



## THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

### MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

**From:** The Registrar, Supreme Court of Appeal  
**Date:** 14 May 2025  
**Status:** Immediate

***The following summary is for the benefit of the media in the reporting of this case and does not form part of the judgments of the Supreme Court of Appeal.***

*Steyn and Another v Venter and Others* (096/2024) [2025] ZASCA 59 (14 May 2025)

---

Today the Supreme Court of Appeal (SCA) handed down judgment in which it dismissed with costs an appeal against the judgment and order of the North West Division of the High Court, Mahikeng (high court).

The appellants, Mr Steyn and Ms Van der Merwe, and the first respondent, Mr Venter, are the three members of the second respondent, Hartzer & Steyn Beleggings CC (the CC). In the high court Mr Venter, on behalf of the CC, in terms of s 50 of the Close Corporations Act 69 of 1984 (CC Act), instituted action against the appellants during 2019. The action related to three claims, based upon the obligation on the appellants to repay loans to the CC, alternatively an unlawful misappropriation of the CC's funds by the appellants. The first claim involved the sale of a farm, acquired by the CC in 1999 and sold in 2009, with the proceeds paid to the appellants and/ or their representative(s) and not to the CC. The second claim pertained to rental income generated when the farm was owned by the CC and leased. The rental amounts were paid from 2001 to 2008, and were not paid to the CC, but to the appellants and/ or their representative(s). The third claim related to payments made to the appellants and/ or their representative(s) from funds belonging to the CC. The impugned payments commenced in January 2005; with the last payment made in May 2013. Each of the three claims would be subject to a different date of prescription. However, in respect of all three claims, they all arose more than three years prior to the summons being served.

The question before the SCA was whether the claims instituted by Mr Venter on behalf of the CC against the appellants have prescribed by virtue of the provisions of s 10(1), read with s 11(d) of the Prescription Act 68 of 1969 (Prescription Act). To answer this question, the SCA had to consider whether a CC has a governing body as contemplated by s 13(1)(e) of the Prescription Act, and if so, whether this subsection delayed the completion of the running of prescription against a member of the CC.

The SCA found that the fundamental nature of a CC is entrenched in the relationship between its members. The law creates a legal and ethical relationship of trust between members. Although the CC Act does not expressly use the term 'governing body' in the same way that the 2008 Companies Act does, ss 42 and 46 of the CC Act outlines the functions of the members in managing and controlling the CC and requires members to act honestly, in good faith, and in the best interests of the CC. Members owe a fiduciary duty to the CC as a separate legal entity. The implication, this Court found, is that the members collectively constitute the governing body of the CC. The SCA further held that, because of the relationship of trust between partners, the institution of litigation by one partner against another could be interpreted as a reputation of the partnership. This Court found that the undesirability of such a situation pertains equally to the members of a CC.

The SCA therefore held that if s 13(1)(e) and s 13(1)(d) of the Prescription Act delay prescription in relation to a juristic entity and a partnership respectively, there is no reason why a CC should not have the same protection. The SCA held that the purpose of s 13(1)(e) of the Prescription Act is to protect the CC from the actions of its own members and to enhance the trust relationship between them.

As a result, the SCA found that the pleas of prescription were rightly dismissed by the high court and dismissed the appeal with costs to be paid by the appellants jointly and severally, the one paying the other to be absolved.

-----