

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: 25 November 2011

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.

**D J van Rheede van Oudtshoorn v Investec Bank Limited**

The Supreme Court of Appeal today dismissed an appeal by Mr van Oudtshoorn against a judgment of the North Gauteng High Court holding him liable to Investec Bank under a deed of suretyship. The appeal arose from a scheme designed to enable the participants to reduce their income tax liability. The arrangements involved the establishment of a partnership, which acquired an interest in an aeroplane with financial assistance from Investec. The intention was that during the currency of the scheme the partners would be able to take advantage of depreciation allowances in respect of the acquisition of aircraft provided in the Income Tax Act. Unfortunately the scheme's losses were greater than anticipated and the scheme collapsed. Investec sold the aircraft and sued the participants on various grounds. Mr van Oudtshoorn defended the claim against him on various grounds, but all of these were found to be without substance and his appeal failed.