

Bill paves ways for legal service for small enterprises

Government has gazetted the National Small Enterprise Amendment Bill 2020 in an effort to provide an ombud service that will assist small enterprises with legal issues.



Image source: Getty Images

“Despite the critical role of small businesses in the economy and development objectives of South Africa, the Small, Medium and Micro Enterprise (SMME) sector remains vulnerable to exploitation and unable to utilise available legal remedies due to the prohibitive costs,” the Department of Small Business Development said.

On Friday, Minister of Small Business Development, Khumbudzo Ntshavheni, announced the gazetting of the National Small Enterprise Amendment Bill 2020.

The Draft Bill is intended to amend the National Small Enterprise Act, 1996 (Act No 26 of 1996) in order to improve access to justice for small businesses.

“The Bill will further provide for the establishment of the office of the Small Enterprise Ombud Service as part of rationalising

support functions to the Minister,” the department said.

The Ombud service will become a vital legal instrument to enforce SMME contracts and resolve business-to-business disputes, as well as considering and disposing of complaints by small enterprises in relation to the interpretation of the terms of agreement for procurement of goods, services or late and non-payment of amounts due and payable to small enterprises.

“The Bill will further assist with handling complaints in a procedurally fair, economical and expeditious manner and by reference to what is equitable in all the circumstances, with due regard to the contractual arrangement or other legal relationship between the complainant and any other party to the complaint,” the department said.

In addition, the Bill will serve as a guide to make recommendations to the Minister for Small Business Development to declare, by notice in the Gazette, rights of small enterprises including unfair trading practices that prohibit certain practices related to small enterprises.

Additional information on the bill can be accessed on www.dsbd.gov.za; www.sefa.org.za; www.seda.org.za and www.mybindu.org.za.

Alternatively, SMMEs may get in contact with the department by sending an e-mail with an enquiry to info@dsbd.gov.za or call 086 667 7867.

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