

Our Reference: MAT28041/OCJ/vda
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CHIEF JUSTICE MOGOENG MOGOENG
THE CONSTITUTIONAL COURT OF SOUTH AFRICA
Care of THE REGISTRAR OF THE CONSTITUTIONAL COURT OF SOUTH AFRICA
CONSTITUTIONAL HILL
1 HOSPITAL STREET
JOHANNESBURG

PER E-MAIL: registrar@concourt.org.za / generaloffice@concourt.org.za

23 May 2018

Dear Chief Justice,

**RE: CCT: 48/2017 – TREASURY RECOMMENDATIONS TO THE CONSTITUTIONAL COURT ON
PAYMENT TO CASH PAYMASTER SERVICES (PTY) LTD**

1. On 23 March 2018, this Court ordered SASSA and CPS to ensure that, for the period of six months from 1 April 2018, payment of social grants is made to beneficiaries who are paid in cash on the same terms and conditions as those in the current contract between them. This Court furthermore directed that –
 - 1.1 CPS may in writing request National Treasury during the six month period to investigate and make a recommendation regarding the price to be paid for the services it is to render in terms of paragraph 4 of this order; and
 - 1.2 National Treasury must file a report with this Court within 21 days of receipt of the request setting out its recommendation.
2. On 28 March 2018, CPS made the written request contemplated in the order to National Treasury. Treasury made its recommendation to this Court on or about 30 April 2018.
3. On 11 May 2018, CPS filed an affidavit responding to National Treasury's recommendations. CPS sought leave to do so and furthermore sought directions in the following terms:
 - 3.1 That the matter be referred back to Treasury to recommend a minimum monthly fee payable to CPS, to serve as a floor limit, within 14 days;

DIRECTORS: Rikesh Sewgoolam; Johannes Engelbrecht; Tiaan Jonker; Arilia du Plessis;
Bouwer van Niekerk; Jacques Marais; Rachelle Freed; Ravika Sukdeo
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QSE Codes gazetted on 6 May 2015

- 3.2 That CPS is in the interim entitled to invoice SASSA according to Treasury's recommendation of 30 April 2018; and
- 3.3 That any shortfall or overpayment made to CPS for the services provided in April 2018 be corrected upon final determination by this Honourable Court of the fee payable to CPS.
4. CPS's director, Mr Pillay, has stated on oath (in CPS's supplementary affidavit of 28 February 2018, para 19) that "*CPS will only have sufficient cash reserves to cover its operational costs until 31 May 2018, assuming SASSA duly pays its invoice for March 2018*".
5. CPS has been unable to invoice SASSA and has consequently received no payment whatsoever from either SASSA or National Treasury for services rendered by it since 1 April 2018.
6. Our instructions are that CPS requires cash income urgently to sustain its operations for the month of June. Preparations for the June payment cycle will commence on 27 May 2018.
7. We accordingly respectfully request the Chief Justice to issue the directions that CPS sought in its affidavit of 11 May 2018, alternatively to advise CPS whether it must bring an urgent formal application for relief in respect of any of these directions.

Yours faithfully,



SMIT SEWGOOLAM INC.

per: OC JONKER

CC: **Auditor-General of South Africa**

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