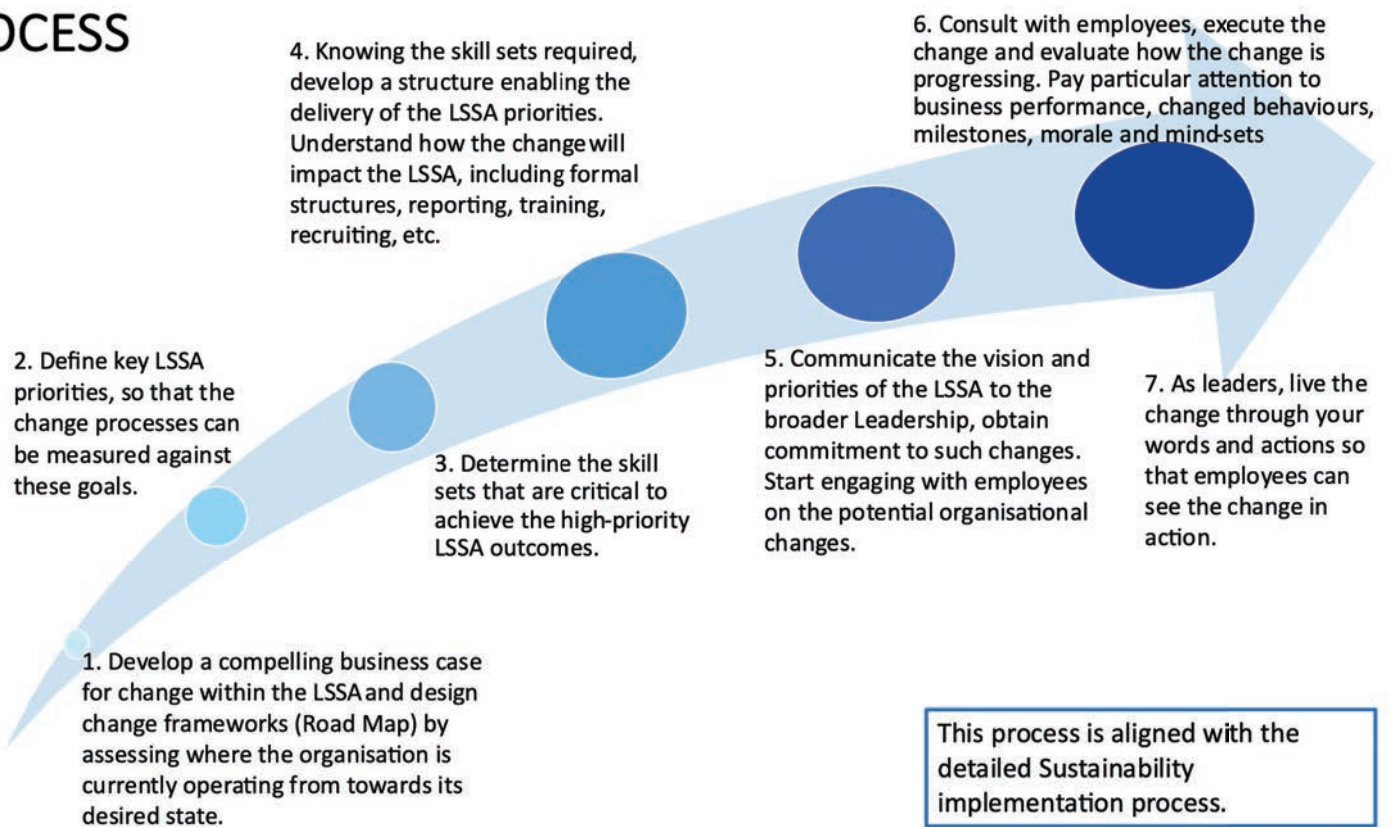
**Current risks:** REDUCTION OF INCOME AND CHANGE IN ENVIRONMENT IMPACTING RELEVANCE.

**Become a market, and opportunity focussed professional body**

- ❖ Leverage the LSSA preferential contractual relationship with key stakeholders.
- ❖ Maximise income from present and future revenue streams.
- ❖ Open new revenue streams.
- ❖ Develop a brand and product marketing approach (market relevance).
- ❖ Management must take ownership and develop the plan based on approval by Exco on the principles, sustainability goals and objectives of the LSSA.

The process below is currently underway under the direction of the LSSA Exco and the sustainability committee with guidance from ARC.

## PROCESS



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# **OPERATIONAL REPORTS BY MANAGEMENT**

# Communications, Marketing and Publications

In the year under review, the Law Society South Africa (LSSA) embarked on a drive to educate the legal profession about its functions and its material difference from the Legal Practice Council (LPC). Advisories, newsletters, social media posts and editorials in the *De Rebus* covered this topic extensively. However, more deliberate work needs to be done to ensure that legal practitioners are aware that the LSSA still exists for their benefit. There is widespread confusion in the profession about the difference between the LPC and the LSSA. This stems from the fact that many legal practitioners do not know that the functions performed by the LPC are vastly different from those performed by the LSSA.

The LSSA provides regular advisories, electronic newsletters, and the Legalbrief LSSA Weekly on Friday mornings to practitioners. During the year in review, the LSSA issued 12 press releases, 10 advisories and articles/notices. As part of its mandate to educate legal practitioners, the LSSA offered nine free webinars in collaboration with other stakeholders:

1. LEAD: Powerful and proven business strategies webinar | 27 – 28 February 2023 (251 attendees)
2. LSSA: Environment and Climate Justice | 25 May 2023 (113 attendees)
3. Technological Disruptions in Legal Practice | 1 June 2023 (109 attendees)
4. FICA: Steps Law Firms are Missing | 27 July 2023 (957 attendees)
5. Women's Month - empowering women | 31 August 2023 (122 attendees)
6. BRICS LEGAL FORUM – Information Session | 31 August 2023 (190 attendees)
7. Artificial intelligence and the law | 9 November 2023 (550 attendees)
8. Matrimonial Property Law | 17 November 2023 (138 attendees)
9. Why does the Legal Practitioners' Fidelity Fund exist? | 23 November 2023 (55 attendees)
10. Young Lawyers Roundtable | 7 December 2023 (72 attendees)

## Free wellness programme for legal practitioners

The year 2023 saw the continuation of the Free Wellness programme for legal practitioners. The wellness programme offers free professional telephonic counselling service available to legal practitioners 24 hours a day, seven days a week. The LSSA collaborated with mutual financial services company, PPS, and the Reality Wellness Group to offer telephonic counselling and support.

## National Wills Week

The Law Society of South Africa's National Wills Week took place from 11 to 15 September 2023. A total of 1 006 law firms participate in Wills Week 2023, which is an increase from the 852 law firms that participated in 2022.

- ❖ The Southern African Music Rights Organisation held a webinar on Wills Week and it was attended by 400 delegates.
- ❖ The Department of Government employees also held a webinar about Wills Week and it was attended by 600 delegates.
- ❖ Anglo American advertised and encouraged their whole workforce to obtain a free will during Wills Week.

Wills Week had a total of 65 media mentions during the campaign. Six of the media mentions were on radio, with three on television.

National Wills Week is now an established highlight among the profession's social outreach and access to justice initiatives. This is thanks to the thousands of attorneys who participate by giving generously of their time and skills. The aim of the LSSA National Wills Week campaign is twofold –

- ❖ to position attorneys as the premier providers of wills and estates services to the public, and to improve the image of the profession generally; and
- ❖ to encourage members of the public who would not normally make use of the services of an attorney, or who may hesitate to approach an attorney, to consult an attorney to have a basic will drafted.

## LSSA's outreach programme

The LSSA held a Youth Day event on 30 June 2023 in Pretoria. The President of the LSSA, Eunice Masipa, together with some candidate legal practitioners from Legal Education and Development's Practical Vocational Training School for Legal Practice and staff of the LSSA visited with children from Child Welfare Tshwane's Bramley Children's Home to spend some time with them and share some words of inspiration.

## LSSA Golf Day

The LSSA hosted its first charity golf day on 16 February 2024 in Pretoria. The purpose of the golf day was to raise funds for charity, as part of the mandate of the LSSA to empower candidate legal practitioners and the community. The LSSA has adopted Child Welfare Tshwane's Bramley Children's Home, to assist them in making sure some of the needs of the children are met. The golf day was well attended by legal practitioners, as well as stakeholders of the LSSA. Eighty-eight players braved the intense heat to play for a good cause. There were also a total of 15 sponsors who contributed to the day.

## BRICS 2023

The LSSA hosted the eighth BRICS Legal Forum in Kempton Park, in December 2023. The conference was attended by delegates from South Africa, Russia, India, China, and Brazil. The theme of the conference was 'Building local capacity to support the agenda of the Global South'. The conference was well attended by more than 200 delegates.

## SA Lawyer publication

The second issue of the *SA Lawyer*, which is a supplement of *De Rebus*, was published in January 2024. The supplement, alike the *De Rebus*, is a publication that belongs to legal practitioners and will be filled with content that is of importance to the legal profession. The supplement will be published twice a year and all legal practitioners are requested to submit articles and information on events that are of importance to the profession.

## De Rebus publication

Editorial Committee: Michelle Beatson, Peter Horn, Mohamed Randera, Wenzile Zama.

The *De Rebus* journal has been in existence for the past 68 years in

different formats. Since its first issue, the journal has evolved with the times in terms of the topics covered and the way in which it is published. What has remained of utmost importance throughout the years is its mandate to be a legal education journal for the legal profession. Although published by the LSSA, *De Rebus* takes its editorial independence seriously and has never been partial to any of the constituent members of the LSSA.

Despite numerous proof that the journal is read and is a necessary legal education tool, there has been instances where the relevance of the journal has been questioned. The objectives of the journal are –

- to be an educational resource for legal practitioners, while it informs legal practitioners of the latest developments in the profession;
- to educate legal practitioners on risk aversion mechanisms and how to effectively manage their practice;
- to provide legal practitioners with a platform to discuss and share opinions on matters relating to the profession;
- to play a pivotal role in the profession as its content is authoritative, credible and enables practitioners to practise more efficiently and effectively; and
- to reinforce collegiality in the profession, which in turn promotes the maintenance of high professional standards.

On 1 February 2024, the January/February issue was published, that day the *De Rebus* website crashed and stopped responding because the website was viewed 26 000 times. On average, the website is visited by 57 000 individuals monthly. *De Rebus* has been fully digital since March 2019, with a few paid for subscription-based printed copies. This means that we can correctly track which content is consumed the most in the journal and which articles are of interest to legal practitioners at any given time. Most importantly, this also means that legal practitioners can research easily on the digital format by searching for topics, cases or legislation on the website.

By looking at the average number of the monthly unique browsers on the *De Rebus* website, it is apparent that there is no need to debate the relevance of the journal. Throughout the years, the *De Rebus* journal has cemented its need and usefulness in the legal profession.

#### Output comparison table

	At December 2022	At December 2023
<b>Income</b>	R 1 205 000	R 952 551 (unaudited amount)
<b>Print subscribers</b>	12	11
<b>Website subscribers</b>	12 979	15 271
<b>Mailing list</b>	60 189	59 710
<b>Website Unique browsers</b>	55 726	67 800
<b>App downloads</b>	8 596	10 305
<b>Twitter</b>	10 987	11 911
<b>LinkedIn</b>	22 315	25 148
<b>Facebook</b>	3 956	5 712

#### Most page views on the website in 2022

Page	Page views
1. Homepage – www.derebus.org.za	112 955
2. <i>De Rebus</i> PDF download	28 016
3. Default judgment by Mohammed Moolla (April 2016)	16 749
16 Classifieds – vacancies	13 944
17 LPC Notices	12 722
18 Classifieds – Candidates CVs	11 202
19 Poor Board Examination results – a matter of concern for the LPC and its stakeholders (SA Lawyer September 2022)	9 324
20 Classifieds	8 883
21 The difference between a non-profit company and a non-profit organisation by Elli Bisset (December 2019)	8 344
22 Step-by-step guide to residential housing eviction proceedings in the magistrate's court by Tamara Klos (July 2016)	7 917

#### Most page views on the website in 2023

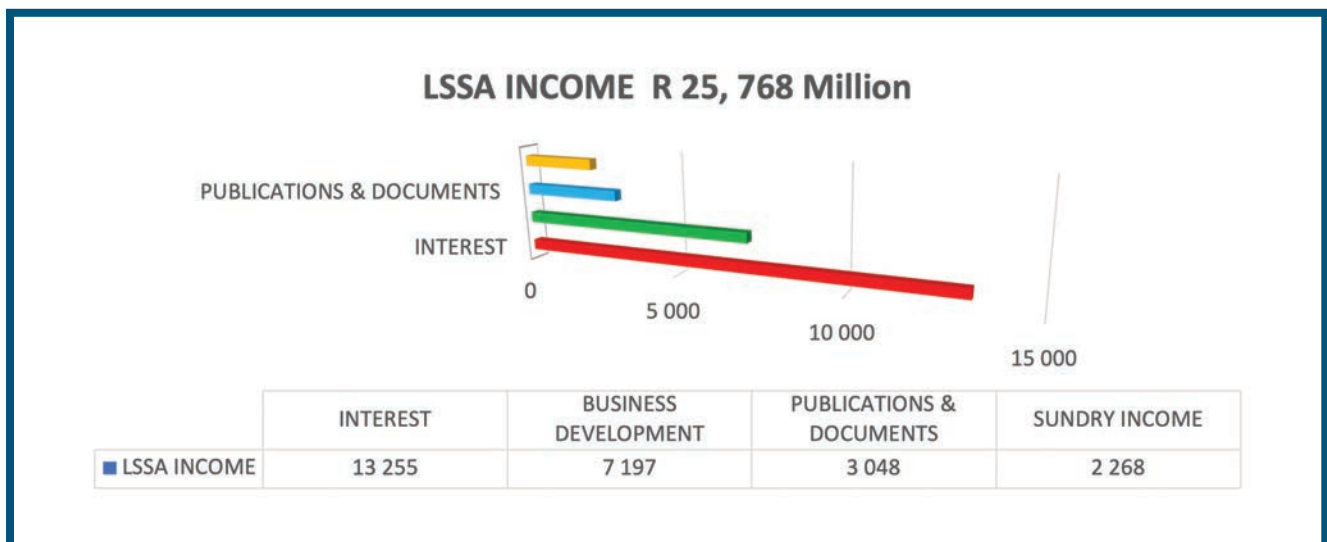
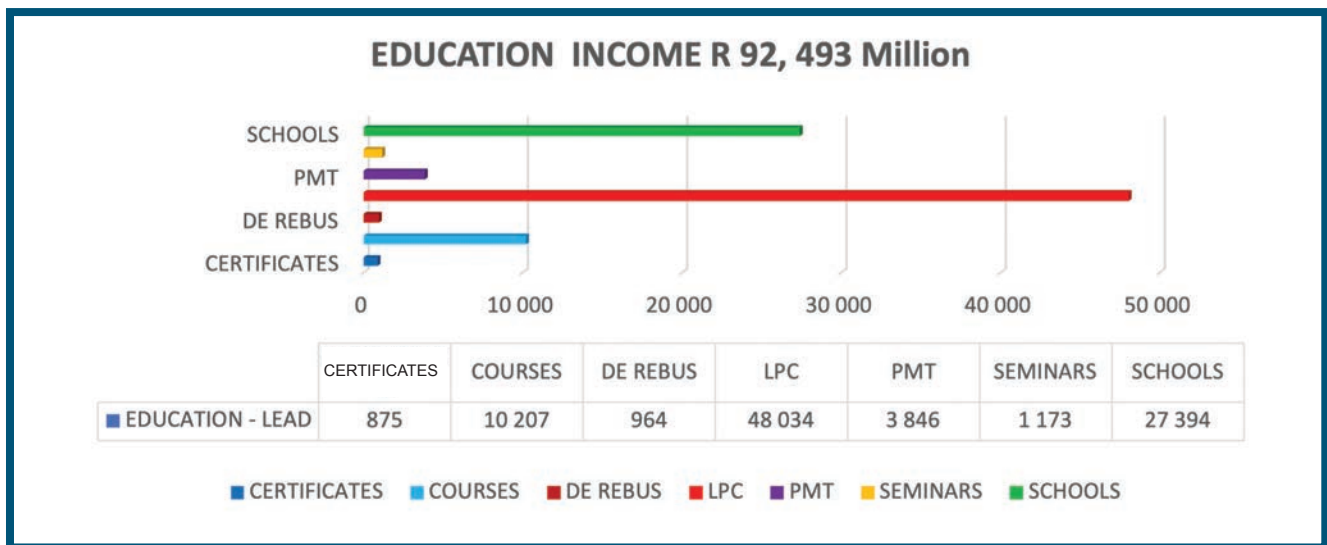
Page	Page views
1. Homepage – www.derebus.org.za	160 502
2. <i>De Rebus</i> PDF download	46 490
3. Default judgment by Mohammed Moolla (April 2016)	20 752
4. Classifieds – Candidates CVs	20 620
5. LPC Notices	19 353
6. Classifieds vacancies	18 384
7. SA Lawyer	16 976
8. Classifieds	15 995
9. Bail application: Are there exceptional circumstances? by Andrew Jeffery Swarts (July 2023)	11 318
10. Administration and winding-up of a deceased estate by Mohammed Moolla (March 2022)	10 215

#### Social media

Our social media following continues to grow. We have included a comparative table below.

Platform	December 2022	December 2023
<b>Law Society of South Africa</b>		
Newsletter mailing list	55 607	76 920
Twitter	31 809	35 133
LinkedIn	44 385	52 842
Facebook	12 671	15 542
Instagram	8 056	8 777
<b>Legal Education and Development</b>		
Newsletter mailing list	56 592	53 890
LinkedIn	17 444	20 499
Facebook	9 188	10 340

# Finance



R 000's		Certificates	Courses	De Rebus	LPC	PMT	Seminars	Schools	TOTAL
<b>LEAD</b>	<b>2023</b>	875	10 207	964	48 034	3 846	1 173	27 394	92 493
<b>LEAD</b>	<b>2022</b>	1 545	9 073	1 205	42 922	3 894	2 572	29 627	90 838
R 000's		Interest	Business Develop	Document Sales	Sundry Income				TOTAL
<b>LSSA</b>	<b>2023</b>	13 255	7 197	3 048	2 268				25 768
	<b>2022</b>	8 597	7 412	3 169	4 226				23 404
	<b>TOTAL COMBINED 2023</b>						<b>R 118 261 K</b>		
	<b>TOTAL COMBINED 2022</b>						<b>R 114 242 K</b>		

# Human resources

## STAFF NUMBERS

Consolidated staff numbers	Total actual as at 31/12/2022	Budget 2022	Less terminations and transfers out	Add appointments and transfers in	Total as at 31/12/2023
LSSA	25	33	2	2	25
<i>De Rebus</i>	6	6	1	0	5
LEAD	56	60	6	2	52
	87	99	9	4	82

## NEW APPOINTEES AND TRANSFERS IN 2023

No	TITLE	NAME	SECTION	POST	DATE	Equity
1	Ms	Linda Sokopo	UNISA School for Legal Practice	Training Coordinator	1 March 2023	A/F
2	Mr	Milton Mogashane	PVT Courses and Distance Learning	Training Coordinator	1 March 2023	A/M
3	Ms	Lizette Burger	Professional Affairs	Senior Manager Professional Affairs	1 May 2023	W/F
4	Mr	Sam Malema	Finance Department	Payroll Officer	29 August 2023	A/M

## TERMINATIONS AND TRANSFERS OUT: 2023

No	TITLE	NAME	SECTION	POST	DATE	REASON FOR TERMINATION
1	Mr	Milton Mogajane	PVT Courses and Distance Learning	Training Coordinator	31/01/2023	End of contract.
2	Ms	Linda Sokopo	UNISA Distance PVT School for Legal Practice	Training Coordinator	31/01/2023	End of contract .
3	Ms	Tshegofatso Pooe	Practice Management Training	Training Coordinator	13/02/2023	Resigned for personal reasons.
4	Ms	Yvonne Mhlanga	Finance Department	Finance Officer	30/03/2023	Relocated to the United Kingdom (UK).
5	Ms	Shireen Mohamed	<i>De Rebus</i>	Editorial Secretary	30/04/2023	Retirement.
6	Ms	Lizette Burger	Professional Affairs	Senior Manager, Professional Affairs	30/04/2023	Retirement.
7	Ms	Tasha Roestoff	Quality Assurance	Quality Assurance Manager	30/06/2023	Resigned to do PVT contract to be an attorney.
8	Ms	Phindile Mkhwanazi	Finance Department	Payroll Officer	07/08/2023	Resigned for personal reasons.
9	Ms	Michelle Beatson	Pretoria PVT School for Legal Practice	School Principal	31/12/2023	Relocated to the UK.

## STAFF TRAINING 2023

The LSSA continues to develop the skills of staff. In addition to management recommendations, the staff training committee recommends the various types and nature of training requirements.

## CRITICAL EMPLOYEE MATTERS - 2023

- ❖ The LSSA recognised NEHAWU as the majority union in July 2023 with 51 members out of a staff complement of 82.
- ❖ In October 2023, the union initiated wage negotiations with the LSSA. The union deadlocked with the LSSA as the union was proposing 8% and the LSSA offered 6% increase across the board. The union referred the matter to the Commission for Conciliation, Mediation and Arbitration (CCMA). The matter was set down for conciliation on the 8 February 2024. The CCMA proposed a move from both sides for a 0.5% increase from the employer to break the deadlock. The process was ongoing at the time of this report.

The HR committee members are Ms C Selepe, T Joubert and R Mashabela. Mr J Whyte, a member of the LSSA's Labour Law specialist committee, is a consultant member to the committee.

## OBJECTIVES ACHIEVED FOR 2023

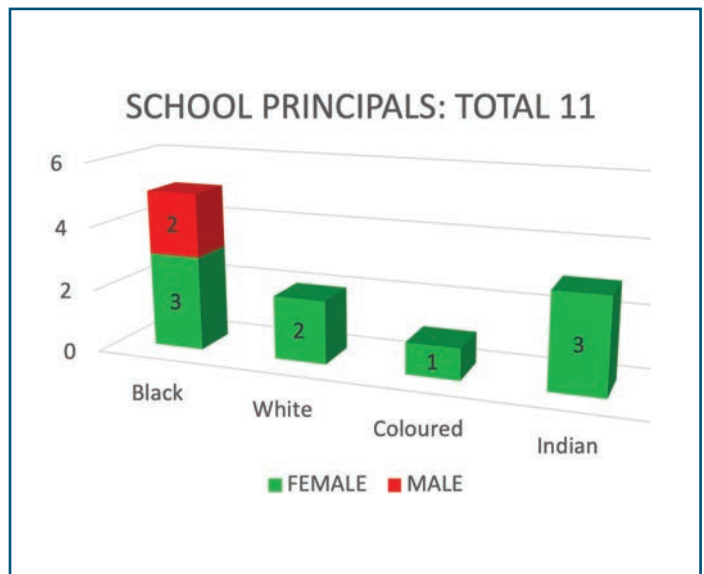
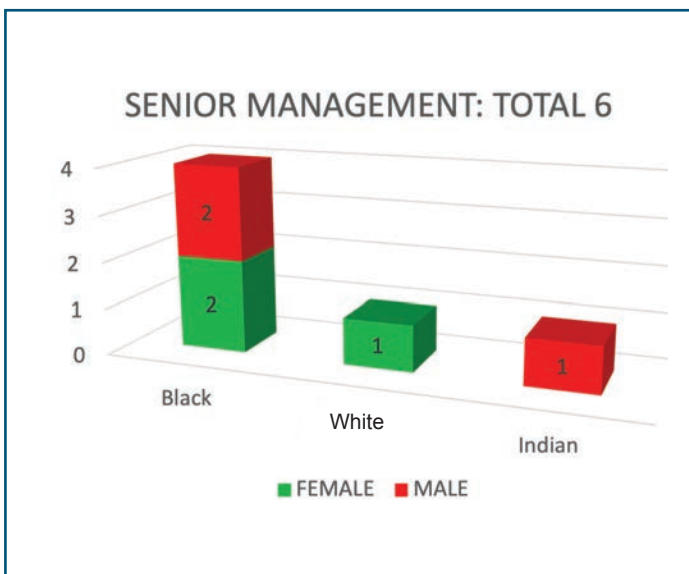
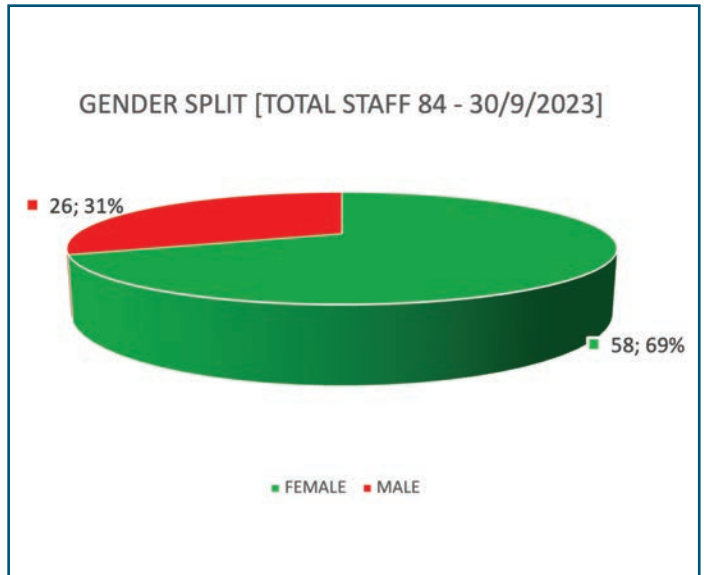
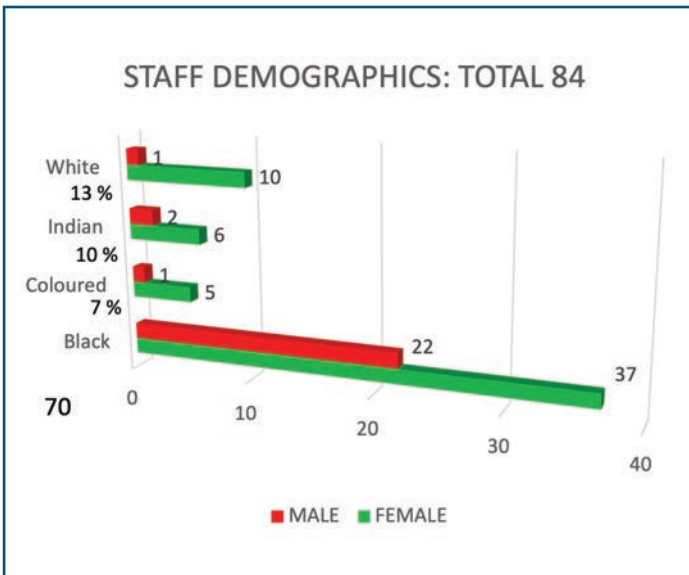
- ❖ Continued to provide all necessary support to staff in general and specifically the sustainability/organisation restructuring process.

- ❖ Support for proper organisational redesign and processes are followed during the restructuring processes.
- ❖ Align our training and development initiatives with the proposed optimisation to be adopted with the organisational restructuring process to ensure staff keep abreast with the latest technologies while being effective and efficient.
- ❖ We endeavour to do a salary benchmark survey with comparisons to similar organisations like the LSSA to assess the competitiveness of our current salary packages with the market.
- ❖ To manage the new working relationship with the union to ensure a healthy and thriving relationship in the future and avoid unnecessary conflict that may fuel animosity between us.
- ❖ Keep clear communication regarding risk awareness and management by all accountable managers and supervisors.

**EMPLOYMENT EQUITY**

The following statistics are from the confirmed employment equity report submitted by the LSSA for the 12 months ended 30 September 2023.

**DEMOGRAPHICS**



# Legal Education and Development

Members of the Standing Committee on Legal Education (SCLE): Raj Badal (Chairperson), Popela Maake, Zaahira Tiry, Ashwin Trikamjee, Dave Bennett, Peter Horn and Zincedile Tiya.

Alternates: Janine Myburgh, Clive Hendricks and Zuku Tshutshane.

By invitation: Krish Govender, Praveen Sham and the President of the LSSA.

## Committee meetings

16 February; 20 July and 9 November 2023.

A special SCLE meeting was held on 21 November 2023 to discuss the Legal Practice Council's (LPC's) proposed new curriculum for the attorneys' competency admission examinations.

## LEAD programmes

LEAD continues to present most of its programmes virtually, and this mode of delivery seems to be preferred by most delegates due to its convenience.

## Funding

- ❖ Reduced funding by the LPC continues to be a concern for the profession and the SCLE as it could adversely impact the provision of quality training of legal practitioners.
- ❖ The LEAD training calendar for the future year is finalised in the second half of the current year. The allocation of funding by the LPC during the current year, continues to have a negative impact on planning.
- ❖ The annual plan is, therefore, provisional as it will ultimately depend on the LPC's funding of LEAD.
- ❖ Since education is a core function of the profession, an effort should be made to amend the legislation so that funding can be obtained directly from the Legal Practitioners Fidelity Fund.

## Key Focus

- ❖ LEAD's accreditation remains valid until the end of 2024.
- ❖ More than 11 000 persons enrolled for LEAD programmes in 2023.
- ❖ Most of the programmes that were scheduled for 2023 were presented. LEAD presented 18 webinars out of the 20 planned for 2023.
- ❖ The collaboration between LEAD, the Black Lawyers Association (BLA) – Legal Education Centre and the education department of the National Association of Democratic Lawyers (NADEL) to provide legal education to the profession continued. This is to ensure duplication is avoided. LEAD will continue to explore other collaboration initiatives that will benefit legal practitioners.

## Key developments

- ❖ The content of the arbitration course, which was introduced in 2022, was revised last year to ensure that the course is of the same standards of the Arbitration Foundation of Southern Africa (AFSA) so that legal practitioners who complete the training will be able to compete for arbitration opportunities in the SADC region and within BRICS countries.
- ❖ The SCLE held a meeting early in 2023 with representatives of the Council on Higher Education (CHE) regarding minimum standards for students who wish to register for an LLB degree

and whether ethics could be included as part of the LLB degree. The CHE was involved at the level of the qualification standard, and it was against that standard that the current LLB curriculum was designed. As standards are not set in perpetuity and that the needs of the professions may have changed, the CHE confirmed that they will engage all stakeholders in the profession to determine if there is a need to have another national review of the LLB degree similar to the one that was conducted more than a decade ago.

- ❖ The LPC hosted a legal education colloquium on 23 and 24 November 2023 to focus on the proposed draft syllabus for candidate attorneys' PVT curriculum, which is linked to the competency examination. It was agreed that all comments during and after would be consolidated and considered by the drafters. The revised draft curriculum, incorporating proposals from stakeholders, would then be included for further consultation with the legal profession.

## Admission Examinations: Issues raised by SCLE

- ❖ The Committee again raised concerns over the high failure rate in both the attorneys' competency-based and conveying admission examinations. The SCLE noticed that candidate legal practitioners who sat for the two attorneys' competency-based admission examinations in 2023 perform below average in Paper 3. The SCLE has raised these concerns with the LPC and requested that the LPC arrange a meeting of all stakeholders to discuss this matter. The LPC has subsequently considered to revise the rules relating to this paper in terms of content and form.
- ❖ Experienced examiners continue to raise their concerns on the appointment of examiners who lack the experience to assess the competency of candidates.
- ❖ The Committee stands by its initial proposal that there should be a generational mix of examiners and moderators so that those with sufficient experience as examiners and moderators should share their experience with those recently appointed. This will ensure that the panels have the necessary experience to assess candidates in the exam properly.

The Committee also agreed that a meeting should be arranged with the LPC Legal Education Committee and the LSSA Exco to discuss all the concerns raised regarding the admission examination results.

## SCHOOLS FOR LEGAL PRACTICE

### Challenges

- ❖ Generally, there is a slight decline in applications and registrations.
- ❖ The number of candidates registering per intake is lower than in pre-COVID years. This, together with the limited opportunities for PVT contacts, creates access and affordability challenges for prospective attendees.
- ❖ This trend affected PVT Schools such as Johannesburg and Pretoria, which usually boast large numbers.
- ❖ We are receiving more requests from candidates to pay in two or three instalments.
- ❖ Load shedding in many Schools detrimentally affected in-person training programmes, and classes were held virtually.
- ❖ Most Schools have made alternative arrangements, such as generators and emergency lighting, but the measures are limited due to budget constraints and lease agreements, es-

pecially on university premises.

- ❖ Due to the annual budget cuts:
  - Training hours had to be reduced, and these were moved closer to the minimum contact hours prescribed by the Norms and Standards.
  - Less training time to bring students from different tertiary backgrounds to a similar starting level. This is a similar challenge faced by universities.
  - Reduced subvention translated to higher fees being charged to candidates.
- ❖ Expected further budget cuts/reduction in subvention in 2024 may affect affordable training.
- ❖ Virtual and remote learning at universities have changed how law graduates learn. They have become reliant on open-book assessments and find it difficult to successfully participate in closed-book summative assessments.
- ❖ Professional examinations are still closed book and summative, which means that candidates who go through the short course and not necessarily the Schools (which do expose candidates to exams) may find the admission exams challenging. The admission exam results over the past few years indicate that this may be an issue.
- ❖ The outcome of the difficulties experienced with learning skills and comprehension is that candidates cannot think analytically and perform poorly during assessments and exams.
- ❖ Also, the lack of PVT contracts and formal employment in the profession means that many graduates will remain unemployed if they choose legal practise as a career and do not look laterally at other employment opportunities. The LSSA has developed a guide for candidates to explore different areas of employment.
- ❖ Expected further budget cuts/reduction in subvention in 2024 have led to uncertainty and trepidation:
  - Sustainability concerns (employment tenure).
  - Pseudo 'quiet hiring' – the same people are always taking on the burden of additional work/functions, performing functions that are not theirs to ensure the provision of client services.

### Achievements and Successes

- ❖ Candidates' performance is stable, with the final pass rate between 80% and 87%. The balance is returning candidates still due to write and pass the assessments.
- ❖ The pass rate above is after candidates have written several times.
- ❖ Previously, most candidates would pass the main exam in a subject, with a minor percentage writing and passing the supplementary exam. More recently, many candidates must write a third or fourth time before passing the exam.
- ❖ This is linked to the challenges to learning and comprehension among candidates, which appear to have been detrimentally affected by the effects of the COVID-19 pandemic on teaching and learning at the tertiary level.
- ❖ Reassuringly, candidates who pass the PVT School summative assessments are well-positioned for the competency-based admission exams.
- ❖ The PVT Schools continue to offer blended learning, with the focus on face-to-face practical training. All resources are now available on LEAD's training platform.
- ❖ Virtual training continues where necessary, and instructors have adapted successfully and effectively to training online.
- ❖ Candidates' accessibility has improved since 2020, though

some still struggle because of the resources personally available to them. Schools do not have the resources to allocate devices and data to candidates, but the School's computer rooms and computers were made available to students when and where possible.

- ❖ Partnerships with third-party service providers, such as Doxit, to enhance case management on online platforms have continued and formed a permanent aspect of the schools' training programme.

### Opportunities

- ❖ Law students need to be addressed at the first-year level so that we can alert them to opportunities outside of the practice of law.
- ❖ Provide them with alternate options. For example, law graduates have the formal qualification (LLB) to become compliance officers. The LSSA and LEAD can offer compliance training courses and qualifications. Other career options are available to LLB graduates for which we can develop and provide bespoke PVT training.
- ❖ Use this time to recognise that there are possibly other factors adversely affecting the candidates' learning and comprehension, which in turn is affecting assessment and exam performance, and consider solutions in conjunction with the LPC, academic institutions, and other stakeholders.
- ❖ This is an opportunity to understand today's candidates and what drives them and develop interventions on how to prepare them and the profession accordingly.
- ❖ Gen Z (example and to include other types of generational cohorts)
  - How do they learn, and how do they work?
  - How are they taught?
  - Their values?
  - What drives them?
  - Has technology affected learning and comprehension, and if so, how?
  - Resources and food insecurity amongst university students.
  - Other factors?

### Summary of attendance of all LEAD programmes for 2023

	2021	2022	2023
School for Legal Practice	2172	2570	2356
23-Day PVT Courses for Candidate Attorneys	2441	1829	1498
Arbitration	0	48	0
Conveyancing and Notarial	441	544	524
Diplomas and Certificates	201	225	98
Legal Accounts Management	29	0	
Mediation	201	108	107
Practice Management Training	2293	1733	1666
Seminars	1581	1026	1460
E-Learning	476	345	295
Pupillage programme			68
Business Development	3784	3076	3103
<b>TOTAL</b>	<b>13619</b>	<b>11504</b>	<b>11175</b>

# Professional Affairs

The primary function of the Professional Affairs department is to coordinate and support the activities of the LSSA's specialist committees, *ad hoc* committees and task teams. In line with the LSSA's constitution, the committees advocate for constructive laws, policies, processes and procedures to promote, preserve and uphold the rule of law and the administration of justice. This they achieve through various activities, including making written and/or oral submissions, engagement with various stakeholders and providing guidance to the profession.

Several submissions were made during the period under review, and these can be accessed through our website at [www.lssa.org.za](http://www.lssa.org.za).

We had 73 committee, task team and stakeholder meetings, addressing various issues. The majority of these meetings were conducted virtually. Engagements included interactions with entities such as the South African Revenue Service, the Rules Board for Courts of Law, the Companies and Intellectual Property Commission, the Department of International Relations and Co-operation, Legal Aid South Africa, the Office of the Chief Registrar of Deeds, and the Master's Office, to name but a few.

Several developments that will have a profound impact on the profession occurred this year. The LSSA consistently disseminates updates on these matters and urges practitioners to remain informed. These issues are also highlighted in the specialist committee reports and elsewhere in this Annual Report and include:

- ❖ The South African Law Reform Commission (SALRC) concluded its mandate on the investigation into legal fees and access to justice (s 35 of the Legal Practice Act) and submitted its report, including recommendations for legislative and other interventions, to the Minister of Justice and Correctional Services. The LSSA made extensive comment on the documents that preceded the report, as well as on the report itself. It is regrettable that some of the pivotal submissions by the LSSA, as well as by other stakeholders, were disregarded by the SALRC. We continue to monitor developments and deal with the matter appropriately.
- ❖ The LSSA made extensive submissions on the Legal Sector Code.
- ❖ A task team was established to deal with the Transversal Tender managed by the Department of Treasury, as well as the issue of briefing patterns.
- ❖ The challenges relating to the Road Accident Fund continue unabated. The LSSA forms part of a collective of organisations dealing with these issues.

- ❖ The state of affairs at the Masters' offices remains a concern. The LSSA made several interventions, including addressing the Parliamentary Portfolio Committee on Justice. We trust that the interventions will bear some fruit.
- ❖ The Department of Trade and Industry is involved in negotiations to liberalise professional services, including legal services, across country borders. The LSSA provides technical support to the Department and will keep practitioners abreast of developments.
- ❖ As regards the proper functioning of the justice system, the LSSA is involved in the National Efficiency Committee, chaired by the Chief Justice at national level, and a number of Provincial Efficiency Enhancement Committees (PEECs). Practitioners are urged to communicate problems within their local court system to their PEECs for escalation.

Committee members are often called on to share their expert knowledge and to act as commentators on radio and television. They also participate in the production of information brochures, educational videos and guidance documents with the view to inform practitioners of developments and also market the services of the profession.

Practitioners are invited to send comments and proposals on any legislation and policy documents to Professional Affairs for consideration by the relevant specialist committees. Follow the LSSA on Facebook, Twitter, LinkedIn and Instagram for notices of important developments and invitations for comment on specific issues.

It is with deep sorrow that I report on the passing of Nonhlanhla Chanza, the LSSA's Parliamentary Liaison Officer, in March 2024. Nonhlanhla has been with the LSSA since 2012 and was an integral part of the Professional Affairs team. She will be sorely missed.

I extend my gratitude to the dedicated members of the Professional Affairs team: Ricardo Wyngaard (Senior Legal Officer), Kris Devan (Personal Assistant) and Selinah Sekano (Committee Secretary). Their unwavering commitment ensures that our department functions professionally and efficiently.

We pay special tribute to our committee members for their steadfast support and tireless efforts. These practicing attorneys generously provide their expertise and services voluntarily, often beyond normal office hours. We value the sacrifices that they make in service of the profession.

**Lizette Burger**

## Legal Provident Fund

The Legal Provident Fund (Fund) was created by the attorneys' profession to help legal practitioners meet their retirement savings and death and disability benefit needs. It is a standalone umbrella retirement fund regulated by the Pension Funds Act 24 of 1956. The LSSA is a sponsor and key stakeholder of the Fund.

The Fund has 3 799 active (in-service) members and over 200 participating employers throughout South Africa as at 31 December 2023.

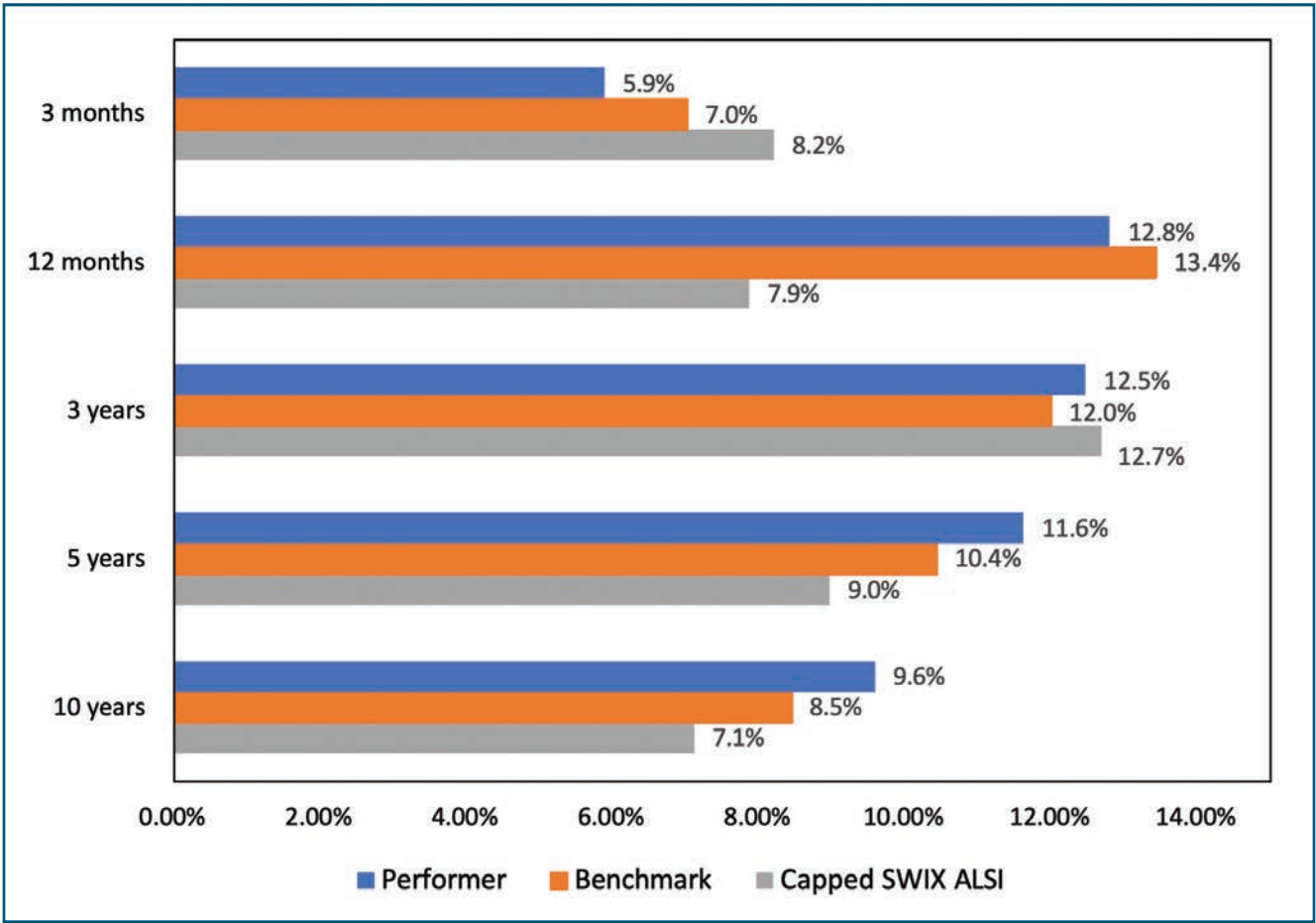
### Fund Management

The Fund has an independent Principal Officer, Jeanine Astrup, and a Board of Trustees comprising of both Trustees elected by the LSSA and the General Council of the Bar (as sponsors), as well as Independent Trustees. A new Board was elected with effect from 1 April 2023. The new Board is detailed below.

Sponsor Elected Trustees	Independent Trustees
Kameel Magan (GCB)	Vanessa Bell
Ellen Zanele Makula (LSSA)	Hannine Drake (Chairman)
Matshego Ramagaga (LSSA)	Iqbal Ganie
Andre Styger (LSSA)	Janine Player
Eunice Masipa (LSSA) (alternate)	Lerato Molete (alternate)
Zandile Qono (GCB) (alternate)	

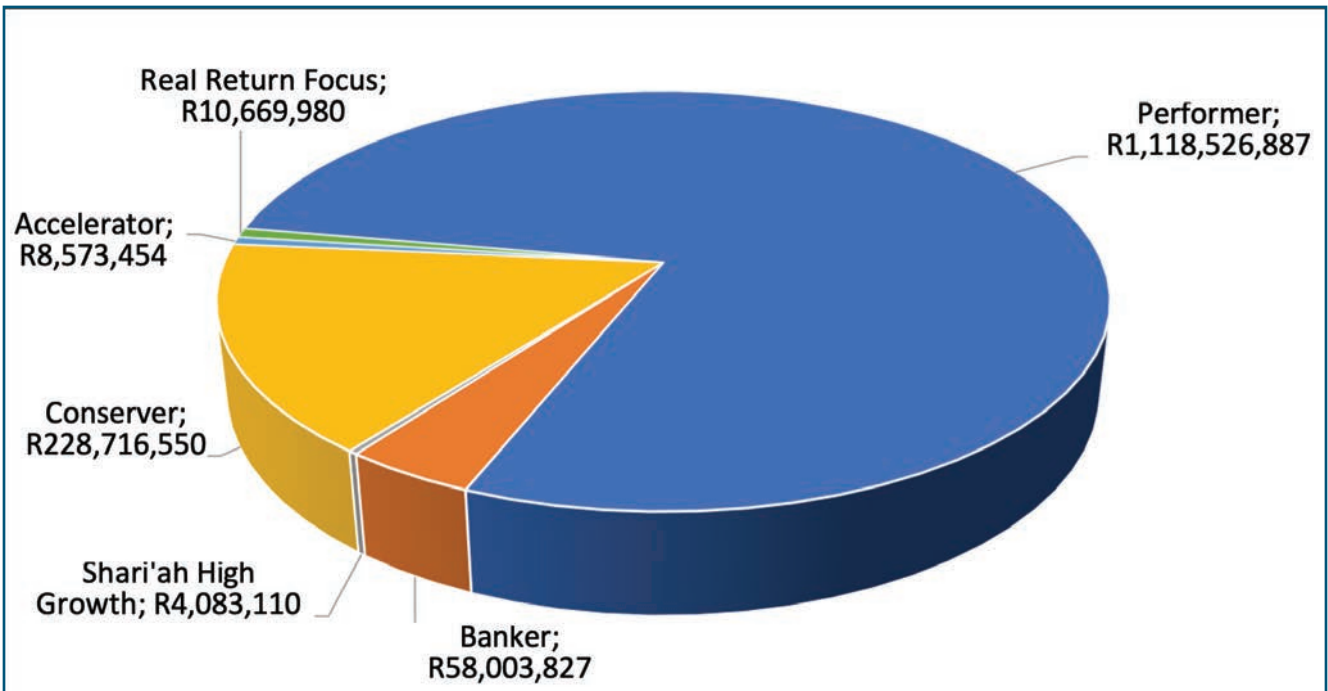
### Fund Investments

The graph on below shows the AFI Performer Portfolio performance for various periods to the end of December 2023 compared to its benchmark and the Capped SWIX ALSI. The Fund invests in a number of different types of investments, including shares, bonds, property and foreign investments. This diversification, and specifically the foreign asset allocation, allowed Performer to significantly outperform the JSE All Share Index (ALSI) in 2023 over the 12 month and 5+ year periods in particular.



As at 31 December 2023, the Fund invested more than R1,4 billion on behalf of its members. The majority of members continue to invest in the Fund's recommended life stage model, which moves from the Performer portfolio to the Conserver (previously Real Return Focus) and Banker portfolios as members get closer to retirement.

The investments across the various investment portfolios offered by the Fund are shown below.



Details regarding the historical returns earned on the above portfolios are provided below, together with the expenses paid on each of the portfolios. Participating employers and members benefit significantly from reduced expenses as a result of the total size of the assets invested by the Fund.

### Investment Performance as at 31 December 2023

Name	1 Month	3 Months	6 Months	YTD	1 Year	3 Years	5 Years	8 Years	10 Years
<b>Accelerator</b>									
Gross of Fees	2.18%	7.27%	5.33%	14.70%	14.70%	14.23%	12.21%		
Net of Fees	2.13%	7.06%	4.95%	13.90%	13.90%	13.26%	11.29%		
Benchmark	2.99%	8.02%	5.53%	15.18%	15.18%	12.33%	10.40%		
<b>Banker</b>									
Gross of Fees	0.74%	2.44%	4.88%	9.60%	9.60%	7.04%	7.28%	7.87%	7.71%
Net of Fees	0.72%	2.37%	4.74%	9.32%	9.32%	6.77%	7.00%	7.59%	7.43%
Benchmark	0.63%	1.98%	4.01%	7.78%	7.78%	5.39%	5.46%	5.95%	5.88%
<b>Conserver</b>									
Gross of Fees	1.59%	5.57%	5.07%	11.91%	11.91%				
Net of Fees	1.54%	5.35%	4.62%	10.92%	10.92%				
Benchmark	1.34%	5.77%	4.58%	11.18%	11.18%				
<b>Performer</b>									
Gross of Fees	1.82%	5.89%	4.31%	12.80%	12.80%	12.47%	11.62%	9.23%	9.59%
Net of Fees	1.78%	5.69%	3.91%	11.92%	11.92%	11.48%	10.67%	8.28%	8.64%
Benchmark	2.05%	7.02%	4.83%	13.43%	13.43%	12.00%	10.43%	8.04%	8.45%
<b>Real Return Focus</b>									
Gross of Fees	1.68%	5.27%	4.95%	11.31%	11.31%	11.38%	9.82%	8.46%	8.57%
Net of Fees	1.63%	5.03%	4.45%	10.22%	10.22%	10.27%	8.71%	7.46%	7.57%
Benchmark	0.25%	2.41%	4.79%	9.58%	9.58%	10.19%	9.08%	9.23%	9.44%
<b>Shari'ah High Growth</b>									
Gross of Fees	3.36%	6.51%	4.18%	8.64%	8.64%	12.77%	11.45%		
Net of Fees	3.27%	6.21%	3.59%	7.41%	7.41%	11.51%	10.21%		
Benchmark	2.10%	5.46%	1.26%	4.18%	4.18%	9.19%	9.01%		

#### Fees for the 3 year rolling period 30 November 2023\*

\*December 2023 fees were not yet available at the time of finalising this report

Portfolio name	Accelerator	Banker	Conserver	Performer	Real Return Focus	Shari'ah High Growth
<b>Expense type</b>						
A AVERAGE ANNUAL SERVICE CHARGE (INCL VAT)	0.61%	0.25%	0.59%	0.48%	0.62%	1.10%
B UNDERLYING MANAGER PERFORMANCE FEES	0.13%	0.00%	0.00%	0.10%	0.00%	0.00%
C UNDERLYING GLOBAL MANAGER EXPENSE	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%
D UNDERLYING FUND EXPENSE	0.12%	0.01%	0.30%	0.23%	0.39%	0.03%
E OTHER EXPENSES	0.01%	<0.01%	0.01%	0.01%	0.01%	0.01%
<b>F TOTAL EXPENSE RATIO (TER) (1)</b>	<b>0.87%</b>	<b>0.26%</b>	<b>0.90%</b>	<b>0.90%</b>	<b>1.02%</b>	<b>1.14%</b>

Portfolio name	Accelerator	Banker	Conserver	Performer	Real Return Focus	Shari'ah High Growth	
Expense type							
<b>F</b>	<b>TOTAL EXPENSE RATIO (TER) (1)</b>	<b>0.87%</b>	<b>0.26%</b>	<b>0.90%</b>	<b>0.90%</b>	<b>1.02%</b>	<b>1.14%</b>
G	TRANSACTION COSTS (TC)	0.20%	0.00%	0.12%	0.10%	0.05%	0.10%
H	SECURITIES LENDING INCOME (SLI)	0.00%	0.00%	0.00%	0.00%	(0.01%)	0.00%
<b>I</b>	<b>TOTAL INVESTMENT CHARGES (TIC) (2)</b>	<b>1.07%</b>	<b>0.26%</b>	<b>1.02%</b>	<b>1.00%</b>	<b>1.06%</b>	<b>1.24%</b>

1) Columns A + B + C + D + E

2) Columns F + G + H

## Two Pot Implementation

The proposed retirement fund legislation, now colloquially referred to as the 'two pot' system, has received a lot of press coverage because it will allow members to access part of their retirement savings without leaving employment. The one aspect of the proposed legislation that has received less attention is that members will be required to retain at least two-thirds of their retirement savings in one or more retirement funds until the member reaches retirement age – even if they leave employment. This compulsory preservation will only apply to contributions made after implementation of the new legislation. Compulsory preservation is expected to reduce individuals relying on government for old age support over the medium to long term. It will be important to communicate all aspects of the proposed legislation to members.

The Fund's administrator has been hard at work to prepare for the implementation of this significant piece of legislation, expected later this year. The Trustees have created a specific sub-committee that will manage the process. The final legislation is not yet available, and the Fund and its administrator can therefore only continue to prepare for what is anticipated.

The Fund's participating employer sessions arranged for February 2024 will provide an initial update. Further communication and support on the benefits, risks and other relevant aspects, will be made available to both members and participating employers once there is further clarity on the exact date and structure of implementation.

## Conclusion

The Fund has set a strategic goal to grow Fund membership and increase assets invested on members' behalf by ensuring that the Fund offers a competitive product, excellent client service and best practice governance. In doing so, Fund fixed costs may be expected further to reduce on a per-member basis.

2024 is expected to be a challenging year for the industry in terms of Two Pot implementation but we remain confident that the Fund will continue to offer competitive benefits and simplified administration for employers.

**Hannine Drake**  
Chairperson  
[www.legalprovidentfund.co.za](http://www.legalprovidentfund.co.za)

# Legal Practitioners' Fidelity Fund

The primary purpose of the Legal Practitioners Fidelity Fund (LPFF) is to reimburse clients of Legal Practitioners who may suffer pecuniary loss due to the theft of money or property entrusted to an attorney during their practice as such or where an attorney acts as executor or administrator in a deceased estate, or as a trustee in an insolvent estate.

Anecdotal: The LPFF Claims show a continued lack of control, processes, and ethical conduct within the profession. This conduct has forced the LPFF and its support for the LPIIF to embark on a programme to ensure that these two institutions remain financially sustainable and that it continues for all legal practitioners. Therefore, the legal profession is responsible for continuing to educate members and inform them of their privilege for these two institutions that provide this capacity to allow them to practice. They, therefore, must practice ethically and responsibly.

## COMPARATIVE ANALYSIS: NUMBERS AND VALUES OF CLAIMS NOTIFIED

**Note 1:** The claims type 'Other' comprises Administrations, Collections, Criminal, Matrimonial and Sequestrations/ Liquidations.

Table 1 compares the number and value of claims notified by area of practice. As of 31 December 2023, the Fund has received 1 045 claims worth R1 127 254 923. Conveyancing-related claims remain the most significant risk for the Fund regarding numbers and values, followed by litigation in values and RAF-related matters.

**Table 1**

Type	#	2018	#	2019	#	2020	#	2021	#	2022	#	2023
Other	75	R59 187 637	53	R14 558 117	37	R4 067 288	50	R35 521 278	81	R32 548 774	75	R16 845 029
B/F	15	R14 323 235	5	R19 434 887	11	R34 262 163	9	R10 106 619	3	R7 018 824	7	R5 126 882
Com	20	R32 858 255	10	R34 699 751	12	R46 614 077	16	R16 965 772	10	R38 656 869	6	R4 456 833
<b>Conv</b>	<b>477</b>	<b>R207 992 517</b>	<b>428</b>	<b>R181 214 505</b>	<b>576</b>	<b>R312 303 949</b>	<b>608</b>	<b>R275 389 245</b>	<b>674</b>	<b>R240 324 158</b>	<b>519</b>	<b>R634 756 090</b>
Est	126	R48 992 767	94	R45 917 919	81	R47 332 065	118	R69 939 085	134	R68 153 902	163	R99 525 527
Inv	7	R5 125 022	1	R80 000	2	R2 130 226	4	R2 858 000	<b>2</b>	<b>R1 835 000</b>	1	R2 242 545
<b>Lit</b>	<b>104</b>	<b>R28 289 165</b>	<b>61</b>	<b>R17 282 866</b>	<b>55</b>	<b>R17 431 967</b>	<b>91</b>	<b>R12 098 769</b>	<b>91</b>	<b>R33 090 100</b>	<b>85</b>	<b>R226 144 739</b>
<b>RAF</b>	<b>201</b>	<b>R78 708 579</b>	<b>219</b>	<b>R107 992 305</b>	<b>162</b>	<b>R92 139 054</b>	<b>246</b>	<b>R173 024 991</b>	<b>215</b>	<b>R141 685 134</b>	<b>189</b>	<b>R138 157 278</b>
<b>Tot</b>	<b>1025</b>	<b>R475 477 178</b>	<b>871</b>	<b>R421 180 351</b>	<b>936</b>	<b>R556 280 789</b>	<b>1142</b>	<b>R595 903 761</b>	<b>1 210</b>	<b>R563 312 763</b>	<b>1 045</b>	<b>R1 127 254 923</b>

Table 2 represents the numbers and values of claims paid by area of practice for the past six years. As of 31 December 2023, the Fund has paid 397 claims worth R 148 611 652.

Note 2: The claims type 'Other' includes Administrations, Collections, Criminal, Matrimonial, and Sequestrations.

**Table 2**

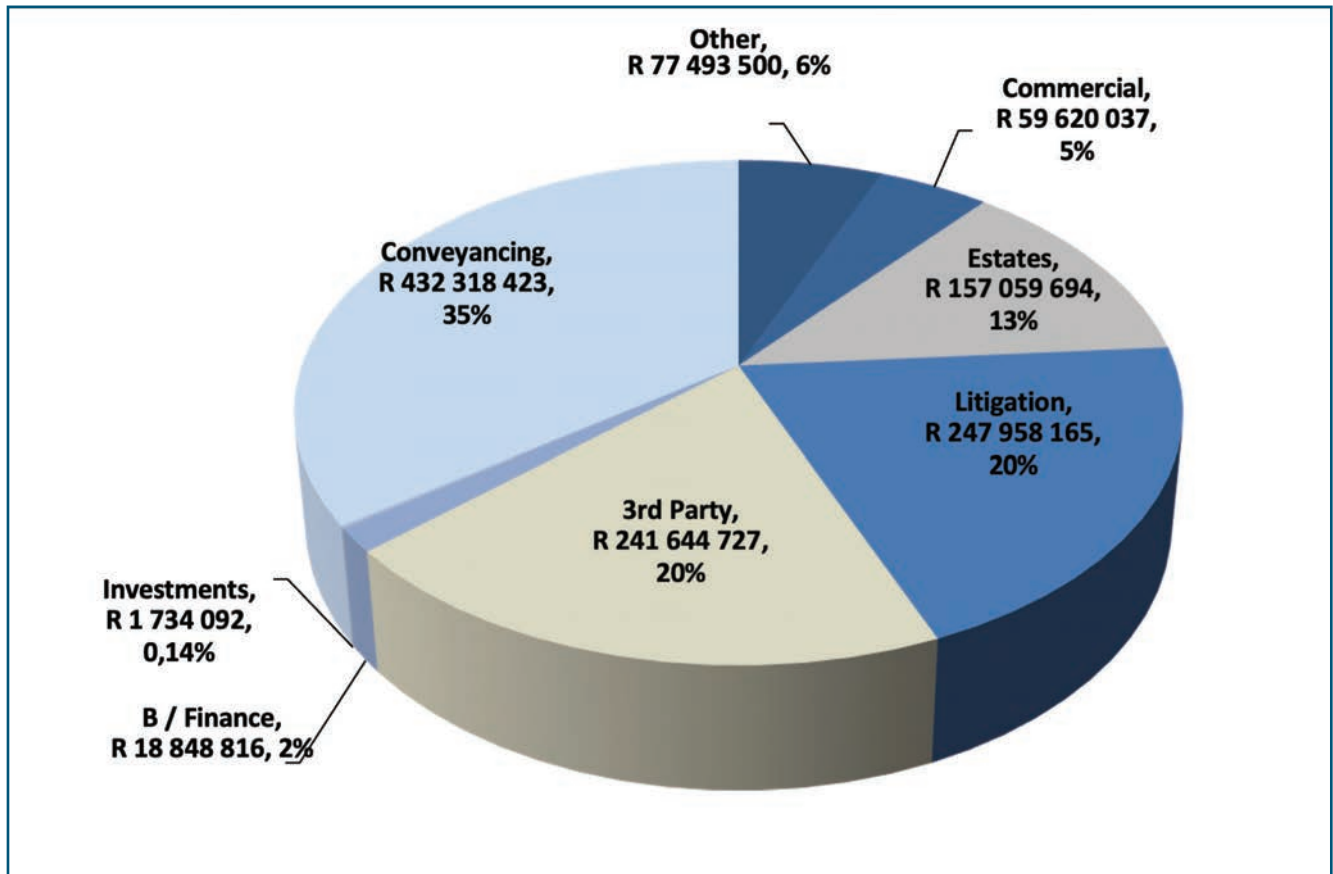
Type	#	2018	#	2019		2020	#	2021	#	2022	#	2023
Other	25	R5 867 897	12	R1 237 595	15	R3 684 400	8	R4 558 051	5	R233 614	14	R728 047
B/F	2	R5 008 294	4	R8 174 439	1	R23 117	1	R0			1	R2 928 985
Com	7	R2 797 755	5	R1 005 001	3	R2 909 446	3	R3 565 525	4	R7 633 820	1	R300 000
<b>Conv</b>	<b>379</b>	<b>R73 241 851</b>	<b>231</b>	<b>R91 959 453</b>	<b>229</b>	<b>R67 189 799</b>	<b>240</b>	<b>R95 926 595</b>	<b>345</b>	<b>R153 358 669</b>	<b>236</b>	<b>R86 685 512</b>
<b>Est</b>	<b>45</b>	<b>R23 377 752</b>	<b>56</b>	<b>R19 383 982</b>	<b>45</b>	<b>R13 545 389</b>	<b>44</b>	<b>R17 923 863</b>	<b>29</b>	<b>R12 105 217</b>	<b>42</b>	<b>R24 912 996</b>
<b>RAF</b>	<b>133</b>	<b>R45 943 773</b>	<b>131</b>	<b>R54 198 196</b>	<b>101</b>	<b>R40 101 169</b>	<b>50</b>	<b>R29 220 450</b>	<b>69</b>	<b>R39 496 578</b>	<b>57</b>	<b>R28 419 056</b>
Lit	33	R14 506 492	25	R6 088 506	17	R9 223 366	18	R9 237 164	18	R1 945 811	17	R3 176 422
Inv			2	R109 825								
Seq/Liq			7	R593 080			2	R161 119	2	R227 950	29	R1 460 633
<b>Tot</b>	<b>624</b>	<b>R170 743 814</b>	<b>473</b>	<b>R182 750 080</b>	<b>411</b>	<b>R136 676 686</b>	<b>366</b>	<b>R160 592 768</b>	<b>472</b>	<b>R215 001 659</b>	<b>397</b>	<b>R148 611 652</b>

## CLASSIFICATION OF CONTINGENT CLAIMS

Figure 1 classifies the different types of claims that the Fund has on record. As of 31 December 2023, the Fund has 1 670 claims on record worth R1 236 677 455 with 506 active defaulters.

Note 2: The claims type 'Other' includes Administrations, Collections, Criminal, Matrimonial, and Sequestrations / Liquidations claims.

**Figure 1**



## Legal Practitioners Indemnity Insurance Fund

The Legal Practitioners Fidelity Fund (LPFF), as permitted by s 77 of the Legal Practice Act 28 of 2014, has contracted with the Insurer to provide professional indemnity insurance to the insured, in a sustainable manner and with due regard for the interests of the public by:

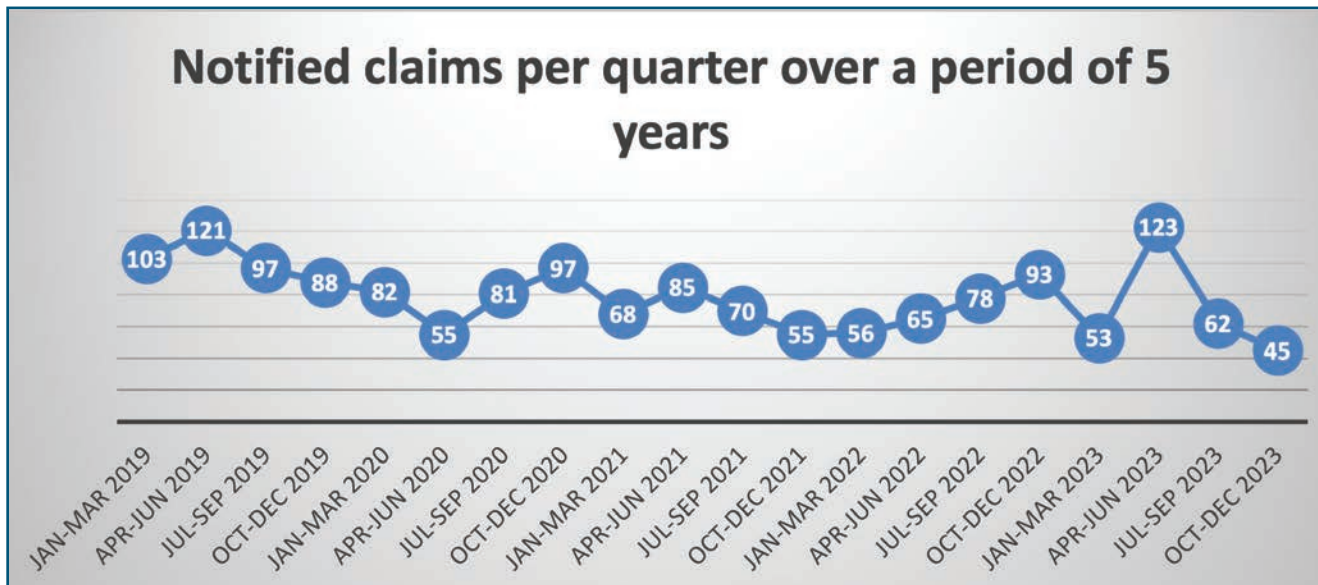
- ❖ 'protecting the integrity, esteem, status and assets of the Insured and the legal profession;
- ❖ protecting the public against indemnifiable and provable losses arising out of Legal Services provided by the Insured, on the basis set out in the policy.'

Currently, the LPIIF is funded by way of a single annual premium paid by the LPFF for and on behalf of all practising practitioners. Members of the legal profession must, however, take note that the LPIIF funding model will be changing in the near future and practitioners will be called upon to make a contribution to the premium funding paid by the LPFF to the LPIIF. Joint communication in this regard will be distributed in due course.

NB: The LPIIF insurance year runs from 1 July of each year to 30 June of the following year.

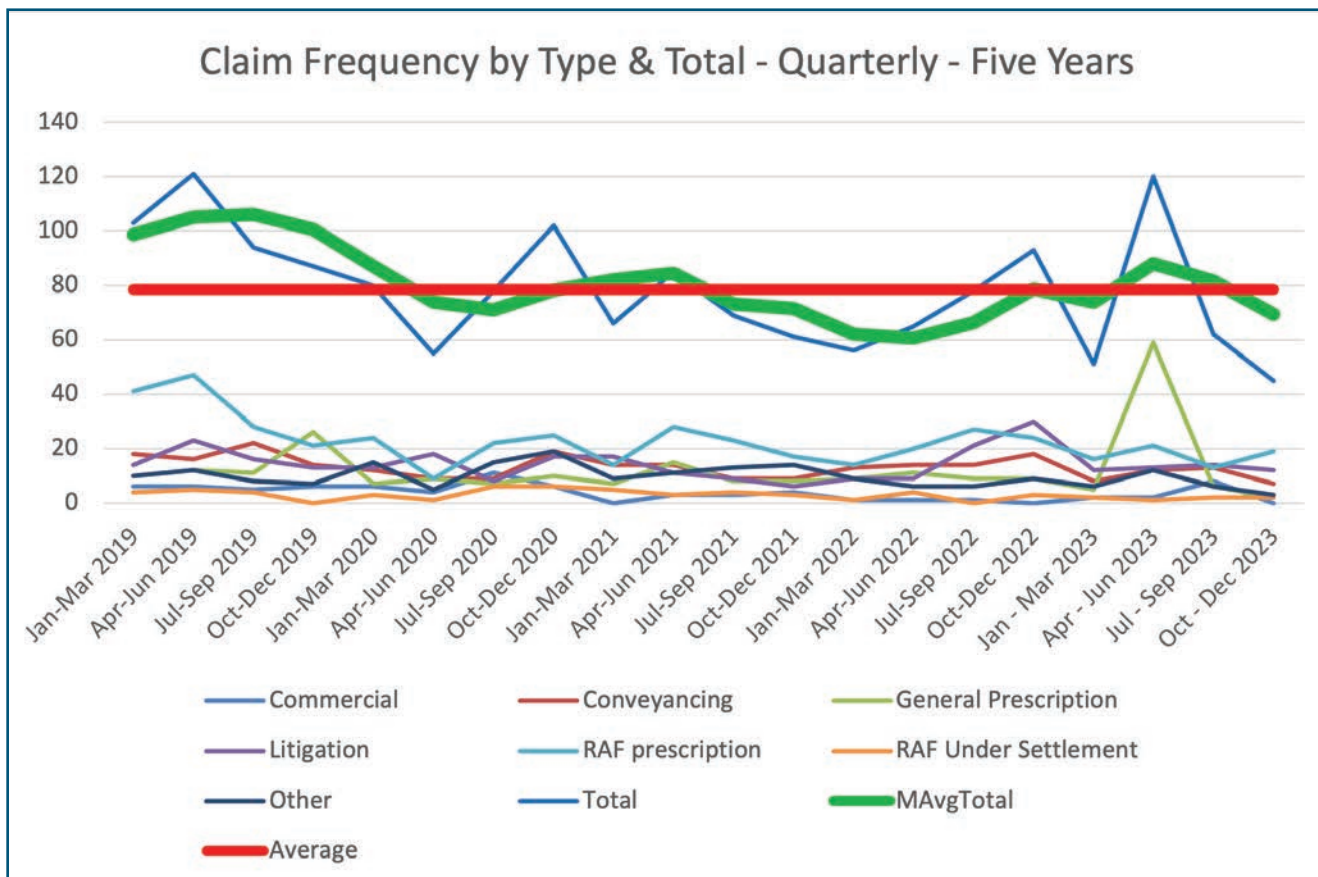
## NUMBER OF CLAIMS NOTIFIED PER INSURANCE QUARTER

Graph 1 below shows the number of claims that were notified over a period of five years.



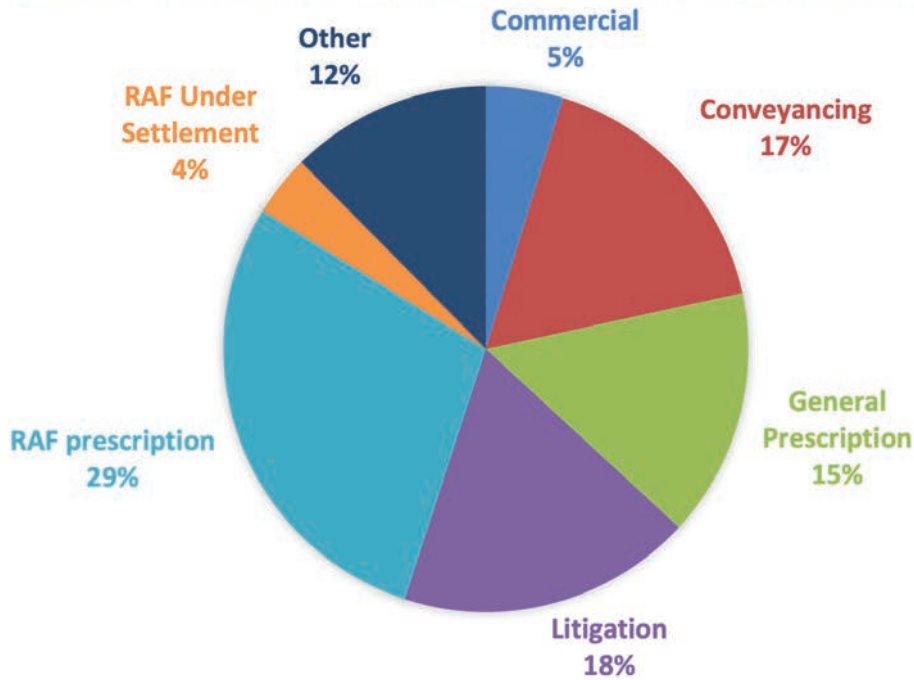
## TYPE OF CLAIMS NOTIFIED PER INSURANCE QUARTER

Graph 2 below depicts the types of claims that were notified over a five-year period. As will also be seen from Graphs 3 and 4 below, RAF prescriptions, conveyancing, litigation, and general prescription-related claims still form most claims notified to the LPIIF. These areas of practice have perennially contributed the highest number of notified claims over the five-year period covered in this report.



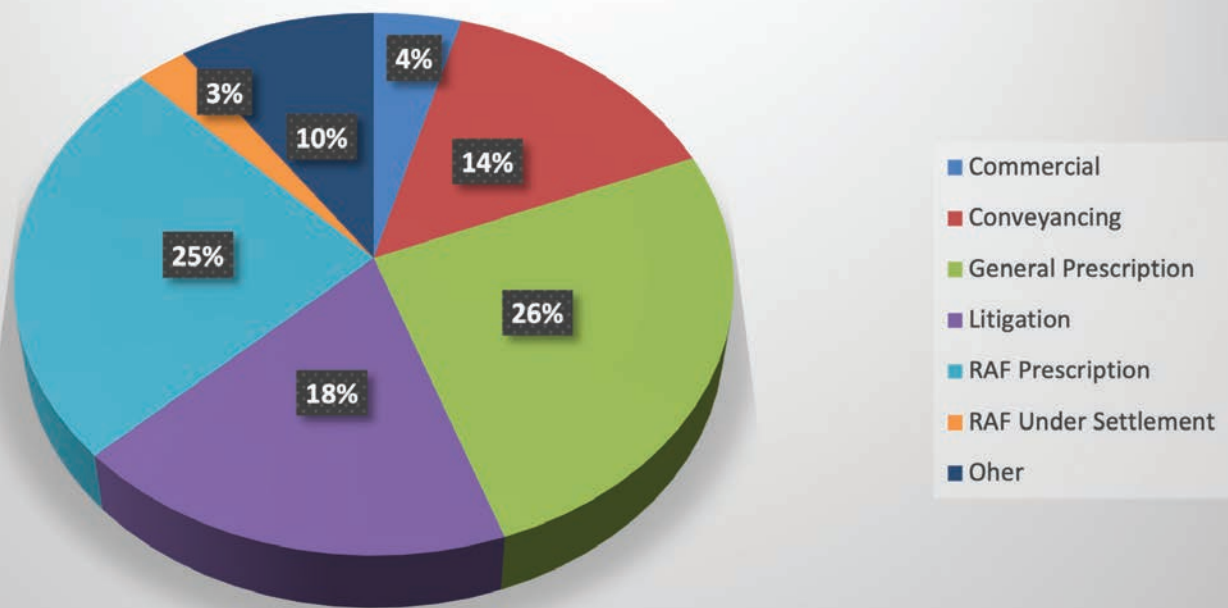
Graph 2: Type of Claims Notified Per Insurance Quarter

### CLAIM TYPES REPORTED OVER A 5 YEAR PERIOD



Graph 3: Type of Claims reported in a five-year period.

### Registered Claims per Claim Type over a Twelve month period

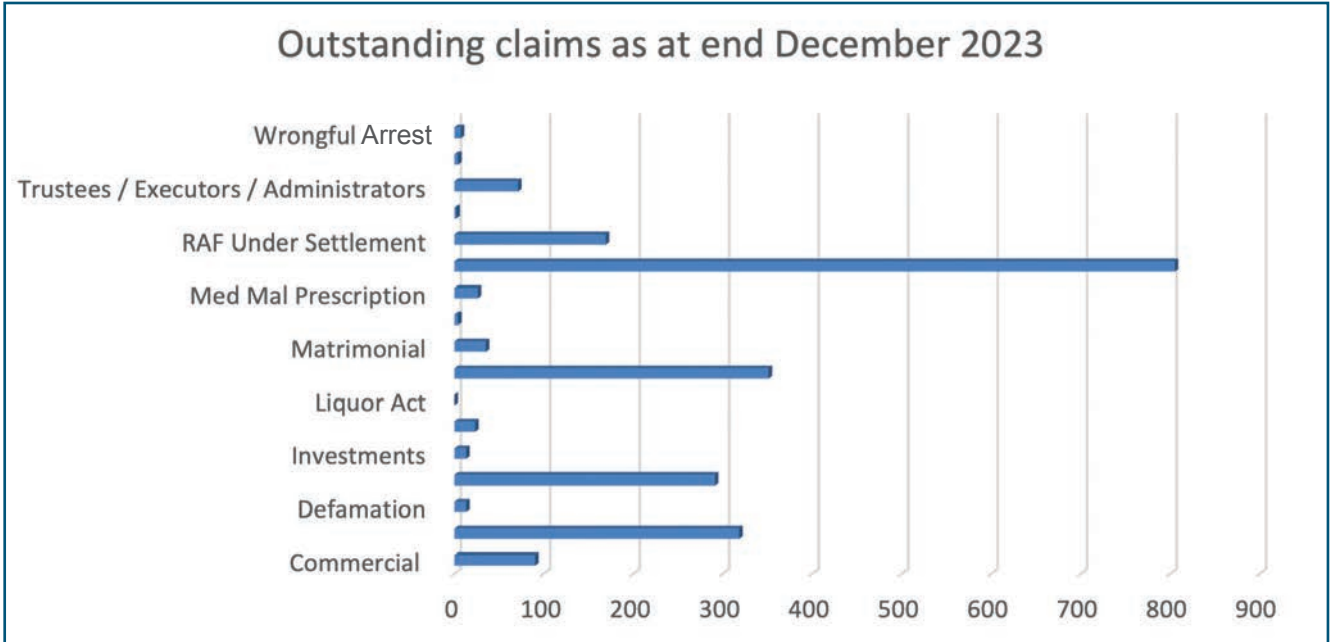


Graph 4: Type of Claims reported in a twelve-month period.

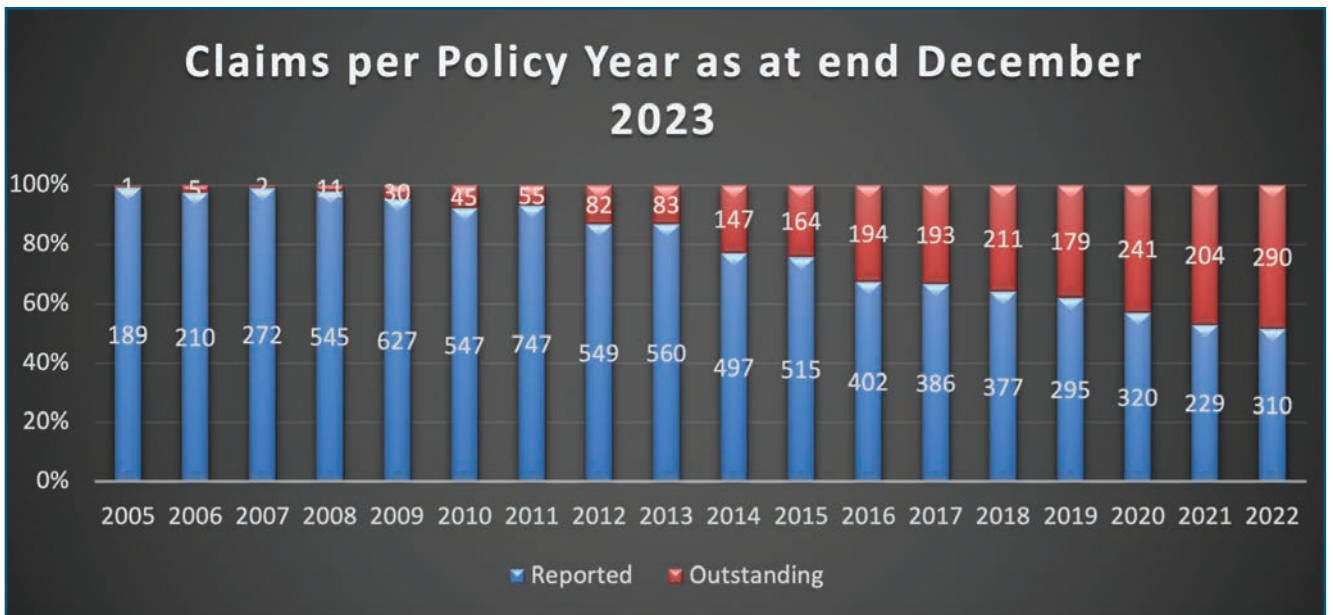
## OUTSTANDING CLAIMS

As at the end of December 2023 the LPIIF had 2 222 claims outstanding on record. Eighteen percent (411) of these claims are still potential claims. Definite claims are 82% (1811). The total reserve held at the end of December 2023 for these outstanding claims was R549m, and this amount seeks to cover the capital, party and party, and investigation costs.

Graph 5 below shows the outstanding claims by types, as well as their numbers as of 31 December 2023.

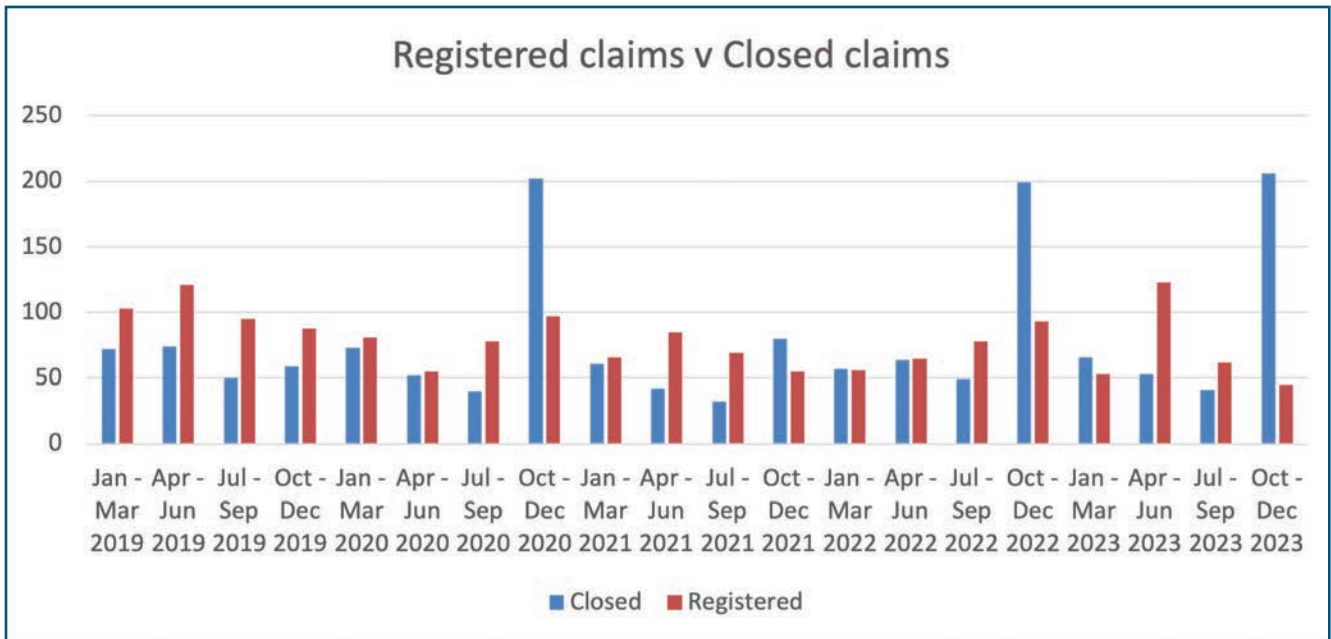


Graph 6 below shows the progress made in finalising claims in each insurance year, with the red portion showing the number of outstanding claims in each year. Some of our claims have been outstanding for various lengths of time, as Graph 6 below shows. That is because professional indemnity claims are long-tail in nature.



## FINALISED CLAIMS

In the past five-year period, the LPIIF has finalised 1 509 claims. Three hundred sixty-one claims were finalised in the 12 months from 1 January 2023 to 31 December 2023.

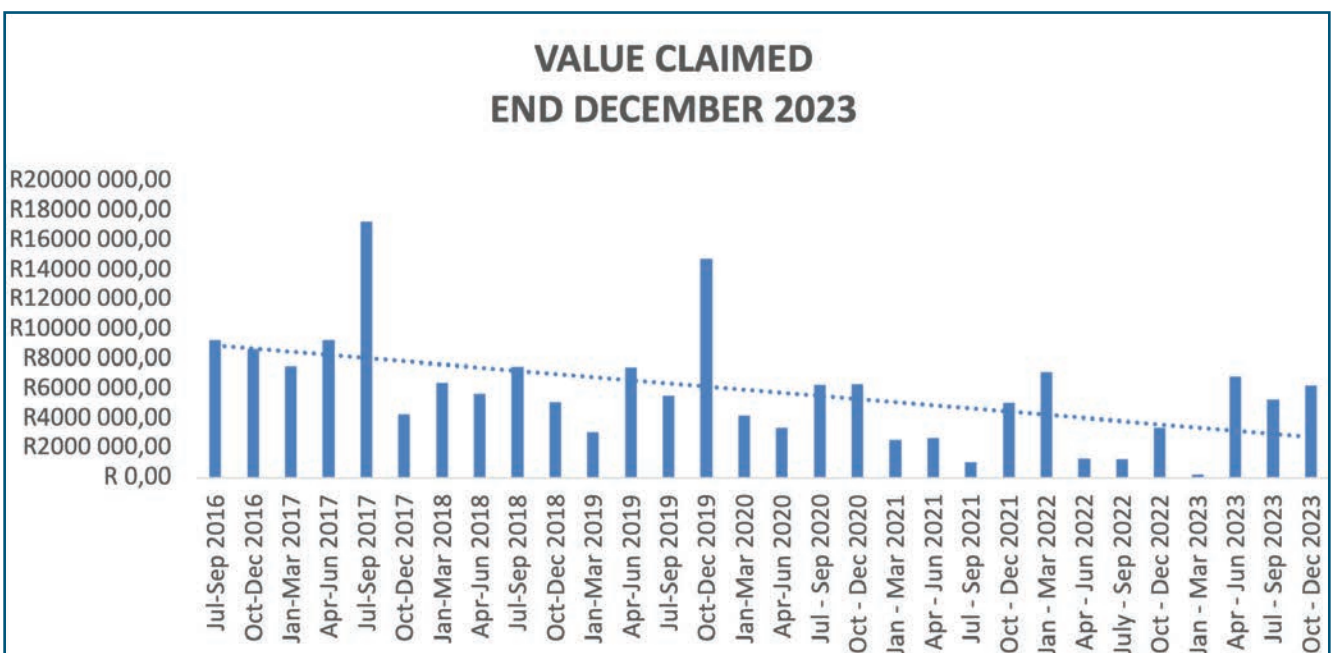


## CYBERCRIME CLAIM NOTIFICATIONS

In the period under review, the number of notifications again showed an increase, although the number of notifications was less than that in the previous quarter. This shows that the legal practitioners are still falling victim to scams. The statistics below show how these rejected claims have progressed and developed between 2016 and September 2023, both in terms of numbers (frequency) and values.

### NUMBER AND VALUE OF CYBERCRIME NOTIFICATIONS

For the period between July and September 2023, five new claims were notified with a value of **R6 216 273,25**. This brings the total number of notifications since the cybercrime claims were first excluded in July 2016 to 246 and their value to R174 129 335,22, as Graph 8 below shows.



## EXECUTOR BONDS

The LPIIF provides executor bonds on behalf of practising legal practitioners with a valid Fidelity Fund Certificate in support of their appointment by the Master of the High Court, as executors in deceased estates. These executor bonds are issued in line with the executor bonds policy and other risk management measures that are in place.

Once a bond has been issued, our focus is on managing it to finality with the intention of reducing the liability from the company's books.

If one compares the position as of 2015 and 2016, the number of bonds issued was much higher than the later years. This shift can be attributed to the executor bonds policy and the various risk management initiatives.

Our main challenge is still the lack of cooperation from some of the practitioners on whose behalf bonds were issued.

A trend of increasing claims has been noted over the past few years, with the main root cause being the executors' misappropriation of estate funds and/or assets.

## PRESCRIPTION ALERT

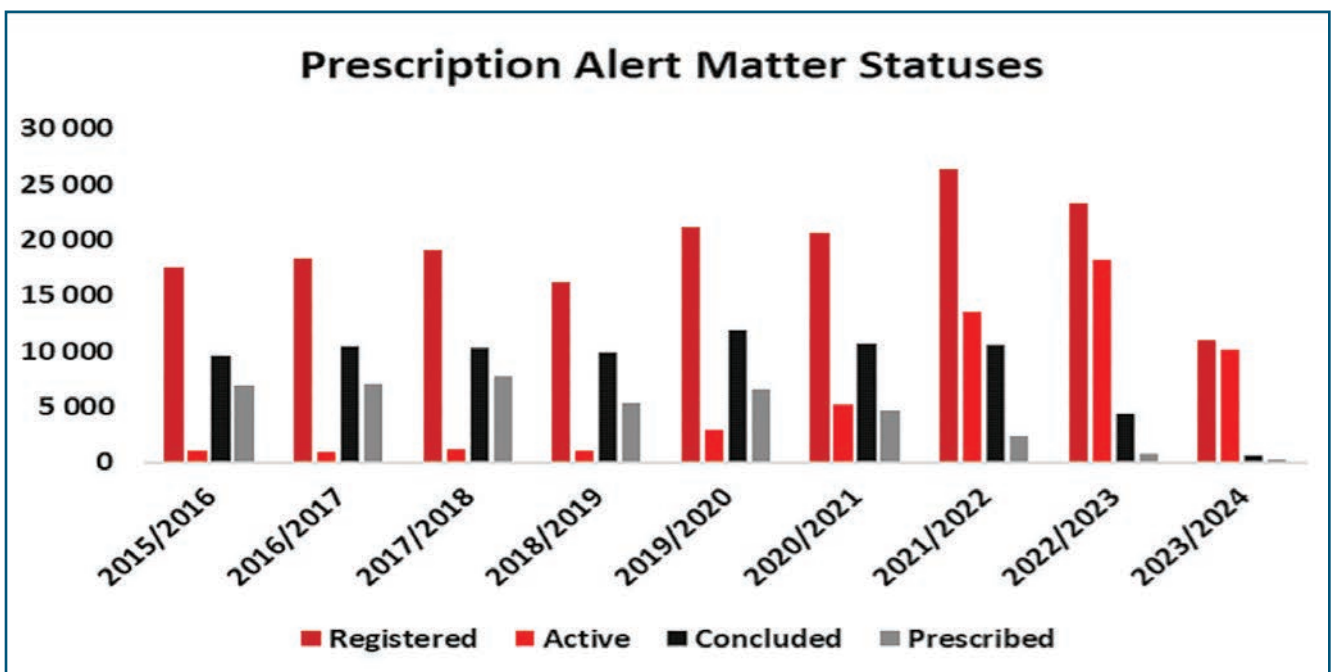
Prescription Alert is a computerised diary system which the LPIIF provides to the profession. It is a risk management tool which assists the profession in managing their time-barred matters. Practitioners who register their matters on this system receive reminders at predetermined intervals alerting them of the approaching prescription dates. Practitioners have full control over their firm profiles and matters. A negligible number of prescribed claims which were registered on this system have resulted in professional indemnity claims. The reason behind such claims has been that the practitioners ignore the reminders and thus fail to interrupt prescriptions timeously.

We continue to see a steady increase in the number of firms using this system for time-barred matters. We liaise with newly admitted practitioners and introduce them to this service monthly.

A comparative picture of the various statuses of matters registered over the seven-year period may be gleaned from the graph below. Those classified as prescribed matters were not updated on the system to show that prescription was interrupted prior to the expiry of the prescriptive period.

It must be noted that Prescribed RAF claims attract a 20% loading on the deductible if they were not registered with Prescription Alert and/or where the reminders sent by that unit were not adhered to. The graph below shows the various matters registered on this system through the years.

Prescription Alert may be used for all time-barred matters; however, the trend has continued to be used mainly to manage road accident fund matters.





The background features a complex geometric design. A large, dark blue triangle points downwards from the top left, with a thick red diagonal line crossing it. The rest of the page is filled with various shades of blue and red, creating a dynamic, layered effect.

# **SPECIALIST COMMITTEES**

## Company Law Committee

**Members:** Peter Veldhuizen (Chairperson), Abigail Reynolds (Deputy-Chairperson), Arnold Mohobo, Lily Malatsi-Teffo (*ex officio*), Millie Shantall-Lurie, Nolundi Mda, Onesimo Mkhumbuzi, Umesh Jivan, Walid Brown

I am pleased to present the annual report for the Company Law Committee covering the 2023 period. We believe that our collective efforts have been heard by Parliament and government and that we have fulfilled our mandate during 2023.

### Activities and Events

We have commented on legislation – most notably the Draft Companies Amendment Regulations 2023, the Companies First Amendment Bill, 2023 and the Companies Second Amendment Bill, 2023.

We have engaged extensively with the Companies and Intellectual Property Commission (CIPC) on several practical issues relating to services utilised by members and most recently and ongoing is the *introduction of new k2 e-services platform for directorship amendments*.

We held three formal Committee meetings in 2023, one of which was dedicated to drafting comments on the Companies Second Amendment Bill, 2023. These comments were presented by the Deputy Chairperson of the Committee, Abigail Reynolds, at the Parliamentary Portfolio Committee on Trade and Industry's public hearings during October 2023.

Ricardo Wyngaard and Millie Shantall-Lurie attended a meeting with the CIPC in February 2023 dealing with practical implementation issues.

The Committee considered the LSSA's *draft application for a declaratory order - withdrawal of non-binding opinion*, relating to the CIPC view that incorporated practices are required to audit their business accounts and we note that the hearing is still to be scheduled.

The Committee maintains a representative on the CIPC Business Rescue Liaison Committee (BRLC), who provides the minutes of the meetings held to members of the Committee and gives feedback at Committee meetings – there was nothing of significance for our members emanating from the BRLC in 2023, save for issues related to disciplinary matters.

### Recognition and Appreciation

The Committee acknowledges the support of the LSSA, and in particular Kris Devan, Lizette Burger and Ricardo Wyngaard.

Furthermore, the Committee acknowledges the hard work and dedication of Committee members.

Together, we look forward to another successful year in 2024.

**PJ Veldhuizen**  
Chairperson

## Compliance Committee

**Members:** Angela Itzikowitz, Greg Duncan, Martus De Wet, Muzi-wandile Nhlapo, Nkosana Mvundlela, Mfana Gwala (Invitee: *Ex officio* member of the Information Regulator)

As predicted in last year's report, the legal profession will remain in the compliance spotlight as South Africa navigates its way out of its new greylisted status.

The Financial Intelligence Centre (FIC) published Directive 6 of 2023, which required accountable institutions, including practising attorneys and incorporated legal practices to submit risk and compliance returns to the FIC. This was due by 31 May 2023. The LSSA has advised practitioners of the looming deadline *via* newsletters and our social media platforms well in time, and also sent reminders.

We have, however, received several complaints regarding the user-friendliness of the forms. Especially the small law firms were overwhelmed by the number of documents, manuals and requirements that they have to comply with in accordance with the Financial Intelligence Centre Act. The LSSA met with the FIC and raised a number of critical issues facing the profession, including the completion of the risk and compliance return.

It was agreed that the LSSA will present workshops and webinars, and provide guidelines and regular updates to practitioners, to assist them in complying with the legislation. The FIC and LSSA issued a media release on the meeting.

A series of workshops will be hosted by the LSSA during 2024, which will focus on practical FICA-related compliance strategies for legal practitioners.

## Constitutional Affairs and Human Rights Committee

**Members:** Daryl Burman (Chairperson), Shamila Singh (Deputy Chairperson), CP Fourie, Eliot Buthane, Mvuzo Notyesi, Sekonyela Moeketsi, Xolile Ntshulana

### Introduction

As was stated in last year's report, in the aftermath of the effects of the Covid-19 pandemic, 2023 was a somewhat fractured year for the Committee and its members, like the rest of the country beset with health problems. Nonetheless, at all times effect was given to our role in the identifying of, and commenting on, issues affecting and impacting on our Constitutional and human rights values.

### Terms of reference of this Committee

The purpose and functions of this Committee were re-evaluated and re-formulated as being –

'...to enhance the protection and application of the Constitution and Bill of Rights in all legislative requirements. Other committees are to refer areas of concern in proposed or existing legislation where the constitutionality of aspects of the legislation is deemed suspect.'

## Key developments

During 2023, the Committee received requests for comment on the issues below. They received the attention of the Committee, were carefully considered, and an appropriate response was furnished in each case.

- Prevention of Illegal Eviction from and Unlawful Occupation of Land Amendment Bill;
- Electoral Amendment Act;
- Prevention and Combating of Hate Crimes and Hate Speech Bill;
- Judicial Matters Amendment Bill;
- Spatial Planning and Land Use Management Act 16 of 2013: Notice of the Draft Norms and Standards in terms of s 8 of the Act;
- Constitution 20<sup>th</sup> Amendment Bill;
- Correctional Services Bill;
- South African Citizenship Act 88 of 1995: Amendment Regulations on the Act;
- Proposed reforms for whistle blower protection regime in South Africa (Discussion Paper);
- National Health Insurance Bill;
- Divorce Amendment Bill;
- Review of Colonial and Apartheid Era Legislation Administered by the Department of Justice and Constitutional Development;
- Regulation of Interception of Communications and Provision of Communication-related Information Amendment Bill;
- Uniform Rule for Certification of Class Actions;
- Independent Police Investigative Directorate Amendment Bill; and
- National Prosecuting Authority Amendment Bill.

## Focus for 2024

In light of the state of affairs in which the country finds itself, and developments all around the world, the role of the Committee becomes ever more relevant. The situation must be monitored for any possible outcomes and determining what measures are needed.

## Conclusion

I need to thank the staff of the LSSA and my Committee for their support and guidance.

**Daryl Burman**  
*Chairperson*

# Court Practice Committee

**Members:** Graham Bellairs (co-chairperson), Umesh Jivan (co-chairperson), Zuko Tshutshane (deputy chairperson), Asif Essa, Bannicky Mabunda, Bukky Olowookorun, Dudu Mthimunye-Hluyo, Marianne Pretorius, Mvuzo Notyesi, Ntsoafi Maema, Odwa Nyembezi

The Committee continued to monitor and address court practice matters that have an impact on access to justice, the rule of law, the legal profession and members of the public accessing our court system.

Mr Umesh Jivan was also invited to represent the Committee by the chairperson of the South African Board for Sheriffs (SABFS) and he attended three meetings during 2023.

One formal Committee meeting took place during the year and the Committee dealt with most matters by e-mail exchanges and telephone conferences.

## Access to justice

Access to justice remains a central challenge in South Africa and the Committee will continue to engage with internal and external stakeholders to consider ways on how this right can be expanded. One of the best ways is through the National, Provincial and Regional Efficiency Enhancement Committees.

The LSSA's presence at these Efficiency Enhancement Committee meetings is vital.

Unfortunately, despite representation from the LSSA for a member of this Committee to be present at the Provincial Efficiency Enhancement Committee meetings, the Judge President of the province of KwaZulu-Natal resolved against extending an invitation to a member of this Committee to be present at the meetings for this province.

The Committee is particularly concerned about the congestion of court rolls and the turnaround time in some courts, including the magistrates' and regional courts.

The waiting period for trial dates in many courts are unacceptable. At the time of writing this report, the waiting period between the allocation of a trial date and the hearing date in the Gauteng Division ranged from three to four years. The Committee is alive to the fact that the current situation can be ascribed to various factors, including a shortage of resources to accommodate the volumes of matters.

However, this issue needs to be addressed urgently and the Committee will engage the relevant stakeholders in this regard.

## Sheriffs

The LSSA relies on the cooperation of external stakeholders and regular meetings are held with the SABFS.

During August 2023, the Committee met with the SABFS to address various matters and to deal with new concerns.

One of the key aspects discussed was the slow pace of appointment of sheriffs. The Committee was informed that most of the Minister's Provincial Advisory Committees have interviewed candidates for permanent appointment and made recommendations to the Minister.

It is hoped that most of the positions will soon be filled.

Other issues dealt with were storage costs, sheriffs' fees for sales in execution, and deposits.

## Rules Board for Court of Law

The Rules Board for Courts of Law invited comment on numerous proposed amendments to the Magistrates' Courts Rules and the Uniform Rules. The Committee's comments were by and large favourable and supportive of the proposals.

During the period under review, the Committee, *inter alia*, commented on:

- Rules 9(3)(d) (service of documents) and 24(9) (medical examinations, inspections, expert testimony) of the Magistrates' Courts Rules;

- The High Court and the Magistrates' Court tariff fee for sheriffs for ejectment proceedings;
- Supreme Court of Appeal Rule 10 (preparation and filing of heads of argument);
- Supreme Court of Appeal Rule 10 (compiling of an appeal record);
- Rules 54 of the Magistrates' Courts Rules (proceedings against non-juristic persons); to address a *lacuna* brought about by an amendment to Rule 54);
- A new Magistrates' Courts Rule 26A (evidence by audio-visual link);
- Forms 24 and 24A of the Magistrates' Courts Rules (subpoena and subpoena *duces tecum*); and
- Uniform Rule 46A (execution against residential immovable property).

The profession is represented on the Rules Board by Ms Nonduzo Khanyile, Mr Mhlangabezi Maliwa and Mr Randal Titus.

The Co-chairperson of the Committee, Mr Graham Bellairs, served on the Rules Board for several years, and his term of office came to an end during the reporting period.

The LSSA thanks Mr Bellairs for his years of dedication when he served as a member of the Rules Board.

## Appointment of Regional Court Magistrates

Forty-three new Regional Court Magistrates were appointed during March 2023, which came into effect on 1 May 2023.

## Load shedding

Load shedding has no doubt made a significant impact on the court system. The Minister of Justice and Correctional Services, in his address at the LSSA's AGM 2023, stated that the challenge of load shedding is 'the most acute one' being experienced by the legal profession. He stated that it impacts on the operations of the courts and livelihoods of people.

The Minister indicated that they were engaging with the Minister of Electricity with the aim of investigating the feasibility of exempting courts.

Also, discussions were pursued with the Department of Public Works to look at alternative power sources for courts.

We are encouraged that the LSSA's has appointed a Loadshedding Task Team aimed at finding sustainable solutions to this ongoing problem.

## Right of appearance of practising attorneys before taxing masters

The application in the matter of *L Fenyane v SN Ndengane NO and Others* (GJ) (case no 22/19397, 1-3-2022), pertaining to the right of appearance of an attorney without a right of appearance certificate before the taxing master, was concluded in March 2024, when the court found that any duly admitted and enrolled practising attorney may appear on behalf of their clients before a taxing master.

This is a great victory for the profession and the Committee, which made extensive input on the matter.

**Umesh Jivan**  
**Graham Bellairs**  
*Co-Chairpersons*

# Criminal Law Committee

**Members:** William Booth (Chairperson), Amanda Vilakazi, Avinash Maharaj, Llewelyn Curlewis, Odwa Mgxaji, Tshepo Thusi, Zincedile Tiya

## Introduction

The Criminal Law Committee met on two occasions via Zoom, on 15 February 2023 and 26 September 2023.

During the meetings, the following issues were highlighted:

**Problems experienced with regard to the transcription of court records:** The present transcription company seems to be more efficient than the previous ones. However, there is still a concern that the cost of typing records is extremely high for litigants. The fees of these companies cannot be negotiated. This has the potential of taking matters out of the reach of indigent people who do not have the funds to prosecute appeals or just to obtain records in general for their cases.

This matter has been raised in various Provincial Efficiency Enhancement Committee (PEEC) meetings.

**Regional Efficiency Enhancement Committees (REEC), Provincial Efficiency Enhancement Committees (PEEC) and National Efficiency Enhancement Committee (NEEC):** It is important that these meetings take place on a regular basis and that the Law Society of South Africa (LSSA) ensure that its attendees have the necessary experience to provide meaningful input.

At a previous meeting of the NEEC, the National Prosecuting Authority (NPA) had raised the possibility of having dedicated fast lanes for corruption cases. This had been considered by the various Heads of Courts, and it has been resolved that it be left to each individual Head of Court to determine how to deal with these cases. This aspect must be dealt with expeditiously.

A request has been made for legal practitioners in private practice to be engaged in corruption cases, particularly those that emanate from the Zondo Commission. There is a sense that prosecutors may not have sufficient skills and the NPA is understaffed and not able to effectively deal with these cases.

**Acting appointments in the High Court:** The appointment of acting judges usually depends solely on the Judges President of the various divisions. The request is that the profession and the magistracy be involved in the appointments of Acting Judges. This is to ensure that the most suitable candidates are considered.

It was recommended that High Courts set up a specialised criminal division and appoint Acting Judges who have the necessary expertise in criminal cases.

**After hours bail applications and the availability of detectives at police stations:** Once again, the lack of availability of detectives to speedily process cases was discussed. Too often there is a problem to get hold of detectives to arrange afterhours bail applications. This serious issue has been raised continuously with the South African Police Legal Services, who have advised that they are attending to the problem.

Prosecutors who have to decide on the release of afterhours detainees often refuse to attend to these matters if the offences are not listed under schedule 7 of the Criminal Procedure Act. The suspect then remains in custody for the weekend only to have

the case withdrawn when it comes to court. Prosecutors should not only attend to afterhours bail applications but also to the screening of dockets afterhours. A person may be arrested for what appears to be a serious offence but if the docket is properly considered, there could be insufficient or no evidence linking the suspect to the alleged offence.

Again, this is an aspect that has been raised at the various REEC and PEEC meetings where the South African Police Services and the NPA are represented.

Consideration should also be given to amending the present bail legislation to allow prosecutors more discretion and to extend the ambit of Schedule 7 matters when prosecutors deal with these afterhours bail applications.

**Engagement with the legal profession and public:** The LSSA should ensure that regular communication and updates are sent to all legal practitioners. To this end, the sub-editor of *De Rebus*, Kevin O'Reilly, attends Committee meetings to report on issues discussed at the meetings. Presently, there are various WhatsApp groups and e-mail communication is sent out.

The public should also be informed of the role that legal practitioners play and updated on current legal matters. Members of our Committee have during the year participated in radio and television interviews in this regard.

**Senior counsel status for all legal counsel:** In 2020, the LSSA submitted comment on the draft criteria and procedures for the conferment of senior status for all legal practitioners. The Committee made inquiries to the LPC in this regard and was informed that the request to amend the Legal Practice Act is on the Minister's desk for his decision. There have been many requests from legal practitioners about an update on this important issue. There is concern that the decision to amend the Act has been unnecessarily delayed.

**Magistrates:** The Committee is of the view that complaints against magistrates are not dealt with efficiently by the Magistrates' Commission. Some of the complaints date back a long time. The Committee believes that the whole format of the Commission should be reconsidered.

It was reported that in some areas there is a tendency to appoint retired magistrates in acting positions. The concern is that it is a waste of funds to keep appointing people who would not be eligible for permanent appointments should a permanent position become available.

The LSSA previously made comments on the criteria for the appointment of acting judges and submitted that these should be extended to magistrates.

**Correctional Facilities:** There are numerous practical problems with regard to arranging prison visits at the various correctional facilities, including the lack of proper consulting facilities. A solution is to have visits arranged at the courts prior to a trial. This has been implemented in some courts for a while, but has since been stopped. It is hoped that in the future this arrangement will be re-introduced in an attempt to facilitate better consulting facilities when legal practitioners have to prepare for trial and their clients are in custody.

The Committee is arranging a meeting with the National Commissioner of Correctional Services to address these and other concerns.

**Load shedding:** Load shedding is seriously affecting the run-

ning of courts. Most courts are not coping, and cases are being continuously postponed causing prejudice to the accused and witnesses. Only a few courts have generators and even in those courts the transcription recording machines are being affected by load shedding.

Legal practitioners can also not function properly with continuous loadshedding affecting the efficient running of their offices.

Despite the government being taken to court by various organisations, the problems persist. This is also an issue which is raised continuously at various REEC and PEEC meetings, but at present there does not seem to be a solution in sight. The LSSA has established a Task Team to consider possible interventions.

**Safety at courts:** There have been many incidents of assaults and shootings, affecting not only legal practitioners, but also the judiciary and members of the public. It is of concern that courts do not have proper safety measures in place. Some courts have secure parking, but in most instances, this is restricted to court officials and legal practitioners are excluded, placing them in a vulnerable position. The security at courts must be improved to ensure the safety of all.

Judges President and Chief Magistrates at the various courts must ensure that parking be made available for all legal practitioners to eliminate safety concerns.

## Appreciation

All the members of the Committee, including the staff of the LSSA, are thanked for their input throughout 2023.

**William Booth**  
*Chairperson*

## E-Law Committee

**Members:** Brendan Hughes (Chairperson), Dineo Machedi, Gavin McLachlan, Mfana Gwala (*ex officio*), Memory Sosibo, Sizwe Snail (*ex officio*)

### Overview

Although remote and online working technologies had experienced increasing adoption within the legal profession since at least 2010, it took the unforeseen events of Covid-19 to firmly, and most likely irrevocably, establish digital meeting and cloud computing technologies as mainstream professional tools for lawyers to embrace and use in legal practice.

However, just as the professional dust had settled around these technologies by the end of 2022, along came the world's first broadly popular natural language artificial intelligence (AI) application in the form of ChatGPT, heralding the beginning of the next technologically-driven seismic shift in how lawyers go about their business. ChatGPT has quickly become the fastest growing consumer Internet application of all time, reaching an estimated 100 million monthly users within two months of launch by January 2023 (see: <https://www.reuters.com/technology/chatgpt-sets-record-fastest-growing-user-base-analyst-note-2023-02-01/>), growing at a rate that was more than 20 times faster than some of the world's previous fastest growing Internet applications such as Facebook or Twitter.

The long predicted, but nonetheless sudden growth in the popularity of AI solutions for professionals poses many urgent, deep and interesting questions for legal practitioners and much attention will need to be given to this area in 2024 and in further years to come. We are only at the beginning of the AI era and professional life is destined to be significantly affected by these new technologies over the decades ahead.

Electronic technologies have left virtually no area of legal practice untouched and the scope of topics that the E-Law Committee is called on from time to time to consider has expanded considerably to cover issues as diverse as privacy and data protection, surveillance and espionage, information security and cybercrime, electronic commerce, media and publishing, harassment and defamation, copyright and other forms of digital rights management, court practices, evidence procedures, deep-faked identity impersonation and even delictual and contractual liability for automated content generation and decision making.

It is challenging for any one Committee such as the E-Law Committee to keep abreast of developments affecting a very diverse range of issues, sometimes in nuanced and subtle ways. Given the broad and pervasive influence of electronic technologies on modern life, it seems clear to me that the LSSA working groups comprising of members with different skill sets and areas of experience will increasingly be needed to work on the inter-disciplinary and cross-specialisation issues that will continue to arise related to the impact of technological developments on society at large and on the legal profession in particular.

## Activities in 2023

Only two E-Law Committee meetings were held in 2023.

The first was held on 28 February 2023, at which the Committee resolved to submit comments on behalf of the profession on proposed Draft Rules of Procedure for the Enforcement Committee, issued under s 92(2) of the Protection of Personal Information Act 4 of 2013 (POPIA).

A second meeting was held on 14 March 2023 to discuss and finalise the comments, which were then submitted in writing on 24 March 2023. A central point of the Committee's submissions was that the Enforcement Committee Rules had not been written to cater for the management of enforcement procedures by electronic means, with the Committee cautioning the drafters of the draft rules that if POPIA enforcement processes were intended to be largely paper based processes, the work of the Enforcement Committee would likely become highly inefficient. A copy of the Committee's submissions is available at <https://www.lssa.org.za/wp-content/uploads/2023/06/2023-03-Comments-by-the-LSSA-on-Draft-Procedural-Rules-for-Enforcement-Committee-in-terms-of-POPIA-RW-Notes.pdf>

The Committee's comments were also sought later in the year in relation to the Regulation of Interception of Communications and Provision of Communication-related Information (RICA) Amendment Bill (B28B-2023). However, noting that the main aim of the Amendment Bill was to address the Constitutional Court's declaration in the *AmaBhungane* case relating to RICA's unconstitutionality in relation to the appointment of independent review judges and lawful management of interception orders obtained on an *ex parte* basis, the Committee did not submit comments but recommended that the Bill receive the attention of the LSSA's Constitutional Affairs and Human Rights Committee (See: *AmaBhungane Centre for Investigative Journalism NPC and Another v Minister of Justice and Correctional Services and Others; Minister of*

*Police v AmaBhungane Centre for Investigative Journalism NPC and Others* (CCT 278/19; CCT 279/19) [2021] ZACC 3; 2021 (4) BCLR 349 (CC); 2021 (3) SA 246 (CC) (4 February 2021)).

## Focus Areas for 2024

The E-Law Committee should be called to meet in the first quarter of 2024 to establish its priorities and an agenda for the 2024 year.

The Committee has previously resolved to support the delivery of LSSA webinars for members, although the best intentions in this regard did not materialise into actual events in 2023. A potential focus area for 2024 is the drafting of Guidelines for the Profession on the Ethical Use of Artificial Intelligence in Legal Practice. A proposal has already been received by the Committee relating to this project, if it is to be undertaken, which proposal the Committee will review further at its first meeting of 2024 and submit to the LSSA for further consideration if deemed appropriate.

## Note of Appreciation

My thanks go to all E-Law Committee members who gave of their time in support of the work of the Committee in 2023. Further thanks go to LSSA personnel for their support of the Committee, including but not limited to Kris Devan, Lizette Burger, Ricardo Wyngaard and Tony Pillay.

Having served as Chairperson of the Committee for the past few years, it is my suggestion that a new Chairperson be elected in 2024 to take the work of the Committee forward and calls for nominations for potential new members will be discussed with representatives of the LSSA at the Committee's first meeting of the 2024 year.

**Brendan Hughes**  
Chairperson

# Environmental and Climate Justice Affairs Committee

**Members:** Ilan Lax (Chairperson), Hajira Kara, Krishnambal Krishna, Norman Brauteseth, Rose Mfundisi, Terry Winstanley

The Committee held one virtual meeting for the year. Members did, however, maintain informal contact via e-mail, telephone and other channels.

The Committee had reviewed its terms of reference and added a focus area around the prioritising of environmental and climate justice.

The Committee considered a range of relevant new case law dealing with, among others –

- the transfer of water use rights under the National Water Act 36 of 1998;
- the efficacy of the public participation process in relation to the National Environmental Management Laws Amendment Act 2 of 2022; and
- the sufficiency of information in a consultation process under the National Environmental Management: Biodiversity Act 10 of 2004.

Members of the Committee reviewed, considered and noted various drafts of proposed legislation including –

- the Climate Change Bill B9 of 2022;
- the National Water Amendment Bill, 2023; and
- the Aquaculture Development Bill, 2023.

Some submissions/comments were made either on behalf of the Committee or on a personal basis.

Other areas of importance the Committee discussed included –

- the SA Law Reform Commission's March 2022 report in its investigation into Legal Fees;
- the emerging debates around the new regulations concerning the rendering of community service;
- developing a better understanding of the intersection between a reasonable response in accordance with overarching National Environmental Management Act (NEMA) principles and the requirements of municipal bylaws, provincial legislation, and national legislation in relation to emergency scenarios; and
- the provision of information and education to the public and in particular affected communities, to broaden an understanding of environmental rights and justice issues so as to facilitate proper consultation.

I wish to thank the Committee members for their commitment and support in the past year.

**Ilan Lax**  
Chairperson

## Deceased Estates, Trusts and Planning Committee

**Members:** Hussan Goga (Chairperson), Ceris Field (Deputy Chairperson), Francois Bouwer, Marche Davel, Nduduzo Mohlala, Ngqiqo Sakhela, Refilwe Tshukudu, Thumeka Dwanya, Willie van der Westhuizen

I am honoured to present this report as the Chairperson of the Deceased Estates, Trust and Planning Committee, which among others, outlines our recent engagement with the Parliamentary Portfolio Committee on Justice on 20 October 2023. The focus of this interaction was to address the pressing challenges of the Masters' offices throughout South Africa.

The LSSA sought a special audience with the Portfolio Committee, which acknowledged the gravity of the situation and expressed their commitment to prioritise this matter and to engage further with the LSSA, the Minister of Justice and Correctional Services and the Chief Master.

Our presentation highlighted, among other, the following:

**Engagement with Ministry and Chief Master:** The LSSA has made efforts to engage with the Ministry and the Chief Master in the past, including addressing a letter to the Minister in March 2020 and participating in a virtual meeting with the Chief Master in June 2022.

**Concerns raised at previous engagements:** Previous engagements highlighted concerns such as delays in issuing letters of executorship, unresponsiveness to e-mails and phone calls, and a lack of proactive planning and urgency.

**Discrepancies in Annual Report:** The Annual Report of the Department of Justice and Constitutional Development for 2021-22, particularly on pages 52 and 53, is at odds with the experiences of legal practitioners, revealing a significant deviation from planned targets in achieving performance goals.

**Key concerns raised by legal practitioners:** Legal practitioners have identified several issues, including a lack of effective leadership, reluctance from staff to perform duties diligently, inefficient management of queues, missing files, instances of alleged bribery, ignored e-mails and telephone calls, inadequate staffing, and the need for legislative amendments to modernise the system.

Media coverage, exemplified by the extract from Legalbriefs, underscores the urgency and gravity of the challenges faced by the Master of the High Court. Disarray, long delays, misplaced files, and a lack of responsiveness have led to severe hardship, particularly for individuals already in vulnerable states, having lost loved ones.

Members of Parliament echoed the LSSA's concerns during the Committee engagement. They acknowledged the accuracy of our complaints, noting that they align with the Committee's oversight visits. Members expressed their disappointment with the state of affairs, emphasising the negative repercussions on legal practitioners' work and livelihoods.

The LSSA subsequently met with the Deputy Minister of Justice and Constitutional Development, the Department of Justice and Constitutional Development, the Chief Master and several other stakeholders. A plan has been prepared aimed at addressing the various inadequacies at the Masters' offices.

The LSSA made another presentation to the Portfolio Committee on 24 November 2023 where it made several proposals for short- and medium-term interventions to improve service delivery. More particularly:

### Short-term interventions:

- Electronic mail: Every master's office should be directed to use electronic mail as a channel of communication.
- All Annual Performance Plan statistics should be published monthly on the website of the Department to allow all stakeholders to measure the performance of the office.
- The turnaround time for the issue of letters of executorship/ authority/trusteeship and examination of liquidation and distribution accounts should be reduced from 21 days to 14 days, and the Guardian's Fund from 40 days to 30 days.
- Strict file management procedures must be implemented immediately to address problems of lost files and those that need to be reconstructed.
- All Master's Offices to strictly comply with Chief Master's Directive with regard to SMS notification and link when a letter of authority or executorship is issued and an e-mail attaching the letter of authority or executorship, as the case may be.
- All future Chief Master's Directives must follow a consultative approach.
- Any established outstanding requirement preventing a letter of authority or executorship being issued to be communicated by the Master's Office within seven days.
- Chief Master's Directive 2 of 2017 must be amended immediately to exclude, *inter alia*, the requirement that an independent trustee 'has no family relation or connection, blood or other, to any of the existing or proposed trustees, beneficiaries or founder of the trust'.

The legal profession offered its assistance for clearing backlogs as part of its *pro bono* and community service obligations. A frame-

work in this regard should be developed, with the input of the LSSA. Consultation with the LSSA and the various Attorneys' Associations should take place.

The LSSA would like to be involved in the Ministerial Task Team dealing with the issues at the Master's Office. Its members are at the coal face and can make a meaningful contribution to the work of the Task Team.

#### Medium-term interventions:

- Every master's office, including the Office of the Chief Master, should be subjected to a health check, to determine its productivity and its constraints so that the appropriate action can be taken. In the medium-term this would include an evaluation of staffing, workflow, productivity and output at each master's office.
- Legislative amendments, which constrain service delivery should be enacted. Steps should be taken to standardise procedures across all masters' offices and there should be a greater focus on technology and modernisation.

#### Long-term intervention:

The long-term goal should be to develop a fully automated system which facilitates the electronic uploading of all documents to administer an estate.

I am further convinced that active engagement by the organised legal profession at the various Masters' offices will increase stakeholder accountability and will help to improve service-delivery. Previously, masters' liaison committees have fulfilled this role, which allowed the LSSA to track challenges and progress at local offices. There is an urgent need for the organised profession to reintroduce such structures.

**Hussan Goga**  
*Chairperson*

## Ethics and Rules Committee

**Members:** Krish Govender (Chairperson), Butch van Blerk, Ed Southey, Masika Modupe, Motsomi Litheko, Odwa Nyembezu, Sam Matsimela

Despite the numerous conflicts taking place around the world, the worst of which stands out as the genocide in Gaza and in the broader Palestinian areas, the world is constantly engaged in endless efforts to establish peace between warring states and deliver hope and justice for the victims. The good agencies in our troubled world, who are engaged in these timeless endeavours, more often utilise the best legal minds to help negotiate, draft agreements and settle many matters. These efforts have to satisfy politicians, aggrieved victims, freedom fighters, military thugs or war mongers, in their drive for more power and wealth or, even harder, to deliver justice for the downtrodden.

Even on a national level, within our country, every municipality is beset by regular civil protests, industrial strikes, unrest and demands for basic services like water and lights. Our battered constitutional democracy presents opportunities to lawyers to offer their court skills, mediation services and related hard work to the

often back pedalling (some corrupt) officials of State Organs, or to the frustrated and angry citizenry. They also service the many well-heeled mafia styled drug lords and gangsters and thrive in an environment of pollution, poverty, unemployment, gender-based violence and rampant crime.

Under these conditions, will the need for ethics survive? It appears to be of secondary importance, if at all, in the lives of practising lawyers in this millennium and more so, into this decade and what is left of 2024.

It will come as no surprise when we find that, in the not too distant future, the need to study ethics as a compulsory and dedicated course might be more strenuously challenged. The law academics in South Africa are in commercially settled comfort zones of corporate styled tertiary institutions and universities that are dependent on the income generating law departments, which helps to sustain other 'loss' making academic studies and departments. They are, with half a dozen exceptions, the least enthusiastic about a compulsory course in ethics, under the LLB.

The never-ending struggle waged by the Law Society of South Africa (LSSA) and its training and educational developmental arm, LEAD, to exert pressure on the Law Deans to introduce compulsory modules on ethics has therefore achieved very little success. With approximately three universities out of about seventeen tertiary institutions committed to teaching ethics as a stand-alone module within the LLB degree, the road ahead is split with many forks and academic dead ends. While some traction could be obtained against recalcitrant universities via the Council for Higher Education (CHE), which accredits law faculties among many other disciplines, the CHE also moves at the academic snail's pace.

The profession has to advance integrity, ethics and anti-corruption in the absence of such grounding within all areas of our education hierarchy, not only at tertiary level. Any strong reliance on norms and good values within our society and general upbringing of our youth in a polluted environment of corruption, anger, hunger and hostility, is a hard ask. Under these circumstances the LSSA has to develop a tougher message through limited means via practical vocational training (PVT) modules and assessments. Bridging courses have long become necessary for law graduates because of the structural weaknesses and drop in standards within our national educational system. When 30% passes in matriculation examinations are promoted and celebrated by the government, then our country is predictably on the brink of many breakdowns and disasters.

Looking ahead we must develop a teaching programme for universities whereby ethics is interwoven into a mandatory module, which must include a deeper study of integrity and the promotion of anti-corruption in all spheres of our lives. A module that can be promoted at university LLB level might include:

1. An introduction to the theory and philosophy of ethics.
2. A study of the Code of Conduct for legal practitioners under the Legal Practice Act 28 of 2014 (LPA).
3. A broad but critical overview of legislation relating to whistleblowers, money laundering, asset forfeiture, anti-corruption, financial intelligence, illicit financial flows, tax evasion/avoidance.
4. A study of all the threats posed by the unregulated and extremely rapid growth of artificial intelligence (AI). The abuse of AI by many of the most advanced sectors of our society, including academia, resulting in breaches of all the boundaries of ethics and integrity, must be undertaken as a matter of extreme urgency.

5. A critical examination of the weaknesses within the regulatory regime of the legal profession under the LPA to enforce adherence to ethics, integrity and supporting whistle-blowers and championing anti-corruption.

The latter point is starkly exposed by the Zondo Commission Report on State Capture, which exposed the questionable conduct and the activities of professionals, especially lawyers, who helped facilitate and make possible many of the convoluted schemes, which enabled state capture and corruption. We are not optimistic that the majority of universities will be up for the challenge.

It might be tempting fate to also suggest a study of all religious scriptures which exhort adherence to honesty and integrity, or else, face the fires of hell. Who knows, when the elections in 2024 are over, we might see our self-ordained 'prophet' as the next President of South Africa namely, former Chief Justice Mogoeng Mogoeng, spitting fire and sending anti-corruption lightning bolts of ethics and integrity through the quivering members of Parliament, all in the name of the Lord (and also the Constitution)!

In conclusion, the sterling work of all the members of this Committee, who all responded to queries from legal practitioners promptly in order to offer guidance and advice on behalf of the LSSA, is acknowledged with deep appreciation. It must be recorded though that the number of practitioners seeking such assistance or clarity in relation to matters of professional ethics has dwindled exponentially. Is this a case of wilfully not wanting to know? You be the judge! (With apologies to Davis J).

**Krish Govender**  
Chairperson

## Family Law Committee

**Members:** Zenobia du Toit (Chairperson), Amanda Catto (Deputy Chairperson), Ugeshnee Naicker (Deputy Chairperson), Colin Geoffreys, Joanne Anthony-Gooden, Ncumisa Nongogo, Queen Mamaila

The Family Law Committee has participated actively in a number of activities in 2023.

The Committee presented a Family Law webinar in regard to the South African Law Reform Commission (SALRC) Discussion Paper 160 on the Review of Aspects of Matrimonial Property Law. The speakers consisted of members of the SALRC's Advisory Committee dealing with the Discussion Paper – Professor Helen Kruuse of Rhodes University, Professor Elsje Bonthuys of the University of the Witwatersrand, and Professor Waheeda Amien of the University of Cape Town. The Committee facilitated the meeting. It was exceptionally well received with over 430 delegates attending.

The Committee commented on the Bills relating to the Single Marriages Statute submitted by the Department of Home Affairs and to the amendments to the Divorce Act submitted by the Department of Justice. These two Bills were hotly debated by practitioners, particularly in view of the conflict between the Marriage Bill and the SALRC's Discussion Paper on Matrimonial Property.

Extensive comments have been submitted to the Committee in regard to the SALRC's Discussion Paper 160 and a substantial sub-

mission will be made before the end of February 2024. Again, this Discussion Paper has promoted debate among practitioners, often generating different views. As the Discussion Paper deals with religious and cultural marriages, customary law marriages, cohabitation, and the various forms of marriage, it has been difficult to reconcile legal, religious, traditional and cultural approaches. However, the Discussion Paper is an extremely important paper and shows progressive developments towards a just and equitable approach in South Africa with its diverse society and needs, taking into account the vast difference in resources and access to justice. It is, therefore, a very important document that should be debated widely.

The Committee has requested the Department of Justice to revert regarding the Discussion Paper by the SALRC on Alternative Dispute Resolution (ADR) and particularly in regard to Arbitration. A Bill was submitted to the Department by the Commission promoting a codification of ADR and in particular, introducing Arbitration in regard to Family Law including relating to children. We are awaiting the response by the Department and understand that the Deputy Minister will respond shortly.

The Committee has also reached out to institutions, such as the Family Advocate in order to discuss *pro bono* projects and also to build up a relationship of liaison in order to establish what the Family Advocate's needs are, and how a discussion between the legal profession and the Family Advocate could progress with a better understanding of family law matters forward.

A number of webinars are envisaged for 2024.

The Family Law Committee has been invited and successfully participated in various workshops of other international organisations such as the International Academy of Family Lawyers (IAFL). Two open IAFL ADR workshops were held where family lawyers were invited to attend. Speakers at the ADR session included speakers from South Africa, Kenya, Zambia and Malawi. The Family Advocate for the Western Cape Province also participated. The input of speakers from Africa was extremely well received internationally and it was resolved by the ADR Committee of the IAFL to continue to explore relationships with Africa in 2024.

The International Bar Association (IBA) will be having a webinar on Artificial Reproductive Technologies (ART) and in particular, the emerging situation in Greece and Italy, as well as the Pope's comments in regard to surrogacy. Again, members of the legal profession and the Family Law Committee will be invited. The Family Law Committee is exploring international liaison with credible international associations in order to broaden discussion and exchange ideas and knowledge. It is intended that ties will be forged with the SADC lawyers and also the Commonwealth Lawyers Association's members in Africa.

Draft Bills relating to, *inter alia*, domestic violence and other aspects affecting family law have been circulated to the Committee members. It is useful to keep abreast of these developments and promote the distribution of information.

*Pro bono* programmes – the development of *pro bono* programmes with magistrates' courts, in particular with the provision of ADR services or input, is in the process of being explored.

**Zenobia du Toit**  
Chairperson

## GATS Committee

**Members:** Willy Phalatsi (Chairperson), Bayethe Maswazi, Mosiwa Mokoena, Zincedile Tiya

The issue of cross-border practice rights has been edging closer and closer and it is imperative for the legal profession to be aware of and to participate in this process at the appropriate time. We reported last year that the Department of Trade, Industry and Competition (the DTIC) sent the LSSA its final offer, which contains significant implications for legal services in South Africa and went beyond commitments in the World Trade Organisation to liberalise cross-border trade, consumption abroad and commercial presence/establishment.

The LSSA was invited to attend a two-day SADC workshop on mutual recognition, which took place during April 2023. The discussions covered a range of professional services. The LPC was also present. The first day of the workshop entailed a presentation on mutual recognition agreements (MRA) and the aspects to be taken into consideration in terms of the SADC Protocols. On the second day, there were breakaway groups by profession (ie, accountancy, architectural, engineering, legal, medical-related and veterinary) to identify issues to be taken into account when negotiating MRAs.

All the professional regulatory bodies received a questionnaire to complete relating to their regulatory systems. The LSSA submitted a completed questionnaire in respect of the legal profession. The completed questionnaires would guide the different professions in their MRA negotiations.

The LSSA previously provided the Department with its position paper on cross-border practice rights, available on the LSSA's website.

Dr Morgenie Pillay, Director: International Trade in Services of the DTIC met with the LSSA and the LPC to provide an update on developments. It was resolved that the LSSA and the LPC would engage with a view of exploring a common understanding and vision on the way forward. Subsequent engagements have taken place between the LSSA and the LPC in an attempt to achieve this outcome.

The Committee will continue to engage with key stakeholders as we expect that further significant developments will unfold during 2024.

**Willy Phalatsi**  
*Chairperson*

## Immigration and Refugee Law Committee

**Members:** Julian Pokroy (Chairperson), Boitumelo Maubane, Kabelo Manamela, Neil Goodway, Onesimo Mkhumbuzi, Sam Nemuhuyuni

The year under review has been another difficult year for our members. This last period has been fraught with a considerable

drop in service delivery and efficiency from the Department of Home Affairs, which has caused enormous delays in almost every aspect of the interface of our profession with the Department.

According to a media release from the Minister of Home Affairs a few months ago, the backlog in the processing of temporary visas, at that time, exceeded more than 65 000 applications in arrears.

With regard to permanent residence visas, the delay currently is anywhere between two and five years and sometimes more.

A very disturbing trend that has evolved during this time, in addition to these delays, is the increasing amount of decisions that are made without giving due attention to the statutory requirements for that visa and then refusing the visa on incorrect and sometimes unlawful grounds. This latter phenomenon then forces the foreign applicant to apply for a review of the decision, which must be done within ten working days from receipt of the outcome, lodging the review application and awaiting the outcome. This is where a further difficulty lies, in that the processing of reviews and appeals has also fallen into a huge backlog and it is almost impossible to predict how long it will take to finalise and whether in fact a rational decision will be made, or to be simply refused on the same grounds as the original visa application that was incorrect and possibly unlawful.

A further situation which has reared its head is the refusal by the Department to communicate with our members and in fact with any so-called 'third party agents', and insisting on only dealing with the applicant directly. This is also happening at the embassies and high commissions overseas.

E-mails go unanswered or replies are received indicating that the Department will only deal with the applicant directly and not with their attorney, unless certain compliances take place in terms of Protection of Personal Information Act 4 of 2013, which in themselves would take potentially months to obtain.

Numerous attempts have been made to meet with the Director-General and/or the Minister in order to discuss the concerns of the organised legal profession, but this has met with no responses. This goes back quite a few years.

An opportunity has been given to all parties to respond to and give input on the proposed amendment to the immigration laws. Whether the proposals are going to make a difference or not is a moot question. Whether they will reach reality and whether the organised legal professional will be taken into account in this process is also a moot point.

At the last meeting I tendered my resignation from the Committee. I have served on the Committee for a very long time, since its inception, and the time has come for me to make way for younger professionals.

I would like to thank the staff of the Law Society of South Africa for all the support, input and assistance that they have always been so willing to give.

I also take the opportunity to wish all my colleagues and fellow members of the Committee a healthy and good 2024.

**Julian Pokroy**  
*Chairperson*

## Labour Law Committee

**Members:** Jason Whyte (Chairperson), Bonolo Thebe, Mpho Mabidi, Richard Scott, Roy Ramdaw

A single meeting of the Committee took place on 3 November 2023 and it was agreed that the Committee would focus its attention on improved relationships with the Labour Court and the Commission for Conciliation, Mediation and Arbitration (CCMA). To this end, the Committee agreed on an agenda for meetings to be held with the Acting Judge President of the Labour Court and the Director of the CCMA.

A very constructive meeting subsequently took place between the Committee and Acting Judge President Edwin Molahlehi and Acting Deputy Judge President Katherine Savage of the Labour and Labour Appeal Courts. Various issues of mutual concern were discussed, including backlogs at the Labour Courts, the appointment of acting judges, case management and the draft Labour Court Rules. It was agreed that regular meetings will be scheduled to keep abreast of relevant developments.

A meeting with the Director of the CCMA is being arranged.

The Committee also agreed to increase its scope and activity by agreeing on action items to be pursued in the new year.

**Jason Whyte**  
Chairperson

## Legal Aid, Pro Bono and Small Claims Courts Committee

**Members:** Ncumisa Sotenjwa (Chairperson), Shaun Hangone (Deputy Chairperson), Benedict Jordaan, Ettienne Barnard, Liesl Williams, Majobhi Mokoena, Mandla Motha, Ncumisa Nongogo, Nkosana Mvundlela (*ex officio*), Ngqiqo Sakhele, Philippa Kruger, Zincedile Tiya

The Committee resolved to have more meetings than in the past, and that undertaking was achieved in 2023 and yielded fruitful engagements and results.

One of the key focus areas that the Committee has been occupied with is the composition of the Committee as a result of the merger of the Legal Aid, Pro Bono and Small Claims Committee into one committee. As expressed by Committee members, it is imperative that we do not lose the many experts who previously served on these committees.

The Committee raised these concerns with the LSSA Executive Committee and as a result, the Committee has since been restructured. The Small Claims Courts Committee is now a stand-alone Committee. We are optimistic that a number of programmes, which have been dormant during this process will now start to take shape, to enhance access to justice.

### South African Reform Commission Discussion Paper on Legal Fees and Access to Justice

The Report by the SALRC was released in March 2022. Although the Report was not published for comment, the LSSA submitted

comments to the Minister of Justice and Correctional Services. The LSSA also requested a meeting with the Minister.

The Committee notes with concern that progress in respect of this process and a number of follow ups made with the Ministry have not yielded any results.

### Regulations in respect of Community Service

Early in March 2023, the Parliamentary Portfolio Committee on Justice and Correctional Services considered the regulations on community service and passed it without making any amendments. At the time of writing this report, the National Assembly had not yet scheduled a date for consideration of the Portfolio Committee's report, which recommended that the regulations be approved.

The Committee welcomes the regulations as they will clarify many questions insofar as how the monitoring mechanisms would be put in place.

The regulations are still to be published and the Committee calls on a speedy process in this regard.

### Pro bono legal assistance incentives

The Committee is looking at how practitioners who dedicate time to offer *pro bono* legal services may be incentivised, with the aim to encourage participation by all legal practitioners.

### Board of Sheriffs' engagements

The Committee continues to maintain engagements with the Board of Sheriffs. These engagements are important, as the issue of fees has an impact on access to justice. The challenges experienced are to be dealt with collectively with other specialised committees, such as the Court Practice Committee, for effective resolutions.

The issue of appointments of sheriffs in various jurisdictions and/or regions remains a challenge. The Committee engaged with the Department of Justice and the South African Board of Sheriffs with the aim to see the rationalisation process finalised.

The Committee is of the view that the work of the Committee will be effectively and efficiently executed through a joint process with the LSSA Provincial Associations and we wish to see more engagements with the leaders of these provincial structures in the new year.

**Ncumisa Sotenjwa**  
Chairperson

## Liquor Matters Committee

**Members:** Kobus Burger (Chairperson), Abongile Matomane, Eugene Kruger, Mhlanga Bala, Sam Matsimela, Sandile Dlomo

The National Liquor Board is slowly but surely trying to improve its service delivery, but there are still problems with its online system that need attention. Its general mailbox also seems to be problematic as practitioners battle to receive responses.

The functioning of the provincial Liquor Boards is still problematic with regard to their general service delivery as the turnaround times of applications are still too long. There are also significant problems with the functioning of their administration, which frustrates practitioners to such an extent that a number of practitioners refuse to do applications in certain provinces.

The Free State was without a Liquor Board for a period of four months as the MEC did not appoint a new Board in time. This obviously increased the already significant backlog of applications, therefore, extending the turnaround time. The Free State province has also not yet finalised its amendment Bill, which was published on 9 September 2022. The amendment Bill will create extensive problems should it be passed without further amendments, a fact which was pointed out by stakeholders.

The North West province is the only province that does not have its own provincial liquor legislation. Therefore, the provisions of the old act, Liquor Act 27 of 1989, still apply. Its service delivery is so poor that practitioners are no longer willing to submit new liquor applications. In terms of the Act applicable in the North West province, renewal advices must be issued from October of each year to allow licence holders to renew their licenses before the end of December. Their records are not complete, therefore, creating problems for license holders to obtain the necessary advices as they need same to be able to pay their licence fees.

The Limpopo province has now published its own provincial liquor legislation, which was enacted on 1 August 2023. There were a number of court cases regarding the new legislation, and it is expected that more will follow.

The KwaZulu-Natal province is struggling with its new computer system, together with the fact that they are still understaffed, thereby further extending their turnaround time, which is already significantly long, by approximately eight months with regard to new applications. The transfer applications take even longer to be finalised.

The remaining provinces still have administrative problems, therefore, increasing the number of court applications to compel. Their turnaround times are also much too long. The effect of this poor service delivery is preventing applicants to participate in the economy and to create much needed job opportunities, to the detriment of the South African economy.

The provincial Liquor Boards do not seem to realise that they are creatures of statute and, therefore, can only do what their empowering legislation allows them to do. They often concern themselves with issues of other spheres of government, which obviously slows down the application process. As has been pointed out by the courts, the purpose of the Constitution as expressed in s 22 is undermined if bureaucrats keep on putting unnecessary obstacles in the way of applicants applying for liquor licences. This, together with the delay in considering applications, infringes on applicants' rights to a fair administrative process. This, therefore, leads to an increase in the number of court applications to compel the Liquor Boards to attend to applications. The wasted legal costs are nothing but fruitless and wasteful expenditure of taxpayers' money.

The Committee will continue to monitor developments pertaining to its field of expertise at national and provincial level and will deal with issues appropriately.

**Kobus Burger**  
Chairperson

## Personal Injury Committee

**Members:** Jacqui Sohn (Chairperson), Benock Shabangu, Likhaya Makana, Lindy Langer, Mpendulo Gama, Sinawo Makangela

### Introduction

The Committee made use of e-mail and telephone/video conferencing as required.

### Key developments

#### Comment submitted to the Department of Transport on the proposed Road Accident Fund Amendment Bill 2023

On 8 September 2023, the Department of Transport published a draft Road Accident Fund Amendment Bill 2023 for public comment to be made within 30 days.

The Bill proposed far-reaching changes. On 19 September 2023 the LSSA issued a detailed advisory to the profession highlighting the dire consequences that would follow if the Bill were to be made law. Only persons injured on a *public* road may claim – injuries suffered in motor vehicle accidents in parking areas, sports fields, farm roads, driveways, private estates, game reserves or any other private road are not covered. Persons who are *not citizens or direct permanent residents* are not covered. Persons *crossing a highway* are not covered. Persons injured in a *hit and run* are not covered. Pedestrians, drivers and cyclist who may test over the *legal limit* for alcohol and their dependants are *not covered*. *No payment for pain and suffering*, loss of amenities of life, disability, disfigurement or shock regardless of how catastrophic the injuries might be. *No lumpsum payments for future loss of earnings or support*. Future earnings or loss of support will be paid as an annuity (monthly payments). The Fund has the right to continually reassess its liability to continue to pay. If the injured claimant is a breadwinner and dies, the pension will cease, leaving dependants destitute. *No cover for expenses covered by medical aid/insurance*. *No compensation if there is a claim in terms of the Consumer Protection Act*. *No compensation if injured whilst filming a movie or advertisement*. Claims for passengers who may be covered by the operator's passenger liability insurance to be reduced by the extent of the cover.

The LSSA lodged a submission opposing the implementation of the Bill in its entirety contending, *inter alia*, that its provisions were anti-poor, discriminatory, xenophobic and unconstitutional. The LSSA's submission can be viewed on its website.

#### Road Accident Fund Board Notice 271 of 2022

On 4 July 2022, the current revised RAF Form 1 was prescribed by the Minister of Transport (as opposed to being published in a notice by the Board), which triggered the operation of Board Notice 271.

The Committee is of the opinion that Board Notice 271 and the current RAF 1 Third Party Claim Form are *ultra vires* the powers of the Board and the Minister and in previous submission pointed out that many of the documents which are now expressed to be mandatory for a valid claim to be substantially compliant are not always readily available, or even exist. The Board Notice and revised RAF 1 further exclude claims from foreign nationals who are unable to produce a current valid visa or are undocumented. The effect of the notice will be to deny access to compensation to many claimants whose claims will prescribe before they are able to obtain the stipulated documents or information.

An application to review Board Notice 271 and to strike down Regulation 7(1) is due to be argued in the North Gauteng High Court on 26 to 28 February 2024.

An application to review an internal directive issued in June 2022, which denies claims from and payment to any foreign national who cannot produce proof that they were in the country legally when injured (which is perpetuated in Board Notice 271 and the revised RAF Form 1) is also set down for argument in the North Gauteng High Court on 5 and 6 March 2024.

The outcome of both these applications will be highly relevant to the fate of the Road Accident Fund Amendment Bill 2023.

### Road Accident Fund Medical Tariff

The application launched by The National Council of and for Persons with Physical Disabilities and the LSSA for an interim interdict was finally concluded on 18 October 2023 when the Constitutional Court refused the Road Accident Fund (RAF) leave to appeal the refusal by the Supreme Court of Appeal to grant it leave to appeal the interim order granted on 15 December 2022.

Shortly thereafter, on 7 November 2023, the RAF published a further tariff for comment. This Committee has been advised that this proposed tariff is more reasonable and will probably be acceptable to the majority of private health care providers.

This renders the first application for review moot, apart from the issue of costs.

### The Collective

During July 2023, LSSA joined other associations to form a collective of professional associations to address what was then perceived to be, and still remains, a crisis within the operation of the RAF. A memorandum was addressed by the collective to various relevant bodies and persons, including the Chief Executive Officer and Board of the RAF, the Standing Committee on Public Accounts, the Parliamentary Portfolio Committee on Transport, the Minister of Transport, the Minister of Justice and Correctional Services, and the Auditor General, setting out the most significant problems identified by the collective with suggested solutions and seeking to meet with a view to addressing the issues raised in the memorandum. Apart from acknowledgements from some, there has been little reaction from those to whom the memorandum was addressed. The content of the memorandum precipitated attacks on the integrity of the profession, including the Legal Practice Council, from the RAF's spokespersons. A media conference arranged by the collective degenerated into what was described as a mudslinging exercise when the Chief Executive Officer of the RAF addressed the conference in reply.

### Focus for 2024

The Committee will continue in its efforts to secure an audience with the relevant Parliamentary Portfolio Committees in order to address the issue of oversight.

The RAF has brought a further application to extend the 180 days moratorium from settlement of court orders on writs to enforce payment. This is being opposed by various parties, including the Personal Injury Plaintiff Lawyers Association and the Johannesburg Attorneys Association. At this stage, the LSSA has not intervened as it is of the view that the parties currently before the court have already adequately covered the relevant issues. However, the Committee will continue to monitor the position.

Despite adverse court orders, the RAF continues to refuse payment of claims for expenses covered by medical aid. It now argues that such claims are hit by s 19 of the Road Accident Fund Act 56 of 1996. Adverse judgments are being taken on appeal. The Road Accident Fund also persists in its refusal to pay claims for future loss of earnings despite existing court orders and/or settlement agreements where the claimant has died after judgment or settlement but before payment. The RAF still persists in its refusal to

pay the claims of foreign nationals who cannot prove that they were legally in South Africa when they were injured or when they are due for payment despite court orders to the contrary.

There is no basis in law for refusing the above payments. The Committee will continue to monitor the situation and current litigation with a view to making further recommendations for consideration by the LSSA regarding any action to be taken by the LSSA.

The Committee also awaits the outcome of the two applications for review in relation to Board Notice 271 and the claims of foreign nationals before making any recommendations to the LSSA in relation to these claims and the Road Accident Fund's refusal to pay in terms of existing court orders.

**Jacqui Sohn**  
Chairperson

## Property Law Committee

**Members:** Dave Bennett (Chairperson), Anita Gounden (deputy chair), Anton Theron, Hussan Goga, Monise Ponoane, Elvira le Roux, Loleah Mamabolo, Bonwabile Nyanda

The Committee continued the ongoing engagement with the newly established Property Practitioners Regulatory Authority (the PPRA). The new legislation brought about some interpretation challenges. In a meeting with the PPRA during the reporting period, it transpired there is a difference of opinion between the LSSA and the PPRA as regard to s 56(3) of the Property Practitioners Act 22 of 2019 (the Act), which prohibits conveyancers from paying remuneration or other payment (estate agent commission) to property practitioners if they are not in possession of Fidelity Fund certificates. The PPRA expressed the view that, in such circumstances, the remuneration belongs to the Property Practitioners Fidelity Fund (the Fund) and must be paid to the Fund. The LSSA could not find any empowering provision in the Act for this. Although the LSSA agrees that the monies cannot be paid to the property practitioner, the Act appears to be silent as to what should happen in such circumstances, eg, should it be paid to the transferor, the Fund or held in trust. This *lacuna* in the Act poses a risk to conveyancers. The Committee agreed that, should there be no consensus after further engagement with the PPRA, the possibility of obtaining a legal opinion should be considered.

We are encouraged that some of the provincial associations have reportedly appointed property law committees aimed at tackling property-related matters at provincial level. We are committed to close collaboration with the provincial property law committees.

The Deeds Office undertook roadshows in the provinces on the Electronic Deeds Registration System (eDRS). The LSSA was also invited to an eDRS session, where it was resolved that the LSSA, as major stakeholder, will be involved from end-to-end in the development of this system. A working group, comprising representatives of the Department, the LSSA, the LPC and others was established even though no significant activities have been undertaken during the reporting period. We expect that the working group's activities will increase dramatically during 2024.

The new conveyancing fees guidelines were implemented on 1 May 2023. The Committee will undertake a similar exercise to ensure that updated guidelines are published by 1 May 2024.

**Dave Bennett**  
Chairperson

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# LAW SOCIETY

OF SOUTH AFRICA



**Law Society of South Africa**

(Registration number 021-221-NPO)

Annual Financial Statements

for the year ended 31 December 2023

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

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#### Preparer

Law Society of South Africa  
Z M Mtweku  
Senior Finance Manager

# Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

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## House of Constituents (HoC) Responsibilities and Approval

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The HoC is required by the Non-profit Organisation Act 71 of 1997, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The HoC 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 HoC to meet these responsibilities, the HoC 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 are applied and managed within predetermined procedures and constraints.

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

The HoC has reviewed the organisation's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, it is satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The audited financial statements have been examined by the organisation's external auditors and their report is presented on page 5 - 7

The annual financial statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the HoC on 19 April 2024 and were signed on its behalf by:

Signed on behalf of the HoC by:



Ms E Masipa  
LSSA President

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### House of Constituents (HoC) Report

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The HoC has pleasure in submitting its report on the annual financial statements of the Law Society of South Africa for the year ended 31 December 2023.

#### 1. Nature of business

The Law Society of South Africa is the representative, professional body of the attorney's profession in South Africa. The organisation operates in South Africa.

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

#### 2. Review of financial results and activities

The audited financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Non-profit Organisations Act 71 of 1997. 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 audited financial statements.

#### 3. HOUSE OF CONSTITUENTS

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

<b>HOUSE OF CONSTITUENTS</b>	<b>Office</b>
Ms E Masipa	President
Ms M Ramagaga	Vice-President
Ms J Anthony-Gooden	Vice-President
Mr Z Mgqeza	
Ms T Mpanza	
Mr C Hendricks	
Ms N Maema	
Ms P Mawila	
Mr V Nsibandé	
Mr E Barnard	
Ms S Mkhize	
Mr T Joubert	
Ms E le Roux	
Mr A Jacobz	
Mr P Horn	
Mr D Bennett	
Mr M Gwala	
Ms U Naicker	
Mr K Govender	
Mr M Notyesi	
Ms C Selepe	
Mr S Makangela	
Mr S Tshehla	
Mr C Kgottlagomang	
Mr U Jivan	
Mr M De Wet	

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## **Law Society of South Africa**

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### **House of Constituents (HoC) Report**

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#### **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**

The HoC members are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### **6. Going concern**

The HoC believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The HoC have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The HoC is not aware of any new material changes that may adversely impact the organisation. The HoC is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

#### **7. Auditors**

Nexia SAB&T have been appointed as auditors for the organisation for 2023 on a three year cycle ending with the 2025 year-end audit.



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## INDEPENDENT AUDITOR'S REPORT

To the House of Constituents of Law Society of South Africa

### Opinion

We have audited the financial statements of Law Society of South Africa set out on pages 08 to 21, which comprise the statement of financial position as at 31 December 2023, 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 financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Law Society of South Africa as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Non-profit Organisation Act 71 of 1997.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organisation 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 financial statements 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 corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The House of Constituents are responsible for the other information. The other information comprises the information included in the document titled "Law Society of South Africa Annual Financial Statements for the year ended 31 December 2023", which includes the House of Constituents (HoC) Report. The other information does not include the financial statements and our auditor's report thereon.

## Audit. Tax. Advisory.

Chairperson: Mrs A Ramasita

Chief Executive Officer: Mr MF Sulaman

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\* A full list of directors is available for inspection at the company's registered office or on request.

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Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 House of Constituents for the Annual Financial Statements**

The House of Constituents are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Non-profit Organisation Act 71 of 1997, and for such internal control as the House of Constituents determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the House of Constituents are 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 House of Constituents either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 organisations internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the House of Constituents.

- 
- Conclude on the appropriateness of the House of Constituents 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 organisations 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the House of Constituents 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*  
**Nexia SAB&T**

Aadila Aboobaker

Director

Registered Auditor

02 May 2024

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Statement of Financial Position as at 31 December 2023

Figures in Rand	Notes	2023	2022 Restated *
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	8,631,124	8,477,209
Intangible assets	3	4,877	14,266
Loans to related organisations	10	788,084	795,226
		<u>9,424,085</u>	<u>9,286,701</u>
<b>Current Assets</b>			
Trade and other receivables	4	5,529,568	5,668,448
Operating lease asset		74,417	-
Cash and cash equivalents	5	163,489,290	162,860,960
		<u>169,093,275</u>	<u>168,529,408</u>
<b>Total Assets</b>		<u>178,517,360</u>	<u>177,816,109</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		<u>83,708,230</u>	<u>64,756,445</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Provisions	6	<u>11,087,405</u>	<u>10,835,843</u>
<b>Current Liabilities</b>			
Trade and other payables	7	24,456,449	43,102,885
Financial assistance	9	2,308,603	2,308,603
Operating lease liability		378	297,784
Special projects	8	49,808,299	50,000,000
Provisions	6	7,147,996	6,514,549
		<u>83,721,725</u>	<u>102,223,821</u>
<b>Total Liabilities</b>		<u>94,809,130</u>	<u>113,059,664</u>
<b>Total Equity and Liabilities</b>		<u>178,517,360</u>	<u>177,816,109</u>

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022 Restated *
Revenue	11	57,433,209	57,447,971
Other income	12	61,220,849	49,731,383
Operating expenditure	13	(112,955,042)	(111,915,916)
<b>Operating Deficit</b>		<b>5,699,016</b>	<b>(4,736,562)</b>
Investment revenue	14	13,255,131	8,599,345
Finance costs	15	(2,362)	(2,325)
<b>Surplus for the year</b>		<b>18,951,785</b>	<b>3,860,458</b>
<b>Total comprehensive income for the year</b>		<b>18,951,785</b>	<b>3,860,458</b>

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Statement of Changes in Equity

Figures in Rand	Note	Accumulated surplus	Total equity
Opening balance as previously reported		40,116,691	40,116,691
Adjustments			
Prior period restatement		20,779,296	20,779,296
<b>Restated* Balance at 01 January 2022 as restated</b>		<b>60,895,987</b>	<b>60,895,987</b>
Surplus for the year		3,860,458	3,860,458
<b>Total comprehensive income for the year</b>		<b>3,860,458</b>	<b>3,860,458</b>
<b>Restated* Balance at 01 January 2023</b>		<b>64,756,445</b>	<b>64,756,445</b>
Surplus for the year		18,951,785	18,951,785
<b>Total comprehensive income for the year</b>		<b>18,951,785</b>	<b>18,951,785</b>
<b>Balance at 31 December 2023</b>		<b>83,708,230</b>	<b>83,708,230</b>

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Statement of Cash Flows

Figures in Rand	Notes	2023	2022 Restated *
<b>Cash flows from operating activities</b>			
Cash receipts from customers		54,983,579	55,798,413
Cash paid to suppliers and employees		(68,261,725)	(52,821,284)
Cash (used in) generated from operations	17	(12,991,050)	2,977,129
Interest income		13,255,131	8,599,345
Finance costs		(2,362)	(2,325)
<b>Net cash from/(in) operating activities</b>		<b>261,719</b>	<b>11,574,149</b>
<b>Cash flows from/(in) investing activities</b>			
Purchase of property, plant and equipment	2	(550,375)	(333,853)
Proceeds from sale of property, plant and equipment	2	24,835	82,936
Cash receipts on repayments of loans to related organisation		7,142	-
<b>Net cash from/(in) investing activities</b>		<b>(518,398)</b>	<b>(250,917)</b>
<b>Cash flows from financing activities</b>			
Movement in provisions		885,009	1,144,568
<b>Total cash movement for the year</b>		<b>628,330</b>	<b>12,467,800</b>
Cash and cash equivalents at the beginning of the year		162,860,960	150,393,160
<b>Total cash at end of the year</b>	5	<b>163,489,290</b>	<b>162,860,960</b>

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# Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The audited annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The audited annual financial statements 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. The audited annual financial statements 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:

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

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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 surplus or deficit 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 surplus or deficit when the item is derecognised.

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# Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

## Accounting Policies

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### 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 as follows:

Item	Depreciation method	Average useful life
Computer Software	Straight line	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.

### 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 surplus or deficit) 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 short term 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.

#### Other financial liabilities

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 Payable

Debt instruments are defined in the standard are subsequently measured at amortised cost using the 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.

#### Legal Practice Council

The Legal Practice Council 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.

### 1.4 Leases

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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.

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

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Accounting Policies

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#### 1.5 Impairment of assets

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 surplus or deficit.

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.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### 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 surplus or deficit, 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.

#### 1.10 Project grants/Special Projects

Grant income is considered financial assistance by legal institution in the form of transfer of resources/funds to Law Society of South Africa, in return for compliance with certain conditions relating to the operating activities of the entity for a specific program/and or project. There will be an agreement between Law Society of South Africa and the Funder to perform certain projects with set terms and conditions.

Any contributions not utilised for a specific project in the current year is deferred and recognised as income over the period which the contribution is utilised for that project. The contribution not utilised will be classified as deferred grant income and measured as a current liability.

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand

2023

2022  
Restated \*

#### 2. Property, plant and equipment

	2023			2022		
	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	(1,886,366)	5,986,074	7,872,440	(1,728,917)	6,143,523
Furniture and fixtures	1,411,391	(910,264)	501,127	2,048,441	(1,678,032)	370,409
IT equipment	3,530,003	(2,713,640)	816,363	3,816,106	(3,180,389)	635,717
<b>Total</b>	<b>14,141,394</b>	<b>(5,510,270)</b>	<b>8,631,124</b>	<b>15,064,547</b>	<b>(6,587,338)</b>	<b>8,477,209</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Prior period error	Depreciation	Closing balance
Land	1,327,560	-	-	-	-	1,327,560
Buildings	6,143,523	-	-	-	(157,449)	5,986,074
Furniture and fixtures	370,409	230,383	(1,148)	(52,823)	(45,694)	501,127
IT equipment	635,717	319,992	(23,687)	(220,170)	104,511	816,363
	<b>8,477,209</b>	<b>550,375</b>	<b>(24,835)</b>	<b>(272,993)</b>	<b>(98,632)</b>	<b>8,631,124</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	1,327,560	-	-	-	1,327,560
Buildings	6,300,972	-	-	(157,449)	6,143,523
Furniture and fixtures	650,527	61,812	(1,434)	(340,496)	370,409
IT equipment	1,503,544	272,041	(81,502)	(1,058,366)	635,717
	<b>9,782,603</b>	<b>333,853</b>	<b>(82,936)</b>	<b>(1,556,311)</b>	<b>8,477,209</b>

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand 2023 2022

#### 3. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Computer software	82,501	(77,624)	4,877	82,501	(68,235)	14,266

#### Reconciliation of intangible assets - 2023

Computer software	Opening balance	Prior period error	Amortisation	Closing balance
	14,266	(14,003)	4,614	4,877

#### Reconciliation of intangible assets - 2022

Computer software	Opening balance	Amortisation	Closing balance
	22,523	(8,257)	14,266

#### 4. Trade and other receivables

Deposits	212,126	212,126
Other receivable	580,031	286,896
Prepayments	1,241,878	1,722,332
Provision for bad debt	(1,198,461)	(1,092,400)
Sundry debtors	-	143,432
Trade receivables	4,605,957	4,283,570
VAT	88,037	112,492
	<u>5,529,568</u>	<u>5,668,448</u>

#### 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	22,000	15,184
Bank balances	163,467,290	162,845,776
	<u>163,489,290</u>	<u>162,860,960</u>

In order to maximise interest received, funds are held in call accounts and linked money market account 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

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand

2023

2022

#### 6. Provisions

##### Reconciliation of provisions - 2023

	Opening balance	Additions	Closing balance
Schools projects	6,514,549	633,447	7,147,996
Restructuring	10,835,843	251,562	11,087,405
	<b>17,350,392</b>	<b>885,009</b>	<b>18,235,401</b>

##### Reconciliation of provision - 2022

	Opening balance	Additions	Closing balance
Schools projects	2,232,300	4,282,249	6,514,549
Restructuring	9,361,835	1,474,008	10,835,843
	<b>11,594,135</b>	<b>5,756,257</b>	<b>17,350,392</b>

Non-current liability	11,087,405	10,835,843
Current liability	7,147,996	6,514,549
	<b>18,235,401</b>	<b>17,350,392</b>

#### 7. Trade and other payables

Accruals for payroll taxes	1,277,341	-
Accrued leave pay	2,008,377	2,337,357
Legal Practice Council Funds Account	-	8,912,449
Revenue received in advance	16,829,427	17,801,370
Trade payables	4,341,304	14,051,709
	<b>24,456,449</b>	<b>43,102,885</b>

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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#### 8. Special projects

##### Reconciliation of special projects - 2023

	Opening balance	Utilised during the year	Closing balance
Provincial Law Societies Project Funds	50,000,000	(191,701)	49,808,299

##### Reconciliation of special projects - 2022

	Opening balance	Utilised during the years	Closing balance
BRICS Project and Sponsorship	386,366	(386,366)	-
Competition Commission	413,279	(413,279)	-
LEAD Project Account	14,149,510	(14,149,510)	-
Practical Vocational Training	2,280,404	(2,280,404)	-
Provincial Law Societies Project Funds	50,000,000	-	50,000,000
SADCLA Project	521,935	(521,935)	-
SASSETA Project	1,334,230	(1,334,230)	-
Schools	1,693,573	(1,693,573)	-
	<b>70,779,297</b>	<b>(20,779,297)</b>	<b>50,000,000</b>

#### 9. Financial assistance

##### At amortised cost

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

At amortised cost	2,308,603	2,308,603
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##### Financial assistance

In prior years the Legal Practitioners Fidelity Fund (LPFF) provided funds to the Law Society of South Africa to enable it to provide loans to law graduates for the payments of fees for the Society's PVT Schools. These loans are not included in trade receivables and other receivables fair values of the financial liabilities were determined.

As at 31 December 2023 the loans unpaid by law graduates which are subject to impairment amounted to	123,795	277,620
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#### 10. Loans to related organisations

SADC Lawyers Association This loan is unsecured, bears no interest and will be repaid through annual Subscription fees.	788,084	795,226
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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>11. Revenue</b>		
Advertising - De Rebus	919,079	1,175,447
Bad debts recovered	-	246,783
Business development	12,744,185	9,256,926
De Rebus subscriptions	45,850	29,565
Diplomas and certificates	1,082,464	1,544,761
Financial assistance recovered	37,363	152,717
PVT course fees	10,770,548	10,647,186
PVT school fees	27,717,958	30,353,650
Practice management	3,846,044	3,894,432
Publication and other	269,718	146,504
	<b>57,433,209</b>	<b>57,447,971</b>
<b>12. Other income</b>		
Legal Practice Council	48,034,794	42,309,896
Selling of documentation	3,008,455	3,023,140
Sundry income	11,219,573	5,341,016
Discount allowed	(1,041,973)	(942,669)
	<b>61,220,849</b>	<b>49,731,383</b>
<b>13. Operating expenditure</b>		
Operating expenditure include the following expenses:		
Administration and management fees	11,689,372	10,991,238
Amortisation	(4,614)	183
Business development	5,729,304	4,378,144
Depreciation	98,631	1,556,310
Employee cost	48,116,803	46,006,918
Examinations and training	5,663,095	4,934,473
Extraneous expenses	3,531,980	1,884,816
Governance	2,693,036	2,765,962
Other operating expenses	6,883,140	5,371,904
PVT expenses	28,992,180	34,177,802
Practice management	1,557,528	2,219,536
	<b>114,950,455</b>	<b>114,287,286</b>
Depreciation and amortisation	94,018	1,564,568
Employee costs	48,116,803	46,006,918
<b>14. Investment revenue</b>		
Interest revenue		
Other interest	13,255,131	8,599,345
<b>15. Finance costs</b>		
Bank	2,362	2,325
<b>16. Auditor's remuneration</b>		
Fees	533,756	392,051

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>17. Cash (used in) generated from operations</b>		
Net surplus before taxation	18,951,785	2,893,746
<b>Adjustments for:</b>		
Depreciation, amortisation, impairments and reversals of impairments	94,018	384,711
Movement in provisions	(191,701)	1,963,752
(Increase) decrease in operating lease assets	(74,417)	366,040
(Increase) decrease in operating lease liabilities	(297,406)	-
Prior period errors	286,996	-
Investment income	(13,255,131)	(8,599,345)
Finance costs	2,362	2,325
<b>Changes in working capital:</b>		
(Increase) decrease in trade and other receivables	138,880	(1,370,507)
Increase (decrease) in trade and other payables	(18,646,436)	7,336,407
	<u>(12,991,050)</u>	<u>2,977,129</u>

#### 18. Commitments

##### Operating leases – as lessee (expense)

##### Minimum lease payments due

- within one year	6,039,826	6,902,363
- later than one year but not later than 5 years	707,180	5,583,049
	<u>6,747,006</u>	<u>12,485,412</u>

Operating lease payments represent rentals payable by the society for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

#### 19. Related Parties

##### Related party balances and transactions with key management personnel of the society

##### Related party balances

##### Loan accounts - Owing (to) by related parties

SADC Lawyers Association	788,084	795,226
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##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Trade payables	(4,691,355)	(3,615,017)
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##### Related party transactions

Lecturing service, Committee and Council services rendered by members of the society or their firms or constituents' member payments	10,220,035	8,096,322
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##### Compensation paid to key management

Compensation paid	<u>17,546,379</u>	<u>15,332,176</u>
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#### 20. Going concern

The annual financial statements 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.

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

Figures in Rand

2023

2022

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#### 21. Prior period restatement

##### Reclassification of special project costs recognised as provisions

During the audit, it was noted that surpluses made on certain business units were incorrectly classified as provisions (Special Projects) in the prior years. The effect of the prior year restatement on the financial statements is as summarised below.

##### Correction of reassessment of useful life of assets incorrectly recognised in the prior year.

During the audit it was noted that prior year reassessment for useful lives has to be restated as it was incorrectly calculated and journalized. The effect of the prior year restatement on the financial statements is as summarised below.

The correction of the adjustments is as follows:

##### Statement of Financial Position

Special projects provision	-	22,743,049
Increase in prepayment	-	182,818
Increase retained earnings	-	(20,779,297)
Increase in accumulated depreciation	-	(1,179,857)

##### Profit or Loss

Increase in conference expense	-	7,739
Increase in sundry income	-	(2,154,309)
Increase in depreciation	-	1,179,857

#### 22. Comparative figures

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

##### Statement of Financial Position

Trade payables	-	(4,611,689)
Provisions	-	4,611,689

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Detailed Income Statement

Figures in Rand	Notes	2023	2022 Restated *
<b>Revenue</b>			
Advertising - De Rebus		919,079	1,175,447
Bad debts recovered		-	246,783
Business development		12,744,185	9,256,926
De Rebus subscription		45,850	29,565
Certificates		1,082,464	1,544,761
Financial assistance recovered		37,363	152,717
PVT course fees		10,770,548	10,647,186
PVT school fees		27,717,958	30,353,650
Practice management		3,846,044	3,894,432
Publication and other		269,718	146,504
	11	<b>57,433,209</b>	<b>57,447,971</b>
<b>Other income</b>			
Legal Practice Council		48,034,794	42,309,896
Selling of documentation		3,008,455	3,023,140
Sundry income		11,219,573	5,341,016
Discount allowed		(1,041,973)	(942,669)
		<b>61,220,849</b>	<b>49,731,383</b>
<b>Expenses (Refer to page 23)</b>		<b>(112,955,042)</b>	<b>(111,915,916)</b>
<b>Operating surplus (loss)</b>		<b>5,699,016</b>	<b>(4,736,562)</b>
Investment income	14	13,255,131	8,599,345
Finance costs	15	(2,362)	(2,325)
		<b>13,252,769</b>	<b>8,597,020</b>
<b>Surplus for the year</b>		<b>18,951,785</b>	<b>3,860,458</b>

## Law Society of South Africa

(Registration number: 021-221-NPO)

Annual Financial Statements for the year ended 31 December 2023

### Detailed Income Statement

Figures in Rand	Notes	2023	2022 Restated *
<b>Operating expenses</b>			
Administration and management fees		(11,689,337)	(10,991,238)
Advertising		(391,847)	(447,652)
Auditors remuneration	16	(533,756)	(392,051)
Bad debts		(905,218)	(504,719)
Bank charges		(234,023)	(274,313)
Business development		(5,729,355)	(4,378,144)
Committees		(540,847)	(578,560)
Consulting and professional fees - accounting		(47,756)	(26,942)
Correspondence - courses		(436,132)	(260,571)
De Rebus postage		-	(25,558)
De Rebus magazine printing		(121,656)	(100,365)
Depreciation and amortisation		(94,018)	(1,564,568)
E - learning		(641,227)	(455,018)
Employee costs		(48,116,803)	(46,006,918)
Examinations		(4,105,567)	(2,714,937)
Extraneous expenses - LSSA		(3,531,980)	(1,884,816)
General activities		(2,592,717)	(1,834,905)
Governance LSSA		(2,693,036)	(2,765,962)
Other publication cost - De Rebus		(54,174)	(97,370)
PVT course material and production		(604,050)	(674,243)
PVT courses		(5,943,823)	(8,016,093)
PVT schools		(22,390,192)	(25,701,437)
Practice management		(1,557,528)	(2,219,536)
		<u>(112,955,042)</u>	<u>(111,915,916)</u>

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Financial Statements for the year ended 31 December 2023

### Segment report - Legal Education Funding

Figures in Rand	2023
<b>Revenue</b>	
Advertising - De Rebus	919,079
De Rebus subscription	45,850
Certificates	1,082,464
PVT course fees	10,770,548
PVT school fees	27,717,958
Practice management	3,846,044
Publication and other	269,718
	<b>44,651,661</b>
<b>Other Income</b>	
Legal Practice Council	48,034,794
Sundry income	2,103,699
	<b>50,138,493</b>
<b>Expenses (Refer to page 25)</b>	<b>(93,071,110)</b>
<b>Operating surplus (loss)</b>	<b>1,719,044</b>
Investment income	179,322
Finance costs	(218)
	<b>179,104</b>
<b>Surplus for the year</b>	<b>1,898,148</b>

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## Law Society of South Africa

(Registration number: 021-221-NPO)

Financial Statements for the year ended 31 December 2023

### Segment report - Legal Education Funding

Figures in Rand	2023
<b>Operating expenses</b>	
Administration and management fees	(23,193,425)
Auditors remuneration	(445,500)
Bad debts	(905,218)
Bank charges	(94,057)
Commission paid - De Rebus	(111,497)
Committees	(105,000)
Correspondence - courses	(38,552)
De Rebus magazine printing	(121,656)
E - learning	(641,227)
Employee costs	(31,492,012)
Examinations	(4,105,567)
General activities	(1,473,530)
Other publication cost - De Rebus	(54,174)
PVT course material and production	(398,152)
PVT courses	(5,943,823)
PVT schools	(22,390,192)
Practice management cost	(1,557,528)
	<u>(93,071,110)</u>