

OPINION 

Grounding ‘butterflies’ so change can take flight

Comfort is good, but lighting other candles is enriching

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BY BERT CHANETSA



Ponte City in Hillbrow - the author found it inspiring and energising to be in Johannesburg during the transition to democracy.

Image: Sanet Oberholzer

Gordon Gecko said “greed is good” in the movie *Wall Street*. I say change is good. It has influenced my professional journey and has had an enriching effect on my career. Now, as a coach and capacity builder, in the words of an African proverb, I am “lighting other candles”.

I started my career with a small law firm north of the Limpopo. Initially I saw myself blissfully spending my entire career there. But then I was presented with an opportunity to experience the law in a different country and system. “The workload is considerable, but not unachievable,” were the scary words my US mentor wrote to me. With much trepidation and a measure of excitement, I went to the US.

I fulfilled the work and study commitments of my scholarship, which culminated in my admission to the Illinois bar. That was the beginning of my lifelong love affair with change that had me living in Australia, then Canada, and stopping off in many places along the way. Though with each change of direction “butterflies ” would torment me, my challenge was to overcome them.

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By the time I landed at Johannesburg's then Jan Smuts Airport on August 4 1992 I was a banker. I had accepted an offer to join the corporate finance team of a local merchant bank.

In 1992 SA was on the cusp of change. An air of dread hung over much of the country. A national strike was under way the day I arrived. Nevertheless, there was also much hope and optimism. Life was vibrant. Downtown Johannesburg was the centre of commercial life. The Carlton Hotel and the Rand Club were famous meeting places. I was soon introduced to the Market Theatre, the Yard of Ale and Kippies. On the other side of town was Hillbrow, which, among other attractions, boasted

Ponte City. Across the road from Hillbrow was Yeoville, where favourite haunts included the Tandoori restaurant and Coffee Society.

Down the road from the Mariston Hotel, where I stayed, was the Softown Jazz Club, where I savoured many class acts, including Hugh Masekela, Jonas Gwangwa and Vicky Sampson.

Corporate SA, reeling from the country's failure to “cross the Rubicon”, was awakening to its precarious position. Sanctions were biting. These were the days of the “hothouse” investment effect, rigid exchange control and the financial rand.

The JSE on Diagonal Street was flourishing. As a corporate finance practitioner, I was steeped in classic corporate finance and advisory work. A few years later, I was appointed to the standing advisory committee on company law chaired by judge Richard Goldstone, whose deputy was Mervyn King SC.

The political economic landscape was also changing. Black business and the ANC, as the government in waiting, met over a weekend in October 1993 at Mopane in the Kruger National Park. I was nominated to represent black business in interactions with the party on privatisation. The conference was marked by the release of the Mopane Declaration and the launch of the National Black Business Caucus, to which I was elected a steering committee member.



Bert Chanetsa.

Image: Supplied

The advent of BEE was signalled by the sale by Sanlam of 10% of Metropolitan to the Methold consortium of Nthato Motlana, Enos Mabuza and Dikgang Moseneke on May 13 1993. Methold became New Africa Investments Ltd (Nail) on August 23, the first major BEE transaction on the JSE.

Other notable BEE transactions followed. There was also a flurry of BEE consortia, many cobbled together to pursue similar transactions mostly structured around ring-fenced special-purpose vehicles, special voting and preference shares.

Deals continued apace. Sanlam and Old Mutual demutualised in 1998 and 1999 respectively. The latter moved its primary listing to London, only to return to SA in 2018.

I moved to a commercial bank and found myself structuring transactions in a number of countries on the continent as SA sought to establish itself as the gateway to Africa. We had to abandon our efforts to put together

project-financing package for the national electricity company in the Republic of Congo when civil war broke out in 1997.

We were structuring a financing facility for Gecamines in the Kolwezi district when the war broke out in the neighbouring Democratic Republic of the Congo. Gecamines pressed us to continue and it was kudos to the team, including the late Augustin Katumba of HBSC/Equator, that Lloyds of London agreed to provide political cover, thus enabling the facility to go ahead. Mobutu Sese Seko was deposed. Laurent Kabila became president.

I continued structuring transactions across the continent as an entrepreneur from 1999. My other line was public private partnerships. PPPs emerged as a viable channel for delivering development and closing the infrastructure gap. The UK's Public Finance Initiative was very influential in SA's PPP regulatory framework. I achieved the unique triple of being appointed transaction, financial and legal adviser on different PPP projects. A notable success we achieved as financial adviser was for the Chapman's Peak anti-rockfall infrastructure and toll road.



I joined the FSB in the throes of the global financial crisis, a time when serious shortcomings in financial services regulation came to light

In February 2009 I was appointed deputy CEO, investment institutions at the Financial Services Board (FSB). I quickly found out that regulation requires a completely different mindset to deal-making and advisory. On the other hand, experience gained from industry provided me with invaluable insights as a regulator.

I joined the FSB in the throes of the global financial crisis, a time when serious shortcomings in financial services regulation came to light. I was elected to the board of the International Organisation of Securities Commissions (Iosco) in 2010 and vice-chair of the growth and emerging markets committee in 2013. The Financial Markets Act and the Credit Rating Services Act were passed in 2012.

My contract at the FSB ended in December 2016. It was logical that my next move should be into capacity building, which I had been exposed to when I participated in the delivery of training courses at the Law Society of England and Wales from 2012 to 2014, the World Bank and IMF spring meetings in Washington DC in 2015 and the inaugural global certification programme for regulators of securities markets offered by Iosco at Harvard Law School in 2016 at Harvard.

Comfort is good, but it can be limiting. Then there is the challenge of change. Change will take you yonder. And there you will discover your true worth.

• *Chanetsa, author of 'Securities and Capital Markets Regulation in South Africa', is a global educator, coach and capacity builder in financial services regulation and practice.*

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