



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 6 March 2018
STATUS Immediate

***Waymark Infotech v Road Traffic Management Corporation (440/2017)
[2018] ZASCA 11 (6 March 2018)***

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 an appeal against an order of the Gauteng Division of the High Court (Pretoria) that a contract for the procurement of professional services was invalid because it contravened the provisions of the Public Finance Management Act 1 of 1999. Section 66 of that Act provides that public entities, such as the Road Traffic Management Corporation, may not enter into transactions that amount to loans or guarantees or other future financial commitments without the authorization of the Minister of Finance. A contract entered into in contravention of the section is invalid in terms of s 68 of the Act.

The SCA held that a contract for the procurement of professional services, even though payment for them was to be made over a period of three years, did not amount to a 'future financial commitment' and thus did not require

authorization from the Minister. It was accordingly held to be enforceable and the service provider was entitled to claim damages for breach of the contract.