

NEWS ALERT!

COMPANIES ACT

Following a meeting held with the CIPRO Liaison Committee it has been announced that the new Commission will be launched on 25 March 2011 to which the new Companies Act, 2008 will come into effect as of 1 April 2011.



It is important that all Companies and Close Corporations lodge any outstanding documentation for example (but not limited to) annual returns, restorations for de-registered entities, name reservations and applications for the incorporation of close corporations to be processed under the ("old") Companies Act by no later than 31 March 2011 as the Commission will no longer accept this documentation as of 1 April 2011.

The new Companies Act brings forth stringent legislative requirements and it is advisable that you contact our offices in the event of the following:

- Financial Assistance for the purchase of shares;
- Loans to a director or inter-related Company;
- Distribution to shareholders or inter-related Companies (further defined as dividends, forgiveness of debt or payment in lieu of capitalization shares);
- Acquisition of own shares by the Company;
- Disposal of more than fifty percent of assets or business undertaking;
- Amalgamations;
- Mergers;
- Scheme of arrangements;
- Company's liabilities exceeds assets

Important Changes necessitated by the new Companies Act that requires attention:

- Conversion of all Company Memorandum of Association and Articles of Association into the new prescribed Memorandum of Incorporation.
- Notice to be filed with the Commission (CIPC) in respect of any Shareholder's Agreements/Member's Association Agreements in place by no later than 30 April 2011.

Important Changes necessitated by the new Consumer Protection Act that requires attention:

- All Companies/Close Corporations/Sole Traders are prohibited from the use of an unregistered trade name unless duly registered with the Commission (CIPC).

Should you require assistance in respect of the above, please email us at the following address: info@stb.moorestephens.co.za.

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