

PRACTICE NOTE 2 OF 2011

COMPANIES AND CLOSE CORPORATIONS

DEREGISTRATION AND RE-INSTATEMENT PROCEDURE

This guidance note is issued in terms of Regulation 4 of the Companies Regulation, 2011 and is applicable to companies and close corporations. This practice note refers to the requirements as set forth in:

- Section 82 of the Companies Act, 2008;
- Schedule 3 Part 8; and
- Companies Act Regulation 40

The Commission may start the deregistration process for companies and close corporations in the following instances:

- The company or close corporation failed to lodge annual returns for two successive years;
- The company or close corporation requests the deregistration of the company or close corporation and the request indicates that the company or close corporation has ceased to carry on business and has no assets or, because of the inadequacy of its assets, there is no reasonable probability of the company or close corporation being liquidated; or
- The Commission believes that the company or close corporation has been inactive for a period of 7 years.

Once the company or close corporation has been referred for deregistration the status will be changed to "in deregistration process" and a CoR 40.3 (Demand notice concerning inactive company) will be issued. The company or close corporation will have 20 business days to either object or in the case of outstanding annual returns to submit all outstanding annual returns. If no objection has been received within the 20 business day period the Commission will issue a CoR40.4 (Notice of Pending Deregistration of company or close corporation). If no further response within the required 20 business day period, the Commission will refer the entity for final deregistration and issue a final deregistration letter.

If the entity was referred for deregistration due to annual return non-compliance a compliance certificate CoR139.1 will be issued wherein the entity has 15 business days to submit all outstanding annual returns. If no annual returns are lodged, the

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Commission will issue a CoR40.4 and if still no annual returns are received within the required 20 business day period, the Commission will deregister the entity and issue a final deregistration letter.

Once the entity has undergone final deregistration any interested party may apply for its re-instatement on a CoR40.5, which must be submitted by either mailing the original application or filing the application at the CIPC offices with the following supporting documents:

- Certified ID copy of all members/directors
- Certified ID copy of applicant
- Deed search
- If immovable property letter from Treasury and a letter from Public Works
- Copy of extract in local newspaper giving 21 days clear notice of application

If the entity was referred for final deregistration July 2010 or February 2011 due to non compliance with annual returns the application for re-instatement may be done by filing the CoR40.5 electronically via annualreturns@cipc.co.za or manually by either mailing the original application or filing at the CIPC offices with the following supporting documents:

- Certified ID copy of all members/directors
- Certified ID copy of applicant

It should be noted that an automated re-instatement system is being developed to allow such applications to be lodged through the CIPC website. The release of this facility will be communicated in due course.

Yours faithfully



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Adv Rory W Voller
Deputy Commissioner: CIPC
Date: 8./5./2011

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