INTRODUCTION TO ANNUAL RETURNS: CLOSE CORPORATIONS ACT NO. 69 OF 1984

What is the purpose of an Annual Return?
In keeping with legislation, the Registrar of Close Corporations needs to determine whether a registered organisation is still in business and to confirm the Registrar is in possession of the latest information of the close corporation, each close corporation is compelled in terms of the Act to lodge an Annual Return once every year.

When do I need to lodge the close corporation’s Annual Return?
An Annual Return needs to be lodged within the anniversary month of its official incorporation up until the end of the month following its anniversary month.

What will happen if I fail to lodge the close corporation’s Annual Return?
Should a close corporation fail to lodge and pay for its Annual Returns for a period more than six months the Registrar may conclude that the close corporation is no longer conducting business and may refer it to be deregistered.

What costs and protocols pertain to the lodgement of Annual Returns?
The Annual Return must be lodged on payment of the prescribed fee in electronic format, as stipulated by the Close Corporations Administrative Regulations. The prescribed fees relating to Annual Returns for close corporations encompasses the following:

- Turnover of less than R50 000 000.00 - R 100.00
- Turnover R50 000 000.00 and more - R4000.00
- Penalty fee for each late lodgement - R 150.00

What if the information that I must lodge with the Annual Return is not the same as the information on CIPRO’s database?
The close corporation can verify what information is on CIPRO’s database by requesting a disclosure certificate from CIPRO’s website http://www.cipro.gov.za at a prescribed fee of R30.00. If the information that must be lodged with the Annual Return is not the same as the information on CIPRO’s database the relevant CK2 and or CK2A form must be lodged a couple of weeks before the annual return is due.

What sections of the Close Corporations Act and regulations regulates Annual Returns for close corporations?
Section 15 A of the Close Corporations Act and Section 16A of the Close Corporations Administrative Regulations regulates Annual Returns for close corporations. The Close Corporations Act and the Close Corporations Administrative Regulations is available on CIPRO’s website under Acts and Notices.

For more information kindly contact the dti Call Centre on 0861 843 384.

Sincerely,

CIPRO Management