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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO: 97**

**97. Mr T Z Hadebe (DA) to ask the Minister of Communications:**

With reference to the reply to question 1958 on 16 October 2017, (a) which trade exchanges are currently in dispute, (b) what amounts are associated with each trade exchange and (c) which trade exchanges are currently before the courts? NW103E

**REPLY**

1. Currently there are no trade exchanges before the courts, but there exists a dispute which is not before the courts yet.

The background briefly:

The South African Broadcasting Corporation SOC Limited (“SABC”) through Metro FM concluded a Trade Exchange Agreement (“Agreement”) with RBA Developments JHB (Proprietary) Limited (“RBA”) for the exchange of value added services set out in Annexure “A” and Schedules II, III and IV of the Agreement. The salient terms of the Agreement are as follows:

* The Agreement commenced on 08 August 2016;
* The Agreement will terminate on 08 October 2016;
* The parties to the Agreement are the SABC and RBA;
* In terms of the Agreement the parties would perform the obligations set out in Annexure “A” including the deliverables set out in the trade exchange items schedule. A copy of the Agreement is attached herewith and marked as “Annexure A”.

1. The trade exchange value is R3 450 749.68 including VAT.

In terms of the Agreement, the parties agreed to jointly work together in delivering a fully furnished house as a prize giveaway pursuant to a competition to be run by Metro FM for its listeners. To this end each of the parties undertook to perform certain obligations to ensure the successful implementation of the competition and delivery of the house to the competition winner. The dispute is therefore that RBA was liquidated and MSP, which took over and agreed to step in and assist in completing the house and handing it over to the completion winner is now reneging on its initial undertaking.  This has resulted in the house not having been handed over to the competition winner despite that the house was long completed.

Metro FM has received a demand from Legal Wise representing the competition winner claiming a handover of the house to the winner.

1. Save for the demand from Legal wise, no court pleadings have been served on the SABC yet. We are still in the process of engaging with MSP to try and resolve the matter amicably by handing over the house to the competition winner.