



## 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** 25 November 2016  
**STATUS** Immediate

*Please note that the media summary is for the benefit of the media and does not form part of the judgment.*

*Brodsky Trading 224CC v Cronimet Chrome Mining SA (39/2016) [2016]  
ZASCA 175 (25 November 2016)*

#### **Media Statement**

The SCA held that a fidelity fund certificate issued by the Estate Agency Affairs Board in terms of s 16 of the Estate Agency Affairs Act 112 of 1976 (the Act) was invalid in terms of s 16(4) and the appellant was not entitled to the payment of commission in terms of s 34A of the Act. The certificate was issued to a non-existent company which had been converted into a close corporation in terms of s 27 of the Close Corporations Act 69 of 1984, before the application was made in the name of the non-existent company, for the issue of the certificate. The High Court had erred in concluding there had been substantial compliance with the Act. The issue was one of substance and not simply nomenclature, or a misdescription in the name of the certificate holder. The objectives of the Act were not fulfilled by the issue of invalid certificates by the board, as they play a central role in ensuring that estate agents comply with its provisions. The SCA also held that the High Court was, however, correct in concluding that the appellant had failed to prove the mandate upon which it relied. The appeal was therefore dismissed.

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