



Companies and Intellectual
Property Commission

a member of **the dtic** group

PRACTICE NOTICE 2 of 2026

(In terms of Regulation 4(b) of the Companies Act Regulations)

GROUNDINGS FOR THE SUSPENSION AND/ OR REVOCATION OF BUSINESS RESCUE PRACTITIONER LICENSES

The Companies and Intellectual Property Commission (CIPC) have a duty to ensure the monitoring of proper compliance with the Companies Act, 71 of 2008 (“the Act”) as one of its mandated functions. Part of the CIPC’s objectives is to strengthen oversight of the conduct of business rescue practitioners and the effective regulation of the business rescue regime.

To curtail abuse of the business rescue process and entities in financial distress, greater clarity is needed by industry on what constitutes reasonable grounds for suspension and/or revocation of business rescue practitioner licenses and the consequences of each.

The following grounds shall constitute reasonable grounds for the **Suspension of BRP licenses**:

1. Incompetence or failure to perform the duties of a business rescue practitioner, which includes, but not limited to: -
 - Factual / proven complaints i.e. outcome by the court or accredited bodies.
 - Non-compliance with the Companies Act requirements, i.e. filing of reports.
2. Failure to exercise the proper degree of care in the performance of the practitioner’s functions, including but not limited to: -
 - Impartiality
 - Standard of care and diligence
 - Conflict of interest
 - Failure to prioritize employment related obligations
 - Delaying of processes, i.e. publication of business rescue plan
 - Acting without necessary and/or prescribed approvals.

Each matter will be assessed on its own merit and the prescribed period of suspension, including consequences will be determined based on the Commissions assessments. The Commission reserves the right to advise with regard to corrective measures and suspension periods may remain effective pending implementation of corrective measures.

The following grounds shall constitute reasonable grounds for the **Revocation of BRP licenses**:

1. Where the practitioner is engaging in illegal acts or conduct (no time restriction),
2. The practitioner no longer satisfies the requirements set out in S138(1) of the Act,
3. The practitioner is placed under probation or disqualified through an order of court,
4. The practitioner is incapacitated and unable to perform the functions of the office and it is presumed that they are unlikely to regain such capacity within a reasonable time
5. Proven actions of incompetence or failure to perform the duties of the office of the BRP.

A BRPs licence may be revoked, and the prescribed period of suspension and/or revocation will depend on the identified grounds for revocation, taking into account the relevant provisions of the Act and/or determinations made by the courts.

In cases involving delinquency, the period may range from seven years to a lifetime declaration. Declarations of probation may extend for periods of up to five years. Each matter will be assessed on its own merit to determine an appropriate and suitable period of revocation. BRP's licenses that have been revoked, will have the added requirement of re-applying for a license, even once the reason for revocation has been removed.

In maintaining its official registers, the Commission will remove individuals who have been suspended and/or whose licenses have been revoked from the list of licensed BRPs and record their names on the respective registers of suspended and/or revoked BRPs.

We trust that you will find the above in order.

Yours Sincerely



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Adv. R. Voller

CIPC COMMISSIONER
28 / 5 / 2026