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PUBLISHED BY AUTHORITY
SUPPLEMENT TO
THE
SOUTH AFRICAN GOVERNMENT CASSETTE EXTRAORDINARY

[Text continues on following pages]
MEMORANDUM OF OBJECTS AND REASONS

The purpose of this Bill is to amend the Compulsory Motor Vehicle Insurance Order, 1973 in order to introduce an insurance levy on fuel imported for use in motor vehicles. The proceeds of the levy will form a fund to cater for the payment of compensation for loss or damage arising out of the use of motor vehicles so that with effect from the 1st January, 1988, no person shall be required to pay motor vehicle insurance against third-party personal injury risks except indirectly through the levy on fuel as provided for in this Bill.

D.P. MAKANZA
Attorney-General

A BILL
entitled

An Act to amend the Compulsory Motor Vehicle Insurance Order, 1973 so as to impose a levy on fuel intended for use in motor-vehicles for the purpose of establishing a fund for the payment of compensation in respect of loss or damage arising from the use of such motor-vehicles and to provide for other matters incidental thereto.

ENACTED by the King and the Parliament of Swaziland.

Short title.

1. This Act may be cited as the Compulsory Motor Vehicle Insurance (Amendment) Act, 1987, shall be read as one with the Compulsory Motor Vehicle Insurance Order, 1973 (hereinafter referred to as “the Order”) and shall come into operation on such date (hereinafter referred to as “the effective date”) as the Minister may, by notice in the Gazette, appoint.

Amendment of section 2.

2. Section 2 of the Order is amended by inserting the following definitions in their proper alphabetical order—
   “fuel” means petrol or diesel intended for use in motor-vehicles;
   “insurance levy” means the levy imposed by the Minister under section 33 and payable under this Act.

Addition of sections 33 to 37.

3. The Order is amended by adding immediately after section 32 the following new sections—
"Imposition of motor vehicle accidents levy on fuel.

33. Notwithstanding section 7 of this Order and any premium of insurance payable or already paid thereunder, the Minister may impose a motor vehicle accidents levy on fuel and the levy shall be of such amount as he may, by notice in the Gazette, determine.

Liability to pay levy.

34. Every person who imports fuel from any place outside Swaziland shall pay the levy imposed under section 33 at the time of such importation or at such other time, whether before or after such importation, as the Minister may prescribe and the Minister may prescribe the manner of making such payment and of the collection of the levy.

Purpose of insurance levy.

35. (1) The levy collected under this Order shall become public moneys and shall be used for the purpose of compensating any person for any loss or damage suffered by a third party as a result of—

(a) any bodily injury to himself;
(b) the death of or bodily injury to any other person in either case caused by or arising out of the use of a motor vehicle by any person within Swaziland, if the injury or death is due to the negligence or other unlawful act of the person who drove the motor vehicle or of the owner of the motor vehicle or his servant in the execution of his duty.

(2) The provisions of subsection (1) shall also apply in respect of loss or damage resulting from or arising out of the use of a motor vehicle in such other place outside Swaziland as the Minister may prescribe if the motor vehicle is registered in Swaziland under the Road Traffic Act, 1965.

Administration and management of the levy.

36. The Minister may enter into an agreement or make such other arrangements with the Swaziland Royal Insurance Corporation established by the Swaziland Royal Insurance Corporation Order, 1973 or with any other person for the purpose of administering and managing the levy.

Offences.

37. A person who fails to pay a levy under this Order or in accordance with the Regulations made thereunder shall be guilty of an offence and on conviction shall be liable to a fine of E5,000 or to imprisonment for two years or to both such fine and imprisonment.

Transitional and savings.

38. Notwithstanding any other provisions of this Order—

(a) Any insurance of a motor vehicle under this Order in force on the effective date, shall continue to be valid and in force until the 31st December, 1987.
b) on and after the 1st January, 1988 no person shall be required to insure a motor vehicle except in terms of the provisions of this Order which come into operation on the effective date;

c) this Order shall continue to apply with reference to a claim for compensation and to the liability for compensation arising between the effective date and the 31st December, 1987 as if the provisions which came into operation on the effective date had not been enacted;

d) on and after the 1st January, 1988 all claims for compensation in respect of loss or damage referred to in section 35 shall be made to the Swaziland Royal Insurance Corporation or to any other person authorised by the Minister for that purpose and shall be paid out of the proceeds of the levy collected under this Order but nothing in this paragraph per se shall be construed as imposing any liability upon the Corporation or such other person, other than the Government, to pay compensation under this Order.”