

MEDIA RELEASE

The PIC is not collaborating with AYO regarding CIPC Compliance Notice

PRETORIA – 10 March 2019: The Public Investment Corporation (PIC) wishes to set the record straight in relation to a misleading article published by the Sunday Independent and repeated in other media platforms such as Sunday Tribune and the Independent On-Line on 10 March 2019. Titled, “CIPC, PIC butt heads over Ayo”, “Ayo, PIC fight compliance order” and “PIC, AYO seek to interdict CIPC”, the titles and contents of the articles are couched in a manner that suggests that the PIC is collaborating with Ayo Technology (Ayo) in opposing the Compliance Notice issued by the Companies and Intellectual Property Commission (CIPC) against the PIC directors, directing them to recover funds invested in Ayo.

It is a matter of fact that the PIC has made Application to the North Gauteng High Court in relation to the Compliance Notice issued against it by the CIPC. Ayo is not party to the PIC Application. Contrary to what the articles suggest, we outline the following facts:

1. Both the PIC and CIPC are aligned in terms of the need for PIC to recover any losses it may have suffered in relation to its investment in AYO;
2. PIC and CIPC agree that the deadline set by CIPC in its Compliance Notice, which ends on 14 March 2019, does not give PIC sufficient time within which to undertake the necessary legal steps to implement the recovery of any losses it may have suffered in relation to the AYO Transaction (Recovery Process);
3. PIC's view is that the law does not allow CIPC to amend its own notice to provide for a more realistic deadline. Once issued by CIPC, the Compliance Notice may only be set aside, suspended or amended by the Tribunal or a Court of law; and
4. The correct circumstances are that by the time the CIPC issued its Compliance Notice on 21 February 2019, the PIC, together with its attorneys of record Gwina Attorneys Inc, and its Counsel, were already working on the Recovery Process (a process which they are still engaged with);

The PIC Application was accordingly launched to set aside (or suspend the operation of) the Compliance Notice to ensure that PIC is not in breach of the Compliance Notice as at 14 March 2019. The PIC was also concerned that the Compliance Notice had been issued on the basis of inaccurate information at the disposal of the CIPC. In particular, CIPC had made certain statements in its Compliance Notice about the role of the PIC board in relation to the AYO transaction, which fell within the purview of PIC management in terms of the delegation of authority. In addition to avoiding a breach of the 14 March deadline by the PIC, setting aside, or suspending, the Compliance Notice will also allow CIPC an opportunity to collate accurate facts about the process followed by PIC in relation to the AYO transaction, having regard to the fact that the AYO Transaction is subject of ongoing investigation by PIC, the Commission of Inquiry into the PIC.

AYO served PIC with its own Application on 08 March 2019, in which it advances different reasons for opposing the Compliance Notice. For the record, the PIC does not support the AYO Application and is not collaborating with AYO in any shape or form. Any suggestion to the contrary is mischievous and uncalled for. PIC reserves its rights in this regard.

End.../

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