



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: 11 March 2026

Status: Immediate

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Bonatla Property Holdings v Ruitersvlei Holdings & Another (770/2024) [2026] ZASCA 26 (11 March 2026)

Today, the Supreme Court of Appeal (SCA) dismissed an appeal against the judgment of the Gauteng Division of the High Court, Johannesburg (the high court). The appeal arose from an application brought by the liquidators of Bonatla Property Holdings Ltd (Bonatla) for the winding-up of Ruitersvlei Holdings (Pty) Ltd (Ruitersvlei) on the basis that Ruitersvlei was allegedly indebted to Bonatla and unable to pay its debts. The application was opposed by Ruitersvlei and by Merchant Commercial Finance 1 (Pty) Ltd (Merchant), a secured creditor.

Bonatla alleged that it was a creditor of Ruitersvlei in respect of an interest-free loan of approximately R49 million. However, prior to liquidation, Bonatla had executed deeds of suretyship in favour of Merchant, which included cessions in *securitatem debiti* of Bonatla's loan account against Ruitersvlei as security for Ruitersvlei's indebtedness to Merchant. The high court dismissed the liquidation application, holding that Bonatla was not a creditor of Ruitersvlei and therefore lacked standing to seek its winding-up. It further held that it was not just and equitable to wind up Ruitersvlei. Bonatla appealed to the SCA.

The central issue before the SCA was whether Bonatla, having ceded its claim as security, retained legal standing as a creditor to seek the winding-up of Ruitersvlei. Bonatla contended that the cessions were security cessions and that it retained a reversionary interest in the loan account, which it argued rendered it at least a contingent or prospective creditor. The SCA held that, in liquidation proceedings, standing must be established on the cause of action pleaded in the founding affidavit. In this case, Bonatla's application was advanced on the basis of a debt allegedly due and payable directly to it. The argument that Bonatla relied on a reversionary interest arising from the cessions was raised only in reply and could not cure the absence of standing on the case as originally pleaded.

The Court further explained the legal effect of a cession in *securitatem debiti*. Although such a cession is treated as analogous to a pledge, the cedent's reversionary interest does not confer creditor status against the debtor while the secured debt remains undischarged. Until the secured debt owed to the cessionary is paid, the right to enforce the ceded claim does not revert to the cedent. As the indebtedness secured by the cessions in favour of Merchant had not been discharged, Bonatla had no enforceable claim against Ruitersvlei. Consequently, it was neither an actual, contingent, nor prospective creditor and lacked legal standing to seek Ruitersvlei's liquidation, whether on insolvency grounds or on the basis that it was just and equitable.

The SCA accordingly upheld the high court's decision and dismissed the appeal with costs, including the costs of two counsel.