



COMPANIES AND INTELLECTUAL
PROPERTY REGISTRATION OFFICE

PRACTICE NOTE NO 1 OF 2008 : CLOSE CORPORATIONS ACT, NO 69 OF 1984

The Close Corporations Act requires that a founding statement (CK1) and an amended founding statement (CK2) must be signed by or on behalf of every person who:

- becomes a member on registration
- is a current member and any changes are registered
- is a person who ceases to be a member or
- is resigning as a member

If a founding or amended founding statement is signed on behalf of a current member, any person who becomes a member on registration or ceases to be a member, such founding or amended founding statement may only be so signed if properly authorized by a written power of attorney. The bearer of the power of attorney must sign the founding or amended founding statement in his or her own name and the duly completed power of attorney (either a general power of attorney or a special power of attorney), must be lodged with the said founding or amended founding statement.

It, therefore, follows that where it is obvious from the signatures on the founding or amended founding statement that the above requirements have not been complied with the Registrar of Close Corporations will reject such founding or amended founding statement and require an appropriate power of attorney to be lodged.

Sincerely,

CIPRO Management