

Dear Client / Geagte Kliënt

## Newsletter

A day or two ago a lot of noise was made of the fact that the South African Company, Naspers, is paying its executives excessively large salaries and bonuses on the back of the success of Tencent, its prime investment of shareholding in a Chinese Company. The thinking is that the Tencent holding should be held separately and to let the company's South African media business, Media 24, look after itself to ensure greater income for Naspers shareholders. According to Wikipedia, Tencent is one of the largest Internet companies, as well as the largest gaming company in the world. Its many services include social network, web portals, e-commerce, mobile games, smartphones, and multiplayer online games, which are all among the world's biggest and most successful in their respective category. Without this investment, Naspers, the highest value company listed on the JSE, would not be worth ten cents per share.



Dit bring my by een van die mees kommerwekkende paradokse vandag in Suid-Afrika (en seker ook in baie ander plekke in die wêreld). Dit is die dilemma dat die maklike toegang tot sosiale media, nie net die gedrukte media se voortbestaan ondermyn nie, maar inderdaad ook die bestaan van juis daardie joernaliste, wie met woord en daad, politieke vryheid onderskraag en persone in mag tot verantwoording roep.

Circulation figures released by the Audit Bureau of Circulations of South Africa have revealed a dramatic drop in circulation figures in all sectors for all members of the bureau:

#### ABC member circulation totals:

- Daily newspapers: **down** to 1 211 887, compared to 1 332 320 for the previous corresponding period
- Weekly papers: **down** to 506 730 from 526 673
- Weekend papers: **down** to 1 436 844 from 1 626 226
- Local papers: **down** to 355 048 from 376 682
- Free papers: **down** to 6 224 346 from 6 325 829

The problem that our democracy faces is that the media and the printed press, in particular, has become, next to our Chapter Nine

institutions such as the Public Protector, our most important allies against state capture and corruption. Without the efforts of investigative journalists, the present political landscape in this country where the ruling party is, for the first time since the dawn of democracy, under threat, would have looked quite differently.

Die uitdaging lê grootliks daarin dat ondersoekende joernalistiek tot hede, deur lede van die pers, met groot begrotings, gedryf was. Hierdie groep dagblaaië wat vir so lank as die “forth estate” bekend gestaan het, het egter oor die afgelope dekade wêreldwyd hul glans en publieke aansien verloor, veral in Amerika, deurdat hul beskuldig was dat hul die idee van vryheid van spraak, hopeloos te vêr geneem het, met eie politieke agenda. Die hele “junk news” agenda, soos bedryf deur die Amerikaanse president as deel van sy verkiesingsveldtog, dra grootliks daartoe by dat die mantel vir betroubare en maklik beskikbare nuus, by verstek, nou op die nie-gedrukte media geval het. Veral oor die onmiddellike beskikbaarheid daarvan vir ‘n generasie van kitskos verbruikers.

At present the stories as dug up by investigative journalists are tweeted and re-tweeted, liked on facebook, and many of them appear as celebrities on television talk shows. The problem is that what is going to happen if the daily press can no longer afford the huge budgets required for all the investigative efforts of these journalists - are they going to become freelance investigators and typewriter mercenaries that will write stories for the highest bidders? They are surely not going to be employed by the internet based news media or television news channels!

Dit bring my by die vraag, waar daar baie mooi besin moet word, of die direksie van ‘n maatskappy soos, wie se boustene in die joernalistiek gefundeer is, nie ‘n morele verpligting het om, of daar gehoor gegee word aan die eise van aandeelhouer drukgroepe of nie, tog te verseker dat daar altyd voldoende fondse sal wees om die belangrike taak van ondersoekende joernalistiek te ondersteun nie, al sou dit uiteindelik slegs wees as ‘n buro diens aan alternatiewe media.

This may mean that a sizable chunk of the Tencent Holding should be moved in Media 24 even if it is decided that the investment in Tencent is separated from Naspers’ media holdings. After all, if it was not for the original newspaper and its journalists, there would have been no Naspers and no such diamond on the JSE trading board.

Groete / Greetings

**Hennie & Eberhard**



## Constitutional Court Ruling: New Home Owners Are No Longer Liable For Historical Municipal Debt

On 29 August 2017, the Constitutional Court handed down judgment in an application for confirmation of an order by the High Court of South Africa that declared section 118(3) of the Municipal Systems Act, 2000 constitutionally invalid. This section provides that an amount due for municipal services rendered on any property is a “charge” upon that property and enjoys preference over any mortgage bond registered against the property.

The matter came before the High Court after various municipalities suspended, or refused to contract for the supply of, municipal services to the applicants’ properties.

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## Misconceptions Around The Making Of A Will

If you haven’t made your will yet, get it done now. Why is that so important and how should you go about it? To answer that let’s debunk a few of the more pervasive misconceptions around those questions –



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## A Lesson In Passing Of Risk: The R1 Million Buffalo That Died

We buy and sell things every day, and no doubt most of us assume that it is only when we become the owner that we take the risk of our purchase being damaged or destroyed.

But that isn’t always so, and you could face substantial losses if you aren’t aware of the fact that in our law, **passing of ownership** and **passing of risk** are two different concepts, and they may not be simultaneous.

We discuss the case of a buffalo which, after being sold for R1m, died during a darting operation before delivery to the buyer. Who bears the loss in such a case?

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## Making Money with Airbnb? Tax and Other Issues

If you have a spare room, holiday house, apartment or indeed any type of residential property available to let out as a short-term rental, consider using online platform Airbnb.

Its popularity is soaring, and you could boost your income significantly.

Just bear in mind these 3 important factors. We start off by discussing the tax angle ...



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