



## NOTICE TO CUSTOMERS

(Notice <sup>61</sup> of 2021)

### COMPLIANCE OBLIGATIONS OF COMPANIES AND CLOSE CORPORATIONS IN BUSINESS RESCUE

The Companies and Intellectual Property Commission (“CIPC”) hereby remind companies and close corporations and specifically business rescue practitioners, which finds itself in business rescue or considering to commence business rescue proceedings, that Chapter 6 of the Companies Act, 2008 (“the Act”) does not suspend the company or close corporation’s compliance obligation in terms of the Act or Close Corporations Act, 1984.

Section 133 of the Act clearly places a moratorium on legal proceedings including enforcement action and does not state the suspension of any compliance obligation in terms of the Act, the Close Corporations Act or any other legislation. Thus, once the business rescue proceedings end, all obligations may automatically become enforceable by the holder of a particular right and/or regulator or other government institution. If compliance obligations are not taken into consideration during the business rescue proceedings and/or the business rescue plan, such may place the company or close corporation at an unnecessary disadvantage when the proceedings end. It is also in the best interest of companies and close corporations to continue to comply, not just with the acts stated in this notice but also compliance obligations derived from other legislation, since such compliance supports the efforts of the business rescue process and provides assurance of the process to the various parties affected by the proceedings.

*Inter alia*, companies and close corporations are encouraged to continue to comply with below obligations in terms of acts stated in this notice:-

- Annual Returns for companies and close corporations;
- Keeping of accurate and complete accounting records, financial statements and if required audit or independent review of financial statements and subsequent filing of such audited financial statement or financial accountability supplement;
- Keeping of statutory company records for example share register, director register and minutes of meetings;
- Changes to company Memorandum of Incorporations;
- Changes to company location of company records;
- Changes to company and close corporation addresses; and

- Changes to company and close corporation financial year ends.

For further enquiries, kindly log a ticket on the CIPC website [www.cipc.co.za](http://www.cipc.co.za) / enquiries.

Yours faithfully,



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Adv. Rory Voller  
Commissioner: CIPC  
Date: 29/11 /2021