



**FRONTLINE AFRICA**  
— **ADVISORY** —

# **LEGISLATIVE AND REGULATORY REPORT**

**MARCH  
2026**

## Macro Overview

- March saw Parliament reaffirm its role as the central forum shaping South Africa's legislative and regulatory trajectory, with significant implications for sectoral players. The parliamentary programme was characterised by deliberations on the 2026 Fiscal Framework and Revenue Proposals, targeted legislation such as the South African National Water Resources Infrastructure Agency SOC Limited Amendment Bill (2025), and an intensive schedule of portfolio and select committee engagements spanning economic and social sectors.
- For corporate and sectoral actors, Parliament is more than a legislative processor; it is actively signalling regulatory intent, testing policy positions, and shaping implementation priorities.
- The depth and breadth of committee activity underscore that influence is concentrated not only in plenary votes but in the granular technical work where policy is refined, contested, and operationalised.

## Parliament's Power Over Taxes Affirmed



- On 5 March, the High Court in Cape Town declared section 7(4) of the Value-Added Tax Act unconstitutional – a provision that allows the Minister of Finance to announce a change to the VAT rate in the Budget, with the new rate taking effect before Parliament passes legislation confirming it.
- The ruling vindicated an important constitutional principle: that the power to impose, reduce or abolish national taxes resides in Parliament and may not be delegated to the executive in a manner that bypasses the money-bill procedure.
- The declaration of invalidity was suspended for 24 months to allow Parliament to remedy the defect, and the order was referred to the Constitutional Court for confirmation.
- The judgment reaffirms that taxation is a core legislative function of Parliament and it cannot be by-passed by the Executive. In that way, it ensures transparency and accountability in proposed taxes and opens up their rationale to public scrutiny, which is the hallmark of policy/law making in South Africa.
- Subsequently, the EFF has lodged supplementary court papers in its ongoing review application against the National Treasury and Minister of Finance's power to increase the fuel levy under the Customs and Excise Act, without parliamentary approval.
- If the court rules in favour of the EFF, it would fundamentally overhaul South Africa's tax regime by forcing every future tax proposal to go through the full money-bill procedure in Parliament before it can take effect.

## Regulatory Direction Anchored in Fiscal and Legislative Processes

- The adoption of the 2026 Fiscal Framework represents the most consequential parliamentary development this month. It establishes parameters for taxation, public expenditure, and sectoral prioritisation. Committees such as Finance and Appropriations have reinforced a policy posture focused on fiscal consolidation, infrastructure investment, and enhanced revenue collection.
- For sectoral players, this produces a relatively stable macro-fiscal outlook, yet one increasingly shaped by parliamentary negotiation and oversight. Structured committee engagement provides opportunities for stakeholders to influence outcomes, particularly for sectors reliant on public spending and incentives. Parliamentary deliberations can materially affect:
  - Infrastructure funding flows
  - Sector-specific allocations and incentives
  - Conditions attached to public expenditure

## Committee System as the Primary Interface for Sectoral Influence

- Portfolio and Select committees remain the primary platforms through which sectoral actors can meaningfully influence legislation. In March, over 30 committee meetings demonstrated Parliament's active oversight and policy-shaping function across key economic and social sectors.
- Engagement at this level enables stakeholders to:
  - Monitor the development of technical regulatory frameworks
  - Provide evidence-based input into sector-specific legislation
  - Anticipate and mitigate operational or compliance risks



## Portfolio Committee on Health: Balanced Law Making

- Following engagements with the Department of Health on stakeholder inputs on the Tobacco Products and Electronic Delivery Systems Control Bill, the Portfolio Committee on Health has maintained a strong focus on ensuring balanced regulatory framework for tobacco control, with Committee Chairperson Honourable Faith Muthambi summing up members of the Committee's views by emphasising:
  - The need to protect minors and public health, whilst not endangering livelihoods and the economy.



- The importance of implementable, enforceable, and legally sound measures underpinned by risk-based frameworks to combat illicit trade.
- The necessity of monitoring and enforcement structures anchored in government agencies, rather than private intermediaries.
- The Committee is due to deliberate on the “Motion of Desirability” and conduct clause-by-clause discussions. Matters that are expected to take centre stage include: definitions of combustible and non-combustible products, the role of tobacco alternatives in tobacco control, plain packaging, proposed penalties, and the establishment of a track-and-trace system to curb illicit tobacco trade.
- For sectoral actors in healthcare and tobacco, these developments signal a committee that is willing to listen to both sides and in the main be guided by local socioeconomic considerations, including employment, taxation, and market dynamics than be pressured by international organisations.

## Portfolio Committee on Trade, Industry and Competition: Industrial Policy, Liquor Regulation, and Market Oversight



- The Portfolio Committee on Trade, Industry and Competition held deliberations on the Liquor Amendment Bill (EFF’s Private Members’ Bill), which proposes restrictions on alcohol advertising, promotions, sponsorships, and product placement to address alcohol-related harm.
- Key outcomes from deliberations include:
  - Drawing from the success of tobacco control policies in reducing smoking rates and positioning advertising bans as a legitimate and effective public health intervention.
- It is argued that advertising and sponsorship restrictions will reduce alcohol visibility, particularly for younger audiences.
- Regulatory scrutiny should be balanced with economic and social considerations, given the sector’s contribution to the GDP, sponsorship for sports and cultural events.
- Potential unintended consequences, such as expansion of illicit markets, highlight the need for enforceable, operationally feasible frameworks.
- For players in the alcohol sector, the trajectory emphasises integrating public health considerations, compliance mechanisms, and market adaptation strategies into operational and strategic planning.

## Oversight over the Presidency

- Ms Dorris Mpapane (ANC) was elected chairperson of the Committee on the Presidency. The Oversight Committee was formed after years of lobbying from the opposition, which argued that a lack of a mechanism to subject to the President to structured parliamentary oversight shielded the office from accountability and transparency.
- Unlike other state departments, the Director-General in the Presidency did not have to report directly to a Parliamentary oversight committee.
- The 16-member committee, comprising members from the major political parties and alternates from smaller parties, is set to map out the agenda for their work in early April.
- The Oversight Committee on the Presidency is significant because it fills a long-standing gap in South Africa’s democratic checks and balances by giving Parliament direct authority to scrutinise the Presidency’s budget, administration, and operations.



## Other Committees: Cross-Sector Regulatory Signals

- Other parliamentary committees also issued important sector-specific signals this month:
  - **Communications and Digital Technologies:** Expansion of digital platform oversight and content regulation, indicating a growing regulatory footprint in the digital economy.
  - **Transport and Public Accounts:** Scrutiny of public transport and logistics entities highlights operational and governance risks affecting supply chains.
  - **Agriculture:** Briefings on biosecurity and disease outbreaks, such as foot-and-mouth disease, underscore compliance and risk management imperatives.
  - **Water and Sanitation/Public Infrastructure:** Engagements on water resource management and infrastructure grants highlight the urgency of reforms in critical service delivery areas.
- Collectively, these engagements illustrate the increasing sector-specificity of regulatory risk, underscoring the need for targeted committee-level monitoring and strategic engagement.

## Table 1: Legislative Measures and Industry Impacts

Bill Name	Proposed Measure	Impact on Relevant Industry Players
<b>South African National Water Resources Infrastructure Agency SOC Limited Amendment Bill (2025)</b>	Centralises water infrastructure delivery and governance	Water-intensive sectors (agriculture, mining, manufacturing) may experience: restructuring of access/licensing, new PPP opportunities, and adjustments in operational planning
<b>Control of Tobacco Bill</b>	Regulation of smoking, advertising, packaging, and electronic delivery systems; plain packaging; track-and-trace for illicit trade	Tobacco and healthcare sectors face stricter compliance requirements, potential market restructuring, and operational adjustments to address public health mandates
<b>Liquor Amendment Bill (PMB)</b>	Restrictions on alcohol advertising, promotions, sponsorships, and product placement	Alcohol sector players must integrate compliance measures, anticipate sponsorship revenue losses, adapt marketing strategies, and manage potential illicit market shifts
<b>National Health Insurance (NHI) Implementation</b>	Ministerial briefings, ongoing litigation, and operational directives for health sector reform	Healthcare providers and insurers must prepare for structural and funding changes, increased regulatory oversight, and potential realignment of service delivery models
<b>Division of Revenue and Appropriations Bills</b>	Fiscal allocations and public spending priorities	All sectors reliant on government incentives, grants, or infrastructure funding must adjust planning, monitor allocation changes, and prepare for conditional compliance requirements

## Oversight and Accountability: Increasing Scrutiny on Implementation

- A central theme across committees is heightened oversight of government departments and state-owned entities. Briefings on operational and financial performance continue to reveal governance challenges, producing a dual dynamic for sectoral actors:
  - Positive: Stronger oversight signals commitment to governance and accountability.
  - Negative: Exposure of institutional weaknesses highlights operational risks, particularly in energy, logistics, and water infrastructure.
- Committee outputs should be treated as early-warning indicators for regulatory and operational risk.

## National Drug Master Plan (NDMP): NCOP Select Committee Engagement

- The NCOP Select Committee on Social Services received updates on the National Drug Master Plan (NDMP) from the Department of Social Development (DSD) and Central Drug Authority (CDA). Key highlights included:
  - The 7th draft of the NDMP is the culmination of extensive consultations, spanning all nine provinces, multiple government clusters, civil society, and international agencies such as UNODC and WHO.



- Supporting frameworks were developed to address previous shortcomings: a detailed implementation plan, monitoring and evaluation framework, communication strategy, and costing framework.
- The financial and performance update revealed significant overspending by the CDA and highlighted structural and governance deficiencies, including high vacancy rates, reporting ambiguities, and weak secretariat capacity.
- Committee members unanimously rejected the report presented by the DSD and CDA, due to gaps in financial accountability, governance, and tangible community-level outcomes. The Chairperson instructed the DSD Director-General to convene a special follow-up meeting to address these concerns before reconsideration.

## Strategic Implications for Sectoral Players

- 1. Prioritising Committee-Level Engagement:** The prominence of committees, particularly Health and Trade, Industry and Competition, underscores the need for direct engagement at the technical level.
- 2. Proactive Positioning in Regulatory Processes:** Sector-specific developments require targeted engagement beyond generic policy monitoring.
- 3. Integrating Compliance, Public Health, and ESG Considerations:** Trends point to heightened intervention across healthcare, alcohol, and environmental markets.
- 4. Leveraging Parliamentary Processes for Influence:** Public hearings, submissions, and stakeholder engagements remain critical opportunities to shape outcomes.
- 5. Using Oversight Outputs as Risk Intelligence:** Committee reports and oversight findings should be incorporated into corporate risk management and strategic planning.

## Conclusion: Parliament as the Nexus of Regulatory Strategy

- March’s parliamentary programme reinforces the centrality of Parliament, particularly its committee system, in shaping South Africa’s regulatory environment. Sector-specific developments in healthcare, tobacco, and alcohol illustrate that detailed, technical committee engagements are the locus of active policy formation and contestation.
- For sectoral players, effective navigation of the operating environment now requires sustained, informed engagement with parliamentary processes. Organisations that view Parliament as a strategic platform for influence - rather than a site of compliance - will be best positioned to anticipate regulatory change, mitigate risk, and seize opportunities.

## Table 2: Risk Matrix – March 2026 Legislative Developments

Legend for Risk Levels:

- **High:** Significant potential for regulatory intervention, operational disruption, or market impact
- **Medium:** Noticeable effect; mitigation strategies required
- **Low:** Minimal immediate impact; monitor for developments

Sector / Bill	Regulatory Risk	Operational Risk	Market / Financial Risk	Overall Risk Level
Water-intensive sectors / Water Resources Bill	Medium	Medium	Medium	Medium
Control of Tobacco Bill	High	Medium	Medium	High
Liquor Amendment Bill	High	Medium	High	High
Healthcare / NHI Implementation	Medium	High	Medium	High
All sectors / Division of Revenue & Appropriations Bills	Medium	Medium	Medium	Medium

**END**