



Companies and Intellectual
Property Commission

a member of the dti group

NOTICE TO CUSTOMERS

The Companies and Intellectual Property Commission (the Commission) issues the following practice note in terms of paragraph 4(1)(b) of the Companies Regulations (GNR 351 of 26 April 2011):

1. Section 22 of the Companies Act, 71 of 2008 (the Act) empowers the Commission to issue notices, and if necessary, compliance notices to companies, which the Commission has reasonable grounds to believe is trading or carrying on business recklessly, with gross negligence or for a fraudulent purpose.
2. In light of the COVID-19 pandemic and the declaration of a national state of disaster under the Disaster Management Act, 57 of 2002, the Commission will not invoke its powers under section 22 of the Companies Act, in the case of a company which is temporarily insolvent and still carrying on business or trading. This is only applicable where the Commission has reason to believe that the insolvency is due to business conditions, which were caused by the COVID-19 pandemic.
3. This practice note shall lapse within 60 (sixty) days after the declaration of a national disaster has been lifted.

Adv. Rory Voller
Commissioner

Date : 24/3/20.

ISO 9001: 2008 Certified

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