

High Court declares SIU authorisation to investigate Telkom 'invalid'

The Special Investigating Unit (SIU) says it is considering its legal options following a High Court judgement which declared as invalid the unit's authorisation to investigate the affairs of Telkom.



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The unit was authorised through a proclamation by President Cyril Ramaphosa to investigate allegations of “serious maladministration, malpractice, and possible corruption” in the affairs of the telecommunications company.

According to the unit, the court’s Gauteng Division in Pretoria found that Telkom is not a state institution and therefore, the SIU could not probe its affairs.

“The SIU has studied the judgment and is considering legal options available to it to clarify what constitutes a state institution. The judgment has considered the question of what constitutes a State Institution.

“In terms of the Special Investigating Units and Special Tribunals Act 74 Of 1996, the SIU is empowered to investigate

allegations of corruption and maladministration in the affairs of state institutions like government departments, municipalities, and state-owned entities; to recover financial losses suffered by the state and prevent further losses,” the unit said.

The SIU added that clarification is needed by the courts to thrash out what a state institution is.

Currently, government directly holds a 40.5% shareholding in Telkom with a further 15.3% shareholding through the Public Investment Corporation.

“Considering the judgement, the SIU is of the view that a clarification on what constitutes a state institution is important and will further strengthen the work of the SIU in rooting out corruption and maladministration in the administration of all state institutions.

“We further believe that there are grounds justifying an appeal and that the issue of the ‘state institution’ must be decided and settled by a higher court. If this is not clarified, it may create an unwelcomed precedent that some public institutions may inadvertently be shielded from investigation by the SIU,” the unit said.

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