


WIETA

	Code Principle	Safe and Healthy Work Environment	Date	April 2016
	Subject	COID Letter of Good Standing	Internal Ref	03.02(f)
	Legal reference	Section 89 of COIDA		

Importance of obtaining COID Letters of Good Standing

The importance of obtaining COID Letters of Good Standing should not be underestimated. Construction Regulations 5 as promulgated under the Occupational Health and Safety Act, 1993 states' *"A client must ensure before any work commences on a site that every principal contractor is registered and in good standing with the compensation fund or with a licensed compensation insurer as contemplated in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993)"*

Section 89 as per the Compensation for Occupational Injuries and Diseases Act, 1993 titled Mandators and contractors states *"If a contractor fails so to register or pay any assessment, the said employees of the contractor shall be deemed to be the employees of the mandator, and the mandator shall pay the assessments in respect of those employees"*.

In accordance with above mentioned legal requirements the client for whom work is being performed could be held civilly liable for any medical and other compensation cost should they use contractors who are not registered and in good standing with the compensation fund or with a licensed compensation insurer.