



GUIDANCE NOTE 4 OF 2011
COMPANIES ACT 71 OF 2008
NO MORE CONVERSION FROM COMPANY TO A CLOSE CORPORATION

This guidance note is issued in terms of Regulation 4 of the Companies Regulations, 2011 and relates to:

- Section 27 of the Close Corporation Act, 1984 (as repealed);
- Paragraph 2 of Schedule 3 of the Companies Act, 2008; and
- Section 3 of Schedule 5 of the Companies Act, 2008.

The Companies Act, 2008, repealed Section 27 of the Close Corporations Act, 1984 relating to the conversion of companies to close corporations. This means that with effect from 01 May 2011 the Companies and Intellectual Property Commission (CIPC), which was established as a result of Companies Act 2008, will not process any application relating to the conversion of a company to a close corporation.

As stipulated in section 2 of Schedule 5 of the Companies Act, 2008, the CIPC will finalise all existing conversion applications filed before 1 May 2011 in terms of section 27 of the Close Corporations Act.

Finally, it is worth to note that registered Close Corporations will continue to be maintained on the CIPC database.

Yours faithfully,

Ms Astrid Ludin

Commissioner: CIPC

Date: 10.1.2011

Physical Address

the dti Campus Block F
Sunnyside
0001

Postal Address

Companies
P O Box 429
Pretoria
0001

Customer Contact Centre

National: 086 100 2472
International: (+27) 83 900 2427