

# Office of the National Director of Public Prosecutions



The National Prosecuting Authority of South Africa  
Igunya Jikelele Labetshutshisi boMzantsi Afrika  
Die Nationale Vervolgingsgesag van Suid-Afrika

**TO: ALL MEDIA**

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**RE: NPA Settlement with Schabir Shaik**

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The NPA would like to state that the settlement between the NPA and Mr Schabir Shaik is a normal one in civil litigation where disputes are often settled between the parties rather than litigated. The AFU settles disputes regularly after weighing up its prospects of success in court, the costs involved in the litigation and the extent to which it can devote its limited resources to litigating other matters.

All such settlements have to be submitted to the head of the AFU for authorisation and to ensure that they are justified in accordance with procedures required by the Auditor-General. The Auditor-General also audits such settlements every year.

In this matter, there was a relatively complex legal dispute about whether the AFU could claim interest on the amount of the confiscation order, the applicable interest rate and the date from which interest accrues.

The AFU considered the fact that issues have not been litigated before and would therefore have resulted in further litigation which would have delayed the process for as much as another two years. In the event, it was agreed to settle the matter on the basis that the disputed interest would be shared between the parties.

The effect was that the NPA received a total of R41 million, being the amount of the original order of R33.9 million, plus about R7 million in interest. Mr Shaik also received R7 million in interest, but only R5 million was returned to him as R2 million was set off against legal expenses that were still owing.

The NPA would like to state clearly that the details of the agreement were always intended to be made public – the agreement provided that the parties would agree on statements to be issued.

Although settlements in civil matters are often kept confidential, the AFU has a policy of not doing so.

Enquiries: **NPA Spokesperson**  
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