



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

Date: 31 March 2010

Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

THE SOUTH AFRICAN RESERVE BANK

versus

M G KHUMALO &

MAWENZI RESOURCES AND FINANCE COMPANY (PTY) LTD

The South African Reserve Bank, the appellant, issued a notice under r 22C(1) of the Exchange Control Regulations promulgated under the Currency and Exchanges Act 9 of 1933 attaching certain assets of Mr M G Khumalo, the first respondent, and a company of which he is a director, the second respondent, whom it alleged had committed contraventions of the Exchange Control Regulations. The respondents applied to the North Gauteng High Court for an order setting aside the attachment. The high court ruled that the notice of attachment was invalid as r 22C(1) under which it had been issued was itself invalid as not being in conformity with the empowering statute.

The South African Reserve Bank appealed to the Supreme Court of Appeal which today upheld the appeal. It concluded that r 22C(1) was not invalid and that, as the validity of that regulation was the sole issue upon which the appeal fell to be

determined, the high court had erred in setting aside the notice of attachment. The appeal was therefore upheld and the order of the high court altered to one dismissing the respondent's application with costs.