

Press Release

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South African Institute of Race Relations
The power of ideas

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What steps are investment firms taking to manage EWC risks, and keep clients advised? – IRR

The Institute of Race Relations (IRR) will this week launch an open-letter campaign to put to investment management firms and other such entities one important question relating to the government's plans to enable expropriation without compensation (EWC), and the risks of such policies.

The question is: What advice are you giving to clients on the significant risks to investments posed by EWC becoming government policy, and what steps are you taking to manage these risks?

EWC will have enormous consequences for South Africa, economically and financially, with asset values being affected across the board. Ordinary South Africans will be vulnerable to the most severe financial shocks and losses, and concern over the security of their investments is mounting. Institutions trusted by South Africans with their hard-earned investments and savings have an obligation to give honest answers to the vital questions on the effects of EWC on the wealth and financial hopes of millions of South Africans.

“The destruction of property rights in South Africa through EWC will have severe consequences,” says Hermann Pretorius, IRR Campaigns Manager. “Corporate South Africa cannot remain on the fence. Institutions that have built their reputation on being on the side of ordinary South Africans must now live up to that. Banks, insurers, and investments firms

and similar institutions cannot sit on the side-lines while their clients are left to fend for themselves against a state bent on increasing its power at the expense of what people have earned through hard work.”

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