



**THE SUPREME COURT OF APPEAL OF SOUTH AFRICA**  
**MEDIA SUMMARY**

**FROM** The Registrar, Supreme Court of Appeal

**DATE** 13 April 2023

**STATUS** Immediate

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

---

*Road Accident Fund v MKM obo KM and Another; Road Accident Fund v NM obo CM and Another (with Centre for Child Law intervening as Amicus Curiae) (1102/2021) [2023] ZASCA 50 (13 April 2023)*

Today the Supreme Court of Appeal handed down a judgment in which it upheld appeals by the Road Accident Fund (the RAF) against orders of the Gauteng Division of the High Court Johannesburg (the high court). That court had, in both matters, held that the RAF is obliged to ensure that a legal practitioner complies with s 4 of the Contingency Fees Act 66 of 1997, before it concludes a settlement agreement with such a practitioner on behalf of a client. Consequently, the high court concluded that a settlement agreement concluded without judicial approval in terms of s 4 of the Contingency Fees Act, and the RAF's payment of the capital to a legal practitioner pursuant to such a settlement agreement, are both unlawful. Accordingly, the high court declared the settlement agreements in the two matters before it to be unlawful, as they were concluded without judicial approval.

The Supreme Court of Appeal considered s 4 of the Contingency Fees Act. That section provides, among others, that where a practitioner has concluded a contingency fees agreement with a client, and an offer of settlement is made to such a client, the practitioner is obliged to seek the court's approval before accepting the offer. The Court concluded that the Act imposed no obligation on the RAF to ensure that a legal practitioner complies with s 4 of the Act before it concludes a settlement agreement with such a practitioner.

The consequence of non-compliance with s 4 is that the practitioner loses his or her right to charge a higher fee in terms of the contingency fees agreement. He or she would only be entitled to reasonable attorney-and-client fees. However, this did not have any effect on the validity of the underlying settlement agreement.

The Supreme Court of Appeal consequently upheld the appeals and substituted the orders of the high court with appropriate orders.

\*END\*