



SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal

DATE 22 May 2015

STATUS Immediate

Panamo Properties v Land and Agricultural Development Bank [2015] ZASCA 70

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 Supreme Court of Appeal today upheld the decision of the Gauteng Local Division of the High Court that an agreement concluded by the Land and Agricultural Development Bank in contravention of the Land and Agricultural Development Bank Act 15 of 2002 was invalid. The Bank had advanced moneys to a property development company to purchase and develop agricultural land for the purpose of developing an urban township. The Bank, the SCA found, did not have the power to enter into a contract that was contrary to the objects of the Act, which all relate to the development of agricultural land.

Nonetheless the SCA confirmed the finding of the court a quo that the terms of the mortgage bond registered as security for the loan made to the company were such that the bond would be enforceable if the Bank successfully brought a claim for unjustified enrichment against the company.

