14 December 2010
(Replaces notice 19 October 2010 with similar content)

GUIDANCE NOTE

ANNUAL RETURN RESTORATION PROCESS FOR ENTITIES FINAL Deregistered

16 JULY 2010

(A) Restorations due to non compliance with annual returns

It should be noted that the annual return restoration process consists out of 3 main steps. The application is processed and the status of the entity is changed to in deregistration process whereafter the entity is required to lodge all outstanding annual returns on the CIPRO website. Once all the outstanding annual returns have been brought up to date, the status will be changed to in business. After the status has been changed back to in business, CIPRO will publish the successful restoration on its website under CIPRO Publication.

(B) Restorations where deregistration date 16 July 2010 and due to non compliance with annual returns

A restoration application for a company which was deregistered 16 July 2010 for failure to comply with annual returns must consist out of the following:

- A letter from the company or its authorized representative indicating:
  - The reason why annual returns were not lodged
  - A request for restoration
  - The customer code for deduction of restoration fee of R150.00
  - Undertaking that all outstanding annual returns will be lodged
  - Certified ID copies of all directors and the applicant
  - No further supporting documents required other than the certified ID copies

In the event of a restoration application for a close corporation, a CK3 with certified copies of all members and the applicant must be submitted. The CK3 must clearly indicate the customer code that must be used for the billing of the application. No further supporting documents are required.

For both types of applications the originals may either be posted, hand delivered to the CIPRO offices or scanned copies e-mailed to annualreturns@cipro.gov.za.

Emphasis is placed on the fact that the entity must lodge all outstanding annual returns after the restoration application has been processed and the status changed to in deregistration in order to affect the restoration. If all the outstanding annual returns are not lodged before the next referral for final deregistration the entity will be placed back into deregistration and a new restoration application should then be submitted.

Customers are advised to monitor the status of the entity regularly in order to confirm if the status has been changed to in deregistration. Unfortunately, due to the extreme volumes of applications received it is not possible for CIPRO to notify all applicants of the processing of application.

It should be noted that the above is a simplification of the existing restoration procedures for companies and close corporations were the entity was deregistered for failure to comply with annual returns. The simplification was done to ease the
process requirements of restoring entities after it was deregistered during the bulk deregistration endeavour of CIPRO. Therefore, this simplification is a courtesy and may be withdrawn and replaced by the normal restoration procedures by CIPRO at anytime without prior notice to the public.

Subsequent to the above process other restoration procedures exists. Therefore careful consideration should be taken to apply and comply with the correct procedure depending on the circumstances that is applicable to the deregistration.

(C) Companies

The general rule is that where a company was deregistered for any other reason than for non compliance with annual returns, the company must approach the high court in terms of section 73(6) of the Companies, 1973 for a restoration order. The court order together with the notice in a local newspaper and the government gazette indicating the intention to restore must be submitted to CIPRO with the latest CM29, CM22 and CM31. This procedure is legally only applicable to locally incorporated companies (private, incorporated, section 21, section 21A and public).

In cases where the company was deregistered for non compliance with annual returns and the deregistration date is not 16 July 2010 the procedure as indicated in practice note 6 of 2009 must be followed. It should be noted that no electronic submission via e-mail or other electronic medium is accepted.

Where the company is an external company and registered in terms of section 322 of the Companies Act, 1973, the external company cannot apply for restoration. The reason for this is that only the secondary registration in South Africa was deregistered and the primary registration in the country of origin is still intact. In order to assist external companies that have been deregistered, CIPRO places a correction notice in order to reinstate it. In order to affect this reinstatement only a letter from the external company, indicating its intention to be reinstated and the reasons for deregistration is required.

(D) Close Corporations

Where it is a close corporation that was deregistered for failure to comply with annual returns and the date of deregistration is any other date than 16 July 2010 or any other reason, it must submit a duly completed CK3. The CK3 must be accompanied by a copy of the notice in the local newspaper indicating the close corporations intention to apply for restoration as well as the letter from Treasury and Public Works in cases where it owns any immovable property. A CK3 carries a statutory fee of R150.00. This application must either be hand delivered or mailed to CIPRO and no electronic submissions via any e-mail or other electronic medium is accepted.

Customers are therefore advice to investigate and confirm the reason and date of deregistration before submitting any application to CIPRO in order to limit any unnecessary rejections.

Mr. L Dukwana

Acting Chief Executive Officer of CIPRO

Dated: 14/12/2010