

(5 February 2014 – to date)

## COMPANIES ACT 71 OF 2008

*(Gazette No. 32121, Notice No. 421, dated 9 April 2009. Commencement date: 1 May 2011. [Proc. No. R32, Gazette No. 34239, dated 26 April 2011] – with the exception of section 11(1)(a)(ii) and (iii) which shall come into operation three years from the date of commencement of this Act)*

## COMPANIES REGULATIONS, 2011

*Published under Government Notice R351 in Government Gazette 34239, dated 26 April 2011.*

*Commencement date: 1 May 2011.*

### As amended by:

*Government Notice R619 in Government Gazette 36759, dated 20 August 2013. Commencement date: 1 May 2011*

*Government Notice R82 in Government Gazette 37299 dated 5 February 2014. Commencement date: 5 February 2014.*

I, Dr Rob Davies, the Minister of Trade and Industry, hereby in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008) and in consultation with the Companies and Intellectual Property Commission and the Chairperson of the Takeover Regulation Panel, make Companies Regulations as set out in the schedule hereto.

Signed

**Dr. Rob Davies, (MP)**

**Minister of Trade and Industry**

## COMPANIES REGULATIONS, 2011

In terms of section 223, and Item 14 of Schedule 5, of the Companies Act, 2008 (Act No. 71 of 2008), the Minister of Trade and Industry publishes the following regulations relating to the functions of the Companies Commission, the Takeover Regulation Panel and the Companies Tribunal, and other matters relating to the regulation of companies, to take effect at the time that the Companies Act, 2008 takes effect.

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Prepared by:



In partnership with:



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Prepared by:

In partnership with:

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## **Chapter 1**

### **General Provisions**

#### **Part A**

#### **Interpretation**

#### **1. Short title**

Prepared by:

In partnership with:

These regulations may be cited as the Companies Regulations, 2011.

## 2. Definitions

*See also s. 1, and Regulation 2: Definitions in section 1 of the Act apply equally to the regulations*

In these regulations, unless the context indicates otherwise

- (a) "certified copy" means a copy of a document certified as such by a person having authority to do so, or electronically certified in terms of the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002) by a person having authority to do so;
- (b) "principal office" means the principal location within the Republic, as determined in terms of regulation 165(1), at which a regulatory agency conducts its operations and is accessible to the public;
- (c) "publish a notice" means to publicise information to the general public, or to a particular class of persons as applicable in specific circumstances, by any means that can reasonably be expected to bring the information to the attention of the persons for whom it is intended;
- (d) "recording officer", when used in relation to a particular matter, means-
  - (i) the officer of the Commission, Panel, or Tribunal, as the case may be, appointed or designated in terms of regulation 167; or
  - (ii) any assistant or acting recording officer having responsibility for the particular matter;
- (e) "regulation" includes any Table or Form included within, or referred to in, these regulations;
- (f) "regulatory agency" means the Commission, the Panel, or the Companies Tribunal;
- (g) "senior officer" means, in the case of -
  - (i) the Commission, the Commissioner;
  - (ii) the Panel, the chairperson of the Panel, designated in terms of section 198; or
  - (iii) the Companies Tribunal, the chairperson of the Tribunal, appointed in terms of section 194;
- (h) "the Act" means the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time; and
- (i) "Tribunal" means the Companies Tribunal.

### 3. Interpretation

- (1) In these regulations -
- (a) a reference to a section by number refers to the corresponding section of the Act;
  - (b) a reference to a regulation by number refers to the corresponding provision of these regulations; and
  - (c) a reference to a sub-regulation or other partial regulation by number refers to the corresponding clause of the regulation in which the reference appears.
- (2) A word or expression that is defined in section 1, or elsewhere in the Act to the extent applicable in particular circumstances, bears the same meaning in these regulations as in the Act.

## Part B

### Guidelines, Practice Notes, Forms, Notices and other documents

### 4. Issuing of Guidelines and Practice Notes

*See s. 188 (2)(b) and s. 201 (2)(b)*

- (1) In this regulation -
- (a) "Guideline" means a document issued by a regulatory agency with respect to a matter within its authority, which sets out recommended procedures, standards or forms reflecting that regulatory agency's advice as to what constitutes best practice on a matter; and
  - (b) "Practice Note" means a document issued by a regulatory agency with respect to a matter within its authority, which sets out -
    - (i) a procedure that will be followed by that regulatory agency; or
    - (ii) a procedure to be followed when dealing with that regulatory agency; or
    - (iii) that regulatory agency's interpretation of, or intended manner of applying, a provision of the Act or these regulations.
- (2) The senior officer of a regulatory agency may -
- (a) issue a Guideline at any time by publishing a notice of the Guideline to the general public in the *Gazette*, any generally circulated newspaper, on the regulatory agency's website, or by any similar means of providing information to the public generally; or

- (b) issue a Practice Note at any time by publishing it in the *Gazette*, and may amend or withdraw any such Practice Note at any time by subsequent notice in the *Gazette*.
- (3) A Guideline or Practice Note must be consistent with the Act and these regulations, and a provision of the Act or these regulations prevails if there is any inconsistency between that provision and any such Guideline or Practice Note.
- (4) A regulatory agency must -
  - (a) maintain a notice on its website of the existence of every Guideline or Practice Note that it has published and not withdrawn;
  - (b) provide for copies of every Guideline or Practice Note to be freely accessed or printed from its website; and
  - (c) provide a printed copy of any Guideline or Practice Note freely to any person upon request.

## 5. Forms and filing requirements

See s. 223 (1)(b) and (d)(i)

- (1) Whenever a document is required
  - (a) in terms of a section of the Act that is listed in column 1 of Table CR 1, or a provision of these regulations that is listed in column 1 of Table CR 1; and
  - (b) for a purpose listed in column 2 of that Table,

the document must be substantially in the form of the annexure listed opposite that section number in column 3 of that Table, and must be produced, delivered, or filed as the case may be subject to any conditions or requirements listed opposite that section number in column 4 of that Table.

- (2) If a regulatory agency has reasonable grounds for uncertainty whether a copy of a document to be filed is in fact unaltered, as contemplated in section 6(7), the regulatory agency may require the person seeking to file that document to provide a certified copy of the document.
- (3) The Commission may from time to time by written notice request a company to file a copy of any document that had previously been filed under the Act or these regulations: Provided that no prescribed fee that would normally be required when filing any such document will be payable when filing the copy in compliance with the request.

## 6. Notice of availability of documents

Prepared by:

In partnership with:

See s. 6 (11)(b)(ii)

- (1) A notice announcing the availability of a document, record or statement, as contemplated in section 6(11)(b)(ii), must -
  - (a) be in writing and delivered to each intended recipient of the document, record or statement either -
    - (i) in paper form at the intended recipient's last known delivery address; or
    - (ii) in electronic form at their last known electronic mail address; and
  - (b) set out clearly -
    - (i) the title of the document, record or statement, the availability of which is being announced;
    - (ii) the extent of the period during which the document, record or statement will remain available; and
    - (iii) the means by which the document, record or statement may be acquired by a recipient of the notice; and
  - (c) include a statement that succinctly summarizes the purpose of the document, record or statement.
- (2) A document, record or statement, the availability of which is being announced as contemplated in section 6(11)(b)(ii), must be made available to intended recipients either -
  - (a) in paper copy, or in a printed version of an electronic original produced by or on behalf of the company on demand by an intended recipient; or
  - (b) electronically in a manner and form such that it can conveniently be accessed and printed by the recipient within a reasonable time and at a reasonable cost.

## 7. Delivery of documents

See s. 6 (10) and (11)

- (1) A notice or document to be delivered for any purpose contemplated in the Act or these regulations may be delivered in any manner -
  - (a) contemplated in section 6(10) or (11); or

- (b) set out in Table CR 3.
- (2) A document delivered by a method listed in the second column of Table CR 3 must be regarded as having been delivered to the intended recipient -
- (a) on the date and at the time shown opposite that method, in the third column of that table; or
  - (b) if the date and time for the delivery of a document referred to in Table CR 3 to a regulatory agency is outside of the office hours of that regulatory agency, as set out in regulation 165(2), that document will be deemed to have been delivered on the next business day, subject to regulation 165(3).
- (3) If, in a particular matter, it proves impossible to deliver a document in any manner provided for in the Act or these regulations -
- (a) if any person other than the Tribunal is required to deliver the document, the person may apply to either the Tribunal or the High Court for an order of substituted service; or
  - (b) if the Tribunal is required to deliver the document, the recording officer of the Tribunal concerned may apply to the High Court for an order of substituted service.
- (4) A document that is delivered by fax must include a cover page, and a document that is transmitted by electronic mail must be accompanied by a cover message, in either case setting out -
- (a) the name, address, and telephone number of the sender;
  - (b) either -
    - (i) the name of the person to whom it is addressed, and the name of that person's attorney, if applicable; or,
    - (ii) the name or description of the class of intended recipients, if the document is being delivered generally to all the members of a particular class of persons;
  - (c) the date of the transmission; and
  - (d) in the case of a fax transmission -
    - (i) the total number of pages sent, including the cover page; and

- (ii) the name and telephone number of the person to contact if the transmission is incomplete or otherwise unsuccessful.

## Chapter 2

### Formation, Administration and Dissolution of Companies

#### Part A

#### Reservation and Registration of Company Names

### 8. Company names

See s. 11

(1) In this regulation -

(a) "company concerned", when used in relation to -

(i) an application to reserve a name

(aa) for an entity that is contemplated, but not yet incorporated, means that contemplated entity; or

(bb) filed by or in respect of an existing company contemplating changing its name, means that company;

(ii) a notice of incorporation, means the company being incorporated; or

(iii) a notice of Amendment of a Memorandum of Incorporation, means the company whose Memorandum of Incorporation has been amended; and

(b) "proposed company name" means a name that appears on -

(i) an application for name reservation or defensive registration; or

(ii) either -

(aa) a Notice of Incorporation; or

(bb) a Notice of Amendment of a company's Memorandum of Incorporation

irrespective of whether the name has been reserved or defensively registered before the filing of any such notice.

- (2) Irrespective of the language of any words used in a proposed company name -
- (a) every word comprising part of the name must be expressed using the alphabet that is commonly used for writing in any one of the official languages of the Republic; and
  - (b) every number -
    - (i) signifying a date must be expressed either in words or in Arabic numerals; or
    - (ii) otherwise forming part of the company's name must be expressed either in words or in Arabic or Roman numerals.
- (3) If a proposed company name contains any word or words in any language that is not an official language of the Republic the application or notice filed to reserve, register or use that name must include either -
- (a) a certified translation of that word, or those words, into an official language of the Republic; or
  - (b) a declaration that the word falls, or the words fall, within the category of words contemplated in sub-regulation (4), and that the person concerned is entitled to use that mark.
- (4) If a proposed company name contains -
- (a) a registered trade mark; or
  - (b) a mark in respect of which an application has been filed in the Republic for registration as a trade mark; or
  - (c) a well known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993)
- the application or notice filed to reserve, register or use that name must include satisfactory evidence that the applicant or the company concerned is entitled to use that mark.
- (5) If a proposed company name is the same as a name registered as a business name in terms of the Consumer Protection Act, 2008 (Act No. 68 of 2008), as contemplated in section 11(2)(a)(ii), the application or notice filed to reserve or use that name must include satisfactory evidence that -
- (a) the name is so registered for the use of the company concerned or of a person controlling the company; or



- (b) the registered user of that name has executed the necessary documents to transfer the registration of that name to the company concerned.

(6) If a proposed company name -

- (a) is similar to the name of another company, close corporation or co-operative, and is claimed to be justifiable on the grounds that -

- (i) the company concerned; and

- (ii) the other company, close corporation or co-operative, as the case may be,

are both part of the same group of companies; or

- (b) falls within any category of names restricted in terms of section 11(2)(c), and is claimed to be justifiable on the grounds that the company to use that name is in fact part of, associated with, operated by, sponsored by, supported by, endorsed by, owned by, conducted by, or enjoys the patronage of, as the case may be, a person or entity contemplated in that section,

the application or notice to use that name must include satisfactory evidence supporting that claim.

- (7) In addition to the symbols set out in section 11(1)(a)(ii), the name of a company may include the following symbol:

## 9. Reservation of company names

See s.12

- (1) An application to reserve a name in terms of section 12(1) must be made in Form CoR 9.1, may include as many as four alternative names listed in order of preference, and must be accompanied by -

- (a) the fee set out in Table CR 1; and

- (b) any relevant documentation or evidence required in terms of regulation 8 with respect to each name included in the application.

- (2) An application to extend the reservation of a name, as contemplated in section 12(4), must be made in Form CoR 9.2, and must be accompanied by -

- (a) the fee set out in Table CR 1; and

- (b) in the case of a name in respect of which satisfactory evidence of any facts was required in terms of regulation 8 when the name was first reserved, further satisfactory evidence of the relevant circumstances, including any alteration in those circumstances since the reservation was first applied for.
- (3) As soon as practicable after receiving an application to reserve a name, or to extend the reservation of a name, the Commission must consider the name, or if more than one name is included in the application for reservation, must consider the names serially in the order in which they appear in the application, and must issue to the applicant -
- (a) a Notice Requiring Further Particulars in Form CoR 9.3, if the Commission requires more information to satisfy any relevant requirements in terms of section 11 or 12 or regulation 8, before determining whether to accept the application; or
  - (b) a Notice Confirming a Name Reservation or Registration in Form CoR 9.4, if the Commission has accepted an application to reserve a name, or extend the reservation of a name; or
  - (c) a Notice Refusing a Name Reservation or Registration in Form CoR 9.5, if -
    - (i) the form of the name, or in the case of an application including alternative names, the form of each such name, fails to satisfy any requirements set out in section 11 or 12, or regulation 8; or
    - (ii) the use of that name, or in the case of an application including alternative names, the use of each of those names, by the applicant is prohibited in terms of the Act.
- (4) If the Commission has accepted the reservation of a name that the Commission considers may be contestable on any ground contemplated in section 12(3), the Commission, when issuing Form 9.4 in response to that application, must also issue -
- (a) A Notice of a Potentially Contested Name, in Form CoR 9.6, to the applicant if the name is contestable in terms of section 12(3)(a), read with section 11(2)(b) or (c); or
  - (b) a Notice of a Potentially Offensive Name, in Form CoR 9.7, to the South African Human Rights Commission and to the applicant, if the name is contestable in terms of section 12(3)(b), read with section 11(2)(d).

## 10. Registration of defensive names

See s.12 (9)

- (1) An application for registration of a defensive name in terms of Section 12(9) must be -

- (a) made in Form CoR 10.1; and
  - (b) accompanied by -
    - (i) the fee set out in Table CR 1; and
    - (ii) evidence that the applicant has a direct and material interest in the name.
- (2) An application to renew the registration of a defensive name must be -
- (a) made in Form CoR 10.2; and
  - (b) accompanied by -
    - (i) the fee set out in Table CR 1; and
    - (ii) evidence that the applicant continues to have a direct and material interest in the name.
- (3) As soon as practicable after receiving an application to register a defensive name, or to renew the registration of a defensive name, the Commission must issue to the applicant -
- (a) a Notice Requiring Further Particulars in Form CoR 9.3, if the Commission requires more information to satisfy any relevant requirements in terms of sub-regulation (1)(b)(ii) or (2)(b)(ii) before determining whether to accept the application; or
  - (b) a Notice Confirming the Registration in Form CoR 9.4, if the Commission has accepted an application for registration of a defensive name, or to renew the registration of a defensive name; or
  - (c) a Notice Refusing a Name Reservation or Registration in Form CoR 9.5, if -
    - (i) the form of the name does not satisfy the requirements of section 11, or regulation 8; or
    - (ii) the use of that name by the applicant is prohibited in terms of the Act.
- (4) If the Commission has accepted the registration of a defensive name that may be contestable on any grounds contemplated in section 12(3), the Commission, when issuing Form 9.4 in response to that application, must also issue –
- (a) a Notice of a Potentially Contested Name, in Form CoR 9.6, to the applicant if the name is contestable in terms of section 12(3)(a), read with section 11(2)(b) or (c); or

- (b) a Notice of a Potentially Offensive Name, in Form CoR 9.7 to the South African Human Rights Commission and to the applicant, if the name is contestable in terms of section 12(3)(b), read with section 11(2)(d).

## 11. Transfer of reserved names

See s. 12(5) and (10)

- (1) An application to transfer the reservation of a name, or the registration of a defensive name, to another person -
  - (a) must be made in Form CoR 11.1, and accompanied by the fee set out in Table CR 1; and
  - (b) in the case of a -
    - (i) name reservation in respect of which satisfactory evidence of any facts was required in terms of regulation 8, must be accompanied by satisfactory evidence of the comparable facts in relation to the transferee; or
    - (ii) registration of a defensive name, must be accompanied by satisfactory evidence that the transferee has a direct and material interest in the name.
- (2) As soon as practicable after receiving an application to transfer a name reservation or the registration of a defensive name, the Commission must issue to the applicant -
  - (a) a Notice Requiring Further Particulars in Form CoR 9.3, if the Commission requires more information to satisfy any relevant requirements in terms of regulation 8 or sub-regulation (1)(b); or
  - (b) a Notice Confirming a Name Reservation or Registration in Form CoR 9.4, if the Commission has accepted the Notice of Transfer of the name; or
  - (c) a Notice Refusing a Name Transfer in Form CoR 11.2 if the use of that name by the transferee is prohibited on the grounds that the evidence of matters contemplated in regulation 8 or sub-regulation (1)(b) is unsatisfactory.

## 12. Abuse of name reservation system

See s. 12(6)

- (1) A notice contemplated in section 12(6) must be issued by the Commission in Form CoR 12.1, and must -

- (a) specify clearly the purpose of the notice in terms of the items listed in section 12(6)(a) to (d); and
  - (b) set out the grounds upon which the Commission has formed the requisite belief that the notice is justified.
- (2) If a person who has received a notice in Form CoR 12.1 to show cause why a name should be reserved, continue to be reserved or why a reservation should be transferred, as contemplated in section 12(6)(a) -
- (a) fails to respond to that notice within 40 business days after receiving it, the Commission must issue either -
    - (i) a notice in Form CoR 9.5, rejecting the application to reserve the name, or
    - (ii) a further notice in Form CoR 12.1, cancelling the reservation, or refusing to extend or transfer the reservation, as the case may be.
  - (b) provides information to the Commission within 40 business days after receiving Form CoR 12.1, the Commission, after considering that information, must issue either -
    - (i) a notice in Form CoR 9.4 accepting the reservation, extension or transfer as the case may be; or
    - (ii) a further notice in Form CoR 12.1, cancelling the reservation, or refusing to extend or transfer the reservation, as the case may be.

### **13. Disputes concerning company names**

*See s. 160 and Regulation 147*

A person may apply in Form CTR 142 to the Tribunal in terms of section 160 if the person has received -

- (a) a Notice of a Potentially Contested Name, in Form CoR 9.6 or a Notice of a Potentially Offensive Name, in Form CoR 9.7, or has an interest in the name of a company as contemplated in section 160(1);
- (b) a Notice Refusing to Reserve or Register a Name, in Form CoR 9.5;
- (c) a Notice Refusing a Name Transfer, in Form CoR 11.2 in terms of regulation 10, 11 or 12; or
- (d) any notice in Form CoR 12.1, delivered in terms of regulation 12.

**Part B**  
**Incorporation and Legal Status of Companies**

**14. Notice of Incorporation**

*See s. 13(2) to (4)*

- (1) A Notice of Incorporation required in terms of section 13 must be filed in Form CoR 14.1 and
  - (a) must be accompanied by the fee set out in Table CR 2B, subject to sub-regulation (2) and (4);
  - (b) must stipulate whether the company's name will be -
    - (i) in the case of a profit company, its registration number, as contemplated in section 11(1)(b), in which case the applicable spaces for the name to be entered on Form CoR 14.1 and on the Memorandum of Incorporation must be left blank to be completed by the Commission upon assignment of the registration number;
    - (ii) a name that has been reserved or defensively registered for use in terms of the Act, and which the incorporators are entitled to use, in which case the reservation number and that name reserved, or defensively registered, must be set out on Form CoR 14.1; or
    - (iii) a name that has not been reserved in advance, in which case-
      - (aa) the applicable spaces for the name to be entered on Form CoR 14.1 and on the Memorandum of Incorporation must be left blank to be completed by the Commission in accordance with sub-regulation (3);
      - (bb) the incorporators may include up to four alternative names on the Notice of Incorporation, listed in order of preference; and
      - (cc) Regulations 8 and 9, read with the changes required by the context, apply with respect to each alternative name listed on the notice.
- (2) If the Notice of Incorporation indicates that the company is to be known by its registration number, or by a name that has been reserved in advance, the Commission must reduce the filing fee for the Notice of Incorporation by an amount equivalent to the fee for an application for name reservation.
- (3) If the Notice of Incorporation indicates that the company is to be known by a name that has not been reserved in advance -
  - (a) the Commission must consider each alternative name entered on Form CoR 14.1 in the listed order of preference, and must assign to the company as its name

- (i) the first of those names that proves to be acceptable in terms of the Act, if any; or
  - (ii) the registration number in the case of a profit company, in the manner contemplated in section 14(2)(b), if none of the listed alternative names is acceptable; and
- (b) sections 11 and 12 and regulations 8 and 9, each read with the changes required by the context, apply to the consideration of any such name by the Commission, as if the Commission were considering an application to reserve that name.
- (4) The Commission may reject a Notice of Incorporation in terms of section 13(4) by issuing a notice to the incorporators in Form CoR 14.2 and returning to them any documents or other material filed with the Notice of Incorporation.
- (5) The registration certificate issued by the Commission in terms of section 14(1)(b) must be in Form CoR 14.3.

## **15. Memorandum of Incorporation**

*See s. 13(1) and s. 16*

- (1) If the incorporators of a company elect to use a standard form Memorandum of Incorporation, as contemplated in section 13(1)(a)(i), to incorporate -
- (a) a private company, that Memorandum of Incorporation may be in either the 'short form' CoR 15.1A, or the 'long form' CoR 15.1B;
  - (b) a profit company other than a private company, that Memorandum of Incorporation must be in Form CoR 15.1B; or
  - (c) a non-profit company -
    - (i) without members, that Memorandum of Incorporation may be in either the 'short form' CoR 15.1C, or the 'long form' CoR 15.1D; or
    - (ii) with members, that Memorandum of Incorporation must be in Form CoR 15.1E
- (2) At any time after the incorporation of a company using Form CoR 15.1A in the case of a profit company, or CoR 15.1C in the case of a non-profit company, the company may substitute its Memorandum of Incorporation with a Memorandum of Incorporation in the Form CoR 15.1B, or 15.1D, respectively, by filing -
- (a) a Notice of Amendment in Form CoR 15.2;

- (b) a copy of the completed Memorandum of Incorporation in Form CoR 15.1B or CoR 15.1D as applicable; and
- (c) a copy of a special resolution of the company approving the new form of Memorandum of Incorporation

together with the appropriate filing fee, as set out in Table CR 2B.

- (3) Within 10 business days after an amendment to a company's Memorandum of Incorporation has been effected in any manner contemplated in section 16(1), the company must file a Notice of Amendment in Form CoR 15.2, together with -
  - (a) the relevant documents required by section 16(7); and
  - (b) the fee as set out in Table CR 2B, provided that such fee shall be waived if the amendment relates to a change of name of a company where the registration number of the company is the name of the company as contemplated in section 11(1)(b), and subject to any other fee waiver provided for in the Act or the Regulations.

*(Regulation 15(3)(b) substituted by Government Notice R82 in Government Gazette 37299 dated 5 February 2014.)*

- (4) Within 10 business days after publishing a notice of alteration of its Memorandum of Incorporation, as contemplated in section 17(1)(a), a company must file a Notice of Alteration in Form CoR 15.3, together with the fee set out in Table CR 1.
- (5) A filed translation of a company's Memorandum of Incorporation must be accompanied by Form CoR 15.4, which must include the sworn statement required by section 17(4), together with the fee set out in Table CR 1.
- (6) A consolidated revision of a company's Memorandum of Incorporation must be accompanied by Form CoR 15.5, which must include a sworn statement, or a statement by an attorney or notary, as required by section 17(6), together with the fee set out in Table CR 1.
- (7) A notice by the Commission requiring a company to file a consolidated revision of its Memorandum of Incorporation must be in Form CoR 15.6.

## **16. Rules of a company**

See s. 15(3) to (5)

- (1) Rules of a company contemplated in section 15(3) must be filed with Form CoR 16.1 within 10 business days after being published by the company in terms of section 15(3)(a).



- (2) Within 10 business days after any rules of a company have been put to a ratification vote in terms of section 15(4), the company must file a Notice in Form CoR 16.2 indicating whether the rules have been ratified or rejected.
- (3) Within 10 business days after any rules of a company have been amended, altered or repealed the company must file a Notice in Form CoR 16.1 indicating clearly the extent and effect of the change.

## **17. Domestication of foreign companies**

*See s. 13(5) to (10)*

- (1) An application by a foreign company to transfer its registration to the Republic, as contemplated in section 13(5), must be filed in Form CoR 17.1, and must be accompanied by -
  - (a) a copy of its Memorandum of Incorporation to be registered in the Republic, and a copy of its founding documentation in a foreign jurisdiction;
  - (b) a copy of the certificate of its current registration issued by the jurisdiction in which it is registered at the time of the application;
  - (c) a copy of its most recent annual financial statements;
  - (d) a copy of the shareholder resolution approving the transfer of the company's registration to the Republic, as required by section 13(6)(b);
  - (e) satisfactory evidence that the company satisfies the requirements set out in section 13(6) (a), and (c) to (f); and
  - (f) The fee set out in Table CR 2B.
- (2) As soon as practicable after receiving an application to transfer the registration of a foreign company, the commission must issue either -
  - (a) a Notice Requiring Further Information in Form CoR 17.2, if the Commission requires more information to verify that the requirements of section 13(6) and (7) have been satisfied; or
  - (b) a Certificate of Registration in Form CoR 17.3, if -
    - (i) the Commission has accepted the application to transfer the company's registration to the Republic; and

- (ii) the company's Memorandum of Incorporation, including its name, is consistent with the requirements of the Act; or
  - (c) a Notice Refusing to Transfer Registration, in Form CoR 17.3, if the commission believes on reasonable grounds that the company is not entitled to transfer its registration to the Republic in terms of section 13(5) to (10).
- (3) A foreign company may apply to the Tribunal to review a conditional certificate of registration contemplated in sub-regulation (2)(c), or a notice contemplated in sub-regulation (2)(d).

## **18. Conversion of Close Corporations**

*See Schedule 2*

- (1) A Notice of Conversion of a close corporation in terms of Schedule 2 must be filed in Form CoR 18.1, and must be accompanied by -
- (a) a written statement of consent signed by members of the corporation holding, in aggregate, at least 75% of the members' interests in the corporation;
  - (b) a Memorandum of Incorporation; and
  - (c) the fee set out in Table CR 2B.
- (2) As soon as practicable after receiving a Notice of Conversion, the Commission must issue either -
- (a) a Notice Requiring Further Information in Form CoR 18.2, if the Commission requires more information to verify that the requirements of Schedule 2 have been satisfied; or
  - (b) a Certificate of Registration in Form CoR 18.3, if -
    - (i) the Commission has accepted the Notice of conversion; and
    - (ii) the company's Memorandum of Incorporation, including its name, is consistent with the requirements of the Act.

## **19. Reckless trading or trading under insolvent circumstances**

*See s. 22*

- (1) The Commission may issue a notice to show cause contemplated in section 22(2) in Form CoR 19.1, which must clearly set out the grounds upon which the Commission has formed the requisite belief that the notice is justified.

- (2) If a person who has received a notice in Form CoR 19.1 provides information to the Commission within 20 business days after receiving the notice, the Commission, after considering that information, must issue either -
- (a) a notice in Form CoR 19.2 accepting the information, and confirming the company's right to continue carrying on its business activities; or
  - (b) a compliance notice, as contemplated in section 22(3).

### **Part C**

#### **Transparency, accountability and integrity of companies**

#### **20. External Companies**

See s. 23

- (1) An external company must register by filing a notice in Form CoR 20.1, which must be accompanied by -
- (a) the filing fee set out in Table CR 1;
  - (b) a certified copy of -
    - (i) the company's Memorandum of Incorporation, or similar document filed in the jurisdiction in which the external company is registered;
    - (ii) the certificate of incorporation or comparable document issued by the jurisdiction in which the company was incorporated,together with a translation of any of those documents, if the original is not in an official language of the Republic; and
  - (c) a statement in Form CoR 20.1 setting out -
    - (i) the address of its principal office outside the Republic; and
    - (ii) the names of its directors at the time that it files that form;
  - (d) the address of its registered office in the Republic, as required by section 23(3)(b)(i)(bb) and Form CoR 20.1; and

- (e) the name and address of the person within the Republic who has consented to accept service of documents on behalf of the external company, and has been appointed by the company to do so, together with evidence of that person's consent and appointment in Form CoR 20.1.
- (2) As soon as practicable after accepting a filed notice in terms of sub-regulation (1), and upon entering the prescribed information relating to the external company in the register in terms of section 23(5)(c), the Commission must issue a registration certificate to the external company, in Form CoR 20.2.
- (3) If any change occurs or takes place in respect of the information furnished under paragraph (e) of sub-regulation 1, the external company must file form CoR 21.2 advising the Commission of the change.

## **21. Registered office of company**

*See s. 23*

A company or external company must notify the Commission of a change in its registered office by filing Form CoR 21.1 with the fee set out in Table CR 1, indicating the effective date of the change, which must be at least five business days after the date on which the notice is filed.

## **22. Company records**

*See s. 25*

A company must notify the Commission of the location, or of any change in the location, of any company records that are not located at its registered office, by filing Form CoR 22, indicating the date as of which the records will be kept at the relevant location, which must be the date on which the notice is filed, or a later date.

## **23. Information to be kept concerning directors**

*See s.24(3)(b), (5) and (6)*

In addition to the information required by section 24(5), a company's record of directors must include, with respect to each director of the company -

- (a) the address for service for that director; and
- (b) in the case of a company that is required to have an audit committee, any professional qualifications and experience of the director, to the extent necessary to enable the company to comply with section 94(5) and regulation 42.

## **24. Access to company information**

*See s. 26*

- (1) Any right of access of any person to any information contemplated in section 26 or in this regulation may be exercised only in accordance with -

- (a) the Promotion of Access to Information Act, 2000 (Act No.2 of 2000); or
  - (b) the provisions of section 26; and
  - (c) sub-regulations (3) to (4).
- (2) A person claiming a right of access to any record held by a company may not exercise that right until-
- (a) a request to exercise that right has been made to the company in terms of sub-regulation (3); or
  - (b) to the extent applicable, the person's right of access to the information has been confirmed in accordance with the Promotion of Access to Information Act, 2000.
- (3) A person claiming a right of access to any record held by a company must make a written request, as contemplated in section 26(4), by delivering to the company -
- (a) a completed Request for Access to Information in Form CoR 24; or
  - (b) to the extent applicable any further documents or other material required in terms of the Promotion of Access to Information Act, 2000.
- (4) A company, that receives a request in terms of subsection 3(a) must, within 14 business days, accede to the request.

## **25. Company financial year and accounting records**

*See s. 27 and 28*

- (1) A company must notify the Commission of a change in its financial year end by filing Form CoR 25.
- (2) A company must keep accounting records in an official language of the Republic, as necessary to provide an adequate information base sufficient to
  - (a) enable the company to satisfy all reporting requirements applicable to it, as set out in section 28(1) read with section 29(1); and
  - (b) provide for the compilation of financial statements, and the proper conduct of an audit, or independent review, of its annual financial statements, as applicable for the particular company.
- (3) To the extent necessary for a particular company to comply with section 28(1), read with section 29(1), the accounting records of that company must include -

- (a) a record of the company's assets and liabilities including, but not limited to -
  - (i) a record of the company's non-current assets, showing for each such asset or, in the case of a group of relatively minor assets, each such group of assets
    - (aa) the date the company acquired it, and the acquisition cost;
    - (bb) the date the company re-valued it, if applicable, and the amount of the revaluation and, if it was re-valued after the Act took effect, the basis of, and reason for, the re-valuation; and
    - (cc) the date the company disposed of or retired it, once it has been disposed of or retired, and the value of the consideration, if any, received for it and, if it was disposed of after the Act took effect, the name of the person to whom it was transferred;
  - (ii) a record of any loan by the company to a shareholder, director, prescribed officer or employee of the company, or to a person related to any of them, including the amount borrowed, the interest rate, the terms of re-payment, and material details of any breach, default or re-negotiation of any such loan; and
  - (iii) a record of any liabilities and obligations of the company including, but not limited to-
    - (aa) a record of any loan to the company from a shareholder, director, prescribed officer or employee of the company, or from a person related to any of them, including the amount borrowed, the interest rate, and the terms of re-payment, and material details of any breach, default or re-negotiation of any such loan; and
    - (bb) a record of any guarantee, suretyship or indemnity granted by the company in respect of an obligation to a third party incurred by a shareholder, director, prescribed officer or employee of the company, or by a person related to any of them, including the amount secured, the interest rate, the terms of re-payment, the expiry date, and the circumstances in which the company may be called upon to honour the guarantee, suretyship or indemnity;
- (b) a record of any property held by the company
  - (i) in a fiduciary capacity; or
  - (ii) in any capacity or manner contemplated in section 65(2) of the Consumer Protection Act, 2008 (Act No. 68 of 2008);

- (c) a record of the company's revenue and expenditures, including -
    - (i) daily records of all money received and paid out, in sufficient detail to enable the nature of the transactions and, except in the case of cash transactions, the names of the parties to the transactions to be identified;
    - (ii) daily records of all goods purchased or sold on credit, and services received or rendered on credit, in sufficient detail to enable the nature of those goods or services and the parties to the transactions to be identified; and
    - (iii) statements of every account maintained in a financial institution in the name of the company, or in any name under which the company carries on its activities, together with vouchers or other supporting documents for all transactions recorded on any such statement; and
  - (d) if the company trades in goods, a record of inventory and stock in trade, statements of the annual stocktaking, and records to enable the value of stock at the end of the financial year to be determined.
- (4) In addition to the requirements set out above, a non-profit company must maintain adequate records of all revenue received from donations, grants, and member's fees, or in terms of any funding contracts or arrangements with any party.
- (5) The accounting records required to be kept by the Act and this regulation must be kept in such a manner as -
- (a) to provide adequate precautions against -
    - (i) theft, loss or intentional or accidental damage or destruction; and
    - (ii) falsification; and
  - (b) to facilitate the discovery of any falsification; and
  - (c) to comply with any other applicable law dealing with accounting records, access to information, or confidentiality.
- (6) If a company keeps any of its accounting records in electronic form, the company must -
- (a) provide adequate precautions against loss of the records as a result of damage to, or failure of, the media on which the records are kept; and

- (b) ensure that the records are at all times capable of being retrieved to a readable and printable form, including by converting the records from legacy to later systems, storage media, or software, to the extent necessary from time to time.
- (7) For greater certainty, the requirements of this regulation are in addition to, and not in substitution for, any applicable requirements to keep accounting records set out in terms of any other law, or any agreement to which the company is a party.

## **26. Interpretation of regulations affecting transparency and accountability**

- (1) For the purposes of this regulation and regulations 27 to 29 -
  - (a) "employee", has the meaning set out in the Labour Relations Act, 1995 (Act 66 of 1995);
  - (b) "IFRS" means the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body; and
  - (c) "IFRS for SMEs" means the International Financial Reporting Standards for Small and Medium Enterprises, as issued from time to time by the International Accounting Standards Board or its successor body;
  - (d) "independent accounting professional" when used with respect to any particular company, means a person who -
    - (i) is
      - (aa) a registered auditor in terms of the Auditing Profession Act; or
      - (bb) a member in good standing of a professional body that has been accredited in terms of section 33 of the Auditing Profession Act; or
      - (cc) qualified to be appointed as an accounting officer of a close corporation in terms of section 60(1), (2) and (4) of the Close Corporations Act, 1984 (Act No. 69 of 1984); and
    - (ii) does not have a personal financial interest in the company or a related or inter-related company; and
    - (iii) is not
      - (aa) involved in the day to day management of the company's business, nor has been so involved at any time during the previous three financial years; or



- (bb) a prescribed officer, or full-time executive employee, of the company or another related or inter-related company, or have been such an officer or employee at any time during the previous three financial years; and
  - (iv) is not related to any person who falls within any of the criteria set out in clause (ii) or (iii).
  - (e) "independently compiled and reported" means that the annual financial statements are prepared-
    - (i) by an independent accounting professional;
    - (ii) on the basis of financial records provided by the company; and
    - (iii) in accordance with any relevant financial reporting standards.
  - (f) "ISRE 2400" means the International Standard for Review Engagements, as issued from time to time, by the International Auditing and Assurance Standards Board, or its successor body;
  - (g) "SA GAAP" means the South African Statements of Generally Accepted Accounting Practice, as adopted from time to time by the Accounting Practices Board or its successor body.
- (2) For the purposes of regulations 27 to 30, 43, 127 and 128, every company must calculate its 'public interest score' at the end of each financial year, calculated as the sum of the following: -
- (a) a number of points equal to the average number of employees of the company during the financial year;
  - (b) one point for every R 1 million (or portion thereof) in third party liability of the company, at the financial year end;
  - (c) one point for every R 1 million (or portion thereof) in turnover during the financial year; and
  - (d) one point for every individual who, at the end of the financial year, is known by the company -
    - (i) in the case of a profit company, to directly or indirectly have a beneficial interest in any of the company's issued securities; or
    - (ii) in the case of a non-profit company, to be a member of the company, or a member of an association that is a member of the company.

## 27. Financial Reporting Standards

Prepared by:

In partnership with:

See s. 29(4)

- (1) A company's financial statements may be compiled internally or independently.
- (2) For all purposes of this regulation and regulations 28 and 29, a company's financial statements must be regarded as having been compiled internally, unless they have been 'independently compiled and reported', as defined in regulation 26(1)(e).
- (3) Nothing in this regulation precludes a company –
  - (a) that is required to prepare its financial statements to the standards of IFRS for SMEs, from preparing its financial statements to the standards of IFRS instead; or
  - (b) that is not subject to any prescribed standards, from preparing its financial statements to the standards of either IFRS or IFRS for SMEs or SA GAAP.
- (4) For any particular company, any financial statements contemplated in section 28 or 29 must comply with the applicable standards for that category of company as follows:

#### State owned and Profit companies

Category of Companies	Financial Reporting Standard
State owned companies.	IFRS, but in the case of any conflict with any requirement in terms of the Public Finance Management Act, the latter prevails.
Public companies listed on an exchange.	IFRS
Public companies not listed on an exchange.	One of – <ol style="list-style-type: none"> <li>(a) IFRS; or</li> <li>(b) IFRS for SMEs, provided that the company meets the scoping requirements outlined in the IFRS for SME's.</li> </ol>
Profit companies, other than state-owned or public companies, <ol style="list-style-type: none"> <li>(a) whose public interest score for the particular financial year is at least 100 but less than 350; or</li> <li>(b) whose public interest score for the particular financial year is less than 100, and whose statements are independently compiled.</li> </ol>	One of- <ol style="list-style-type: none"> <li>(a) IFRS; or</li> <li>(b) IFRS for SMEs, provided that the company meets the scoping requirements outlined in the IFRS for SME's; or</li> <li>(c) SA GAAP</li> </ol>
Profit companies other than state owned or public companies, whose public interest score for the particular financial year is less than 100 and whose	The Financial Reporting Standard as determined by the company for as long as no Financial Reporting Standard is prescribed.

Prepared by:

In partnership with:

statements are internally compiled.	
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### Non-Profit Companies

Category of Companies	Financial Reporting Standard
Non profit companies that are required in terms of regulation 28(2)(b) to have their annual financial statements audited.	IFRS, but in the case of any conflict with any requirements in terms of the Public Finance Management Act, the latter prevails.
Non profit companies, other than those contemplated in the first row above, whose public interest score for the particular financial year is at least 350.	One of- (a) IFRS; or (b) IFRS for SMEs, provided that the company meets the scoping requirements outlined in the IFRS for SME's.
Non profit companies, other than those contemplated in the first row above - (a) whose public interest score for the particular financial year is at least 100, but less than 350; or (b) whose public interest score for the particular financial year is less than 100, and whose financial statements are independently compiled.	(a) IFRS; or (b) IFRS for SMEs, provided that the company meets the scoping requirements outlined in the IFRS for SME's; or (c) SA GAAP
Non profit companies, other than those contemplated in the first row above, whose public interest score for the particular financial year is less than 100, and whose financial statements are internally compiled.	The Financial Reporting Standard as determined by the company for as long as no Financial Reporting Standard is prescribed.

- (5) The Financial Reporting Standards prescribed by this regulation apply to every company with a financial year end starting on or after the effective date of the Act.

### 28. Categories of companies required to be audited

See s. 30(2), read with 30(7)

- (1) This regulation applies to a company unless, in terms of section 30(2A), it is exempt from having its annual financial statements either audited or independently reviewed.
- (2) In addition to public companies and state owned companies, any company that falls within any of the following categories in any particular financial year must have its annual financial statements for that financial year audited:
- (a) any profit or non-profit company if, in the ordinary course of its primary activities, it holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds R 5 million;

- (b) any non-profit company, if it was incorporated -
  - (i) directly or indirectly by the state, an organ of state, a state-owned company, an international entity, a foreign state entity or a foreign company; or
  - (ii) primarily to perform a statutory or regulatory function in terms of any legislation, or to carry out a public function at the direct or indirect initiation or direction of an organ of the state, a state-owned company, an international entity, or a foreign state entity, or for a purpose ancillary to any such function; or
- (c) any other company whose public interest score in that financial year, as calculated in accordance with regulation 26(2) -
  - (i) is 350 or more; or
  - (ii) is at least 100, if its annual financial statements for that year were internally compiled.

## 29. Independent review of annual financial statements

*See s. 30(2) and (7)*

- (1) For purposes of this regulation -
  - (a) "independent reviewer", means a person referred to in regulation 29(4) and who has been appointed to perform an independent review under this regulation; and
  - (b) "reportable irregularity" means any act or omission committed by any person responsible for the management of a company, which -
    - (i) unlawfully has caused or is likely to cause material financial loss to the company or to any member, shareholder, creditor or investor of the company in respect of his, her or its dealings with that entity; or
    - (ii) is fraudulent or amounts to theft; or
    - (iii) causes or has caused the company to trade under insolvent circumstances.
- (2) This regulation applies to a company, with respect to any particular financial year, unless the company -
  - (a) is exempt, in terms of section 30(2A), from any requirement to have its annual financial statements for that year audited or reviewed;

- (b) is required by its own Memorandum of Incorporation, or required in terms of the Act or regulation 28, to have its annual financial statements for that financial year audited; or
  - (c) has voluntarily had its annual financial statements for that year audited.
- (3) A company to which this regulation applies must have its annual financial statements independently reviewed in accordance with ISRE 2400.
- (4) An independent review of a company's annual financial statements must be carried out -
- (a) in the case of a company whose public interest score for the particular financial year was at least 100, by a registered auditor, or a member in good standing of a professional body that has been accredited in terms of section 33 of the Auditing Professions Act; or
  - (b) in the case of a company whose public interest score for the particular financial year was less than 100, by -
    - (i) a person contemplated in paragraph (a); or
    - (ii) a person who is qualified to be appointed as an accounting officer of a close corporation in terms of section 60(1), (2) and (4) of the Close Corporations Act, 1984 (Act No. 69 of 1984).
- (5) An independent review of a company's annual financial statements must not be carried out by an independent accounting professional who was involved in the preparation of the said annual financial statements.
- (6)
- (a) An independent reviewer of a company that is satisfied or has reason to believe that a reportable irregularity has taken place or is taking place in respect of that company must, without delay, send a written report to the Commission.
  - (b) The report must give particulars of the reportable irregularity referred to in paragraph (a) and must include such other information and particulars as the independent reviewer considers appropriate.
- (7)
- (a) The independent reviewer must within three business days of sending the report to the Commission notify the members of the board of the company in writing of the sending of the report referred to in sub-regulation (6) and the provisions of this regulation.
  - (b) A copy of the report to the Commission must accompany the notice.

- (8) The independent reviewer must as soon as reasonably possible but not later than 20 business days from the date on which the report referred to in sub-regulation (6) was sent to the Commission -
- (a) take all reasonable measures to discuss the report referred to in sub-regulation (6) with the members of the board of the company;
  - (b) afford the members of the board of the company an opportunity to make representations in respect of the report; and
  - (c) send another report to the Commission, which report must include -
    - (i) a statement that the independent reviewer is of the opinion that -
      - (aa) no reportable irregularity has taken place or is taking place; or
      - (bb) the suspected reportable irregularity is no longer taking place and that adequate steps have been taken for the prevention or recovery of any loss as a result thereof, if relevant; or
      - (cc) the reportable irregularity is continuing; and
    - (ii) detailed particulars and information supporting the statement referred to in subparagraph (i).
- (9) The Commission must as soon as possible after receipt of a report containing a statement referred to in paragraph (c)(i)(cc) of sub-regulation (8), notify any appropriate regulator in writing of the details of the reportable irregularity to which the report relates and provide it with a copy of the report and may investigate any alleged contravention of the Act.
- (10) For the purpose of the reports referred to in sub-regulations (6) and (8), an independent reviewer may carry out such investigations as the independent reviewer may consider necessary and, in performing any duty referred to in the preceding provisions of this regulation the independent reviewer must have regard to all the information which comes to the knowledge of the independent reviewer from any source.
- (11) Where a company is liquidated, whether provisionally or finally, and an independent reviewer at the time of the liquidation –
- (a) has sent or is about to send a report referred to in sub-regulation (6) or (8), the report must also be submitted to a provisional liquidator or liquidator, as the case may be, at the same time as

the report is sent to the Commission or as soon as reasonably possible after his or her appointment; or

(b) has not sent a report referred to in sub-regulation (6) or (8), and is requested by a provisional liquidator or liquidator, as the case may be, to send a report, the independent reviewer must as soon as reasonably possible -

(i) send the report together with a motivation as to why a report was not sent; or

(ii) submit a notice that in the independent reviewer's opinion no report needed to be submitted, together with a justification of the opinion.

(12) Every profession recognised by the Minister under section 60 of the Close Corporations Act, 1984 (Act 69 of 1984), whose members are entitled to perform an independent review as contemplated in sub-regulation (4)(b)(ii), must annually file a report with the Commission demonstrating that -

(a) it has proper mechanisms for ensuring that its members participate in continued professional development and achievement of professional competence;

(b) it has mechanisms to ensure that its members are disciplined where appropriate;

(c) it is, and is likely to continue to be, financially and operationally viable for the foreseeable future;

(d) it keeps and maintains a proper register of its members;

(e) it has in place appropriate programmes and structures to ensure that that it is actively endeavouring to achieve the objective of being representative of all sectors of the South African population; and

(f) it meets any other requirements that may be determined by the Commission from time to time.

### **30. Company annual returns**

See s.33

(1) A company must file its annual return in Form CoR 30.1 together with the prescribed fee set out in Table CR2 B unless exempt from such payment under sub-regulation 8, within 30 business days after the anniversary of -

(a) its date of incorporation, in the case of a company that was incorporated in the Republic; or

(b) the date that its registration was transferred to the Republic, in the case of a domesticated company.

- (2) A company that is required by the Act or regulation 28 to have its annual financial statements audited must file a copy of the latest approved audited financial statements on the date that it files its annual return.
- (3) A company that is not required in terms of the Act or regulation 28 to have its annual financial statements audited may file a copy of its audited or reviewed statements together with its annual return.
- (4) A company that is not required to file annual financial statements in terms of sub-regulation (2), or a company that does not elect to file a copy of its audited or reviewed annual financial statements in terms of sub-regulation (3), must file a financial accountability supplement to its annual return in Form CoR 30.2.
- (5) The Commission -
  - (a) must establish a system to select and review a sample of financial accountability supplements, audited annual financial statements or independently reviewed annual financial statements that have been filed in terms of this regulation, with the objective of monitoring compliance with the financial record keeping and financial reporting provisions of the Act; and
  - (b) may issue a compliance notice to any such company setting out changes that are required to the company's practices to better comply with the financial record keeping and financial reporting provisions of the Act.
- (6) An external company must file its annual return in Form CoR 30.3 together with the prescribed fee set out in Table CR2 B, within 30 business days after the anniversary date of its registration as an external company.
- (7) If the information furnished by the company on Form CoR 30.1, or by an external company on Form CoR 30.3, differs from the information on the Commission's register and pre-printed on Form CoR 30.1 or Form CoR 30.3 respectively by the Commission, the company or external company must file the applicable CoR form for changing the said information together with Form CoR 30.1 or CoR 30.3 respectively, and pay the appropriate prescribed fee (if any) for such change.
- (8) A company that has been inactive during the financial year preceding the date on which its annual return becomes due under sub-regulation 1, may apply to the Commission for exemption from payment of the prescribed fee contemplated in sub-regulation 1, provided that the application is supported by the financial statements indicating that the company had in fact no turnover during that financial year.

## Part D



## Capitalization of Profit Companies

### 31. Conversion of nominal or par value shares, and related matters

- (1) This regulation does not apply in respect of a pre-existing company contemplated in Item 6(1) of Schedule 5.
- (2) A pre-existing company may not authorise any new par value shares, or shares having a nominal value, on or after the effective date.
- (3) If, immediately before the effective date, a pre-existing company has any authorised class of par value or nominal value shares from which it has not issued any shares before the effective date, or from which it has issued shares, all of which had been re-acquired by the company before the effective date -
  - (a) the company must not issue any shares of that class on or after the effective date, until it has converted that class of shares in accordance with paragraph (b); and
  - (b) the board of the company may convert that class, or those classes, of authorised shares to shares having no nominal or par value, by adopting a board resolution to do so, and filing a notice of that resolution in Form CoR 31, without charge, at any time after the effective date.
- (4) Sub-regulations (5) to (11) do not apply to a conversion contemplated in sub-regulation (3)(b).
- (5) If, immediately before the effective date, a pre-existing company has any outstanding issued shares of one or more classes of par value or nominal value shares, the company -
  - (a) may not increase the number of those authorised shares;
  - (b) may issue further authorised shares of that class at any time on or after the effective date, until it has published a proposal in terms of sub-regulation (6) to convert that class of shares; and
  - (c) may file without charge an amendment to its Memorandum of Incorporation to effect a conversion of that class, or those classes, of shares, after adopting that amendment in accordance with sub-regulations (6) to (11).
- (6) An amendment to a pre-existing company's Memorandum of Incorporation to effect a conversion of one or more classes of shares in terms of sub-regulation (5) may be proposed at any time by the company's board, and –
  - (a) must not be designed substantially or predominantly to evade the requirements of any applicable tax legislation; and

- (b) will have been adopted only if it is approved by -
  - (i) a special resolution adopted by the holders of shares of each such class of shares; and
  - (ii) a further special resolution adopted by a meeting of the company's shareholders called for that purpose.
  
- (7) The board must cause a report to be prepared in respect of a proposed resolution to convert any nominal or par value shares in terms of sub-regulation (6), which must at a minimum -
  - (a) state all information that may affect the value of the securities affected by the proposed conversion;
  - (b) identify the class of holders of the company's securities affected by the proposed conversion;
  - (c) describe the material effects that the proposed conversion will have on the rights of the holders of the company's securities affected by the proposed conversion, and
  - (d) evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement.
  
- (8) The company must -
  - (a) publish a resolution contemplated in sub-regulation (6), together with the report required by sub-regulation (7), to the shareholders before the meeting at which the resolution will be considered, with at least as much notice as is required for a special resolution of that company's shareholders; and
  - (b) file a copy of the proposed resolution and report with the Commission and with the South African Revenue Service, at the same time that the proposal is published to the shareholders.
  
- (9) At any time before a meeting called to consider a company's proposal contemplated in sub-regulation (6) -
  - (a) the company may, at the option of the company, apply to a court for a declaratory order that the proposal satisfies the requirements of the Act;
  - (b) a shareholder affected by the proposal, who believes that the proposal does not adequately protect their rights, or otherwise fails to satisfy the requirements of the Act, may apply to the court for an order; or

- (c) the commission, or the South African Revenue Service, may apply to the court for a declaratory order contemplated in section 6(1), on the grounds that the proposal contravenes sub-regulation (6)(a);

and the court may make any order that is just and reasonable in the circumstances.

- (10) If an application is made to a court in terms of sub-regulation (9), the company may not put the proposed resolution to a vote until the court proceedings are completed and the time for any appeal or review of any court order has expired.
- (11) If, after considering an application in terms of sub-regulation (9), the court declares that the proposed resolution -
  - (a) satisfies the requirements of the Act -
    - (i) the company may put the proposal to a vote; and
    - (ii) the decision of the court does not restrict, limit or negate the right of any shareholder to vote against that resolution; or
  - (b) does not satisfy the requirements of the Act, the company must not proceed with a vote on the proposal, except to the extent that the court order provides otherwise.

## Part E

### Securities Registration and Transfer

#### 32. Company securities registers

*See s. 50(1)(b)*

- (1) The securities register of a profit company required in terms of section 24(4)(a), read with section 50(1)(b), must be kept in one of the official languages of the Republic, and must comprise -
  - (a) for every class of authorised securities, a record of -
    - (i) the number of securities authorised, and the date of authorisation;
    - (ii) the total number of securities of that class that have been issued, re-acquired or surrendered to the company; and
    - (iii) the number of issued securities of that class that are held in uncertificated form;

- (b) in respect of every issuance, re-acquisition or surrender of securities of any particular class, entries showing -
  - (i) the date on which the securities were issued, re-acquired or surrendered to the company;
  - (ii) the distinguishing number or numbers of any certificated securities issued, re-acquired or surrendered to the company;
  - (iii) the consideration for which the securities were issued or re-acquired by, or surrendered to the company; and
  - (iv) the name of the person to, from or by whom the securities were issued, re-acquired or surrendered, as the case may be; and
  - (v) in the case of uncertificated securities, a unique identifying number of the person to, from or by whom the securities were issued, re-acquired or surrendered, as the case may be;
- (c) for every class of authorised securities, at any time -
  - (i) the number of securities of that class that are available to be issued; and
  - (ii) the number of securities of that class that are the subject of options or conversion rights which, if exercised, would require securities of that class to be issued.
- (2) In addition to the information otherwise required, the company's securities register must also include in respect of each person to whom the company has issued securities, or to whom securities of the company have been transferred -
  - (a) the person's
    - (i) name and business, residential or postal address, as required by section 50(2)(b)(i); and
    - (ii) the person's email address if available, unless the person has declined to provide an email address;
  - (b) an identifying number that is unique to that person;
  - (c) in respect of each issue of securities to that person, the consideration for which the securities were issued, as determined by the company's board in terms of section 40; and
  - (d) in respect of each issue or transfer of securities to that person -

- (i) the date on which the securities were issued or transferred to the person;
  - (ii) the number and class of securities issued or transferred to the person;
  - (iii) the distinguishing number or numbers of the securities issued or transferred to the person, if the securities are held in certificated form;
- (e) the date on which any securities that had been issued or transferred to the person were subsequently -
- (i) transferred by that person, or by operation of law, to another person; or
  - (ii) re-acquired by, or surrendered to, the company in terms of any provision of the Act or the Memorandum of Incorporation; and
- (f) at any time, the total number of securities of that class held by the person.
- (3) If a company contemplated in section 56(7) has received any disclosure of a beneficial interest referred to in that section, the securities register of that company, despite any additional requirements that may be imposed by a central securities depository, must also include- -
- (a) a record of all such disclosures, including the following information for any securities in respect of which a disclosure was made- -
- (i) the name and unique identifying number of the registered holder of the securities;
  - (ii) the number, class and in the case of certificated securities, the distinguishing numbers of the securities; and
  - (iii) for each person who holds a beneficial interest in the securities, the extent of the person's interest in the securities, together with that person's
    - (aa) name and unique identifying number;
    - (bb) business, residential or postal address;
    - (cc) email address if available, unless the person has declined to provide an email address.
- (4) The securities register required to be kept by the Act and this regulation must be kept in such a manner as -

- (a) to provide indexed access to all relevant entries for any one person;
  - (b) to provide adequate precautions against -
    - (i) theft, loss or intentional or accidental damage or destruction; and
    - (ii) falsification; and
  - (c) to facilitate the discovery of any falsification.
- (5) If a company's securities register is kept in electronic form, the company and, in the case of an uncertificated securities register, the relevant Participant or Central Securities Depository, as the case may be, must -
- (a) provide adequate precautions against loss of the records as a result of damage to, or failure of, the media on which the records are kept; and
  - (b) ensure that the records are at all times capable of being retrieved to a readable and printable form, including by converting the records from legacy to later systems, storage media, or software, to the extent necessary from time to time.
- (6) In so far as the identity number and e-mail address of a person may be entered into a register kept under this regulation, such information may, at the instance of the company, Central Securities Depository or relevant Participant as the case may be, be regarded as confidential.
- (7) Any entry in a securities register pertaining to a person who has ceased to hold securities of the company may be disposed of seven years after that person last held any securities of the company.

### **33. Instruction to convert certificated securities into uncertificated securities**

*See s. 49(7)*

- (1) An instruction to a company to convert certificated securities into uncertificated securities must be given by the holder of the certificated securities whose name is entered in the company's securities register as the holder of the certificated securities in question, or by an authorised agent of that person.
- (2) A person who lodges certificated securities with a company, accompanied by an instruction referred to in sub-regulation (1), must do so in the manner and form prescribed in the rules of the Central Securities Depository and must provide complete and accurate information about the securities to be converted; and
- (3) An action that

(a) is taken by a person authorised to take that action, and carried out in accordance with the Act, regulation 34, and this regulation; and

(b) results in a consequence listed in section 55(1)(a) to (c),

is not "an unlawful action" as contemplated in section 55(1).

### 34. Duties of company

See s. 49(7)

(1) A company that has been instructed to convert certificated securities into uncertificated securities -

(a) must ensure that the documents and instruction lodged with it comply with the rules of the central securities depository;

(b) must ensure that the documents of title and other information relating to the certificated securities correspond to the particulars contained in the securities register;

(c) must ensure that -

(i) the distinguishing number recorded in terms of section 50(5) is valid;

(ii) the distinguishing number represents the document of title evidencing the entitlement of the person who has given the instruction to convert;

(iii) a document of title relating to the certificated securities is valid and has not been cancelled or recorded by the company as lost or stolen; and

(iv) the number of certificated securities to which a document of title relates does not exceed the holding allocated to the holder of the securities concerned in the securities register;

(d) must verify that the document of title relating to the certificated securities has, on the face of it, been validly issued by the company; and

(e) may not act on an instruction to convert if it has reason to doubt the validity of the instruction or the document of title relating to the certificated securities.

(2) After a company has accepted an instruction to convert certificated securities into uncertificated securities, it must -

(a) record in the securities register the date on which the securities are converted;

- (b) indicate clearly on the face of the document of title relating to the securities that the securities have been converted;
  - (c) reflect the converted securities as uncertificated securities in its securities register.
- (3) After certificated securities have been converted in terms of sub-regulation (2), the company must instruct -
- (a) the participant appointed by the holder of the securities; or
  - (b) in the absence of such a participant -
    - (i) a participant appointed by the company which has agreed with the company to hold the securities on behalf of the securities holder; or
    - (ii) the central securities depository,

to enter the number of uncertificated securities and the name of the holder of the securities, as it appeared in the company's securities register before the conversion took place, in an uncertificated securities register in accordance with the rules of the central securities depository.

- (4) Except in accordance with section 54, or a court order, a company may not -
- (a) require a participant or central securities depository to remove or change the particulars of uncertificated securities from or in an uncertificated securities register; or
  - (b) reduce the balance of uncertificated securities recorded in its securities register.
- (5) An action that -
- (a) is taken by a person authorised to take that action, and carried out in accordance with the Act, regulation 33, and this regulation; and
  - (b) results in a consequence listed in section 55(1)(a) to (c),
- is not "an unlawful action" as contemplated in section 55(1).

## Part F Governance of Companies

### 35. Pre-incorporation contracts

Prepared by:

In partnership with:



See s. 21(3)

- (1) A person may give notice to a company of a pre-incorporation contract or action contemplated in section 21(1), by filing, and delivering to the company, a notice in Form CoR 35.1.
- (2) If the board of a company has completely or partially rejected, or completely or partially ratified, a pre-incorporation contract or action of which it has received notice, as contemplated in section 21(3), the company must, within five business days -
  - (a) file a notice of its decision with respect to that contract or action in Form CoR 35.2; and
  - (b) deliver a copy of that notice to each person who is a party to the contract or materially affected by the action.

### **36. Uniform standards for providing information**

- (1) A person who holds any securities of a company may give notice to the company for any purpose contemplated in sections 37(8), 39, 58, 115(8), or 165(2) by delivering a completed Form CoR 36.1 to the company, except to the extent that the requirements of a central securities depository provide otherwise.
- (2) A company may notify each person who holds any securities of the company for any purpose contemplated in sections 39, 45(5), 56(5), 60, or 62(1), by delivering a completed Form CoR 36.2 to each registered security holder, except to the extent that the requirements of a central securities depository provide otherwise.
- (3) A registered holder of any securities in which any other person has a beneficial interest may give notice to each person who has such an interest, as required by section 56(11), by delivering a completed Form CoR 36.3 to each such person, except to the extent that the requirements of a central securities depository provide otherwise.
- (4) A director or prescribed officer of a company may give notice of a personal financial interest to the company by delivering a completed Form CoR 36.4.

### **37. Record dates**

See s. 59(2)(b)

- (1) If any securities of a particular company are in uncertificated form, or otherwise subject to rules of a central securities depository, the company must set the record date in accordance with those rules.
- (2) Except as contemplated in sub-regulation (1), a company must publish a notice of a record date for any matter by -

- (a) delivering a copy to each registered holder of its securities; and
- (b) posting a conspicuous copy of the notice -
  - (i) at its principal office;
  - (ii) on its website, if it has one; and
  - (iii) in the case of a listed company, on any automated system of disseminating information maintained by the exchange.

### **38. Prescribed officers of companies**

*See s. 66(10)*

- (1) Despite not being a director of a particular company, a person is a "prescribed officer" of the company for all purposes of the Act if that person -
  - (a) exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or
  - (b) regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company.
- (2) This regulation applies to a person contemplated in sub-regulation (1) irrespective of any particular title given by the company to -
  - (a) an office held by the person in the company; or
  - (b) a function performed by the person for the company.

### **39. Directors and register of persons disqualified from serving as director**

*See s. 69(8)(b)(iv) and s. 70(6)*

- (1) A notice that a person has become a director of a company, as required by section 70(6) must be filed in Form CoR 39, within 10 business days after appointment.
- (2) Within 10 business days after a person ceases to be a director of a company or external company, or after the company or external company becomes aware that any information respecting the director has changed, the company must file a notice of that change in Form CoR 39.

- (3) In addition to the court orders received from the Registrar of the Court under section 69(11A), the Commission may for purposes of maintaining the register of persons disqualified from serving as directors, obtain relevant information from the official records of the clerk of the magistrates court, the Master, the South African police services, any regulatory authority or any institution that regulates any profession in the Republic.
- (4) The prescribed minimum value of a fine upon conviction for certain offences, which would result in automatic disqualification as a director in terms of section 69(8)(b)(iv), is R 1 000.

## **Part G**

### **Winding up and Deregistering companies and external companies**

#### **40. Winding-up, dissolution and de-registration of companies and external companies**

*See s. 79 to 83*

- (1) A resolution by a solvent company to wind up must be filed with Form CoR 40.1.
- (2) If a company or external company has failed to file an annual return for two years in succession, as contemplated in section 82(3)(a), the Commission may deliver a demand in Form CoR 40.3 to the company or external company by registered post, or other means of verified communication, requiring the company or external company to provide the satisfactory information contemplated in section 82(3)(a)(ii).
- (3) If a company or external company responds to a demand sent to it in terms of sub-regulation (2), the Commission -
  - (a) may deregister the company or external company if the information received in response to the demand confirms that the company or external company is no longer active; or
  - (b) if the information received in response to the demand confirms that the company or external company is active-
    - (i) may require additional information if the information provided is unsatisfactory in terms of section 82(3)(a)(ii); or
    - (ii) may issue a compliance notice requiring the company or external company to file an annual return for every year that it has failed to do so; or
    - (iii) must issue a compliance certificate, if the information is satisfactory and the company or external company has filed an annual return for every year that it had failed to do so.

- (4) If a company or external company fails to respond within 20 business days after receiving a demand under sub-regulation 2(a) or a request or, in responding, fails to provide satisfactory additional information required in terms of sub-regulation (3)(b)(i), the Commission may -
- (a) issue a Notice of Pending Deregistration in Form CoR 40.4 to the company or external company; and
  - (b) deregister the company or external company at any time more than 20 business days after delivering the Notice of Pending Deregistration, unless during that time the company or external company has filed its annual return for every year that it had failed to file.
- (5) When any company or external company has been deregistered the books and papers of the company or external company may be disposed of in such way as the Commission may direct.
- (6) The Commission may re-instate a deregistered company or external company only after it has filed the outstanding annual returns and paid the outstanding prescribed fee in respect thereof.
- (7) An application to re-instate a de-registered company or external company must be made in Form CoR 40.5 and must comply with such conditions as the Commission may determine.
- (8) A notice by a company to transfer its registration to a jurisdiction outside the Republic, as contemplated in section 82(5), must be filed in Form CoR 40.2, and must be accompanied by -
- (a) a copy of a special resolution approving the transfer of the company's registration to that jurisdiction;
  - (b) satisfactory evidence that the company satisfies the requirements to register in that jurisdiction; and
  - (c) The fee set out in Table CR 1.

#### **41. Transitional effect of previous regulations concerning insolvent companies**

Despite the repeal of the Companies Act, 1973, the regulation for the Winding-Up and Judicial Management of Companies as promulgated under Government Notice R2490 of 28 December 1973, and as subsequently amended from time to time, continues to apply to any matter to which Chapter 14 of the Companies Act, 1973 continues to apply in terms of Item 9(1) to (3) of Schedule 5 of the Act, until the date to be determined as contemplated in Item 9(4) of Schedule 5.

### **Chapter 3 Enhanced Accountability and Transparency**

## 42. Qualifications for members of audit committees

See s. 94(5)

For the purposes contemplated in section 94(5), at least one-third of the members of a company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

## 43. Social and Ethics Committee

See s. 72(4) to (10)

- (1) This regulation applies to -
  - (a) every state owned company;
  - (b) every listed public company; and
  - (c) any other company that has in any two of the previous five years, scored above 500 points in terms of regulation 26(2).
- (2) A company to which this regulation applies must appoint a social and ethics committee unless -
  - (a) it is a subsidiary of another company that has a social and ethics committee, and the social and ethics committee of that other company will perform the functions required by this regulation on behalf of that subsidiary company; or
  - (b) it has been exempted by the Tribunal in accordance with section 72(5) and (6).
- (3) A board of a company that is required to have a social and ethics committee, and that -
  - (a) exists on the effective date, must appoint the first members of the committee within 12 months after -
    - (i) the effective date; or
    - (ii) the determination by the Tribunal of the company's application, if any, if the Tribunal has not granted the company an exemption;
  - (b) is incorporated on or after the effective date, must constitute a social and ethics committee and appoint its first members within one year after -
    - (i) its date of incorporation, in the case of a state owned company;

- (ii) the date it first became a listed public company, in such a case; or
  - (iii) the date it first met the criteria set out in sub-regulation (1)(c), in any other case.
- (4) A company's social and ethics committee must comprise not less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years.
- (5) A social and ethics committee has the following functions:
- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to
    - (i) social and economic development, including the company's standing in terms of the goals and purposes of -
      - (aa) the 10 principles set out in the United Nations Global Compact Principles; and
      - (bb) the OECD recommendations regarding corruption;
      - (cc) the Employment Equity Act; and
      - (dd) the Broad-Based Black Economic Empowerment Act;
    - (ii) good corporate citizenship, including the company's -
      - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
      - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
      - (cc) record of sponsorship, donations and charitable giving;
    - (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;
    - (iv) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and

- (v) labour and employment, including -
  - (aa) the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - (bb) the company's employment relationships, and its contribution toward the educational development of its employees;
- (b) to draw matters within its mandate to the attention of the Board as occasion requires; and
- (c) to report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

#### **44. Appointment of auditor or company secretary**

- (1) A notice of appointment of auditor, or company secretary, or of person ceasing to act in such capacity, as contemplated in section 85(3), must be in Form CoR 44.
- (2) A notice issued by the Commission to a company that has failed to appoint an auditor, company secretary, audit committee or social and ethics committee, as required by the Act must be in the form of a compliance notice.

### **Chapter 4 Offerings of Company Securities**

#### **Part A Offering Securities**

#### **45. Time periods and threshold values**

See s.96(2)

- (1) The minimum time required for the purposes of section 96(1)(g)(v) is 12 months.
- (2) The threshold required in terms of section 96(2)(a) is R 1 million.

#### **46. Forms relating to securities offerings**

- (1) Documents filed in connection with an employee share scheme, as required by section 97(2)(c) must be accompanied by Form CoR 46.1.
- (2) A certificate required by section 97(2)(d) must be in Form CoR 46.2.

- (3) An application to exclude categories of persons from a rights offer, as contemplated in section 99(7) must be filed in Form CoR 46.3.
- (4) An application to register a prospectus, or file a letter of allocation, as contemplated in section 99(9), must be in Form CoR 46.4, must be accompanied by a copy of the prospectus with any documents required by Parts B or C of this Chapter, and by the fee set out in Table CR 2B.
- (5) A certificate of registration of a prospectus, or of the filing of a letter of allocation, issued by the Commission must be in Form CoR 46.5.
- (6) An application to the commission to allow required information to be omitted from a prospectus, as contemplated in section 100(9) and (10), must be in Form CoR 46.6.

## **Part B**

### **Requirements Concerning Offering of Securities**

#### **47. Interpretation**

For the purposes of this Part, and Part C of this Chapter, unless the context indicates otherwise

- (a) "**King Report and Code**" means the King Report on Governance for South Africa and the King Report and Code of Governance Principles (King III), as amended or replaced from time to time;
- (b) "**property**" includes movable and immovable property, and securities, but does not include any property if its market value is not material; and
- (c) "**vendor**" includes -
  - (i) any person who sells or otherwise disposes of any property to a company; and
  - (ii) the lessor of any property hired or proposed to be leased by a company; and
- (d) "**purchase money**", when used in respect of any property hired or proposed to be leased by a company, includes the consideration for the lease.

#### **48. Application**

- (1) A report by an auditor required by Part C of this Chapter must not be made by any person who is -
  - (a) a director, prescribed officer, or employee of the company or, in the case of a company that is part of a group of companies, of any company that is a part of that group; or



- (b) a partner or employee of, or a person related to, any such director or prescribed officer of the company or, in the case of a company that is part of a group of companies, of any company that is a part of that group.
- (2) If a company has been carrying on business for less than 5 years, or if a business undertaking has been carried on for less than 5 years, the annual financial statements of the company or business undertaking required by this Chapter must be provided only for the number of financial years that the company has existed, or the business has been carried on.
- (3) To the extent that a person making a report required by Part C of this Chapter considers it necessary to adjust the amount of profits, losses, assets or liabilities dealt with by the report, that person may either -
- (a) include a note setting out the adjustments the person considers ought to be made; or
  - (b) make those adjustments, in which case, the person must -
    - (i) clearly indicate the adjustments that have been made; and
    - (ii) include a note explaining the adjustments that have been made.
- (4) Irrespective of whether a person chooses to set out an adjustment that ought to be made, as contemplated in sub-regulation (3)(a), or makes the adjustment, as contemplated in sub-regulation (3)(b), the person making the report must include a note- -
- (a) setting out a factual basis in support of each adjustment, or proposed adjustment, as the case may be; and
  - (b) identifying which adjustments have a continuing effect on the company, and which do not.

#### **49. Letters of allocation in respect of unlisted securities**

See s. 99(4)

- (1) A company desiring to issue a letter of allocation in respect of unlisted securities must -
- (a) file a copy of -
    - (i) the letter of allocation for registration; and
    - (ii) any document required in the circumstances by section 99(4);

- (b) file any agreement referred to in a document contemplated in paragraph (a), with a translation in an official language, if the agreement is not already in an official language; and
  - (c) pay the prescribed fee as set out in Table CR 2B.
- (2) Upon registering the documents referred to in sub-regulation (1), the Commission must deliver a certificate of the registration of the letter of allocation to the company concerned or the person who submitted them on behalf of the company.
- (3) Every letter of allocation that is issued must -
- (a) state on the face of it that a copy of it, together with copies of all other documents referred to in sub-regulation (1), have been filed; and
  - (b) include a statement advising that copies of every document referred to in sub-regulation (1) are available, and setting out the manner by which any such copy may be obtained.
- (4) Sub-regulation (3)(b) does not apply to any letter of allocation issued in connection with a renunciation of part of the rights to subscribe in terms of the rights offer.

## **50. Rights offers in respect of listed securities**

*See s. 96(1)(d)*

A rights offer in respect of listed securities, and all documents issued in connection with it, must satisfy the requirements that would apply to a prospectus in terms of sections 100 and 102 and regulation 51, each read with the changes required by the context.

## **51. General requirements for a prospectus**

*See s. 100*

- (1) Every prospectus must be produced in a style that satisfies the requirements set out in section 6(4) to (6).
- (2) As far as possible the general matter of a prospectus must be presented in narrative form, and statistical matter must be presented in tabular form.
- (3) The information required by the Act and these regulations to be stated in a prospectus must -
  - (a) be set out in print or type;
  - (b) be not less conspicuous than that in which any additional matter is printed or typed;

- (c) be organised in accordance with the order, and use the headings, of the sub-parts and each of the regulations comprising Part C, as applicable in terms of regulation 55 or 56, as the case may be.
- (4) Every prospectus issued must -
- (a) state on its face that it is a copy of a registered prospectus; and
  - (b) specify or refer to statements included in it specifying any documents required by the Act or this Chapter to be endorsed on or attached to or to accompany the prospectus when it is filed.

## **52. Signing, date and date of issue, of prospectus**

- (1) A prospectus in respect of an offer for the subscription of shares of a company must be signed by every person named in it as a director of the company or by an agent authorised in writing by a director to sign on behalf of that director.
- (2) A prospectus in respect of any other offer must be signed by every person making the offer, or by an agent authorised by any such person in writing to sign on behalf of that person.
- (3) If a prospectus has been signed on behalf of a juristic person, every director of that juristic person is deemed to have authorised the issue of the prospectus irrespective of whether that director signed it, unless it is proven that it was issued without the director's knowledge, authority or consent.
- (4) Every signature to a prospectus must be dated.
- (5) The date of the prospectus is the date on which it is registered, or the later date, if any, expressly stated on the first page of the prospectus.

## **53. Access to supporting documents**

The original, or a certified copy, of each of the following documents relating to the company, and any subsidiary of the company, must be available for inspection at the registered office of the company from the date that a prospectus is issued by or on behalf of that company, until at least 10 business days after the closing date set out in the prospectus in terms of regulation 71:

- (a) The Memorandum of Incorporation;
- (b) All material contracts referred to in regulation 63, and any other agreement referred to in this Chapter, if the agreement is written;
- (c) A memorandum giving full particulars of any unwritten agreement contemplated in paragraph (b);

- (d) The written consents required by section 102; and
- (e) The relevant power of attorney documents, or resolutions authorising the signing of the prospectus, if all the directors have not signed the prospectus.

### **Part C**

#### **Items required to be included in a Prospectus**

#### **54. General statement of required information**

- (1) Every prospectus must include -
  - (a) all material information relating to the securities being offered including, but not limited to, the information specifically required in this Part; and
  - (b) a narrative statement setting out -
    - (i) the extent to which, and manner in which, the company has applied the principles of the King Report and Code; and
    - (ii) the reasons for any instance of not applying the recommended principles in the King Report and Code.
- (2) If it is the intention to acquire a business undertaking or property with the capital raised by the offering, the prospectus must include a brief history of that business undertaking or property, including -
  - (a) particulars of each business undertaking or property purchased or acquired, or proposed to be purchased or acquired by the company or any subsidiary of the company, if any part of the purchase price of that business undertaking or property is to be defrayed out of the proceeds of the issue;
  - (b) the amount, if any, paid or payable in cash or securities for any such business undertaking or property, specifying the amount, if any, paid for goodwill;
  - (c) the name and address of the vendor of the business undertaking or property; and
  - (d) if there is more than one vendor, the amount payable in cash or securities to each vendor.
- (3) If the offer is not being underwritten, the prospectus must either -

- (a) include a statement by the directors setting out the manner in which, and the sources from which, any shortfall in the amount proposed to be raised by means of the offer is to be financed;  
or
- (b) state that the offer is conditional on the raising of the specified minimum amount.

## **55. Specific matters to be addressed in a prospectus for a limited offer**

If a prospectus -

- (a) offers unlisted securities of a company that are in all respects uniform with previously issued securities of the same company; and
- (b) sets out an offer that is being made only to existing holders of that company's securities, irrespective of whether the offer includes a right to renounce in favour of other persons,

the prospectus must include all of the material information concerning the offer, set out in separate sections and paragraphs, in the following order:

### **Section 1 - Information about the company whose securities are being offered**

A separate enumerated paragraph for each topic described in regulations 57 to 64, to the extent that the regulation applies to the offer, using the relevant regulation heading as the paragraph title.

### **Section 2 - Information about the offered securities**

A separate enumerated paragraph for each topic described in regulations 70 to 72, to the extent the regulation is applicable to the offer, using the relevant regulation heading as the paragraph title.

### **Section 3 - Statements and Reports relating to the offer**

A separate enumerated paragraph for each topic described in regulations 74 to 78, to the extent that the regulation is applicable to the offer, using the relevant regulation heading as the paragraph title.

### **Section 4 - Additional material information**

Separate enumerated paragraphs as required to address any material information relating to the offer, not contemplated in sections 1, 2 or 3 above.

### **Section 5 - Inapplicable or immaterial matters**

A list setting out those regulation numbers and headings contemplated in the outline for Sections 1, 2 or 3 above that are not applicable in the circumstances of the offer.

## **56. Specific matters to be addressed in a prospectus for a general offer**

Any prospectus not contemplated in Regulation 55 must include all of the material information concerning the offer, set out in separate sections and paragraphs, in the following order:

### **Section 1 - Information about the company whose securities are being offered**

A separate enumerated paragraph for each topic described in regulations 57 to 69 that is applicable to the offer, using the relevant regulation heading as the paragraph title.

### **Section 2 - Information about the offered securities**

A separate enumerated paragraph for each topic described in regulations 70 to 73 that is applicable to the offer, using the relevant regulation heading as the paragraph title

### **Section 3 - Statements and Reports relating to the offer**

A separate enumerated paragraph for each topic described in regulations 74 to 80 that is applicable to the offer, using the relevant regulation heading as the paragraph title

### **Section 4 - Additional material information**

Separate enumerated paragraphs as required to address any material information relating to the offer, not contemplated in sections 1, 2 or 3 above.

### **Section 5 - Inapplicable or immaterial matters**

A list setting out those regulation numbers and headings contemplated in the outline for Sections 1, 2 or 3 above that are not applicable in the circumstances of the offer.

## **57. Name, address and incorporation**

(1) Section 1, Paragraph 1 of every prospectus must set out the following information with respect to the company whose securities are being offered:

- (a) The name of the company, and its registration number;
- (b) The address of the company's registered office, and

- (i) the address of the company's primary place of carrying on business in the Republic, if different from its registered office; and
  - (ii) the address of the office of its transfer agent, if any; and
  - (c) The date of incorporation of the company.
- (2) If the company is a foreign company, in addition to the information required by sub-regulation (1), Section 1, Paragraph 1 of a prospectus must also set out -
- (a) the name of the foreign jurisdiction in which it was incorporated; and
  - (b) the date -
    - (i) and registration number of the company's registration within the Republic as an external company in terms of section 23, if it carries on business within the Republic; or
    - (ii) on which the foreign company filed its Memorandum of Incorporation and list of directors, in terms of section 99(1)(b).
- (3) In addition to the requirements set out in sub-regulation (1), and (2) if applicable, in any prospectus contemplated in regulation 56, if the company whose securities are being offered is -
- (a) a subsidiary, the first paragraph of section 1 of the prospectus must also include -
    - (i) the name of its holding company; and
    - (ii) the address of the registered office of its holding company; or
  - (b) a holding company, the first paragraph of section 1 of the prospectus must also include, the name, date and place of incorporation of each of its subsidiaries.

#### **58. Directors, other office holders, or material third parties**

- (1) In this regulation, a reference to directors, proposed directors or prescribed officers of a company includes any person holding one or more material contracts to perform any executive function for the company.
- (2) Section 1, Paragraph 2 of every prospectus must set out the following information with respect to the directors, proposed directors and prescribed officers of the company whose securities are being offered:

- (a) The names, occupations and business addresses of the directors and proposed directors of the company (specifying any who hold, or are proposed to hold, a prescribed office in the company), and prescribed officers of the company, and their nationalities, if not South African; and
  - (b) The name and business address of the company's -
    - (i) auditors;
    - (ii) attorney, banker, stockbroker, and underwriter, if any; and
    - (iii) company secretary, together with the company secretary's professional qualifications.
- (3) In addition to the requirements of sub-regulation (2), in any prospectus contemplated in regulation 56, Section (1), Paragraph 2 must also set out the following information:
- (a) the term of office for which any director, proposed director or prescribed officer has been or is to be appointed, the manner in which, and terms on which, any proposed director will be appointed, and particulars of any right held by any person relating to the appointment of any director;
  - (b) particulars of any remuneration or proposed remuneration of the directors or proposed directors in their capacity as directors, managing directors or in any other capacity, whether or not determined by the Memorandum of Incorporation or by the company or any subsidiary;
  - (c) any borrowing powers of the company, or any subsidiary, exercisable by the directors, the manner in which any such borrowing powers may be varied, and the extent to which any such borrowing powers have been exceeded or varied, or both, during the immediately preceding three years; and
  - (d) if the business of the company or any subsidiary, or any part thereof is managed or is proposed to be managed by a third party under a contract -
    - (i) the name and business address (or the address of its registered office, if a juristic person) of the third party;
    - (ii) a description of the business so managed or to be managed; and
    - (iii) a summary statement of the basis on which that person will be compensated by the company for performing those services.

## 59. History, state of affairs and prospects of company

Prepared by:

In partnership with:



- (1) In this regulation, "material" has the meaning set out in section 1, having particular regard to a company's history of profits or losses, or assets employed or to be employed.
- (2) Section 1, Paragraph 3 of every prospectus -
  - (a) contemplated in regulation 55 must set out a general description of the business carried on or to be carried on by the company and any material subsidiary and, if the company or any such subsidiary carries on or proposes to carry on more than one material business, information as to the relative importance of each such business, but only to the extent that there has been a material change in the nature of the company's activities since it last issued an annual financial statement; or
  - (b) contemplated in regulation 56 must set out a general description of the business carried on or to be carried on by the company and any material subsidiary and, if the company or any such subsidiary carries on or proposes to carry on more than one material business, information as to the relative importance of each such business.
- (3) In addition to the requirements of sub-regulation (2)(b), Section 1, Paragraph 3 of every prospectus contemplated in regulation 56 must also set out the following information with respect to the company whose securities are being offered:
  - (a) The general history of the company and any material subsidiary stating, among other things -
    - (i) the length of time during which the business of the company, and of any such subsidiary, has been carried on; and
    - (ii) the date on which the company became a public company.
  - (b) Details of any material change in the business of the company during the past 3 years.
  - (c) The opinion of the directors, stating the grounds for that opinion, as to the prospects of the business of-
    - (i) the company;
    - (ii) any subsidiary of the company; and
    - (iii) any subsidiary or business undertaking to be acquired or intended to be acquired within one year following the date of the prospectus.
  - (d) A general description giving a fair presentation of the state of affairs of -

- (i) the company; and
- (ii) any material subsidiary, including -
  - (aa) its issued securities, with details of the shares held by the holding company, and the date on which it became a subsidiary; and
  - (bb) its main business.
- (e) The situation, area and tenure of the principal immovable property held or occupied by the company and any subsidiary including, in the case of leasehold property, the rental and unexpired term of the lease.
- (f) A statement of the estimated commitments, if any, of the company or a material subsidiary, for the purchase, construction or installation of buildings, plant or machinery, the estimated date of completion and the commencement of the operational use thereof; and
- (g) with respect to the company particulars for each of the preceding 3 years of -
  - (i) its turnover;
  - (ii) its profits or losses before and after tax;
  - (iii) any dividends that have been paid;
  - (iv) the amount of dividends paid in cents per share; and
  - (v) the dividend cover for each year.
- (4) If the company is a holding company, the information required by sub-regulation (3)(g) must be presented either -
  - (a) for the company in consolidated form; or
  - (b) separately for the company and each of its subsidiaries.

## **60. Share capital of the company**

Section 1, Paragraph 4 of every prospectus must set out particulars of the company's share capital, including

- (a) the different classes of shares, and, in respect of each such class of shares -

- (i) the number of shares authorised, and issued;
  - (ii) a description of the respective preferential conversion and exchange rights, rights to dividends, profits or capital, including redemption rights and rights on liquidation or distribution of capital assets; and
  - (iii) the number of founders' and management or deferred shares, if any, and the special rights attaching to those shares;
- (b) brief particulars of any alteration of capital during the preceding 3 years; and
- (c) a summary of any offers of securities of the company to the public for subscription or sale during the preceding 3 years, including -
- (i) the prices at which those securities were offered,
  - (ii) the number of securities allotted in pursuance thereof; and
  - (iii) a statement indicating whether the securities were issued to all holders of securities in proportion to their holdings and, if not, to whom issued, the reasons why the shares were not so issued and the basis of allotment.

#### **61. Options or preferential rights in respect of shares**

- (1) Section 1, Paragraph 5 of every prospectus must concisely summarize the substance of any agreement or proposed agreement, as at the date of the prospectus, whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for any shares of the company or any subsidiary of the company, giving the number and description of any such shares, including, in regard to the option or right, particulars of -
- (a) the period during which it is exercisable;
  - (b) the price to be paid for shares subscribed for under it;
  - (c) the consideration given or to be given for it;
  - (d) the names and addresses of the persons to whom it was given, other than to existing shareholders as such or to employees under an employee share scheme;
  - (e) if given to existing shareholders as such, material particulars thereof; and

- (f) any other material fact or circumstance concerning the granting of such option or right.
- (2) For the purpose of this regulation, "subscribing for shares" includes acquiring them from a person to whom they were allotted, or were agreed to be allotted, with a view to that person offering them for sale.

## **62. Commissions paid or payable in respect of underwriting**

- (1) In this regulation, "commission" includes, but is not limited to, an amount paid or payable to any sub-underwriter who is a promoter or director or officer of the company.
- (2) Section 1, Paragraph 6 of every prospectus must state -
- (a) the amount, nature and extent of the consideration, if any, paid within the preceding two years, or payable, as commission to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscriptions for any securities of the company;
  - (b) the name, occupation and business address of each person to whom any commission has been paid or is payable, as contemplated in paragraph (a);
  - (c) particulars of the amounts underwritten or sub-underwritten by each person contemplated in paragraph (a);
  - (d) the rate of the commission payable in terms of any underwriting or sub-underwriting agreement with each person contemplated in paragraph (a); and
  - (e) if a person contemplated in paragraph (a) is a company -
    - (i) the names of the directors of that company; and
    - (ii) the nature and extent of any interest, direct or indirect, in that company of any promoter, director or officer of the company in respect of which the prospectus is issued.

## **63. Material contracts**

- (1) Section 1, Paragraph 7 of every prospectus must set out -
- (a) a concise list of existing contracts or proposed contracts, either written or oral, relating to the directors' and managerial remuneration, royalties, and secretarial and technical fees payable by the company or any subsidiary of the company; and

(b) the date and nature of, and the parties to, every other material agreement entered into by the company, or any subsidiary of the company, within the two years immediately before the date of the prospectus, subject to sub-regulation (2).

(2) For the purposes of sub-regulation (1)(b), an agreement is not material if it is entered into in the ordinary course of the business carried on or proposed to be carried on by the company or a subsidiary, as the case may be.

#### **64. Interest of directors and promoters**

(1) In this regulation, the expression "director or promoter" refers to a director or promoter of a company only if its securities are being offered in a prospectus contemplated in regulation 55.

(2) Section 1, Paragraph 8 of every prospectus must set out -

(a) a statement of any consideration paid, or agreed to be paid, by any person within the 3 years immediately before the date of the prospectus -

(i) to a director or a related person, or

(ii) to another company -

(aa) in which the director is beneficially interested; or

(bb) of which the director is also a director; or

(iii) to any partnership, syndicate or other association of which the director is a member

to induce the director to become a director, or to qualify as a director, or for services rendered by the director or by a company, partnership, syndicate or other association in connection with the promotion or formation of the company; and

(b) full particulars of the nature and extent of any direct or indirect material interest, of any director or promoter in -

(i) the promotion of the company;

(ii) any property proposed to be acquired by the company out of the proceeds of the issue; or

(iii) any property acquired or proposed to be acquired by the company or any subsidiary during the 3 years immediately before the date of the prospectus; and

- (c) if any interest of a director or promoter contemplated above consists in being a member of a partnership, company, syndicate or other association of persons -
  - (i) the nature and extent of the interest of each such partnership, company, syndicate or other association; and
  - (ii) the nature and extent of each such director's or promoter's interest in the partnership, company, syndicate or other association.

## 65. Loans

- (1) In this regulation, "loan" includes a debenture.
- (2) Section 1, Paragraph 9 of a prospectus contemplated in regulation 56 must set out -
  - (a) the details of material loans to the company, or to any subsidiary of the company, at the date of the prospectus, stating with respect to each such loan -
    - (i) whether it is secured or unsecured, and if secured, the details of the security;
    - (ii) the names of the lenders, if not debenture-holders;
    - (iii) the amount, terms and conditions of repayment; and
    - (iv) the interest rate; and
  - (b) details of any material loan advanced other than in the ordinary course of business, by the company, or by any subsidiary of the company, and outstanding at the date of the prospectus, stating with respect to each such loan
    - (i) the date it was advanced, and the period for which it was *[sic]* advanced;
    - (ii) the person to whom it was advanced;
    - (iii) the interest rate;
    - (iv) if the interest is in arrears, the last date on which it was paid and the extent of the arrears;
    - (v) details of any security held, including the value of that security and the method of valuation;
    - (vi) if the loan is unsecured, the reasons therefore; and

- (vii) if the loan was advanced to another company, the names and addresses of the directors of that company.

**66. Shares issued or to be issued otherwise than for cash**

Section 1, Paragraph 10 of a prospectus contemplated in regulation 56 must state-

- (a) the number, if any, of securities that were issued or agreed to be issued by the company, or a subsidiary of the company, within the 3 years immediately before the prospectus date, to any person other than for cash; and
- (b) the consideration for which those securities were issued or were agreed to be issued.

**67. Property acquired or to be acquired**

- (1) In this regulation, "property" means immovable property or any other fixed asset that -
  - (a) is material to a company's business, and
  - (b) the purchase price of which -
    - (i) is to be defrayed in whole or in part out of the proceeds of the issue; or
    - (ii) is to be, or was within the preceding 3 years, paid in whole or in part -
      - (aa) by the issue of securities of the company or any subsidiary; or
      - (bb) out of the funds of the company or its subsidiary, whether in cash or securities; or
  - (c) the purchase or acquisition of which has not been completed at the date of the prospectus, and the nature of the title or interest therein acquired or to be acquired by the company or any subsidiary .
- (2) Section 1, Paragraph 11 of a prospectus contemplated in regulation 56 must set out particulars of -
  - (a) any property purchased or acquired by the company, or a subsidiary of the company, or proposed to be purchased or acquired;
  - (b) the consideration given, or to be given, for the acquisition of any such property, specifying the value payable for goodwill, if any;

- (c) the names and addresses of the vendors and the consideration received or to be received by each;
- (d) brief particulars of any transaction relating to the property completed within the preceding 3 years in which any vendor of the property to the company or any subsidiary or any person who is or was at the time of the transaction a promoter or a director or proposed director of the company had any interest, direct or indirect; and
- (e) particulars of the price at which any property that is immovable, or an option over immovable property, was purchased or sold within 3 years immediately before the date of the prospectus, if any promoter or director had any interest, directly or indirectly, in a transaction, or any promoter or director was a member of a partnership, syndicate or other association of persons that had such an interest, with the dates of any such purchases and sales and the names of any such promoter or director, and the nature and extent of that interest.

(3) In applying this regulation -

- (a) if any vendor is a partnership, each member of the partnership is not to be regarded as a separate vendor; and
- (b) for the purposes of sub-regulation (2)(e), shares of a company, the major asset of which is immovable property, must be regarded as being immovable property.

#### **68. Amounts paid or payable to promoters**

Section 1, Paragraph 12 of a prospectus contemplated in regulation 56 must state the amount, if any, paid within the preceding 3 years, or proposed to be paid, to any promoter, or to any partnership, syndicate or other association of which that promoter is or was a member, and the consideration for that payment, and any other benefit given to the promoter, partnership, syndicate or other association within the same period or proposed to be given, and the consideration for the giving of that benefit, and the promoter's name and address.

#### **69. Preliminary expenses and issue expenses**

Section 1, Paragraph 13 of a prospectus contemplated in regulation 56 must state

- (a) the amount or estimated amount of any preliminary expenses incurred within 3 years before the date of the prospectus;
- (b) the persons to whom any of the expenses referred to in paragraph (a) were paid or are payable;
- (c) the amount or estimated amount of the expenses of the issue; and



- (d) the persons to whom any of the expenses referred to in paragraph (c) were paid or are payable.

## **70. Purpose of the offer**

Section 2, Paragraph 1 of every prospectus must set out

- (a) a statement of the purpose of the offer, giving reasons why it is considered necessary for the company to raise the amount sought under the prospectus; and
- (b) if the amount sought under the prospectus is more than the amount of the minimum subscription referred to in regulation 73, the reasons for the difference between those amounts.

## **71. Time and date of the opening and of the closing of the offer**

Section 2, Paragraph 2 of every prospectus must state a time and date of the opening and the closing of the offer.

## **72. Particulars of the offer**

- (1) Section 2, Paragraph 3 of every prospectus must set out the particulars of the securities offered, including -
  - (a) the class of securities;
  - (b) the number of securities offered;
  - (c) the issue price;
  - (d) if any securities are secured, particulars of the security, specifying the property comprising the security and the nature of the title to the property; and
  - (e) other conditions of the offer.
- (2) If, during the 3 years immediately preceding the date of the prospectus, the company issued any securities, a prospectus must also include a statement setting out -
  - (a) the dates of issue of those securities;
  - (b) the price at which they were issued; and

- (c) the reasons for any differentiation between those prices and the issue price of the securities being offered by the prospectus.
- (3) If, during the 3 years immediately preceding the effective date, the company issued any securities for a premium, the prospectus must include a statement setting out -
- (a) the dates of issue of those securities;
  - (b) the reasons for any such premium;
  - (c) the reasons for any differentiation between the amounts of any such premium; and
  - (d) how any such premium was dealt with.

### **73. Minimum subscription**

- (1) Section 2, Paragraph 4 of every prospectus contemplated in regulation 56 must state the minimum subscription contemplated in section 108(2).
- (2) In respect of any offer, the minimum subscription is the lower of -
- (a) the full amount of the offer; or
  - (b) the amount, if any, determined by the company in terms of sub-regulation (3).
- (3) The company may determine a minimum subscription value, being the amount that, in the opinion of the directors, must be raised by the issue of securities to provide the sums, or, if any part thereof is to be defrayed in any other manner, the balance of the sums required, in respect of each of the matters listed in sub-regulation (4).
- (4) If the company has determined a minimum subscription value, as contemplated in sub-regulation (3), Section 2, Paragraph 4 of the prospectus must also set out-
- (a) the purchase price of any property purchased or to be purchased, if any part of the purchase price is to be defrayed out of the proceeds of the issue;
  - (b) any preliminary expenses payable by the company, and any commission payable to any person as consideration for -
    - (i) agreeing to subscribe for any securities of the company; or
    - (ii) procuring or agreeing to procure subscriptions for any securities of the company;

- (c) the repayment of any money borrowed by the company or any subsidiary in respect of any of the foregoing matters;
- (d) the working capital, stating the specific purposes for which it is to be used and the estimated amount required for each such purpose;
- (e) any other expenditure, stating the nature and purposes thereof and the estimated amount in each case; and
- (f) the amounts, if any, to be provided in respect of the matters listed above otherwise than out of the proceeds of the issue, and the sources from which those amounts are to be provided.

#### **74. Statement as to adequacy of capital**

- (1) In this regulation, "issued capital of the company" includes the minimum amount to be raised in pursuance of the offer.
- (2) Section 3, Paragraph 1 of every prospectus must set out either -
  - (a) a statement by the directors of the company that, in their opinion, the issued capital of the company is adequate for the purposes of the business of the company, and of any subsidiary of the company, for at least 12 months after the date of the prospectus; or
  - (b) if the directors of the company are of the opinion that the issued capital of the company is inadequate for the purposes contemplated in paragraph (a), a statement by them setting out -
    - (i) the extent of the inadequacy; and
    - (ii) the manner in which, and the sources from which, the company and any subsidiary are financed, or are proposed to be financed.

#### **75. Report by directors as to material changes**

Section 3, Paragraph 2 of every prospectus must be a report by the directors of the company setting out any material change in the assets or liabilities of the company or any subsidiary that have occurred between -

- (a) the end of the financial year of the company, or any subsidiary of the company, in respect of which it's *[sic]* most recent annual financial statements report; and
- (b) the date of the prospectus.

## **76. Statement as to listing on stock exchange**

Section 3, Paragraph 3 of every prospectus must set out a statement as to whether or not an application has been made for a listing of the securities offered and, if so, the name of the relevant exchange.

## **77. Report by auditor where business undertaking to be acquired**

If the proceeds, or any part of the proceeds, of the issue of the securities or any other funds are to be applied directly or indirectly in the purchase of any business undertaking, Section 3, Paragraph 4 of every prospectus must comprise a report made by an auditor named in the prospectus on

- (a) the profits or losses of the business undertaking in respect of each of the 3 financial years preceding the date of the prospectus; and
- (b) the assets and liabilities of the business undertaking at the last date to which the financial statements of the business undertaking were made out.

## **78. Report by auditor where company will acquire a subsidiary**

- (1) This regulation applies only if the proceeds or any part of the proceeds of the issue of the securities are to be applied in any manner, whether directly or indirectly, resulting in the acquisition by the company or its subsidiary of securities of any other juristic person, with the direct or indirect result that the other juristic person will become a subsidiary of the company.
- (2) In the circumstances contemplated in sub-regulation (1), Section 3, Paragraph 5 of every prospectus must comprise a report made by an auditor named in the prospectus on -
  - (a) the profits or losses of the other juristic person in respect of each of the 3 financial years preceding the date of the prospectus; and
  - (a) the assets and liabilities of the other juristic person at the last date to which the annual financial statements of the other juristic person were made out.

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- (3) The auditor's report required by sub-regulation (2) must indicate -
  - (a) how the profits or losses of the other juristic person would, in respect of the shares to be acquired, have concerned shareholders of the company; and
  - (b) what allowance would have fallen to be made, in respect of assets and liabilities so dealt with, for holders of other shares,

if the company had at all material times held the shares to be acquired.

- (4) In addition to satisfying the requirements of sub-regulation (2), if the other juristic person has a subsidiary or, had it been a company it would have had a subsidiary, the auditor's report must also deal with the profits or losses and the assets and liabilities of the other juristic person and its subsidiary, or any other juristic person as would have been its subsidiary if it had been a company, in the manner provided by regulation 79(3) in relation to the company and its subsidiary.

## **79. Report by auditor of company**

- (1) Section 3, Paragraph 6 of a prospectus contemplated in regulation 56 must comprise a report by the auditor of the company with respect to -
- (a) profits or losses and assets and liabilities, in accordance with sub-regulations (2) or (3), as applicable; and
  - (b) the rates of the dividends, if any, paid by the company in respect of each class of securities of the company in respect of each of the 3 financial years immediately preceding the issue of the prospectus, giving particulars of -
    - (i) each class of shares on which dividends were paid; and
    - (ii) the cases in which no dividends were paid in respect of a particular class of shares in respect of any of those years; and
  - (b) if no annual financial statements were made out by or for the company in respect of any part of the 3 years ending on a date 3 months before the issue of the prospectus, a statement of that fact.
- (2) If the company has no subsidiary, the report -
- (a) in regard to profits or losses, must deal with the profits or losses of the company in respect of each of the 3 financial years immediately preceding the issue of the prospectus; and
  - (b) in regard to assets and liabilities, must deal with the assets and liabilities of the company at the last date to which the annual financial statements of the company were made out.
- (3) If the company is a holding company, the report -
- (a) in regard to profits or losses, must deal separately with the company's profits or losses as provided by sub-regulation (2), and in addition, must deal -

- (i) as a whole with the combined profits or losses of all subsidiaries, as far as they concern holders of the company's securities; or
  - (ii) individually with the profits or losses of each subsidiary, so far as they concern holders of the company's securities; or
  - (iii) as a whole with the consolidated profits or losses of the group of companies so far as concerns holders of the company's securities; and
- (b) in regard to assets and liabilities, must deal separately with the company's assets and liabilities as provided by sub-regulation (2) and, in addition, must deal -
- (i) as a whole with the combined assets and liabilities of all subsidiaries, indicating the interest therein of holders of the company's securities, other than the company; or
  - (ii) individually with the assets and liabilities of each subsidiary, indicating the interests therein of shareholders other than the company; or
  - (iii) as a whole with the consolidated assets and liabilities of the company and all subsidiaries, indicating the interests therein of shareholders other than the company;
- (c) if a subsidiary incurred losses, must state the amounts of those losses and the manner in which provision was made for them.
- (4) The auditor must include a statement in the report noting -
- (a) the extent to which the auditor is satisfied that the financial statements in relation to the company and any subsidiary are correct and have been prepared on a basis consistent with the Act; and
  - (b) whether -
    - (i) the debtors and creditors include any accounts other than trade accounts;
    - (ii) the provisions for doubtful debts appear to be adequate;
    - (iii) adequate provision has been made for obsolete, damaged or defective goods, and for supplies purchased at prices in excess of current market prices;
    - (iv) intercompany profits in the group have been eliminated; or

- (v) there have been any material changes in the assets and liabilities of the company or of any subsidiary since the date of the last annual financial statements.

## 80. Requirements for prospectus of mining company

- (1) This regulation applies only to a prospectus contemplated in regulation 56, and then only if the prospectus offers securities -
  - (a) issued or to be issued by a mining company; or
  - (b) to raise capital in order to directly or indirectly acquire a mining company or its securities or business.
- (2) In this regulation, "**mining company**" includes a company that carries on or proposes to carry on mining, development or prospecting for or exploitation of any mineral resources, or that acquires or proposes to acquire any mineral rights thereto or options thereon.
- (3) Section 3 of a prospectus contemplated in sub-regulation (1) must include, or have appended to it, the following additional items:
  - (a) a report by an expert containing information appropriate to the subject matter of the prospectus and including with respect to each mining company or asset, as applicable -
    - (i) a statement describing briefly the geological characteristics of the occurrence;
    - (ii) details of previous mining operations and production relevant to the workability and payability of the proposed mining operations;
    - (iii) survey, drilling and borehole results;
    - (iv) ore reserves, and reserves; and
    - (i) an interpretation of the information available with reference to the viability of the project.

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- (b) any material information not otherwise required by Part B or this Part of this Chapter relating to the mineral rights, or any other right to mine, mining title, including any Government mining lease, and immovable property available for the mine, including with respect to each mining company or asset, as applicable.

- (i) whether the aforesaid is owned by the company, or in process of transfer or is under option or lease;
  - (ii) the name of the farm on and district in which each is situated;
  - (iii) the area of each;
  - (iv) the aggregate price or other consideration for which they were or are to be acquired;
  - (v) relevant details of any option as aforesaid; and
- (c) a statement by the directors of the plans, with respect to each mining company or asset, for reaching the production stage or for increasing output, including information regarding -
- (i) shaft sinking and development;
  - (ii) capital expenditure for each material stage of development.

## Chapter 5

### Fundamental Transactions and Takeover Regulations

#### Part A

#### Interpretation and Application

#### 81. Definitions

In this Chapter, and in applying Part B and Part C of Chapter 5 of the Act, unless the context indicates otherwise

- (a) "**acquisition**" includes any act or transaction as a result of which a person acquires or has an increased voting power in a company, irrespective of whether that person acquired any securities of the company in or as a result of that act or transaction;
- (b) "**announce**",
  - (i) in the case of a company listed on an exchange, means disclosure in the manner required by that exchange for immediate public release after receiving Panel approval; or
  - (ii) in any other case, means disclosure in the manner determined by the Panel;
- (c) "**circular**" means a document issued by a company, to holders of its securities, for the purpose of compliance with Part B and Part C of Chapter 5 of the Act and this Chapter;



- (d) **"condition as to acceptance"** means a condition of an offer, announced in a firm intention announcement, relating to the minimum percentage of securities required to be tendered by holders of the securities of the offeree regulated company before the offeror will be obliged to accept all tendered securities, but does not include a condition relating to the ability of an offeror to meet its cash consideration commitment;
- (e) **"control"** means the holding of a beneficial interest in a regulated company equal to or exceeding the specified percentage of voting rights in that regulated company;
- (f) **"controlled company"** means a regulated company that is controlled, directly or indirectly, by its pyramid;
- (g) **"dealings"** includes acquisitions, disposals, subscriptions, grants and issues of securities, however effected;
- (h) **"fair and reasonable opinion"** means an opinion, expressed by an independent expert on the fairness and reasonableness of the consideration for an offer taking account of value and price, given to either -
  - (i) the independent board; or
  - (ii) an independent board of an offeror company, if required;
- (i) **"independent"** or **"acts independently"**, when used in relation to a particular person and a particular offer, means a person who -
  - (i) has no conflict of interest in relation to that offer; and
  - (ii) is able to make impartial decisions in relation to that offer without fear or favour;
- (j) **"independent board"** means those directors of an offeree regulated company whom that company has indicated are independent directors;
- (k) **"independent board of an offeror company"** means those directors of an offeror company whom that company has indicated are independent directors;
- (l) **"independent director"** means a director who acts independently;
- (m) **"independent expert"** means an independent expert as described in Section 114(2) of the Act;

- (n) **"material"** means an amount equal to or greater than 10% of the value of any subject matter in relation to an offer;
- (o) **"offeree regulated company"** means either -
- (i) each amalgamating or merging company that is party to an amalgamation or merger agreement *[sic]*; or
  - (ii) a regulated company -
    - (aa) that is itself the subject of an offer; or
    - (bb) the securities of which are entirely or partially the subject of an offer;
- (p) **"offeror"** means a person who, alone or in concert with another person, enters into or proposes any affected transaction, including, but not limited to -
- (i) a person offering to acquire the assets or undertaking of a company, as contemplated in section 117(1)(c)(i);
  - (ii) an amalgamating or merging company or any new company to be formed by the amalgamating or merging companies that is proposed to survive as an amalgamated or merged company, in terms of an amalgamation or merger agreement contemplated in section 117(1)(c)(ii);
  - (iii) a person other than the offeree regulated company concerned who, with the co-operation of that company, proposes to acquire securities of that company in terms of a scheme of arrangement contemplated in Section 117(1)(c)(iii); and
  - (iv) a person offering to acquire securities in accordance with Sections 117(1)(c)(v), (vi) or (vii);
- (q) **"option"** includes any right similar to an option, given or granted by a regulated company, irrespective of -
- (i) whether that right is vested or not; or
  - (ii) whether that right is granted or given in terms of any formalised -
    - (aa) share incentive scheme;
    - (bb) phantom scheme;
    - (cc) share participation rights scheme that has rights that could be equity settled; or

(dd) agreement with any person that has rights that could be equity settled;

or otherwise;

- (r) **"other condition"** means any condition of an offer other than -
- (i) a condition as to acceptance; or
  - (ii) a condition relating to the ability of an offeror to meet its cash consideration commitment;
- (s) **"phantom scheme"** means a company plan or scheme in terms of which employees are granted a right to receive an amount of cash at a certain time, based on the performance of the share price of the company;
- (t) **"prescribed percentage"** means the percentage contemplated in section 123(5), and prescribed in regulation 86(1);
- (u) **"price sensitive information"** means any information that satisfies the definition of -
- (i) 'price sensitive information' as set out in the JSE Listings Requirements as amended from time to time; or
  - (ii) 'inside information' as set out in the Securities Services Act, 2004.
- (v) **"publish"** means announce, despite the meaning set out in regulation 1;
- (w) **"pyramid"** means the ultimate controlling juristic person, or any intermediate juristic person that, directly or indirectly, holds at least the specified percentage of a controlled company and after applying consolidation accounting principles (irrespective of whether consolidation principles should be applied or not) either -
- (i) derives more than 75% of its total attributable income from that controlled company; or
  - (ii) the attributable net assets in that controlled company represent more than 75% of the total attributable net group assets of the pyramid;
- (x) **"reporting accountant"** -
- (i) in the case of listed securities, has the meaning set out in the JSE listing requirements, as amended from time to time; or

- (ii) in any other case, means an auditor;
- (y) "**ruling**" means a written decision issued by the Executive Director with respect to a possible affected transaction, proposed affected transaction or affected transaction;
- (z) "SAMVAL code" means the South African Code for Reporting of Mineral Asset Valuation; and

## **82. Beneficial Interests**

- (1) A compliance obligation that -
  - (a) falls upon a person who would be regarded as a holder of a beneficial interest in terms of the definition of "holder" in Section 117(1)(e), read with the definition of "beneficial interest" in section 1; and
  - (b) arises in terms of Part B and Part C of Chapter 5 of the Act, or this Chapter,  
  
applies equally to a nominee entity, asset manager or similar person who has authority, by any means, to exercise rights of disposal or rights of voting with respect to particular securities.
- (2) No compliance obligation arises from an announced intention to acquire a beneficial interest in the remaining voting securities of a regulated company, as contemplated in Section 117(1)(c)(v), until an offer is made for all of those securities.

## **83. Effect of interests held by non-related persons**

- (1) There are no consequences in terms of the Part B and Part C of Chapter 5 of the Act or this Chapter, if a transaction involves only -
  - (a) a person with a non-controlling beneficial interest in a regulated company, acting alone; or
  - (b) two or more unrelated persons who individually own non-controlling beneficial interests in a regulated company and are not acting in concert.
- (2) If a person contemplated in sub-regulation (1) acquires control of a previously unrelated person, they become related persons.
- (3) If two previously unrelated persons become related, as contemplated in sub-regulation (2), and their aggregated interests in the regulated company are equal to or exceed the prescribed percentage of voting rights in the regulated company -
  - (a) an affected transaction has occurred; and

- (b) one of the related persons must make a mandatory offer, and if necessary, comparable offers, to the holders of the remaining securities of the regulated company.

#### **84. Acting in concert**

- (1) In addition to the presumption set out in section 118(5), the following persons are presumed to be acting in concert with one another:
  - (a) a company, with:
    - (i) any of its directors;
    - (ii) any company controlled by one or more of its directors;
    - (iii) any trust of which any one or more of its directors is a beneficiary or a trustee; and
  - (b) any of the company's pension, provident or benefit funds and share incentive schemes with one another.
- (2) If the Panel is aware of persons coming into concert or coming out of concert, and those persons have not declared themselves as having come into concert or coming out of concert in accordance with this regulation, the Panel may presume those persons came into concert or came out of concert from a date determined by the Panel as being the date of coming into concert or coming out of concert.
- (3) A presumption that two or more persons are acting in concert, coming into concert or coming out of concert in terms of section 118(5), or this regulation, is rebuttable in a hearing before the Executive Director on application by any such person.
- (4) After a hearing in terms of sub-regulation (3) -
  - (a) the Executive Director must issue a Ruling, which will be binding on all persons concerned; and
  - (b) if any person concerned does not comply with the Ruling, the Panel may re-issue it immediately as a compliance notice.
- (5) Within five business days after coming into concert, or coming out of concert, each person involved must make a declaration, in Form TRP 84, and deliver it to the regulated company concerned, and to the Executive Director.
- (6) Any compliance obligation applicable to an offeror applies equally to any person acting in concert with the offeror.

- (7) Persons who are acting in concert are not, for that reason alone, required to make a mandatory offer, if-
- (a) at the time of coming into concert, each of them was entitled to exercise voting rights which were less than the prescribed percentage; and
  - (b) as a result of coming into concert they are entitled, in aggregate, to exercise voting rights exceeding the prescribed percentage; and
  - (c) none of them has acquired any further securities as defined in Section 117(1)(j).
- (8) A presumption that two persons have "**acted in concert**", as a result of one of them granting an option to the other, as contemplated in Section 118(5), even though not rebutted in terms of Section 118(6), does not give rise to an obligation to make a mandatory offer -
- (a) for the duration of the option if -
    - (i) at the date the option was granted, each of them was entitled to exercise voting rights that were less than the prescribed percentage;
    - (ii) as a result of coming into concert they are entitled, in aggregate, to exercise voting rights equal to or exceeding the prescribed percentage; and
    - (iii) neither of them acquires any further securities as defined in Section 117(1)(j);
  - (b) for the duration of the option if, at the date of grant of the option, the grantee was already entitled to exercise voting rights that were equal to or exceeded the prescribed percentage; or
  - (c) until the grantee exercises the option, or otherwise acquires securities, that results in the grantee being able to exercise voting rights equal to or exceeding the prescribed percentage, if -
    - (i) at the date the option was granted, the grantee was not entitled to exercise voting rights that were equal to or exceeded the prescribed percentage; and
    - (ii) the grantor was entitled to exercise voting rights that were equal to or exceeded the prescribed percentage.

## 85. Change in control

- (1) If a change in control takes place in a pyramid or intermediate pyramid, the offeror must make an offer or offers to- -

- (a) holders of securities of the pyramid or intermediate pyramid, if any is a regulated company; and
  - (b) holders of securities of the controlled company, excluding securities held by the pyramid or intermediate pyramid.
- (2) The principles governing mandatory offers and comparable offers apply to offers required by this regulation.

#### **86. Mandatory offers**

- (1) The percentage to be prescribed in terms of Section 123(5) is 35% of the issued voting securities of the company.
- (2) The acquisition of a beneficial interest as contemplated in the definition of "affected transaction" in Section 117(1)(c)(iv) will give rise to a mandatory offer as contemplated in the definition of "affected transaction" in Section 117(1)(c)(vi) only if the acquisition falls within the circumstances contemplated in Section 123(2).
- (3) The obligations contemplated in section 123(3) and (4) do not arise if -
- (a) a person, alone or in concert with other parties, becomes entitled to exercise voting rights that exceed the prescribed percentage; and
  - (b) the entitlement contemplated in paragraph (a) comprises voting rights that accrue to the person as a result of a beneficial interest in preference shares; and
  - (c) the preference shares contemplated in paragraph (b) -
    - (i) are not voting securities as defined in Section 1;
    - (ii) were acquired before the entitlement arose; and
    - (iii) give the person voting rights in accordance with the rights of the preference shares (e.g. arrear dividends)

unless the person, or any of the concert parties, acquires any further securities as defined in section 117(1)(b).

- (4) A transaction is exempt from the obligation to make a mandatory offer following publication by a regulated company of a transaction requiring the issue of securities as consideration for an acquisition, a cash subscription or a rights offer, if the independent holders of more than 50% of the

general voting rights of all issued securities of the regulated company have agreed to waive the benefit of such a mandatory offer in accordance with the principles detailed in Section 125(3)(b)(ii).

- (5) Irrespective of whether an issue of securities is made conditional upon a waiver, a waiver by the independent holders of more than 50% of the general voting rights of all issued securities of the regulated company is a nullity if any acquisitions are made by an acquirer or a subscriber or underwriter, or by any of their respective concert parties, in the period between the transaction announcement and date of the waiver.
- (6) At the date of obtaining a waiver, the acquirer, the subscriber or an underwriter concerned must declare to the Panel in writing that it has not acquired any securities in the circumstances contemplated in sub-regulation (5).
- (7) A waiver requires a fair and reasonable opinion to be included in the circular in all instances other than a rights offer at a discount to the prevailing market price at the date of announcement.

## **87. Comparable offers**

*See s. 125(2)*

- (1) In addition to any other circumstances contemplated in section 125(2), a comparable offer must be made if -
  - (a) a mandatory offer has been required in terms of section 123, including a mandatory offer that is required to be made as a result of a reacquisition of securities in terms of section 48 or section 114; and
  - (b) the offeree regulated company has more than one class of security in issue, which are required to be dealt with in terms of section 125.
- (2) Comparable offers are required for all classes of issued security that have voting rights or could have voting rights in the future, including options.
- (3) All schemes that are cash settled and have no present or future voting rights associated with them, such as cash settled phantom schemes and cash settled share participation rights schemes, which for settlement purposes, are dependent on a future security price or value of securities (which are the subject of an offer), must be taken account of and treated on an equitable basis, relative to the classes of security that are subject to a comparable offer.
- (4) The offer consideration(s) in a comparable offer is to be determined by the offeror taking account of the class of security to which the comparable offer is to be made.



- (5) The fair and reasonable opinion given by the independent expert and the independent board opinion regarding the comparable offer must have the same opinions regarding fairness and reasonableness as the respective fair and reasonable opinions given by the independent expert and the independent board regarding the offer which gave rise to the comparable offer.

## 88. Partial Offers

See s. 117(1)(h)(i), 119(6), 120 and 125

- (1) A partial offer is exempt from compliance with Part B and Part C of Chapter 5 of the Act and this Chapter -
- (a) if -
- (i) when making the offer, the offeror beneficially holds securities of a class entitling the offeror to exercise less than the prescribed percentage of voting rights; and
  - (ii) the offer is limited to a number of the relevant securities; and
  - (iii) if the offer is successfully completed, the offeror will still be able to exercise less than the prescribed percentage of voting rights; or
- (b) if -
- (i) when making the offer, the offeror holds securities entitling the offeror to exercise voting rights equal to or in excess of the prescribed percentage, but less than 100% of the voting rights; and
  - (ii) the offer is made for less than all the remaining securities of the class; and
  - (iii) if the offer is successfully completed, the offeror would still be able to exercise less than 100% of the voting rights.
- (2) In sub-regulation (3), "partial offer percentage" means the percentage of securities of a particular class, which must be less than 100 percent of those securities, that the offeror offers to acquire on a pro rata basis from all holders of that class of securities.
- (3) If, in response to a partial offer, a holder of securities tenders a number of securities -
- (a) equal to or less than the partial offer percentage, the offeror must accept the tender in full; or
  - (b) greater than the partial offer percentage, the offeror must accept -

- (i) that number of securities in full equal to the partial offer percentage; and
- (ii) part or all of the excess tendered balance accepted on an equitable basis, provided that the aggregate of the acceptances shall not exceed the partial offer percentage.

## 89. Fundamental Transactions

*See s. 112(3), 113(5) and 116(1)(a) and (3)*

- (1) A notice of a shareholders meeting to consider a special resolution, contemplated in section 112(3) or 113(5), must be published to the shareholders of the company concerned, and delivered to them in accordance with regulation 7
- (2) A notice to creditors contemplated in section 116(1)(a) must be published to the known creditors of the company concerned, and delivered to them in accordance with regulation 7.
- (3) A Notice of Amalgamation or Merger contemplated in section 116(3) must be in Form CoR 89.
- (4) If an amalgamation or merger, as defined in section 1, results from -
  - (a) the acquisition by one company of all or the greater part of the assets or undertaking of a second company, as contemplated in sections 112 and 117(1)(c)(i), any provision of this Chapter applicable to such an acquisition applies equally to that amalgamation or merger; or
  - (b) a scheme of arrangement, as contemplated in section 114 and 117(1)(c)(iii), any provision of this Chapter applicable to such a scheme of arrangement applies equally to that amalgamation or merger.

## 90. Independent Experts

*See s. 112, 113, 117(1)(c)(i), (ii) and (v) and 118(3)*

- (1) In any transaction contemplated in section 117(1)(c)(i), (ii), (v) or (vi), section 125(2), or in regulation 88, the offeree regulated company must -
  - (a) request a ruling from the Panel whether an independent expert must be retained to report on the proposed transaction; and
  - (b) retain such an independent expert if the Panel so requires.
- (2) Section 114(2) and (3), read with the changes required by the context, apply with respect to any transaction for which an independent expert is required in terms of this regulation.
- (3) In any circumstances in which an independent expert is required in terms of the Act or this Chapter -

- (a) the independent expert must -
    - (i) be able to show that it is independent, and will reasonably be perceived to be independent, taking into account any other existing relationships and appointments; and
    - (ii) satisfy the Panel that it is competent to act in respect of the offer, which the Panel may challenge if it is not satisfied; and
  - (b) despite any prior approval given by the Panel, the Panel may at any time, either itself or in response to written representations by holders of relevant securities, require the appointment by either or both of the offeror and the offeree regulated company of a further independent expert approved by the Panel.
- (4) An independent expert's valuation of the offeree regulated company must be performed in accordance with generally accepted valuation approaches and methods in use in the market from time to time including -
- (a) capitalisation, income or cash flow approach which relies on the 'value-in-use' principle and requires determination of the present value of future cash flows over the useful life of the asset or business;
  - (b) comparative or market approach that relies on the principle of 'willing buyer, willing seller' and requires that the amount obtainable from the sale of an asset or undertaking is determined as if in an arm's-length transaction; and
  - (c) cost approach that relies on historical amounts spent on the asset or undertaking.
- (5) In respect of mineral companies, the valuation approach and methodology must comply with the SAMVAL code.
- (6) The content of the independent expert's fair and reasonable opinion in relation to an offer must, among other things, include -
- (a) the date of the fair and reasonable opinion, and confirmation that the fair and reasonable opinion has been given to the relevant board concerned for the sole purpose of assisting the relevant board in forming and expressing an opinion for the benefit of holders of relevant securities, excluding the offeror;
  - (b) a statement that the fair and reasonable opinion may be included, in whole or in part, in any required regulatory announcement or documentation;

- (c) a clear expression of opinion dealing with the fairness and reasonableness of the offer consideration(s) in regard to holders of relevant securities, excluding the offeror;
- (d) a detailed list of all source documentation used and reviewed and work done in accordance with the scope of the appointment;
- (e) a statement of the valuation approach adopted, the methods employed and all material assumptions underlying the valuation approach and methodology;
- (f) a range of final valuation values attributable to the relevant securities or assets and a most likely value used as the core number for purposes of the expression of the opinion;
- (g) any other valuation or pricing approaches and methodologies used in corroborating the expression of the opinion e.g. the comparative approach or cost approach;
- (h) the fee payable or paid to the independent expert for the fair and reasonable opinion and confirmation that the fee is not contingent on or related to the outcome of the offer; and
- (i) a declaration of the independence and competence of the independent expert, which may require evidential justification if the Panel is not satisfied with the declaration.

#### **91. Application to Private Companies**

- (1) The minimum percentage to be prescribed in terms of section 118(2) is 10 %.
- (2) For the purposes of Part B and Part C of Chapter 5 of the Act and this Chapter -
  - (a) the percentage prescribed in sub-regulation (1) is to be applied
    - (i) at the time of each qualifying transfer, excluding any transfers between or among related or inter-related persons;
    - (ii) taking account of the number of securities transferred compared to the number of securities in issue, excluding any securities of a holding company held its by subsidiaries; and
    - (iii) aggregating all such transfers immediately before effecting an affected transaction; and
  - (b) a buy back of securities by a company that are cancelled is not a transfer.

### **Part B**

#### **General Rules Respecting Negotiations and Offers**

## 92. Information to offerors

- (1) If an offeree company or potential offeree company has given any information, including particulars of holders of relevant securities, to a preferred offeror or potential offeror, the offeree company must, on request, give the same information equally and as promptly to a less welcome, but *bona fide*, offeror or potential offeror.
- (2) The directors of an offeree regulated company are entitled to- -
  - (a) require that a less welcome potential offeror contemplated in sub-regulation (1) demonstrate its good faith by requiring the less welcome potential offeror to give equivalent information concerning the less welcome potential offeror to the offeree company, at the same time the information is to be furnished by the offeree regulated company; and
  - (b) determine whether any approach is on a nominee basis for either an undisclosed ultimate offeror or an undisclosed ultimate indirect beneficial owner.
- (3) If an approach is on a nominee basis, as contemplated in sub-regulation (2)(b), the undisclosed ultimate offeror or indirect beneficial owner, as the case may be, is the less welcome potential offeror.

## 93. Solicitation campaigns

At any time after a firm intention announcement has been made, only previously published information that remains accurate may be provided to a person conducting a solicitation campaign by which holders of an offeree regulated company are contacted regarding an offer, or their acceptance or voting in respect of an offer.

## 94. Consensual negotiations

- (1) If a potential offeror and a regulated company are negotiating on a consensual basis -
  - (a) an offer in good faith must be regarded as being imminent; and
  - (b) section 126 applies to the regulated company from the beginning of those negotiations.
- (2) Until a firm intention announcement is published, a regulated company that is the subject of rumour, speculation or a cautionary announcement published by a potential offeror, may presume that an offer in good faith is not imminent, unless the regulated company is consensually negotiating with a potential offeror.

## 95. Confidentiality and Transparency

Prepared by:

In partnership with:

- (1) All negotiations between an independent board and an offeror must be kept confidential.
- (2) Confidentiality must be observed before a cautionary announcement, or a firm intention announcement, containing "price sensitive information" is made.
- (3) An independent board should disclose as much detailed information as soon as possible concerning an offer.
- (4) An independent board must do all things necessary to satisfy itself that an offeror is able to perform in terms of an offer.
- (5) An independent board must ensure that all material changes to previously announced specific information concerning an offer is immediately announced.
- (6) Price sensitive information may be provided to select persons on a confidential basis.
- (7) If there a [*sic*] leak of price sensitive information, or a reasonable suspicion that such a leak has occurred, that information must immediately be disclosed in a cautionary announcement.
- (8) In order for any incorrect statement made in relation to an offer to not become enforceable or binding, the statement must immediately be repudiated by all reasonable means by the person or persons who made it.

## **96. Conditional Offers**

An offer must not be subject to any condition

- (a) that depends solely on subjective judgment by the directors, or equivalent, of the offeror; or
- (b) if the directors, or equivalent, of the offeror are able to control whether or not the condition will be fulfilled.

## **97. Variation in offers**

- (1) The offeror and its concert parties must obtain the approval of an amended offer, as a partial offer, by the independent holders of more than 50% of the general voting rights of all issued securities of the offeree regulated company if -
  - (a) the offeror's original offer, or partial offer in terms of section 125(3) of the Act -
    - (i) was subject to any other conditions; and

- (ii) if successfully implemented, would result in a beneficial interest entitling an offeror and its concert parties to either
    - (aa) exercise voting rights exceeding the prescribed percentage for the first time; or .
    - (bb) exercise all voting rights of a particular class of security or all voting rights of all securities issued not already held, if voting rights exceeding the prescribed percentage were held before the offer; and
  - (b) the offer has been amended through any other conditions being varied by a regulatory authority, and that variation requires or permits the acquisition of a lesser beneficial interest than originally included in the offer.
- (2) If the approval required by sub-regulation (1) is not obtained -
- (a) the offeror and its concert parties must, within three months, dispose of that number of relevant securities that will reduce their beneficial interest voting rights to -
    - (i) a level less than the prescribed percentage; or
    - (ii) the beneficial interest level that existed before the original offer was made, and
  - (b) during the three month period of disposal referred to in paragraph (a), the offeror and its concert parties are entitled to exercise only the voting power that does not exceed the levels contemplated in paragraph (a).

## **98. Dealings disclosure and announcement**

*See s. 119(1)(a)(v)*

- (1) In this regulation, 'allowable dealings' does not include any dealing that is in contravention of s 127(2) or any other provision of the Act.
- (2) During an offer period, allowable dealings in securities of the offeror or the offeree regulated company by an offeror or the offeree regulated company, or by any person in concert with either the offeror or the offeree regulated company, must be disclosed to the Panel on form TRP 98 when effected -
  - (a) by a person with a beneficial interest for that person's own account, or for another person in terms of any form of mandate; or
  - (b) on an agency basis.

- (3) A person who is required to make a disclosure as contemplated in sub-regulation (2) must make an announcement at the same time, which announcement must set out the details disclosed in Form TRP 98 as filed.

## **Part C**

### **Announcements and Offers**

#### **99. The approach**

- (1) An approach with a view to an offer being made, or an offer, must be made only to the board of the offeree regulated company.
- (2) If an offer, or an approach with a view to an offer being made, is made by a person other than the ultimate offeror or potential offeror, the person making the offer must disclose the identity of the ultimate offeror or potential offeror, when the offer is put forward to the board of the offeree regulated company.
- (3) The board of an offeree regulated company that has been approached with a view to an offer being made may require reasonable evidence that the offeror is, or will be, in a position to implement the offer in full.
- (4) The board of an offeree regulated company that has received an offer must be provided with evidence, acceptable to the board, that the offeror is in a position to implement the offer in full.

#### **100. Cautionary and other announcements**

See s. 119(1)(a)(iii)

- (1) Despite the fact that an an *[sic]* offeree regulated company may not be listed, "**cautionary announcement**" has the meaning set out in the JSE Listings Requirements, as amended from time to time, but a reference in those listing requirements to "material price sensitive information" must be regarded as referring to "price sensitive information" that would concern a possible or proposed offer that is the subject of negotiations.
- (2) The responsibility to publish a cautionary announcement rests with the offeror, or the offeree regulated company, as applicable.

#### **101. Firm intention announcement**

- (1) A firm intention announcement is an announcement that must be made when a mandatory offer is required or when an offeror has communicated a firm intention to make an offer and is ready, able and willing to proceed with the offer.



- (2) When a firm intention announcement has been made, the offeror must proceed with the offer.
- (3) A firm intention announcement must be made immediately when -
  - (a) the board of the offeree regulated company has received a formal written offer; or
  - (b) a mandatory offer is required to be made in terms of Section 122(1), read with Section 123.
- (4) The responsibility for making a firm intention announcement under
  - (a) sub-regulation (3)(a) rests with the independent board, failing which, with Panel approval, it rests with the offeror; or
  - (b) sub-regulation (3)(b) rests with the offeror.
- (5) Each firm intention announcement must state -
  - (a) that the offeror, and where appropriate, the independent board, accepts responsibility for the information contained in the firm intention announcement;
  - (b) that to the best of their respective knowledge and belief, the information is true; and
  - (c) where appropriate, that the firm announcement does not omit anything likely to affect the importance of the information.
- (6) If it is proposed that any director will be excluded from a statement required by sub-regulation (5), the omission, and the reasons for it, must be stated in the firm intention announcement. .
- (7) A firm intention announcement must contain the following information:
  - (a) the identity of the offeror and any concert parties;
  - (b) the terms of the offer, including, but not limited to, -
    - (i) the type of offer proposed and mechanics of implementation;
    - (ii) the class or classes of securities affected;
    - (iii) the consideration offered, and if the offer is for securities, the consideration offered per security, for each class;

- (iv) pro forma earnings and asset value per offeree regulated company security, if the offer consideration consists wholly or partly in offeror securities;
  - (v) any conditions as to acceptance, or other conditions of the offer;
  - (vi) details of the cash guarantee or cash confirmation provided to the Panel in conformity with regulation 111(4);
  - (vii) confirmation that the offeror has sufficient securities available to settle any consideration payable in securities, or has a condition as to acceptance regarding an increase of authorised share capital; and
  - (viii) estimated offeror offer circular or combined circular posting date, and where known, other pertinent dates relating to the offer;
- (c) if known, the details of any beneficial interest in the offeree regulated company -
- (i) held or controlled, directly or indirectly -
    - (aa) by the offeror;
    - (bb) by any person(s) acting in concert with the offeror; or
    - (cc) by any other person in respect of which the offeror has received an irrevocable commitment to accept or vote in favour of the offer;
  - (ii) in respect of which the offeror holds an option to purchase; or
  - (iii) in respect of which any person acting in concert with the offeror holds an option to purchase.

## 102. General timeline of offers

See s. 119(1)(b)(ii)

- (1) In this regulation, and in regulations 103 to 106, "general offer" means an offer contemplated in section 117(1)(c)(v).
- (2) An offeror's offer circular, or combined offer circular, must be posted within -
  - (a) 20 business days after the date of publication of a firm intention announcement; or
  - (b) such longer period allowed by the Executive Director, on good cause shown.

- (3) The opening date of a general offer, mandatory offer or partial offer is the day after the date of posting of the offeror's offer circular, or combined offer circular, as the case may be.
- (4) A general offer, mandatory offer or partial offer must remain open for at least 30 business days after the opening date.
- (5) Subject to sub-regulations (6) and (7), a general offer, mandatory offer or partial offer must state -
  - (a) a closing date;
  - (b) an initial closing date, with a right to extend; or
  - (c) an objective method of determining the closing date.
- (6) If the offeree regulated company is listed on an exchange, the closing date must be a Friday.
- (7) With respect to an exchange timetable regarding offers, the closing date of an offer is also the last day to trade, and holders accordingly -
  - (a) are entitled to acquire securities up to and including the closing date of an offer; and
  - (b) are able to accept an offer in respect of all securities beneficially held, or acquired, up to and including the closing date of an offer.
- (8) An offer relating to a Section 117(1)(c)(i) disposal, Section 117(1)(c)(ii) amalgamation or merger or Section 117(1)(c)(iii) scheme of arrangement must state -
  - (a) an expected effective or operative date; or
  - (b) an objective method of determining the effective or operative date.
- (9) Within 20 business days after an offeror offer circular has been posted, the independent board must post the offeree response circular.
- (10) On the 45th business day after the day upon which a conditional general offer opened an announcement shall be made by no later than 16:30 as to whether the offer is unconditional as to acceptances, or has terminated.
- (11) No announcement revising an offer consideration may be posted on or after the 45th business day after an offer has opened unless the offer is unconditional as to acceptances.

- (12) The consideration must be settled within six business days after the later of -
- (a) the offer being declared wholly unconditional; and
  - (b) acceptance thereof by a holder.

- (13) An offer may not be implemented or given effect to until -
- (a) a request has been made to the Panel for a compliance certificate; and
  - (b) the Panel has issued a compliance certificate.

### **103. Extension of offers**

- (1) A general offer, mandatory offer or partial offer may be extended -
- (a) by an announcement made before the initial closing date and time of the offer; but
  - (b) only if -
    - (i) the right to do so has been specifically reserved in the offeror offer circular or combined circular and
    - (ii) that right has not subsequently been withdrawn by the offeror.
- (2) If "no extension statements" in relation to an offer are included in any announcement, circular or statement by or on behalf of an offeror, its directors or equivalent, or its advisers, and not withdrawn immediately if incorrect, then the offer may not subsequently be extended.
- (3) An offeror is not entitled to extend a general offer after the 45th business day after the opening of that general offer, irrespective of whether the offer consideration is revised, or not.
- (4) An general offer contemplated in sub-regulation (3) terminates unless- -
- (a) it has been declared unconditional as to acceptance before midnight on the 45th business day after the opening of the offer;
  - (b) the independent board has consented to an extension; or
  - (c) a firm intention of a competing offer has been announced.

- (5) If a firm intention of a competing offer has been announced, as contemplated in sub-regulation (4)(c), the original offeror will be entitled from time to time to extend the time periods of its offer to coincide with the time periods applicable to the competing offeror's offer.

#### **104. Revision of offers**

- (1) An offer consideration may be revised only by announcing -
- (a) an increase in the original announced offer consideration; or
  - (b) an alternate consideration to the original announced offer consideration.
- (2) A revised offer consideration announcement contemplated in sub-regulation (1) must -
- (a) comply with the content requirements of a firm intention announcement; and
  - (b) be posted to the offeree regulated company's relevant holders.
- (3) If an offer consideration is revised, the offer must remain open for at least 15 business days after the date on which the revised offer consideration is announced.
- (4) If an offer consideration is revised, all holders of relevant securities who have accepted the initial offer consideration are entitled to revise their initial acceptance and elect to receive the revised offer consideration.
- (5) An independent board must announce a response to a revised offer consideration announcement within five business days, setting out in detail its opinion, and the opinion of its independent expert, concerning the revised offer consideration and any other details the board considers to be pertinent.
- (6) If "no increase statements" in relation to an offer are included in any announcement, circular or statement by or on behalf of an offeror, its directors or equivalent, or its advisers, and not withdrawn immediately if incorrect, then the offer consideration may not subsequently be increased.
- (7) For the purpose of sub-regulation (6), "no increase statements" in relation to the offer consideration includes, but is not limited to, a statement that -
- (a) "the offer consideration will not be further increased"; or
  - (b) "our offer consideration remains at x cents per security and it will not be raised".

#### **105. Offers becoming unconditional**

- (1) When an offer becomes unconditional as to acceptances, the offeror must announce that fact within one business day, and the announcement must include the total number and percentage of securities -
  - (a) for which acceptances have been received; and
  - (b) which are held by the offeror at that time.
- (2) A holder who has accepted a general offer may withdraw that acceptance, by notice in writing delivered to the offeror, if the general offer -
  - (a) has not been declared wholly unconditional by midnight on the 65th business day after it opened;
  - (b) has been declared unconditional as to acceptances; and
  - (c) still remains subject to other conditions.
- (3) Subject to sub-regulation (4), a holder who has withdrawn an acceptance, as contemplated in sub-regulation (2), may again accept the general offer in the manner provided in terms of that offer at any time before the closing date of the general offer, unless the general offer has been terminated.
- (4) A person may not withdraw acceptance and subsequently re-accept a particular offer more than once.
- (5) After a general offer, mandatory offer or partial offer has become unconditional in all respects -
  - (a) the offer must be announced as being unconditional, within one business day; and
  - (b) the now unconditional offer must remain open for at least 10 business days after the announcement required by paragraph (a).

## 106. Circulars

- (1) An offeror offer circular relating to a general offer, mandatory offer or partial offer is the responsibility of the offeror.
- (2) A combined offer circular relating to a general offer, mandatory offer or partial offer is the responsibility of both the offeror and the independent board.
- (3) An offer circular relating to a Section 117(1)(c)(i) disposal, Section 117(1)(c)(ii) amalgamation or merger, or section 117(1)(c)(iii) scheme of arrangement, is the-

- (a) responsibility of the independent board, if the proposed affected transaction is for acquisition of 100% of the beneficial interest in, or 100% of the assets or undertaking of, the offeree company, by an offeror payable in cash or cash equivalents;
  - (b) responsibility of the independent board and the offeror, if the proposed affected transaction is for acquisition of 100% of the beneficial interest in, or 100% of the assets or undertaking of, the offeree company, by an offeror payable in offeror securities; or
  - (c) responsibility of the independent board and the offeror, if the proposed affected transaction is for acquisition of less than 100% of the beneficial interest in, or less than 100% of the assets or undertaking of, the offeree company, by an offeror payable in offeror securities.
- (4) An offeror offer circular must contain -
- (a) the same disclosure contents as required in -
    - (i) regulation 101(7)(a); and
    - (ii) regulation 101(7)(b), excluding pro forma per security disclosure;
  - (b) the reasons for the offer and the offeror's intentions regarding the continuation of the business of the offeree regulated company and the continuation in office of the directors of the offeree regulated company;
  - (c) statements of direct and indirect beneficial interests in or holdings of securities, or actions to be effected, or a negative statement if there are no such interests or holdings -
    - (i) by the offeror, including separate disclosure of concert party holdings, in the offeree regulated company;
    - (ii) by directors or equivalent of the offeror in the offeror's securities and in any of the offeree regulated company's securities;
    - (iii) in the offeror and in the offeree regulated company by any person who, before the offeror offer circular was posted, was irrevocably committed
      - (aa) to accept or to reject the offer; or
      - (bb) to vote in favour of or against the offer,
- together with the name of each such person;

- (d) whether and in what manner the remuneration of the offeree regulated company's directors will be affected by the offer or by any other associated transaction, or a statement that there will be no such effect, if that is the case;
- (e) a statement indicating whether or not any agreement exists between the offeror, or any person acting in concert with the offeror, and -
  - (i) the offeree regulated company;
  - (ii) any of the directors of the offeree regulated company, or persons who were directors within the preceding 12 months of the offeree regulated company; or
  - (iii) holders of offeree regulated company securities, or persons who were holders thereof within the preceding 12 months, if the agreement is considered to be material to a decision regarding the offer to be taken by the holders or offeror holders;

and material terms of any such agreement;

- (f) all pertinent dates and times having relevance to a full understanding of the offer;
  - (g) the fair and reasonable opinion provided in conformity with the applicable disclosure requirements in regulation 90;
  - (h) a statement to the effect that settlement of the offer consideration to which any holder is entitled under the offer will be implemented in full in accordance with the terms of the offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the offeror may otherwise be, or claim to be, entitled against such holder; and
  - (i) a statement -
    - (i) that the offeror accepts responsibility for the information contained in the offeror offer circular; and
    - (ii) that to the best of the offeror's knowledge and belief, the information contained in the offeror offer circular is true; and
    - (iii) where appropriate, that the circular does not omit anything likely to affect the importance of the information.
- (5) If any director or equivalent of the offeror is excluded from the statement required by sub-regulation (4)(i), the circular must note that omission and the reasons for it.



- (6) In addition to the requirements of sub-regulations (4) and (5), a circular must also include- -
- (a) the details, including volumes, dates and prices, of any dealings in the securities in question, if any party whose holdings of securities are required to be disclosed by this regulation has dealt for value in the securities in question during the period beginning six months before the offer period and ending with the latest practicable date before the posting of the offeror offer circular;
  - (b) the offeror board opinion after taking account thereof, if the offer consideration comprises wholly or partly offeror securities as contemplated in regulation 110(10);
  - (c) a description of the financing arrangements entered into by the offeror, including capital amount, interest rate, security given, period and repayment terms, if the offer is highly-leveraged, such that, as a result of the offer, the offeror will incur a high level of debt and the payment of interest, repayments or security for the debt will substantially depend on the business of the offeree regulated company; and
  - (d) if the offer consideration consists wholly or partly of offeror securities-
    - (i) the annual financial statements of the offeror for the last three financial periods; and
    - (ii) an audit reviewed pro forma balance sheet and pro forma income statement, and pro forma earnings and assets per security, as at the last financial year end, assuming a 100% successful offer result.
- (7) An offeree response circular must contain the following disclosures and information by the independent board -
- (a) The independent board's views on the offer and offer consideration, and its views of any other offers received during the offer period or within six months before the offer period;
  - (b) a comment on the statements contained in the offeror offer circular, insofar as is relevant;
  - (c) the following financial information:
    - (i) the annual financial statements of the offeree regulated company for the last three financial years and, if completed, the latest interim results, in IFRS interim reporting format without audit review; and
    - (ii) an auditor reviewed pro forma income statement and balance sheet, as at the last financial year end of the offeree regulated company, and the pro forma effects per offeree regulated company security, if the offeree regulated company holders will continue to hold some form of security after the offer;

- (d) statements of direct and indirect beneficial interests in, or holdings of, securities, or actions to be effected -
  - (i) by the offeree regulated company in the offeror;
  - (ii) by directors of the offeree regulated company in the offeror and in any of the offeree regulated company's securities;
  - (iii) in the offeror and in the offeree regulated company by any person who, before the posting of the offeree response circular, was irrevocably committed
    - (aa) to accept or to reject the offer; or
    - (bb) to vote in favour of or against the offer,together with the name of each such person;
  - (iv) the details, including volumes, dates and prices of any dealings by any party whose holdings of securities are required to be disclosed by this regulation, if that person has dealt for value in the securities in question during the period beginning six months before the offer period and ending with the latest practicable date before the posting of the offeree response circular;or a negative statement if there are no such holdings;
- (e) material particulars of any service contract of any director or proposed director of the offeree regulated company with the offeree regulated company, or with any of its subsidiaries, or a statement that there are no such contracts, if that is the case;
- (f) particulars of service contracts entered into or amended within six months before the date of the offer period, or a statement that there are no such contracts, if that is the case;
- (g) a statement indicating whether or not any agreement exists between the offeree regulated company and -
  - (i) the offeror or any of its concert parties;
  - (ii) any of the directors or equivalent of the offeror, or persons who were directors or equivalent within the preceding 12 months; or

- (iii) holders of offeror securities or a beneficial interest in the offeror, or persons who were holders thereof or interested therein within the preceding 12 months if the agreement is considered to be material to a decision regarding the offer to be taken by the holders or offeror holders;

and material terms of any such agreement;

- (h) the fair and reasonable opinion provided, in conformity with the applicable disclosure requirements in regulation 90 and the independent board opinion after taking account thereof in compliance with regulation 110;
  - (i) a statement indicating whether the directors of the offeree regulated company intend, in respect of their own beneficial holdings of relevant securities, to accept or to reject the offer, or to vote in favour of or against the offer; and
  - (j) a statement
    - (i) that the independent board accepts responsibility for the information contained in the offeree response circular;
    - (ii) that to the best of its knowledge and belief, the information contained in the offeree response circular is true; and
    - (iii) that the report does not omit anything likely to affect the importance of such information.
- (8) If any director of the independent board is excluded from a statement required by sub-regulation (7)(j), the omission and the reasons for it must be stated in the offeree response circular.
- (9) A combined offer circular must contain the information required by sub-regulations (4) to (8).
- (10) Circulars subsequently sent to holders by an offeror or offeree regulated company must contain details of any material changes to previously published information contained in an earlier circular, or a statement that there has been no material change.
- (11) The following documents must lie for inspection at the offeror or offeree regulated company's registered office, or both, as applicable, from the date of posting of a circular until the end of the offer period -
- (a) the auditor's report and consent letter, if a forecast has been made;
  - (b) the audit review opinion and consent letter, if pro forma information has been disclosed;

- (c) any document evidencing an irrevocable commitment to accept or to reject or vote in favour of or against an offer;
- (d) the respective memorandum of incorporation of the offeree regulated company and of the offeror, if the offer consideration includes offeror securities; and
- (e) the issued annual financial statements for the last three completed financial years of -
  - (i) the offeree regulated company; and
  - (ii) the offeror company, if the offer consideration includes offeror securities.
- (f) Any document which is required to assist shareholders to make an informed decision on the merits or demerits of an affected transaction or offer and without limiting the generality of the foregoing, such documents includes property valuation reports, Competent Persons Reports compiled in accordance with SAMVAL code and Share Incentive Scheme Trust Deeds.

## **Part D**

### **Duties and Conduct of Offeree and Directors**

#### **107. Appointments to board of offeree**

From the date that a firm intention announcement is published, until the offer is declared unconditional, lapses or is withdrawn, the offeror and its concert parties must not

- (a) appoint any person to the board of an offeree regulated company; or
- (b) exercise votes attaching to any securities held in the offeree regulated company, unless the votes are cast -
  - (i) on a resolution dealing with a matter unrelated to the offer; or
  - (ii) by proxy in accordance with regulation 111(7).

#### **108. Duties of directors of offeree regulated companies**

- (1) In this regulation, a reference to "offeror directors" applies equally to trustees of trusts, partners of partnerships, members of a consortium and similar personae, if the offeror is not a company.
- (2) The directors of an offeree regulated company must not resign from the board of the offeree regulated company from the date of the firm intention announcement until the offer is declared unconditional, lapses or is withdrawn.

- (3) In an offer, and during the entire course of the offer proceedings -
- (a) a director of the offeree regulated company, whether executive or non-executive, must fully disclose to the offeree regulated company board, any conflict of interest or potential conflict of interest, including its nature, in relation to such transaction immediately after the director becomes aware of the conflict; and
  - (b) the director concerned must assume a non-independent status, and inform the Board to that effect, if the director considers that the conflict or potential conflict may affect the director's independence.
- (4) If a director does not make a declaration required by sub-regulation (3)(b), and the board of the offeree regulated company considers that director to be non-independent, the board must declare the director to be non-independent.
- (5) A non-independent director -
- (a) may not tender an opinion or vote on any matter at a meeting of the independent board; and
  - (b) must withdraw from any deliberations of the independent board.
- (6) Despite sub-regulation (5), the independent board may determine the extent of a non-independent director's attendance at any of its meetings for a defined purpose, such as furnishing factual information.
- (7) A determination of independence affects primarily offeree regulated company directors but may also be relevant to offerors.
- (8) The following situations are relevant in determining independence, but are not exhaustive:
- (a) A director who is a member of the boards of both an offeror and an offeree regulated company is presumed to be conflicted and non-independent, but this presumption is rebuttable at the instance of the independent board. If such a director is declared independent by the independent board, the director is conflicted at the offeror board/management level, and vice versa.
  - (b) A director of an offeree regulated company who holds vested shares or options ("vested securities") in the offeree regulated company, which vested securities -
    - (i) have an intrinsic value (as defined by International Financial Reporting Statements) which represents a material amount of the director's net worth; and/or

- (ii) represent a material holding in the offeree regulated company;

is presumed to be conflicted and non-independent, but the presumption is rebuttable at the instance of the independent board.

- (c) A director of an offeree regulated company is non-independent if the director -
    - (i) holds unvested securities or options, and is offered any substitute share or option scheme, separate offer or acceleration of vesting periods that would give rise to a benefit in terms of an offer; or
    - (ii) is partial to the outcome of an offer because of an increased or decreased future benefit or loss of office or employment.
  - (d) A director of an offeree regulated company who is related or inter-related to any person who is, or would be considered, non-independent in relation to an offeree regulated company concerned, in terms of an offer, is rebuttably presumed to be non-independent.
- (9) An independent board should comprise a minimum of three independent directors, and if there are less than three independent directors, other persons must be appointed to the independent board by the existing board in accordance with the qualifications or other requirements set out in the Act.

#### **109. Requisite knowledge of independent board members**

Each member of an independent board and, where applicable, an independent board of an offeror, must -

- (a) take all reasonable steps to receive all necessary information to reach a fully informed opinion concerning an offer and prepare it for relevant securities holders;
- (b) meet with any appointed adviser to be briefed on all details of the offer, including the offer mechanism, terms, conditions and other relevant information;
- (c) while respecting regulatory timetables, allow sufficient time to discharge all duties and responsibilities, and resist haste and pressured time deadlines; and
- (d) become properly informed of the offeree regulated company's value per security or, where applicable, the offeror company's value per relevant security.

#### **110. Independent board opinion**

- (1) The independent board of an offeree regulated company that is the subject of an offer must obtain appropriate external advice from an independent expert in the form of a fair and reasonable opinion.
- (2) The independent board must take cognisance of the fair and reasonable opinion received in forming its own opinion on an offer consideration, which opinion must be communicated to the relevant offeree regulated company's security holders.
- (3) In order to enable the independent board to express an opinion on an offer and on the offer consideration, it must either -
  - (a) perform a valuation of the offeree regulated company's securities that are the subject of an offer, including an attributable value per security if the offer is a disposal of assets or undertaking in terms of Section 112; or
  - (b) place reliance upon a valuation of the offeree regulated company's securities that are the subject of an offer, including an attributable value per security if the offer is a disposal of assets or undertaking in terms of Section 112, as performed by the appointed independent expert after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that valuation.
- (4) An independent board must form a clear basis for the expression of an opinion to relevant holders dealing with value and price compared to the consideration offered.
- (5) If the consideration offered per security exceeds either the estimated fair value per security or current traded price per security, but not both, a split opinion clearly detailing the independent board's view is required, e.g. fair but not reasonable or reasonable but not fair.
- (6) The independent board must consider factors that are difficult to quantify, or are unquantifiable, and must disclose any such factors, or state that there are none of which it is aware, and take them into account in forming its opinion in respect of fairness.
- (7) An independent board must form a view of a range of fair value of the offeree regulated company securities, based upon an accepted valuation approach.
- (8) An offer with a consideration per offeree regulated company security within the fair value range is generally considered to be fair.
- (9) An offer with an offer consideration per offeree regulated company security above the offeree regulated company's traded security price at the time the offer consideration(s) per security was announced, or at some other more appropriate identifiable time, is generally considered to be reasonable.

- (10) An offer with an offer consideration comprising or including offeror company securities requires the independent board to carefully consider the price and value per security of the offeror's securities relative to the offeree regulated company securities. In such an offer, the offeror company must either -
- (a) appoint an independent expert to provide a fair and reasonable opinion concerning the offeror company's relevant securities value and price to the independent board of the offeror company, the offeree regulated company's independent board and to the offeree regulated company's independent expert, in which case the independent board of the offeror company must express its opinion on the offeror company's securities value and price after considering the fair and reasonable opinion; or
  - (b) provide relevant information, as agreed between the parties, concerning the offeror company, directly to the independent board and to the offeree regulated company's independent expert, to enable the independent board and the offeree regulated company's independent expert to consider and opine on that information.
- (11) If the independent board is not unanimous in its opinion, all differing opinions of members, including reasons, must be provided to holders.

#### **111. Securities dealings, pricing, confirmations and general requirements**

- (1) Except for prohibited acquisitions in terms of Section 127(2)(b), an acquisition of securities in an offeree regulated company, that is or may be the subject of an offer, may be made before or during an offer period without Panel consent.
- (2) If an offer is made and the offeror, or any person acting in concert with the offeror, has acquired relevant securities in the offeree regulated company within the six month period before the commencement of the offer period, the offer consideration, per security, to the offeree regulated company's holders of securities of the same class must be -
- (a) identical to, or where appropriate, similar to, the highest consideration paid, excluding commission, tax and duty, for those acquisitions; and
  - (b) accompanied by a cash consideration, at not less than the highest cash consideration paid per security, excluding commission, tax and duty, if securities that carry 5% or more of the voting rights currently exercisable at a class meeting of that class were acquired for cash.
- (3) If the offeror considers that the highest consideration per relevant security paid ought not to apply in a particular case, the offeror may consult the Panel, which in its discretion may agree to an adjusted offer consideration.



- (4) When an offer consideration is wholly or partly in cash, the offeror offer circular must include a statement, a copy of which must have been provided to the Panel, including -
- (a) an irrevocable unconditional guarantee issued by a South African registered bank; or
  - (b) an irrevocable unconditional confirmation from a third party that sufficient cash is held in escrow;
- in favour of the holders of relevant securities for the sole purpose of fully satisfying the cash offer commitments.
- (5) A guarantee or confirmation contemplated in sub-regulation (4) must be written in a form that empowers the Panel to exercise the guarantee or confirmation, in whatever manner is required, on behalf of all holders of relevant securities once all conditions have been satisfied, if the offeror and its concert parties have failed to pay the cash consideration owing to holders of relevant securities entitled thereto by the due date.
- (6) If, after the firm intention announcement and before the offer closes, an offeror or any person acting in concert with it acquires relevant securities in the offeree regulated company at above the offer consideration per relevant security, the offeror must -
- (a) increase the offer consideration per security to not less than the highest consideration paid for the securities so acquired; and
  - (b) immediately announce the revised offer consideration per relevant security and relevant dates, which announcement must be posted to the offeree regulated company's relevant securities holders.
- (7) An offeror may require a holder of relevant securities of an offeree regulated company, to give the offeror a proxy to vote in respect of those securities, as a stated term of acceptance, until the acceptance is withdrawn in terms of Regulation 105, and such a proxy may be exerciseable -
- (a) on all matters in order to satisfy any announced conditions of the offer, if the offer is conditional; or
  - (b) on all matters, if the offer is unconditional.
- (8) Parties to an offer must take care not to issue statements that, while not factually inaccurate, may mislead holders of relevant securities and the market or may create uncertainty.
- (9) If a profit forecast or estimate is made on or after the date of publication of a firm intention announcement -

- (a) by an offeree regulated company, involved in an offer, on itself or on the offeror; or
- (b) by an offeror, involved in an offer, on itself or on the offeree regulated company;

any such forecast must be prepared in accordance with the Forecast Guide and reported upon by an auditor, or a similar professional registered with regulatory or professional body for auditors in another jurisdiction.

- (10) For the purpose of sub-regulation (9), "forecast(s)" -
- (a) has the meaning defined in the Revised Guide on Forecasts issued by the South African Institute of Chartered Accountants ("SAICA"), as amended from time to time ("the Forecast Guide"); and
  - (b) includes trading statements, general forecasts and specific forecasts as defined in the JSE Listings Requirements, as amended from time to time.

#### **112. Acquisition of own securities by offeree**

During an offer period, an offeree regulated company and its subsidiary companies may not acquire the offeree regulated company's own securities without

- (a) the prior written approval of the Panel, and the approval of the holders of relevant securities; or
- (b) in terms of a pre-existing obligation or agreement entered into before the time contemplated in section 126(1).

#### **113. Re-investment**

- (1) In terms of section 119(6), the Panel may grant an exemption from the application of section 127(1) to the extent required to allow a re-investment alternative of the consideration offered ("re-investment consideration") only to specific directors and management of an offeree regulated company if -
- (a) a fair and reasonable opinion from an independent expert has been obtained stating that the re-investment consideration is fair and reasonable to the independent shareholders of the offeree regulated company; and
  - (b) a majority vote of independent shareholders of the offeree regulated company has been obtained in general meeting.

- (2) An independent board must establish and disclose any benefits offered to any offeree regulated company director or employee by an offeror. .

#### **114. Sales during an offer period**

- (1) The Panel must not give consent for sales by an offeror, or by persons acting in concert with the offeror, of offeree regulated company securities that are the subject of a mandatory offer during the offer period.
- (2) The Panel may give consent for sales only if -
  - (a) an offer, other than a mandatory offer, is being made; and
  - (b) the sale is not considered to be price manipulative, and is considered justified in the circumstances.
- (3) Proposed sales that have been consented to by the Panel must be made at the offer price.
- (4) The Panel must require notice of any proposed sales, during an offer period, that it has consented to, which notice must be published at least 24 hours in advance of selling, and must state -
  - (a) the name of the offeror, or any person(s) acting in concert with the offeror, who proposes to sell;
  - (b) the number or maximum number of securities that may be sold;
  - (c) the price, including a ratio arising from a securities swap, at which the number or maximum number of securities will be sold, or alternatively, a statement that the price, including a ratio arising from a securities swap, at which the securities are sold, will constitute the relevant offer price if an offer is made;
  - (d) that neither the offeror nor any persons acting in concert with the offeror may acquire any securities in the offeree regulated company concerned during the offer period other than as contemplated in an offer subject to Part B and Part C of Chapter 5 of the Act and this Chapter; and
  - (e) that an announcement or announcements will be made detailing the number and price, including a ratio arising from a securities swap, of securities sold, within 24 hours of any such sale being effected.

#### **115. Waivers**

With respect to a waiver that is obtained in terms of regulation 86, for a period of six months immediately following the waiver

- (a) the acquirer;
- (b) the subscriber or underwriter; and
- (c) any person who is acting in concert with a person contemplated in paragraphs (a) or (b),

must not make an offer to any holder of securities of the offeree regulated company, or acquire any interest in any such securities, on more favourable terms than those acquired or subscribed for in terms of the transaction in question.

## **Part E**

### **Takeover Panel Procedures**

#### **116. General Authority of the Panel**

- (1) The Panel works on a day-to-day basis through its Executive Director, deputy Executive Director(s) and other officers and employees as contemplated in section 200.
- (2) The Panel is empowered to co-operate with any regulatory bodies in or outside South Africa for the purpose of obtaining or furnishing information relevant to any aspect of the duties of the Panel or of such other regulatory bodies.
- (3) A quorum for any properly convened meeting of the Panel is six members.
- (4) If a quorum is not present when a meeting of the Panel is to begin, that meeting is postponed for a period of not less than five days, as determined by the Chairperson, and at the quorum for the postponed meeting, will be three members.
- (5) The provisions of section 73(3), read with the changes required by the context, apply with respect to meetings of the Panel, other than appeals or hearings, but a reference in that section to the board of a company must be read as referring to the Panel.

#### **117. All published documents to be approved**

*See s. 119(4)(a)*

All documents relating to an Affected transaction as defined under section 117(c) of the Act, including announcements and circulars must be approved by the Panel before being posted or published.

#### **118. Consultations and Rulings**

Prepared by:

In partnership with:

- (1) Any person may approach the Panel through the Executive Director in accordance with section 201.
- (2) Advice given by the Executive Director during a consultation shall not constitute a Ruling of the Executive Director and as such shall not be binding on the panel and cannot be used by any party in any manner
- (3) A Ruling may be made by the Executive Director upon written application, or after a hearing.
- (4) In exercising the power to make a ruling, the Executive Director must -
  - (a) follow the principle of *audi alteram partem*, unless it is fair, reasonable and justifiable to do otherwise; and
  - (b) respect confidentiality, except to the extent that the circumstances require otherwise.
- (5) Rulings will be given on the assumption that all information considered or provided is correct and complete.
- (6) Rulings may be formally withdrawn by the Executive Director or the Takeover Special Committee, in writing, if any information considered or provided proves to be incomplete or incorrect or if the parties by agreement applies that the ruling should be withdrawn.
- (7) If the Executive Director determines that a Ruling should be made available to the public -
  - (a) the Executive Director may require publication of a notice within a specified time stating that the Ruling has been placed on the Panel website;
  - (b) the Ruling is suspended until the required notice has been published; and
  - (c) if the person directed to publish the notice fails to do so within the specified time, the Executive Director may procure publication of the notice at the expense of that person.
- (8) Any person issued with a Ruling may apply to the Takeover Special Committee for a hearing regarding the Ruling within -
  - (a) 5 business days after receiving that Ruling; or
  - (b) such longer period as may be allowed by the Committee on good cause shown.
- (9) After considering any representations by the applicant and any other relevant information, the Takeover Special Committee may confirm, modify or cancel all or part of a Ruling.

- (10) If the Takeover Special Committee confirms or modifies all or part of a Ruling, the applicant must comply with that Ruling as confirmed or modified, within the time period specified in it.
- (11) A decision by the Takeover Special Committee in terms of this regulation is binding, subject to any right of review or appeal by a court.

#### **119. Procedure before the Executive Director and Takeover Special Committee at hearings**

- (1) At any hearing before the Executive Director or the Takeover Special Committee- -
  - (a) each party is entitled to -
    - (i) state its case in writing beforehand;
    - (ii) call witnesses to give relevant evidence, and question any witness called by another party; and
    - (iii) present argument orally, in writing, or both;
  - (b) the Executive Director or Takeover Special Committee, as the case may be, may call any evidence;
  - (c) neither the Executive Director nor the Takeover Special Committee is obliged to apply the law of evidence;
  - (d) the Executive Director or the Takeover Special Committee, as the case may be, must follow the principle of *audi alteram partem*, unless it is fair, reasonable and justifiable to do otherwise; and
  - (e) the procedures may be conducted in as informal a manner as is consistent with the requirements of the Act and this regulation.
- (2) The proceedings of hearings may be recorded at the discretion of the Executive Director or Takeover Special Committee, as the case may be, and any such recording may be transcribed, subject to any conditions that the Executive Director or Takeover Special Committee may prescribe.
- (3) The Executive Director or chairperson of the Takeover Special Committee, as the case may be -
  - (a) must preside and control the proceedings at hearings; and
  - (b) may prescribe the date and time of each hearing, and the time within which any particular action is to be taken; and

- (c) must give written decisions, supported by reasons and a background summary of the matter, to the parties as soon as reasonably practicable.
- (4) If the Executive Director or the Takeover Special Committee, as the case may be, determines that a decision should be made available to the public -
  - (a) the Executive Director or the Takeover Special Committee may require publication of a notice within a specified time, stating that the decision has been placed on the Panel website; and
  - (b) if the person directed to publish the notice fails to do so within the specified time the Executive Director may procure publication of the notice at the expense of that person.

## **120. Reviews**

The provisions of regulation 119(2), (3) and (4), read with the changes required by the context, apply with respect to the hearing of reviews by the Takeover Special Committee.

## **121. Reporting to Panel**

- (1) A person who has acquired or disposed of any beneficial interest in a class of securities of a regulated company in a sufficient quantity that, as a result of that transaction, the person's total holdings of that class of securities transitted a percentage threshold contemplated in section 122(1) must give the notice required by that section in Form TRP 121.1.
- (2) For the purposes of Part B and Part C of Chapter 5 of the Act and this Chapter reporting compliance by a company in terms of -
  - (a) Section 122(3)(a) requires completion and delivery to the Panel of Form TRF 121.2; and
  - (b) section 122(3)(b) of the Act must take the form of an announcement, as defined in Part B and Part C of Chapter 5 of the Act and this Chapter.
- (3) If a regulated company becomes aware that a person has failed to make a disclosure required by section 122, the regulated company must lodge a complaint with the Panel in terms of Section 168 of the Act.

## **122. Panel Services, fees and levies**

- (1) The services provided by the Panel fall into the following categories:

- (a) providing verbal information and advice of a preliminary and general nature on the provisions of Chapter 5 of the Act and this Chapter;
  - (b) consultations in the course of which specific or general advice may be provided orally or in writing, which in any case is not binding and does not constitute a Ruling;
  - (c) Rulings issued in specific matters;
  - (d) examination of documents submitted for the Panel's approval; and
  - (e) hearings and reviews.
- (2) The fees and levies chargeable for the Panel's services are as set out in Annexure 2 Table CR 2A.
- (3) If a charge is to be calculated on the basis of the value of securities to be issued as consideration, that value will be computed by reference to -
- (a) the ruling market price of the relevant securities on the JSE Limited on the business day immediately before the firm intention announcement of the affected transaction; or
  - (b) by reference to the estimate of the value of any unlisted securities consideration offered.
- (4) If the offeree regulated company is unlisted, a further fee of R11 400 (VAT inclusive) will be payable.
- (5) If there are alternative offers, the alternative offer with the highest value will be used to calculate the value of the affected transaction.
- (6) Comparable offers require all classes of securities to be included in the calculation of the consideration value for fee purposes.
- (7) For hearings or reviews before the Executive Director or the Takeover Special Committee, the fees will be charged at the rate of R3 420 (VAT inclusive) per billable hour, or part thereof;
- (8) In addition to the fees and charges referred to above, the following items may also be charged in respect of any particular matter:
- (a) the cost of serving any subpoenas;
  - (b) the cost of recording proceedings;
  - (c) the cost of any expert engaged by the Panel; and



- (d) any other necessary or desirable disbursements incurred in connection with the particular matter.
- (9) Fees and charges must be paid -
- (a) in the case of services referred to in sub-regulation (1)(b), by the party requesting the service;
  - (b) in the case of services referred to in sub-regulation (1)(c), by the party requesting the service;
  - (c) in the case of services referred to in sub-regulation (1)(d), by the offeror or offeree regulated company, as the case may be;
  - (d) in the case of services referred to in sub-regulation (1)(e), by the applicant or appellant, but subject to a discretion on the part of the Executive Director or the Takeover Special Committee, as the case may be, to order any other party involved in a hearing or review to pay the fees and charges or to make a contribution in respect of them;
- (10) The Panel may in its discretion waive or reduce any fees or charges.
- (11) The Panel may require interest at the statutory rate to be added to an offer consideration(s) per security if the offeror has failed to open an offer or make payment in the time detailed in regulation 102.
- (12) The Panel shall not have power to order any party involved in hearings to pay the costs of any other party, other than its own costs.

## **Chapter 6 Business Rescue**

### **Part A Business Rescue Proceedings**

#### **123. Notices to be issued by a company concerning its business rescue proceedings**

*See s. 129(3), (4)(b) and (7), and s. 131(8)*

- (1) A Notice of Commencement of Business Rescue Proceedings, contemplated in section 129, must be in form CoR 123.1, and filed in accordance with section 129, together with a copy of the board resolution to commence business rescue proceedings.
- (2) After filing its Notice of Commencement of Business Rescue Proceedings, the company must publish that Notice as required in section 129(3)(a), by -

- (a) delivering a copy of the Notice and resolution to every affected person in accordance with regulation 7; and
  - (b) conspicuously displaying a copy of the Notice -
    - (i) at the registered office of the company, the principal places of conducting the business activities of the company and at any workplace where employees of the company are employed;
    - (ii) on any website that is maintained by the company and intended to be accessible by affected persons; and
    - (iii) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange.
- (3) A Notice of Appointment of a Business Rescue Practitioner by the company, as contemplated in section 129(3), must be in form CoR 123.2, and filed in accordance with section 129(4)(a).
- (4) After filing its Notice of Appointment of a Business Rescue Practitioner, the company must publish a copy of that Notice as required in section 129(4)(b), by either -
- (a) delivering a copy of the Notice to each affected person in accordance with regulation 7; or
  - (b) informing each affected person of the availability of a copy of the Notice, in the manner contemplated in section 6(11)(b)(ii) and regulation 6.
- (5) A company whose board is required in terms of section 129(7) to deliver a notice to affected persons advising that it has not resolved to commence business rescue proceedings, must either -
- (a) deliver a notice in Form CoR 123.3 to each affected person in accordance with regulation 7; or
  - (b) inform each affected person of the availability of a copy the Notice, in the manner contemplated in section 6(11)(b)(ii) and regulation 6.
- (6) A company that is placed under business rescue proceedings by a court order in terms of section 131, must notify each affected person, as required by section 131(8)(b), by -
- (a) delivering a copy of the court order to every affected person in accordance with regulation 7; and
  - (b) conspicuously displaying a copy of the court order -

- (i) at the registered office of the company, the principal places of conducting the business activities of the company and at any workplace where employees of the company are employed;
- (ii) on any website that is maintained by the company and intended to be accessible by affected persons; and
- (iii) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange.

#### **124. Notices to be issued by affected persons concerning court proceedings**

*See s. 130(3)(b) and 131(2)(b)*

An applicant in court proceedings who is required, in terms of either section 130(3)(b) or 131(2)(b), to notify affected persons that an application has been made to a court, must deliver a copy of the court application, in accordance with regulation 7, to each affected person known to the applicant.

#### **125. Notices to be issued by practitioner concerning business rescue proceedings**

*See s. 132(3)(b), 141(2)(b), 144(3), 145(1)(a), 146(a), 151(2) and 152(8)*

- (1) A business rescue practitioner who is required by section 132(3)(b) to report to affected persons on the progress of business rescue proceedings, or required by section 141(2)(b) to inform the court, the company and affected persons as to the prospects for rescue of the company, must prepare and file a Notice Concerning the Status of Business Rescue Proceedings in Form CoR 125.1, deliver a copy of that Notice to the court and to the company, and must either -
  - (a) deliver a copy of that notice to each affected person in accordance with regulation 7; or
  - (b) inform each affected person of the availability of a copy of that notice, in the manner contemplated in section 6(11)(b)(ii) and regulation 6.
- (2) A business rescue practitioner must give any notice to which a person is entitled in terms of section 144(3), 145(1)(a), 146(a) or 151(2), by
  - (a) serving any such notice to the head office of a relevant trade union, as required by section 144(3)(a);
  - (b) either -

- (i) delivering a copy of any such notice in accordance with regulation 7 to any affected person entitled to receive it, and who has not been served in terms of paragraph (a); or
  - (ii) informing each affected person of the availability of a copy of the notice, in the manner contemplated in section 6(11)(b)(ii) and regulation 6; and
- (c) conspicuously displaying a copy of the notice- -
- (i) at the registered office of the company that is undergoing business rescue proceedings, the principal places of conducting the business activities of the company and any workplace where employees of the company are employed;
  - (ii) on any website that is maintained by the company and intended to be accessible by affected persons; and
  - (iii) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange.
- (3) A business practitioner must publish a proposed business rescue plan, as required by section 150(5), by -
- (a) informing each affected person of the availability of the plan, in the manner contemplated in section 6(11)(b)(ii) and regulation 6;
  - (b) conspicuously displaying a notice of the availability of the plan -
- (i) at the registered office of the company that is undergoing business rescue proceedings, the principal places of conducting the business activities of the company and at any workplace where employees of the company are employed;
  - (ii) on any website that is maintained by the company and intended to be accessible by affected persons; and
  - (iii) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange; and
- (c) providing a free copy of the plan to any affected person who requests such a copy.
- (4) A Notice of Termination of Business Rescue Proceedings, as contemplated in section 141(2)(b)(ii), must be in Form CoR 125.2.

- (5) A Notice of Substantial Implementation of a Business Rescue Plan, as contemplated in section 152(8), must be in Form CoR 125.3.
- (6) A business rescue practitioner who has filed a Notice of Termination of Business Rescue Proceedings, or a Notice of Substantial Implementation of a Business rescue Plan, must -
- (a) conspicuously display a copy of the notice- -
- (i) at the registered office of the company that is undergoing business rescue proceedings, the principal places of conducting the business activities of the company and at any workplace where employees of the company are employed;
- (ii) on any website that is maintained by the company and intended to be accessible by affected persons; and
- (iii) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange; and
- (b) either -
- (i) deliver a copy of the notice to each affected person in accordance with regulation 7; or
- (ii) inform each affected person of the availability of a copy of that notice, in the manner contemplated in section 6(11)(b)(ii) and regulation 6.

## **Part B**

### **Business Rescue Practitioners**

#### **126. Accreditation of professions and licensing of business rescue practitioners**

See s. 138(1)(a), (2) and (3)

(1)

- (a) The Commission must, when considering an application for accreditation of a profession under section 138(1), have due regard to the qualifications and experience that are set as conditions for membership of any such profession, and the ability of such profession to discipline its members and the Commission may revoke any such accreditation if it has reasonable grounds to believe that the profession is no longer able to properly monitor or discipline its members.
- (b) Sub-regulation (2)-(8) do not apply to any person who is eligible to be appointed as a business rescue practitioner in terms of section 138(1)(a).

- (2) A person may apply to the Commission for a license to serve as a business rescue practitioner, as contemplated in section 138(1)(b), by filing Form CoR 126.1, together with the fee set out in Table CR 1.
- (3) When considering an application in terms of sub-regulation (2), the Commission may require the applicant to provide--
  - (a) further information relevant to the application; or
  - (b) evidence in support of any facts set out in the application.
- (4) Subject to sub-regulation (5), the Commission may issue a business rescue practitioner's licence to an applicant if the Commission is satisfied that -
  - (a) the applicant is of good character and integrity; and
  - (b) the applicant's education and experience are sufficient to equip the applicant to perform the functions of a business rescue practitioner.
- (5) The Commission must not issue a license to an applicant who is disqualified from appointment as a practitioner in terms of section 138(1)(c) or (d).
- (6) After considering an application, the Commission must either -
  - (a) issue a license as applied for in Form CoR 126.2;
  - (b) issue a conditional license, on terms that are reasonable having regard to the applicant's education and experience; or
  - (c) refuse to issue the license, by notice in writing to the applicant, setting out the reasons for the refusal.
- (7) The Commission, by notice in writing to a licensee-
  - (a) must revoke the license of a person who, after being licensed, becomes disqualified from appointment as a practitioner in terms of section 138(1)(c) or (d); and
  - (b) may suspend or revoke a license if the Commission has reasonable grounds to believe that the person is no longer qualified to be licensed, or has contravened the conditions of the license.

- (8) An applicant whose application has been refused, or who has been issued a conditional license, or a licensee whose license has been suspended or revoked, may apply to the Tribunal to review the Commission's decision in the matter, and the Tribunal may partially or entirely confirm or set aside the Commission's decision.

## 127. Restrictions on practice

See s. 138(3)(b)

- (1) This regulation -
- (a) applies to any person who is eligible to be appointed as a business rescue practitioner in terms of section 138(1)(a) and (b), irrespective of whether that eligibility arises in terms of a license issued by the Commission, or otherwise as contemplated in section 138(1)(a); and
  - (b) is subject to any more restrictive condition imposed by the Commission in terms of regulation 126(6)(b), in the case of a licensee contemplated in section 138(1)(b).
- (2) For the purposes of this regulation, and in Regulation 128 -
- (a) **"business turnaround practice"** means activities of a professional nature engaged in before the effective date, that are comparable to the functions of a business rescue practitioner in terms of the Act;
  - (b) Companies undergoing business rescue proceedings are classified in the following three groups:
    - (i) **"large companies"**, being any company, other than a state owned company, whose most recent public interest score, as calculated in terms of regulation 26(2), is 500 or more;
    - (ii) **"medium companies"** being
      - (aa) any public company whose most recent public interest score, as calculated in terms of regulation 26(2), is less than 500; or
      - (bb) any other company, other than a state owned company, whose most recent public interest score, as calculated in terms of regulation 26(2), is at least 100 but less than 500; and
    - (iii) **"small companies"** being any company, other than a state owned or public company, whose most recent public interest score, as calculated in terms of regulation 26(2), is less than 100; and

- (c) Persons eligible to be appointed as practitioners are classified in the following three groups:
- (i) **"senior practitioner"** means a person who is qualified to be appointed as a business rescue practitioner in terms of section 138(1) and who, immediately before being appointed as practitioner for a particular company, has actively engaged in business turnaround practice before the effective date of the Act, or as a business rescue practitioner in terms of the Act, for a combined period of at least 10 years.
  - (ii) **"experienced practitioner"** being a person who is qualified to be appointed as a business rescue practitioner in terms of section 138(1) and who, immediately before being appointed as practitioner for a particular company, has actively engaged in business turnaround practice before the effective date of the Act, or as a business rescue practitioner in terms of the Act, for a combined period of at least 5 years;
  - (iii) **"junior practitioner"** means a person who is qualified to be appointed as a business rescue practitioner in terms of section 138(1) and who, immediately before being appointed as practitioner for a particular company, has either
    - (aa) not previously engaged in business turnaround practice before the effective date of the Act, or acted as a business rescue practitioner in terms of the Act; or
    - (bb) has actively engaged in business turnaround practice before the effective date of the Act, or as a business rescue practitioner in terms of the Act, for a combined period of less than 5 years.
- (3) A junior practitioner -
- (a) may be appointed as the practitioner for any particular small company; but
  - (b) may not be appointed as the practitioner for any medium or large company, or for a state owned company unless as an assistant to an experienced or senior practitioner.
- (4) An experienced practitioner -
- (a) may be appointed as the practitioner for any particular small or medium company; but
  - (b) may not be appointed as the practitioner for any large company, or for a state owned company unless as an assistant to a senior practitioner.
- (5) A senior practitioner may be appointed as the practitioner for any company.



## 128. Tariff of fees for business rescue practitioners

See s. 143

- (1) The basic remuneration of a business rescue practitioner, as contemplated in section 143(1), to be determined at the time of the appointment of the practitioner by the company, or the court, as the case may be, may not exceed -
  - (a) R 1250 per hour, to a maximum of R 15 625 per day, (inclusive of VAT) in the case of a small company.
  - (b) R 1500 per hour, to a maximum of R 18 750 per day, (inclusive of VAT) in the case of a medium company; or
  - (c) R 2000 per hour, to a maximum of R 25 000 per day, (inclusive of VAT) in the case of a large company, or a state owned company.
- (2) Sub-regulation (1) does not apply to, limit or restrict any 'further remuneration' for a business rescue practitioner, as contemplated in section 143(2) to (4).
- (3) In addition to the remuneration determined in accordance with section 143(1) to (4), and this regulation, a practitioner is entitled to be reimbursed for the actual cost of any disbursement made by the practitioner, or expenses incurred by the practitioner to the extent reasonably necessary to carry out the practitioner's functions and facilitate the conduct of the company's business rescue proceedings.

## Chapter 7

### Complaints, Applications and Tribunal Hearings

#### Part A

#### Definitions Used in This Chapter

## 129. Definitions

In this Chapter, unless the context indicates otherwise

- (a) "**Answer**" means a document as described in regulation 143 and filed by a respondent;
- (b) "**applicant**" means a person who submits an application to the Tribunal in terms of the Act or this Chapter;
- (c) "**Application**" means a request submitted to the Tribunal in terms of the Act or these regulations;

- (d) **"complaint"** means -
- (i) a matter that has been submitted to the Commission in terms of section 168(1)(b);
  - (ii) a matter initiated by the Commission in terms of section 168(2); or
  - (iii) a matter that the Minister has directed the Commission to investigate, in terms of section 168(3).
- (e) **"Complaint Referral"** means an initiating document as described in regulations 140(3) and 141 for the purposes contemplated in section 170(1)(b);
- (f) **"Dispute Referral"** means an initiating document as described in regulation 132 for the purposes of referring a dispute for alternative resolution to the Tribunal or an accredited entity, as contemplated in section 166(1);
- (g) **"initiating document"**, depending on the context, means either an Application, Complaint Referral, or a Dispute Referral;
- (h) **"initiating party"** -
- (i) in the case of a Complaint Referral, means the Commission, or other person referred to in regulation 141;
  - (ii) in the case of a Dispute Referral, means the person who referred the matter to the Tribunal or accredited entity in terms of section 166(1), read with regulation 132;
  - (iii) in any other proceedings before the Tribunal, means the Applicant;
- (i) **"intervenor"** means any person who has been granted standing to participate in particular proceedings before the Tribunal in terms of section 181(c), read with regulation 159;
- (j) **"presiding member"** means the member of the Tribunal designated by the chair to preside over particular proceedings;
- (k) **"Reply"** means a document as described in regulation 144 and filed by an initiating party in response to an Answer;
- (l) **"respondent"**, when used in respect of -
- (i) an application to review a notice issued by, or a decision of, the Commission, means
    - (aa) the Commission, and

- (bb) any other person concerned, except the applicant;
  - (ii) any other application, means the person against whom the relief is sought;
  - (iii) a Complaint Referral, means the person against whom that complaint has been initiated; or
  - (iv) a Dispute Referral, means any party to the dispute other than the initiating party;
- (m) "**sheriff**" means a person appointed in terms of section 2 of the Sheriff's Act, 1986 (Act 90 of 1986), and includes a person appointed in terms of section 5 and section 6 of that Act as an acting sheriff and a deputy sheriff, respectively.

## **Part B**

### **Forms and Notices with respect to certain remedies**

#### **130. Request for Commission or Panel to act on behalf of complainant**

*See s. 157(2)*

A complainant may give written authorization to the Commission or the Panel to commence proceedings in the name of the complainant, as contemplated in section 157(2), by so indicating on Form CoR 135.1 at the time of filing a complaint.

#### **131. Notice of availability of system to receive confidential disclosures**

*See s. 159(7)*

A company that is required by section 159(7) to establish and maintain a system to receive disclosures contemplated in section 159 must publicize the availability of that system by conspicuously displaying a notice to that effect, setting out the contact details of the person responsible for receiving any such disclosure

- (a) at the registered office of the company, the principal places of conducting the business activities of the company, and at any workplace where employees of the company are employed;
- (b) on any website that is maintained by the company and intended to be accessible by the categories of persons enumerated in section 159(4); and
- (c) if it is a listed company, on any electronic system maintained by the relevant exchange for the communication and inter-change of information by and among companies listed on that exchange.

## **Part C**

### **Alternative Dispute Resolution**

Prepared by:

In partnership with:

### **132. Alternative dispute resolution procedures**

*See s. 156(a), 157, 158, 166(1) and 169(1)(b)*

- (1) A person may refer a matter for alternative dispute resolution to the Tribunal or to an accredited entity, as contemplated in section 166(1) and elsewhere in the Act, by filing a completed Form CTR 132.1 with the Tribunal or the accredited entity.
- (2) The Commission or the Panel may refer a complaint to be resolved by alternative dispute resolution, as contemplated in section 169(1)(b), by delivering a copy of Form CTR 132.2, to the complainant, the respondent and the Tribunal or accredited dispute resolution entity.
- (3) A Certificate of Failed Dispute Resolution, as contemplated in section 166(2), must be in Form CTR 132.3,

### **133. Forms of order resulting from alternative dispute resolution procedures**

*See s. 167*

A consent order, as contemplated in section 167, must be set out in a form satisfactory to the High Court, in terms of its rules,

### **134. Accreditation of alternative dispute resolution providers**

*See s. 166(4)(a)(iii) and (5)*

- (1) An application for accreditation as an alternative dispute resolution provider must be made to the Commission in Form CoR 134.1
- (2) A certificate accrediting an entity as an alternative dispute resolution provider must be in Form CoR 134.2

## **Part D**

### **Commission or Panel Complaint and Investigation Procedures**

### **135. Filing of complaints with the Commission**

*See s. 156(d), 157, 168 and 169(1).*

- (1) A complaint filed with the Commission or the Panel must be in Form CoR 135.1.
- (2) At any time before the Commission or Panel has concluded its consideration of a complaint, the complainant may withdraw the complaint.
- (3) The Commission or the Panel may continue to investigate a complaint after it has been withdrawn, as if the Commission or Panel had initiated it as contemplated in section 168(2).

- (4) A notice of non-investigation of a complaint by the Commission or the Panel, as contemplated in section 169(1)(a), must be in Form CoR 135.2.

### **136. Multiple complaints**

- (1) At any time after a complaint has been initiated by the Commission or the Panel, or submitted by another person, the Commission or Panel, as the case may be, may publish a notice disclosing an alleged contravention of the Act and inviting any person who believes that the alleged contravention has affected or is affecting a material interest of that person to file a further complaint in respect of that matter.
- (2) The Commission or the Panel may consolidate two or more complaints under a common investigation if they concern the same person as potential respondent, and substantially the same conduct by that person.
- (3) If the Commission or the Panel consolidates two or more complaints as permitted by sub-regulation (2)  
-
  - (a) each of those complaints must continue to be separately identified by its own complaint number;
  - (b) each person who submitted one of those complaints remains the complainant with respect to the complaint that they submitted; and
  - (c) after referring one of those consolidated complaints to the Tribunal, or issuing a notice of non-referral in respect of it, the Commission or the Panel may continue to investigate any of the remaining consolidated complaints.

### **137. Investigation of complaints**

See s. 169 and 176 to 179

- (1) A notice to investigate issued by the Commission or the Panel in terms of section 169(1)(c) must be in Form CoR 137.1
- (2) A summons issued by the Commission or the Panel in terms of section 176(1) must be in Form CoR 137.2.
- (3) If a person to whom a summons has been *[sic]* issued is required to produce in evidence any document or thing in the witness's possession, the summons must specify the document or thing to be produced.
- (4) After the summons has been issued, it must be served by the sheriff in any manner authorised by the High Court Rules.

- (5) A person who has been required to produce any document or thing to the Commission must hand it over to the recording officer as soon as possible after service of the summons, unless the person claims that the document or thing is privileged.
- (6) At any time during an investigation, the Commission or the Panel, as the case may be, may -
  - (a) informally request additional information from a party; or
  - (b) require a party to provide additional information, at any time, by delivering to the party a demand in Form 137.3, setting out the specific information that is required.
- (7) If, at any time, the Commission or the Panel has reasonable grounds to believe that a document filed in respect of an investigation contains false or misleading information, the Commission or Panel may issue a Demand for Corrected Information in Form 137.4 to the person who filed that document.
- (8) Within 5 business days after being served with a Demand for Corrected Information, the person concerned may apply to the Tribunal for an order confirming or setting aside the Demand.
- (9) If a person does not apply to the Tribunal within the time allowed by sub-regulation (8) or, if the Tribunal, on hearing the appeal, partially or entirely confirms the Demand, the person concerned must file corrected information.
- (10) If the Tribunal, on hearing an application in terms of sub-regulation (8), sets aside the Demand entirely, the Demand is a nullity.

### **138. Resolving complaints by proposed consent order**

*See s. 170(1)(d) and 173*

- (1) If, at any time before concluding its consideration of a complaint, the Commission believes that the respondent may be prepared to agree terms of a proposed order, the Commission may -
  - (a) notify the complainant, in writing, that a consent order may be recommended; and
  - (b) invite the complainant to inform the Commission in writing within 10 business days after receiving that notice -
    - (i) whether the complainant is prepared to accept damages or an alternative remedy under such an order; and
    - (ii) if so, the amount of damages claimed or particulars of the alternative remedy.

- (2) If the Commission and the respondent agree [*sic*] the terms of an appropriate order, the Commission must -
- (a) refer the complaint to the High Court in accordance with its Rules;
  - (b) attach to the referral -
    - (i) a draft order in a form consistent with the High Court Rules, and
      - (aa) setting out each section of the Act or of a company's Memorandum of Incorporation or Rules that has been contravened;
      - (bb) setting out the terms agreed between the Commission and the respondent, including, if applicable, the amount of damages agreed between the respondent and the complainant; and
      - (cc) signed by the Commission and the respondent indicating their consent to the draft order; and
    - (ii) a Consent to Order in Form CoR 138, completed by the complainant, if applicable; and
  - (c) serve a copy of the referral and draft order on the respondent and the complainant.
- (3) The Commission must not include an order of damages in a draft consent order unless the complainant expressly consented that order for damages in Form CoR 138.
- (4) A draft consent order may be submitted to the Court in terms of section 173 and this Rule notwithstanding the refusal by a complainant to consent to including an award of damages in that draft order.

### **139. Compliance notices and certificates**

See s. 170(1)(g), 171 and 172

- (1) A Compliance Notice issued by the Commission, or by the Executive Director of the Panel, as contemplated in section 171, must be in Form CoR 139.1.
- (2) A Compliance Certificate issued by the Commission, or by the Executive Director of the Panel, as contemplated in section 171, must be in Form CoR 139.2.

### **140. Procedures following investigation**

See s. 170

Prepared by:

In partnership with:

- (1) A Notice of Referral by the Commission or the Panel of a complaint to another regulatory agency, as contemplated in section 170(1)(b), must be in form CoR 140.1 and delivered to the complainant, the respondent, and the other relevant regulatory agency.
- (2) A Notice of Non-referral issued by the Commission or the Panel, as contemplated in section 170(1)(c), must be in Form CoR 140.2.
- (3) A Complaint Referral to the Tribunal must be in Form CTR 140, and -
  - (a) may allege alternative contraventions of the Act based on the same facts; and
  - (b) must be supported by an affidavit setting out in numbered paragraphs -
    - (i) a concise statement of the particulars of the complaint; and
    - (ii) the points of law, or material facts relevant to the complaint; and
  - (c) must be served on each person named as a respondent.

## **Part E**

### **Initiating Tribunal Procedures**

#### **141. Complaint Referrals to the Tribunal**

A complaint proceeding to be adjudicated by the Tribunal may be initiated only by filing a Complaint Referral as contemplated in section 170(1)(b), and in accordance with regulation 140.

#### **142. Applications to the Tribunal in respect of matters other than complaints**

- (1) A person may apply to the Tribunal for an order in respect of any matter contemplated by the Act, or these regulations, by completing and filing with the Tribunal's recording officer -
  - (a) an Application in Form CTR 142; and
  - (b) a supporting affidavit setting out the facts on which the application is based.
- (2) The applicant must serve a copy of the application and affidavit on each respondent named in the application, within 5 business days after filing it.
- (3) An application in terms of this regulation must -



- (a) indicate the basis of the application, stating the section of the Act or these regulations in terms of which the Application is made; and
- (b) depending on the context
  - (i) set out the Commission's decision that is being appealed or reviewed;
  - (ii) set out the decision of the Tribunal that the applicant seeks to have varied or rescinded;
  - (iii) set out the regulation in respect of which the applicant seeks condonation; or
- (c) indicate the order sought; and
- (d) state the name and address of each person in respect of whom an order is sought.

#### 143. Answer

- (1) Within 20 business days after being served with a Complaint Referral, or an application, that has been filed with the Tribunal, a respondent who wishes to oppose the complaint or application must -
  - (a) serve a copy of an Answer on the initiating party; and
  - (b) file the Answer with proof of service.
- (2) An Answer that raises only a point of law must set out the question of law to be resolved.
- (3) Any other Answer must be in affidavit form, setting out in numbered paragraphs -
  - (a) a concise statement of the grounds on which the complaint or application is opposed;
  - (b) the material facts or points of law on which the respondent relies; and
  - (c) an admission or denial of each ground, and of each material fact relevant to each ground, set out in the complaint or application.
- (4) An allegation of fact set out in an initiating document that is not specifically denied or admitted in an Answer must be regarded as having been admitted.
- (5) In an Answer, the respondent must qualify or explain a denial of an allegation, to the extent necessary in the circumstances.

#### 144. Reply

Prepared by:

In partnership with:

- (1) Within 15 business days after being served with an Answer that raises issues not addressed in the initiating document, other than a point of law alone, the initiating party may -
  - (a) serve a Reply on the other parties; and
  - (b) file a copy of the Reply and proof of service.
- (2) A Reply must be in affidavit form, setting out in numbered paragraphs -
  - (a) an admission or denial of each new ground or material fact raised in the Answer; and
  - (b) the position of the replying party on any point of law raised in the Answer.
- (3) If the initiating party does not file a Reply, they will be deemed to have denied each new issue raised in the Answer, and each allegation of fact relevant to each of those issues.

#### **145. Amending documents and Notices of Motion**

- (1) The initiating party may apply to the Tribunal by Notice of Motion at any time before the end of the hearing of the matter for an order authorising them to amend their initiating document as filed.
- (2) If the Tribunal allows an amendment, it must allow any other party affected by the amendment to file additional documents consequential to those amendments within a time period allowed by the Tribunal.
- (3) A Notice of Motion to be made before the Tribunal, for any purpose in terms of the Act and these regulations, must be in Form CTR 145.

#### **146. Completion of file**

Subject to any order made by the Tribunal, the filing of documents is complete when a initiating document or Answer has not been responded to within the time allowed.

#### **147. Late filing, extension and reduction of time**

- (1) A party to any matter may apply to the Tribunal to condone late filing of a document, or to request an extension or reduction of the time for filing a document, by filing a request in form CTR 147.
- (2) Upon receiving a request in terms of sub-regulation (1), the recording officer, after consulting the parties to the matter, must set the matter down for hearing at the earliest convenient date.

#### **148. Withdrawals and postponements**

- (1) At any time before the Tribunal has determined a matter, the initiating party may withdraw all or part of the matter by -
  - (a) serving a Notice of Withdrawal in form CTR 148 on each party; and
  - (b) filing the Notice of Withdrawal with proof of service.
- (2) If the parties agree to postpone a hearing; the initiating party must notify the recording officer as soon as possible.
- (3) Subject to any provision of the Act to the contrary -
  - (a) a Notice of Withdrawal may include a consent to pay costs; and
  - (b) if no consent to pay costs is contained in a Notice of Withdrawal the other party may apply to the Tribunal by Notice of Motion for an appropriate order for costs.

### **Part F**

#### **Conduct of Tribunal Proceedings**

#### **149. Pre-hearing conferences**

- (1) Before, or within 20 business days after, the filing of documents is completed, a member of the Tribunal assigned by the Chairperson may convene a pre-hearing conference on a date and at a time determined by that member with -
  - (a) the initiating party;
  - (b) each complainant in the matter;
  - (c) each Respondent; and
  - (d) any intervenors.
- (2) If a point of law has been raised, and it appears to the assigned member of the Tribunal at a pre-hearing conference to be practical to resolve that question before proceeding with the Conference, the member may -
  - (a) direct the recording officer to set only that question down for hearing by the Tribunal; and

- (b) may adjourn the pre-hearing conference pending the resolution of that question by the Tribunal.
- (3) The assigned member of the Tribunal may adjourn a pre-hearing conference from time to time.
- (4) Pre-hearing conferences may be conducted in person or by telephone or both, need not follow formal rules of procedure, and are not open to the public.
- (5) At a pre-hearing conference, the assigned member of the Tribunal may -
  - (a) establish procedures for protecting confidential information, including the terms under which participants may have access to that information;
  - (b) direct the Commission to investigate specific issues or obtain certain evidence; or
  - (c) give directions in respect of -
    - (i) technical or formal amendments to correct errors in any documents filed in the matter;
    - (ii) any pending Notices of Motion;
    - (iii) clarifying and simplifying the issues;
    - (iv) obtaining admissions of particular facts or documents;
    - (v) the production and discovery of documents whether formal or informal;
    - (vi) witnesses to be called by the Tribunal at the hearing, the questioning of witnesses and the language in which each witness will testify;
    - (vii) a timetable for -
      - (aa) the exchange of summaries of expert opinions or other evidence that will be presented at the hearing; and
      - (bb) any other pre-hearing obligations of the parties;
    - (viii) determine the procedure to be followed at the hearing, and its expected duration;
    - (ix) a date, time and schedule for the hearing; or
    - (x) any other matters that may aid in resolving the matter.

- (6) At a pre-hearing conference, the assigned member of the Tribunal may require each participant to submit at a date to be determined, but before the hearing, a written statement summarising its argument, if any, with respect to the complaint, and identifying what it believes are the major unresolved issues.
- (7) After concluding a pre-hearing conference, the assigned member of the Tribunal must issue an order recording any agreements or rulings arising from matters considered at the pre-hearing conference.
- (8) A member of the Tribunal assigned by the Chairperson may schedule a further pre-hearing conference on their own motion, and the provisions of this regulation apply to such a conference.

#### **150. Settlement conference**

At any time before the Tribunal makes a final order in a matter, the Tribunal, on its own initiative or at the request of the participants, may order an adjournment of the proceedings to allow the participants to attempt to reach agreement on any outstanding issue.

#### **151. Set down of matters**

- (1) If a matter has been postponed to a date to be determined in the future, any party to the matter may apply to the recording officer for it to be re-enrolled, but no preference may be given to that matter on the roll, unless the Chairperson decides otherwise.
- (2) The recording officer must allocate a time, date and place for the hearing and send a Notice of Hearing in form CTR 151 to each party.
- (3) If a matter is postponed to a specific date, the recording officer need not send a Notice of Set Down to the parties.

#### **152. Matters struck-off**

- (1) The Tribunal member presiding at a hearing may strike a matter off the Roll if the initiating party is not present.
- (2) If a matter is struck off the roll, the matter may not be re-enrolled unless -
  - (a) the party concerned files an affidavit setting out a satisfactory explanation for the failure to attend the hearing; and
  - (b) a member of the Tribunal assigned by the Chairperson, on considering the explanation offered, orders the matter to be re-enrolled.

### **153. Default orders**

- (1) If a person served with an initiating document has not filed a response within the prescribed period, the initiating party may apply to have the order, as applied for, issued against that person by the Tribunal.
- (2) On an application in terms of sub-regulation (1), the Tribunal may make an appropriate order -
  - (a) after it has heard any required evidence concerning the motion; and
  - (b) if it is satisfied that the notice or application was adequately served.
- (3) Upon an order being made in terms of sub-regulation (2), the recording officer must serve the order on the person described in subsection (1) and on every other party.

### **154. Conduct of hearings**

- (1) If, in the course of proceedings, a person is uncertain as to the practice and procedure to be followed, the member of the Tribunal presiding over a matter -
  - (a) may give directions on how to proceed; and
  - (b) for that purpose, if a question arises as to the practice or procedure to be followed in cases not provided for by these regulations, the member may have regard to the High Court Rules.
- (2) Subject to these regulations, the member of the Tribunal presiding over a matter may determine the time and place for the hearing before the Tribunal. .
- (3) The Tribunal may condone any technical irregularities arising in any of its proceedings.

### **155. Record of hearing**

The recording officer must compile a record of any proceeding in which a hearing has been held, including -

- (a) the initiating document, and any answers or replies filed in the matter;
- (b) the notice of any hearing;
- (c) any interlocutory orders made by the Tribunal or a member;
- (d) all documentary evidence filed with the Tribunal;

- (e) the transcript, if any, of the oral evidence given at the hearing; and
- (f) the final decision of the Tribunal and the reasons.

#### **156. Costs and taxation**

- (1) Upon making an order, the Tribunal may make an order for costs.
- (2) If the Tribunal has made an award of costs, the following provisions apply:
  - (a) The fees of one representative may be allowed between party and party, unless the Tribunal authorises the fees of additional representatives.
  - (b) The fees of any additional representative authorised in terms of sub-regulation (1) must not exceed one half of those of the first representative, unless the Tribunal directs otherwise.
  - (c) The costs between party and party allowed in terms of an order of the Tribunal, or any agreement between the parties, must be calculated and taxed by the taxing master at the tariff determined by the order or agreement, but if no tariff has been determined, the tariff applicable in the High Court will apply.
  - (d) Qualifying fees for expert witnesses may not be recovered as costs between party and party unless otherwise directed by the Tribunal during the proceedings.
  - (e) The recording officer may perform the functions and duties of a taxing master or appoint any person as taxing master who in the recording officer's opinion is fit to perform the functions and duties signed to or imposed on a taxing master by these regulations.
  - (f) The taxing master is empowered to tax any bill of costs for services actually rendered in connection with proceedings in the court.
  - (g) At the taxation of any bill of costs, the taxing master may call for any book, document, paper or account that in the taxing master's opinion is necessary to determine properly any matter arising from the taxation.
  - (h) The taxing master must not proceed to the taxation of any bill of costs unless the taxing master has been satisfied by the party requesting the taxation (if that party is not the party liable to pay the bill) that the party liable to pay the bill has received due notice as to the time and place of the taxation and of that party's entitlement to be present at the taxation.
  - (i) Despite sub-regulation (h), notice need not be given to a party -

- (i) who failed to appear at the hearing either in person or through a representative; or
  - (ii) who consented in writing to the taxation taking place in that party's absence.
- (j) Any decision by a taxing master is subject to the review of the High Court on application.

### **157. Representation of parties**

- (1) A representative acting on behalf of any person in any proceedings must notify the recording officer and every other party, advising them of the following particulars:
  - (a) the representative's name;
  - (b) the postal address and place of employment or business; and
  - (c) if a fax number, telephone number or email address are available, those details.
- (2) A person who terminates their representative's authority to act in any proceedings, and then acts in person or appoints another representative, must notify the recording officer and every other party of that termination, and of the appointment of another representative, if any, and include that representative's particulars, as set out in subrule (1).
- (3) On receipt of a notice in terms of sub-regulation (1) or (2), the address of the representative or the party, as the case may be, will become the address of record for notices to and for service on that party of all documents in the proceedings.
- (4) Despite sub-regulation (3), a person who, before receiving a notice in terms of sub-regulation (1) or (2), has sent a notice to, or effected service on, a party somewhere other than at the address of record will be deemed to have validly served that item, unless the Tribunal orders otherwise.
- (5) A representative in any proceedings who ceases to act for a party must deliver a notice to that effect to that party and every other party concerned.
- (6) A notice delivered in terms of sub-regulation (5) must state the names and addresses of each party who is being notified.
- (7) After receiving a notice referred to in sub-regulation (5), the address of the party formerly represented becomes the address for notices to, and for service on, that party of all documents in the proceedings, unless a new address is furnished for that purpose.

### **158. Joinder or substitution of parties**



- (1) The Tribunal, or the assigned member, as the case may be, may combine any number of persons, whether jointly, jointly and severally, separately, or in the alternative, as parties in the same proceedings, if their respective rights to relief depend on the determination of substantially the same question of law or facts.
- (2) If a party to any proceedings has been incorrectly or defectively cited, the Tribunal or the assigned member, as the case may be, on application and on notice to the party concerned, may correct the error or defect and may make an order as to costs.
- (3) If in any proceedings it becomes necessary to substitute a person for an existing party, any party to those proceedings, on application and on notice to every other party, may apply to the Tribunal or the assigned member, as the case may be, for an order substituting that party for an existing party, and the Tribunal or the assigned member, as the case may be, may make an order, including an order as to costs, or give directions as to the further procedure in the proceedings.
- (4) An application to join any person as a party to proceedings, or to be substituted for an existing party, must be accompanied by copies of all documents previously delivered, unless the person concerned or that person's representative is already in possession of those documents.
- (5) No joinder or substitution in terms of this rule will affect any prior steps taken in the proceedings.

#### **159. Intervenors**

- (1) At any time after an initiating document is filed with the Tribunal, any person who has a material interest in the relevant matter may apply to intervene in the Tribunal proceedings by filing a Notice of Motion, which must -
  - (a) include a concise statement of the nature of the person's interest in the proceedings, and the matters in respect of which the person will make representations; and
  - (b) be served on every other participant in the proceedings.
- (2) No more than 10 business days after receiving a Notice of Motion to intervene, a member of the Tribunal assigned by the Chairperson must either -
  - (a) make an order allowing the applicant to intervene, subject to any limitations- -
    - (i) necessary to ensure that the proceedings will be orderly and expeditious; or
    - (ii) on the matters with respect to which the person may participate, or the form of their participation; or

- (b) deny the application, if the member concludes that the interests of the person are not within the scope of the Act, or are already represented by another participant in the proceeding.
- (3) Upon making an order in terms of sub-regulation (2), the assigned member may make an appropriate order as to costs.
- (4) If an application to intervene is granted -
  - (a) the recording officer must send to the intervenor a list of all documents filed in the proceedings before the day on which the request for leave to intervene was granted; and
  - (b) access by an intervenor to a document filed or received in evidence is subject to any outstanding order of the Tribunal restricting access to the document.

#### **160. Summoning witnesses**

- (1) If the Tribunal requires a witness to attend any proceedings to give evidence it may have a summons issued by the recording officer in Form CTR 160 for that purpose.
- (2) If a witness is required to produce in evidence any document or thing in the witness's possession, the summons must specify the document or thing to be produced.
- (3) After the summons has been issued, it must be served by the sheriff in any manner authorised by the High Court Rules.
- (4) A witness who has been required to produce any document or thing at the proceedings must hand it over to the recording officer as soon as possible after service of the summons, unless the witness claims that the document or thing is privileged.

#### **161. Witness fees**

- (1) A witness in any proceedings before the Tribunal is entitled to be paid in accordance with the tariff of allowances prescribed by the Minister of Justice and published by notice in the *Gazette* in terms of section 42 of the Supreme Court Act, 1959 (Act 59 of 1959).
- (2) Despite sub-regulation (1), the Tribunal may order that no allowance or only a portion of the prescribed allowances be paid to any witness.

#### **162. Interpreters and translators**

- (1) Before an interpreter may interpret in Tribunal proceedings, the interpreter must take an oath or make an affirmation in the following form before a member of the Tribunal:

"I,

..... (full name)

swear/ affirm that whenever I am called on to interpret in any proceedings before the Tribunal, I will correctly interpret to the best of my ability from the language I am called on to interpret into one or other of the official languages, and vice versa."

- (2) An oath or affirmation must be taken or made in the manner prescribed for the taking of an oath or the making of an affirmation in the High Court Rules, read with the changes required by context and a printed copy of the oath or affirmation must be signed by the interpreter.
- (3) Any person admitted and enrolled as a sworn translator of any division of the High Court is deemed to be a sworn translator for the Tribunal.

## Part G

### Maximum Administrative Fines and Determination of Turnover

#### 163. Maximum administrative fines

*See s. 175*

The maximum administrative fine, as contemplated in section 175(5), is R 1 million.

#### 164. Manner of calculating assets and turnover

*See s. 175(3) and 223*

- (1) For purposes of S175 of the Act, the assets and turnover of a company at any particular time must be calculated in accordance with- -
  - (a) the financial reporting standards applicable to that company, as set out in regulation 27; or
  - (b) SA GAAP, as defined in regulation 26(1)(f), in the case of a company in respect of which no financial reporting standards have been prescribed.
- (2) At any particular time, the asset value of -
  - (a) a company, other than a holding company, is equal to the gross value of the company's assets as shown on the company's balance sheet in its most recent annual financial statements; or
  - (b) a holding company is equal to the gross value of the consolidated assets of the company and its subsidiaries, as shown on the company's balance sheet in its most recent annual financial statements, adjusted in either case in accordance with sub-regulation (3).

- (3) If, between the date of the most recent annual financial statements and the date at which a calculation of a company's asset value is to be calculated, the company has acquired or divested itself of any subsidiary, or has entered into a joint venture not shown on those statements -
- (a) the following items must be added to the calculation of the company's asset value, to the extent that any such item would be required to be included in the company's assets on its annual financial statements:
    - (i) the value of each such recently acquired asset; and
    - (ii) any asset received by the company in exchange for a recently divested asset; and
  - (b) the following items may be deducted from the company's asset value, to the extent that any such item was included as an asset on the company's most recent annual financial statements:
    - (i) the value of each such recently divested asset at the date of divestiture; and
    - (ii) any asset that was used by the company to acquire a recently acquired asset
- (4) At any particular time, the annual turnover of -
- (a) a company other than a holding company is the gross revenue of that company from income in, into or from the Republic, arising from the following transactions or events, as recorded on the company's most recent annual financial statements:
    - (i) the sale of goods;
    - (ii) the rendering of services; or
    - (iii) the use by other persons of the company's assets yielding interest, royalties, or dividends; or
  - (b) a holding company is the consolidated gross revenue of that company and each of its subsidiaries from income in, into or from the Republic, arising from the following transactions or events, as recorded on the company's most recent annual financial statements:
    - (i) the sale of goods;
    - (ii) the rendering of services; or
    - (iii) the use by other persons of the company's assets yielding interest, royalties, or dividends, adjusted in accordance with sub-regulations (5) and (6), in either case.

- (5) In calculating the annual turnover of a company -
- (a) any amount contemplated in sub-regulation (4) may be excluded to the extent that it is properly excluded from gross revenue in accordance with the applicable financial reporting standards referred to in sub-regulation (1);
  - (b) taxes, rebates, or similar amounts calculated and paid or to be paid in direct relation to revenue as, for example, sales tax, VAT, excise duties or sales rebates, may be deducted from gross revenue; and
  - (c) gains arising from non-current assets or from foreign currency transactions may be excluded from gross revenue.
- (6) If, between the date of the most recent annual financial statements and the date at which a calculation of a company's annual turnover is to be calculated, the company has acquired or divested itself of any subsidiary, or entered into a joint venture not shown on those statements -
- (a) the turnover generated by any such newly acquired asset must be included in the calculation of the company's annual turnover, to the extent that any such item would be required to be included in the company's income statements on its annual financial statements; and
  - (b) the turnover generated in the previous financial year by any such newly divested asset may be excluded in the calculation of the company's annual turnover, to the extent that any such item was included in the company's income statements on its most recent annual financial statements.

## **Chapter 8**

### **Regulatory Agencies and Administration**

#### **Part A**

#### **Regulatory Agency Offices and Functions**

##### **165. Office hours and address of regulatory agencies**

- (1) The senior officer of a regulatory agency, after consulting the Minister -
- (a) must publish a notice designating a principal office for that regulatory agency, including in the notice all relevant particulars for public contact with that office; and
  - (b) may at any time publish a notice -

- (i) designating other offices, and their respective contact particulars; or
  - (ii) change the designated principal office, or any other office, or any relevant contact particulars.
- (2) The offices of a regulatory agency are open to the public every Monday to Friday, from 08h00 to 15h30, excluding any public holiday established or declared in terms of the Public Holidays Act, 1994 (Act No. 36 of 1994).
- (3) Despite sub-paragraph (2) -
- (a) in exceptional circumstances a regulatory office may -
    - (i) close to the public if the senior officer considers it necessary to do so in the interests of safety, security, inability to properly perform its functions or other appropriate reason; or
    - (ii) accept documents for filing on any day and at any time; and
  - (b) a regulatory agency must accept documents for filing as directed by either the Tribunal or a member of the Tribunal assigned by its chairperson.
- (4) Subject to regulations 7 and 169, any communication to a regulatory agency, or to a member of the staff of a regulatory agency, may be -
- (a) Delivered by hand at, or addressed by post to, the regulatory agency's principal office;
  - (b) Communicated by telephone on a number designated in terms of sub-regulation (1);
  - (c) Transmitted by fax on a number designated in terms of sub-regulation (1);
  - (d) Transmitted by electronic mail to an address designated in terms of sub-regulation (1); or
  - (e) Transmitted electronically through the medium of any internet facility maintained by the regulatory agency for that purpose.

#### **166. Extension and condonation of time limits**

- (1) The senior officer of a regulatory agency may generally extend any particular time limit set out in the Act or these regulations for filing any document with that agency, to the extent necessary or desirable having regard to the public demand for access to the agency's services, the administrative capacity of the agency to meet that demand, and the interests of efficiency and equality of access.

- (2) On good cause shown, the recording officer of a regulatory agency may condone late performance of an act in respect of which the Act or these regulations prescribe a time limit, other than a time limit that is binding on the regulatory agency itself.

#### **167. Appointment of recording officer and assignment of functions by responsible officer**

The senior officer of a regulatory agency, in writing

- (a) must designate at least one member of its staff to serve as the recording officer for that regulatory agency; and
- (b) may assign any function or power of that regulatory agency to a member of its staff, either generally or in connection with a particular matter.

#### **168. Filing documents**

- (1) A regulatory agency -
- (a) must assign a distinctive number to each document filed for the first time with the recording officer of that body;
- (b) must ensure that every document subsequently filed in respect of a matter is marked with the same distinguishing number;
- (c) may refuse to accept a document subsequently filed in respect of the same matter that is not properly marked with the assigned distinguishing number;
- (2) Before serving a copy of an initiating document on any person, the initiating party must -
- (a) obtain a distinguishing number for that document from the recording officer of the Tribunal; and
- (b) note the distinguishing number on every copy of that document.
- (3) A person who files any document with a regulatory agency in terms of the Act or these regulations must provide to that regulatory agency the person's -
- (a) legal name;
- (b) address for delivery of documents;
- (c) telephone number;

- (d) if available, email address and fax number; and
  - (e) if the person is not an individual, the name of the individual authorised to deal with the regulatory agency on behalf of the person filing the document.
- (4) The recording officer of a regulatory agency -
- (a) must take reasonable steps to -
    - (i) confirm the identity of any person filing a document with that regulatory agency;
    - (ii) verify that the person filing a document on behalf of, or in relation to a juristic person, has the right to file that document in their own name, or is authorised to file the document on behalf of another person who has the right to file the document;
    - (iii) verify the authenticity of every document being filed;
  - (b) may demand that the person seeking to file a document supply reasonable evidence for the purposes contemplated in paragraph (a); and
  - (c) may reject any document on the grounds that the requirements of paragraph (a) or a demand issued in terms of paragraph (b), have not been satisfied.
- (5) If the Commission has refused to accept a document in terms of sub-regulation (4) (c), the person who was prevented from filing that document may apply to the Tribunal for an order requiring the recording officer to accept the document for filing, and the Tribunal may grant an appropriate order in the circumstances.
- (6) A company may challenge any document filed with the Commission within 10 business days by filing a notice in Form CoR 168.
- (7) A filing that has been challenged in terms of sub-regulation (6) is a nullity and must be removed from the register.

#### **169. Electronic filing and payments**

- (1) The senior officer of a regulatory agency, by notice in the *Gazette*, may direct that any requirement set out in the Act or these regulations to file a document or communicate with, or make a payment to, that regulatory agency may or must be satisfied in electronic form, subject to any operational requirements published in terms of sub-regulation (2).



- (2) If the senior officer of a regulatory agency has published a notice contemplated in sub-regulation (1), the recording officer of that regulatory agency must publish operational requirements setting out the processes and procedures to be followed to effect any filing of a document or communication with, or payment to, that regulatory agency, including, but not limited to -
- (a) Application procedures;
  - (b) Registration procedures;
  - (c) Form and format of records;
  - (d) Manner and form of payment;
  - (e) Information security requirements; and
  - (f) Record retention requirements.
- (3) At any time, a regulatory agency may suspend or terminate any electronic services contemplated in this regulation.

#### **170. Fees**

- (1) A regulatory agency may not charge a fee to any person for filing a complaint in terms of the Act, except with the approval of the Tribunal.
- (2) The fee for filing a document with a regulatory agency, or requesting any action by a regulatory agency, is as set out in Table CR1, CR2 A or B.
- (3) In the case of electronic payment of fees, payment will be deemed to be received by a regulatory agency on the date and at the time that a direct deposit or an electronic transfer of funds or other electronic payment, in the amount of that fee is credited to the account of the regulatory agency at the financial institution to which it is transferred.
- (4) The recording officer of a regulatory agency may not waive or reduce a fee imposed in terms of the Act, except as authorized by the Act or these regulations.
- (5) Subject to regulation 40(3)(b)(ii) and (6), no prescribed fee referred to in regulation 30(1) or (6) which is outstanding due to non-compliance by the company or external company with the requirements of section 33 to file an annual return, will after 6 months from the date on which the annual return was due to be filed, for financial accounting purposes of the Commission be regarded as a debt owing to the Commission.

### 171. Panel fees

- (1) On 1 March each year, the Panel may levy a fee on each company listed on an exchange in the Republic, equal to a percentage, as determined by the Panel in consultation with the Minister, of -
  - (a) the annual listing fee charged by the relevant exchange to each listed entity in accordance with its Listings Requirements; or
  - (b) the initial listing fee charged by the relevant exchange in accordance with its Listings Requirements to a company that is listed during a year and is not charged the annual listing fee.
- (2) An exchange must provide the necessary information to the Panel to enable it to administer the fees contemplated in sub-regulation (1).
- (3) The fees and levies to be paid to the Panel must be published in the *Gazette*.
- (4) Other fees payable to the panel are as set out in Table CR 2A.

### 172. Regulatory agency notices

- (1) A regulatory agency must publish any notice required or contemplated by the Act or these regulations
  - (a) in the *Gazette*, if expressly required to do so by the Act or these regulations; or
  - (b) on its website, in any other case.
- (2) Whenever a regulatory agency is required, either in terms of the Act or these regulations, to publish a notice in the *Gazette*, that notice must contain at least the following information:
  - (a) The name of any person directly affected by the notice.
  - (b) The file number assigned by the regulatory agency to the relevant matter.
  - (c) The provision of the Act or regulations in terms of which the notice is being issued.
  - (d) A brief and concise description of the nature of the relevant matter.
  - (e) If the notice invites submissions, the last date on which submissions may be received.
  - (f) If the notice reports a decision
    - (i) a brief and concise description of the nature of the relevant decision;

- (ii) a statement indicating whether reasons for the decision have been published, and if so, how a copy of those reasons may be obtained; and
  - (iii) a statement of any right of review of, or appeal from, that decision, including the period during which a review or appeal may be lodged.
- (g) The name, address and contact numbers of the person in the regulatory agency responsible for publishing the notice.

### **173. Issuing documents by regulatory agency**

If the Act or these regulations require a regulatory agency to issue a document

- (a) the document will have been issued by the regulatory agency when it has been signed, and delivered to any person to whom it is addressed; and
- (b) the document may be signed and delivered at any time of day, despite regulation 165(2).

### **174. Content and standards for Commission registers**

- (1) A regulatory agency must keep any register required in terms of the Act in an official language of the Republic, in a manner sufficient to provide an adequate information base to-
  - (a) enable the regulatory agency to satisfy all reporting requirements applicable to it, in terms of the Act or any other applicable law;
  - (b) provide simple and efficient access to the public to information required to exercise any right in terms of the Act, or any other applicable law.
- (2) The registers required to be kept by the Act must be kept in such a manner as –
  - (a) to provide adequate precautions against
    - (i) theft, loss or intentional or accidental damage or destruction; and
    - (ii) falsification; and
  - (b) to facilitate the discovery and correction of any error or falsification.
- (3) If a regulatory agency keeps any register partially or completely in electronic form, the regulatory agency must

- (a) provide adequate precautions against loss of the records as a result of damage to, or failure of, the media on which the records are kept; and
  - (b) ensure that information in the register is capable of being retrieved to a readable and printable form, including by converting the records from legacy to later storage media, or software, to the extent necessary from time to time.
- (4) Each regulatory agency may determine the specific form of any register, and the particular manner in which information is recorded in or compiled from any register.

### 175. Form of Annual Report

The Annual Report to be submitted by a regulatory agency in terms of the Act must be divided into the following Parts:

- (a) **Statement of Progress**, being a statement setting out the progress during the preceding year towards realization of the purposes of the Act, to the extent applicable to the particular regulatory agency.
- (b) **The Proceedings of the Regulatory Agency**, being a summary report of the regulatory agency's work in relation to its functions.
- (c) **The External Relations of the Regulatory Agency**, being a summary report on the following matters:
  - (i) The regulatory agency's public awareness programs.
  - (ii) Relationships between the regulatory agency and other regulatory authorities.
  - (iii) Relationships between the regulatory agency and foreign agencies.
  - (iv) Research activities undertaken by the regulatory agency and any proposals for law reform published by the regulatory agency.
- (d) **The Administrative Activities of the Regulatory Agency**, being a summary report concerning the regulatory agency's management, staff, infrastructure, and related matters.
- (e) **The Regulatory Agency's Finances**, including any information required in terms of the Public Finance Management Act.

## Part B

### Access to Regulatory Agency Information and Records

Prepared by:

In partnership with:

## 176. Restricted information

- (1) The provisions of this Part are subject to the Promotion of Access to Information Act, 2000 (Act No.2 of 2000), and the provisions of that Act prevail in the case of a conflict between any such provisions and any provision of this Part.
- (2) For the purpose of this Part, the following five classes of information are restricted:
  - (a) Information that has been determined to be confidential information in terms of section 212;
  - (b) Identity of a complainant, in the following circumstances:
    - (i) A person who provides information in terms of section 159 may request that the Commission or Panel treat their identity as restricted information; but that person may be a complainant in the relevant matter only if they subsequently waive the request in writing.
    - (ii) If a person has requested in terms of sub-paragraph (i) that the Commission or Panel treat their identity as restricted information
      - (aa) The Commission or Panel must accept that request; and
      - (bb) That information is restricted unless the person subsequently waives the request in writing.
  - (c) Information that has been received by the Commission or Panel in a particular matter, other than that referred to in paragraphs (a) and (b), as follows:
    - (i) The description of conduct attached to a complaint, and any other information received by the Commission or Panel during its investigation of the complaint, is restricted information until the Commission or Panel issues a referral or notice of non-referral in respect of that complaint, but a completed Form CoR 135.1 is not restricted information.
  - (d) A document
    - (i) that contains
      - (aa) an internal communication between officials of a regulatory agency, or between one or more such officials and their advisors;

- (bb) an opinion, advice, report or recommendation obtained or prepared by or for a regulatory agency;
- (cc) an account of a consultation, discussion or deliberation that has occurred, including, but not limited to, minutes of a meeting, for the purpose of assisting to formulate a policy or take a decision in the exercise of a power or performance of a duty conferred or imposed on a regulatory agency by law; or
- (ii) the disclosure of which could reasonably be expected to frustrate the deliberative process of a regulatory agency by inhibiting the candid
  - (aa) communication of an opinion, advice, report or recommendation; or
  - (bb) conduct of a consultation, discussion or deliberation; or
- (iii) the disclosure of which could, by premature disclosure of a policy or contemplated policy, reasonably be expected to frustrate the success of that policy.
- (e) Any other document to which a public body would be required or entitled to restrict access in terms of the Promotion of Access to Information Act, 2000 (Act No.2 of 2000).

#### **177. Access to information**

- (1) Any person, upon payment of the prescribed fee, may inspect or copy any record of a regulatory agency
  - (a) if it is not restricted information; or
  - (b) if it is restricted information, to the extent permitted, and subject to any conditions imposed, by
    - (i) this regulation; or
    - (ii) an order of the Tribunal, or a Court.
- (2) In a particular complaint, the Commission or Panel may release otherwise restricted information, other than confidential information, relating to a possible agreement of terms of an appropriate order, or the consent of a complainant for an order to include an award of damages, to-
  - (a) The respondent; or
  - (b) Any person who, in signing Form CoR 138 in respect of that complaint, has consented to the inclusion of an order of damages in a consent order, as contemplated in regulation 138(3).

- (3) In addition to the provisions of sub-regulation (1) and (2), a regulatory agency may release restricted information to, or permit access to it by, only the following persons:
- (a) the person who provided that information to the regulatory agency;
  - (b) the person to whom the confidential information belongs;
  - (c) a person who requires it for a purpose mentioned in the Act; or
  - (d) any other person, with the written consent of the person to whom the information belongs.
- (4) When a regulatory agency submits a Complaint Referral to the Tribunal, or supplies any other information to the Tribunal, or the Minister, the regulatory agency must identify any information included in its submission
- (a) in respect of which a claim has been made in terms of Section 212 that has not yet been determined by the Tribunal; or
  - (b) that has been finally determined to be confidential information.

### **Part C**

#### **Exercise of Commission Exemption Functions**

#### **178. Procedures relating to requests for exemption in terms of Section 9**

- (1) In this Part, 'requester' means a person who has requested the Minister to grant an exemption in terms of section 9(2).
- (2) Upon receiving a request for advise [*sic*] respecting a proposed exemption, referred by the Minister in terms of section 9(3), the Commission, by issuing Form CoR 178 to the requester, may require the requester to provide the necessary particulars before the request will be considered, if the application does not specify sufficient particulars of
- (a) the specific company or categories of state owned companies for whom the exemption is sought;
  - (b) the specific provisions of the Act from which exemption is sought; or
  - (c) the specific relevant alternative legislation contemplated in section 9(2).
- (3) If the requester -

- (a) does not respond to the Commission within 40 business days after receiving Form CoR 178, the request will be deemed to have been abandoned; or
  - (b) responds to the Commission, but does not, to the satisfaction of the Commission, meet the requirements set out in Form CoR 178 as issued, the Commission, by issuing a new Form CoR 178 to the requester, may again stipulate any further information, or clarification, required before the application will be considered, and the provisions of this sub-regulation (3) apply afresh to any such new Form CoR 178.
- (4) If a request is deemed to have been abandoned in terms of sub-regulation (3), the Commission may close its file on that application by giving notice of that fact to the Minister, but without providing any further advice to the Minister as contemplated in section 9(3).
- (5) After receiving adequate information to begin consideration of a request, the Commission
- (a) must publish in the *Gazette* the notice of the request; and
  - (b) may request further information from any person who submits a representation in response to a notice published in terms of paragraph (a).

#### **179. Procedures related to withdrawing exemptions**

- (1) An exemption granted by the Minister in terms of section 9 is valid until withdrawn by the Minister in accordance with this section.
- (2) The Commission -
- (a) must monitor any national legislation that forms the basis on which an exemption is granted in terms of section 9(2); and
  - (b) may recommend to the Minister that an exemption be withdrawn if the national legislation contemplated in section 9(2), and on the basis of which the exemption was granted, has subsequently been amended or repealed to the extent that the grounds for the exemption no longer exist.
- (3) If the Commission is contemplating making a recommendation to the Minister in terms of sub-regulation (2)(b), the Commission must so notify the Minister, the Minister of Public Enterprises, or the Minister responsible for Local Government Affairs, as the case may require, and the company concerned, in writing, of the possible intention to do so, as well as publishing a notice of that intention in the *Gazette*.



- (4) The Commission may request further information from a person who submits a representation in response to a notice published in terms of sub-regulation (3).
- (5) After considering any submissions or other information received in relation to the proposed withdrawal of exemption, the Commission must advise the Minister whether or not to withdraw the exemption.

**Annexure 1**  
**Table CR 1**  
**Prescribed Forms**  
*(in terms of Regulation 5)*

- (1) For ease of reference, the Form number corresponds with the number of the relevant regulation.
- (2) Whenever a document is required
- (a) in terms of a section of the Act or a provision of these regulations as listed in column 1 of this Table; and
- (b) for a purpose listed in column 2,

the document must be substantially in the form of the annexure listed opposite that section number in column 3, and must be produced, delivered, or filed as the case may be subject to any conditions or requirements listed opposite that section number in column 4.

<b>1</b> <b>Authority</b>	<b>2</b> <b>Purpose of Form</b>	<b>3</b> <b>Form</b>	<b>4</b> <b>Conditions</b>
S. 12(1) R. 9	Application to reserve a company name	CoR 9.1	Must be accompanied by a filing fee of R75 if filed manually, or R50 if filed electronically; and any relevant documentation or evidence required in terms of regulation 8.
S. 12(4) R. 9	Application for extension of name reservation	CoR. 9.2	Must be accompanied by filing fee of R50 if filed manually, or R30 if filed electronically; and a statement required by in regulation 9(2)(b), and evidence required by regulation 9(2)(c), if applicable.
R 9(3)(a)	Notice requiring further particulars in respect of name reservation, issued by	CoR. 9.3	

	the Commission		
R. 9(3)(b)	Confirming notice of name reservation, issued by the Commission	CoR 9.4	
R. 9(3)(c)	Notice refusing name reservation or defensive registration, issued by the Commission	CoR 9.5	
S. 12(3)(a) R. 9(4)(a)	Notice of potentially contested name, issued by the Commission	CoR 9.6	
S. 12(3)(b) R. 9(4)(b)	Notice of potentially offensive name, issued by Commission	CoR 9.7	
S. 12(9) R 10(1)	Application for Defensive Name Registration	CoR 10.1	Must be accompanied by a filing fee of R250 if filed manually, or R200 if filed electronically, and evidence of a direct and material interest in the name.
S. 12(9) R.10(2)	Application for Renewal of Defensive Name Registration	CoR 10.2	Must be accompanied by a filing fee of R50 if filed manually, or R30 if filed electronically, and evidence of a direct and material interest in the name.
S. 12(5) R. 11	Application to transfer reserved or defensive name	CoR 11.1	Must be accompanied by a filing fee of R100 if filed manually, or R75 if filed electronically, and evidence as required by regulation 11(1)(b).
S. 12(5) R. 11	Notice refusing name transfer, issued by the Commission	CoR 11.2	
S.12(6) R. 12	Notice alleging reservation system abuse, issued by the Commission	CoR 12.1	
S.13(2) R.14	Notice of Incorporation	CoR 14.1	Payment of a filing fee, subject to a credit -  (a) for any amount previously paid to reserve the company's name; or

			<p>(b) of an amount equal to the fee for name reservation, if the company has chosen to be known by its registration number alone.</p> <p>Must have Memorandum of Incorporation attached.</p> <p>Refer to Annexure 2, Table CR 2B for Incorporation fees.</p>
S.13(4) R.14(5)	Notice rejecting a Notice of Incorporation, issued by the Commission	CoR 14.2	
S. 14(1)(b) R 14(6)	Registration Certificate	CoR 14.3	
S.13(1)(a) R.15(1)	Standard Form Memorandum of Incorporation	CoR 15.1	<p>Refer to Annexure 2, Table CR 2B for Incorporation fees.</p> <p>May be in any of Form A, B, C, D or E as allowed by regulation 15(1)</p>
S.16(1)(b) R 15(2)	Notice of Amendment to the Memorandum of Incorporation	CoR 15.2	<p>Payment of a filing fee, unless it is the first such filing by a pre-existing company, as contemplated in Schedule 5, Item 4(2).</p> <p>Must be accompanied by either the Special Resolution of the company setting out-</p> <p>a) the amendment to the Memorandum of Incorporation, or</p> <p>b) a copy of the complete Memorandum of Incorporation, as amended.</p> <p>Payment of a filing fee of R250.</p>

17(1)(a) R. 15(5)	Notice of Alteration of Memorandum of Incorporation	CoR 15.3	Payment of filing fee of R250.
S.17(4) R.15(6)	Notice of Translation of Memorandum of Incorporation	CoR 15.4	Payment of a filing fee of R250. Must be accompanied by a copy of the translated Memorandum of Incorporation, and a sworn statement, as required by section 17(4).
S.17(6) R.15(7)	Notice of Consolidation of Memorandum of Incorporation	CoR 15.5	Payment of R 250 fee. Must be accompanied by the consolidated revision of the Memorandum of Incorporation, together with a sworn statement, or a statement of an attorney or notary public, as required by section 17(6).
S.17 R.15(8)	Notice to consolidate the Memorandum of Incorporation, to be issued by Commission	CoR 15.6	
S.15(3)-(5) R.16(1)	Notice concerning company rules	CoR 16.1	Payment of a filing fee of R100
S.15(3)-(5) R. 16(2)	Notice of result of vote on company rules	CoR 16.2	Payment of a filing fee of R100
S.13(5) R. 17	Application to transfer registration of foreign company	CoR 17.1	Must be accompanied by R400 fee and all materials listed in regulation 17
S.13(6)-(7) R.17(2)	Notice requiring further particulars of foreign company	CoR 17.2	
S.13(6)-(7) R.17(2)	Registration Certificate of domesticated company	CoR 17.3	
S.13(6)-(7) R.17(3)	Notice of Refusal to transfer registration of a foreign company	CoR 17.4	
Schedule 2	Application to convert a close	CoR 18.1	Must be accompanied by a filing fee,

R. 18	corporation		the Memorandum of Incorporation, and the consents required by regulation 18(1)(a).  Refer to Annexure 2, Table CR 2B for fees related to Incorporation.
Schedule 2 R. 18	Notice Requiring Further Particulars of conversion of close corporation	CoR 18.2	
Schedule 2 R. 18	Registration Certificate	CoR 18.3	
S. 22 R. 19	Notice to show cause regarding reckless trading or trading under insolvent circumstances, to be issued by the Commission	CoR 19.1	
S. 22 R. 19	Confirmation notice	CoR 19.2	
S.23(3) R.20	Notice of Registration of External Company	CoR 20.1	Payment of R 400 filing fee. Must be accompanied by a copy of the certificate of registration or comparable document issued by the jurisdiction within which the company was incorporated, and other items required by regulation 20.
S.23 R.20	Registration certificate of External Company	CoR 20.2	
S.23(3)(ii) R.21	Notice of change of Registered Office	CoR 21.1	The prescribed fee is Nil.
S.23 R.20	Notice of change of particulars of person to accept service	CoR 21.2	The prescribed fee is Nil
S.25 R.22	Notice of Location of Company records	CoR 22	To be filed only if company records are not kept at its registered office.
S.26	Request for Access to company	CoR 24	

R.24	information		
S.27(4) R.25	Notice of Change of Financial year end	CoR 25	Payment of a filing fee of R100.
S.33 R.30	Annual return	CoR 30.1	Refer to Annexure 2, Table CR 2B for fees related to Annual Returns.
S.33 R. 30(4)	Financial Accountability Supplement to Annual Return	CoR 30.2	To be filed only by companies that do not file audited or independently reviewed annual financial statements
S.33 R. 30(7)	Annual return for External companies	CoR 30.3	Refer to Annexure 2, Table CR 2B for fees related to Annual Returns
Schedule 5 Item 6 R.31	Notice of Board Resolution to convert par value shares	CoR 31	No fee to be charged
S.21 R.35	Notice of Pre- incorporation contract	CoR 35.1	
S.21 R.35	Notice of action concerning Pre-Incorporation contract	CoR 35.2	
Various sections R.36	General security holder notice to company and proxy form	CoR 36.1	Not to be filed with commission
Various sections R.36	General company notice to security holders	CoR 36.2	Not to be filed with commission
R 36(3)	General company notice to holders of beneficial interest	CoR 36.3	Not to be filed with commission
S.75 R.36	Notice of directors personal financial interest	CoR 36.4	Not to be filed with commission
S. 70(6) R.39	Notice of Change of company and external company Directors	CoR 39	Prescribed fee is Nil.

S. 80 to 82 R. 40	Notice of special resolution to wind up solvent company	CoR 40.1	Payment of R250 filing fee.
S.80 to 82 R.40	Notice of foreign registration of company	CoR 40.2	Payment of R250 filing fee.
S. 80 to 82 R.40	Demand notice concerning inactive company or external company, to be issued by Commission	CoR 40.3	
S.80 to 82 R.40	Notice of pending de-registration of company or external company, to be issued by Commission	CoR 40.4	
S. 80 to 82 R.40	Application for re-instatment [ <i>sic</i> ] of de-registered company or external company	CoR 40.5	Payment of R200 fee
S.84(6), R. 50(12) R.44	Notice of change of auditor or company officials	CoR 44	
s. 97(2) R.46	Notice of Employee Share Scheme	CoR 46.1	
s. 97(2) R.46	Annual certificate of Employee Shares Scheme	CoR 46.2	
s. 99(7) R.46	Application concerning rights offer exclusion	CoR 46.3	Payment of R100 filing fee
s.99 R.46	Registration of Prospectus or Letter of Allocation	CoR 46.4	Must have prospectus appended Refer to Annexure 2, Table CR 2B for fees.
s.99 R.46	Registration Certificate of Prospectus or Letter of Allocation	CoR 46.5	
s.99 R.46	Application to exclude information from Prospectus	CoR 46.6	Payment of R 300 filing fee.

S.116(3) R.89	Notice of Amalgamation or Merger	CoR 89	Payment of R 250 filing fee, plus ancillary fees for any registration of new company, or de-registration of existing company.
R.84	Declaration of coming into or out of concert	TRP 84	To be filed with the Panel
R 98	Notice of disclosure of dealings in securities	TRP 98	To be filed with the Panel
S 122(1) R 121	Notice of disclosure of acquisition or disposal of securities	TRP 121.1	
S 122(3) R 121	Notice of acquisition or disposal of securities	TRP 121.2	To be filed with the Panel
S. 129, 131 R.123	Notice of beginning of Business Rescue Proceedings	CoR 123.1	
S. 129(7) R.123(3)	Notice of appointment of Business Rescue Practitioner	CoR 123.2	
S. 129(7) R. 123(5)	Notice of decision not to begin business rescue proceedings	CoR 123.3	
S.132,141 R.125	Notice of Business Rescue Status	CoR 125.1	
125(4)	Notice of Termination of Business Rescue Proceedings	CoR 125.2	
R 125(5)	Notice of Substantial Implementation of a Business Rescue Plan	CoR 125.3	
S.138 R.126	Application for Business Rescue Practitioners licence	CoR 126.1	Payment of R 500 application fee
S.138 R.126	Certificate of Business Rescue Practitioners Licence	CoR 126.2	



S 166 R 132	Application for ADR	CTR 132.1	
S 166 R 132	Referral for ADR	CTR 132.2	
S 166 R 132	Certificate of failed ADR	CTR 132.3	
s.166 R 134	Application for accreditation (as ADR provider)	CoR 134.1	Payment of R500 application fee
s.166 R 134	Registration certificate as ADR provider	CoR 134.2	
s.168 R.135	Complaint to Commission	CoR 135.1	
s.169 R.135	Commission Notice of Non-investigation	CoR 135.2	
R 137	Commission Notice to Investigate	CoR 137.1	
R 137	Commission Summons	CoR 137.2	
R 137	Commission request for additional information	CoR 137.3	
R 137	Commission Demand for corrected information	CoR 137.4	
R 138	Consent to Order	CoR 138	
R 139	Compliance Notice	CoR 139.1	
R 139	Compliance Certificate	CoR 139.2	
R 140	Referral by Commission or Panel to another regulator	CoR 140.1	

R 140	Commission Notice of Non referral	CoR 140.2	
R 140	Commission referral to Tribunal	CTR 140	
R 142	Application to Tribunal	CTR 142	
R 145	Notice of Motion	CTR 145	
R 147	Request for Condonation	CTR 147	
R 148	Notice of Withdrawal	CTR 148	
R 151	Tribunal Notice of Hearing	CTR 151	
R 160	Tribunal Summons	CTR 160	
R 168(6)	Notice challenging filed information	CTR 168	
s.9 R 188	Request for particulars regarding requested exemption	CoR 178	

## Annexure 2

### Table CR 2A

#### Panel Fee Schedule

*(in terms of Regulations 122, 155, 170 and 171)*

1. The fees chargeable (inclusive of VAT) for the several categories of service rendered by the Panel, and referred to in regulation 122(1) are as follows:
  - (a) No fees will be charged for services under regulation 122(1)(a).
  - (b) Services under regulation 122(1)(b) will be charged at the rate of R1 710 per billable hour of work or part thereof.
  - (c) Services under regulation 122(1)(c) will be charged at the rate of R3 420 per billable hour of work or part thereof.
  - (d) Services under regulation 122(1)(d), including a circular dealing with a waiver, payable upon first submission of documentation for which a VAT invoice will be issued by the Panel, will

depend on the value of the offer, being the consideration payable for acquiring, merging or amalgamating the securities or assets/undertaking of each/all offeree regulated company/ies involved, and will be charged according to the scale set out below:

Consideration value of affected transaction (R million)	Fee including VAT (R)
Up to 50	57 000
Over 50 to 100	85 500
Over 100 to 250	114 000
Over 250 to 500	142 500
Over 500 to 1000	171 000
Over 1 000 to 10 000	228 000
Over 10 000	285 000

2. Fees to be levied by the Panel in terms of regulation 171 will be as published from time to time in the *Gazette*.

**Table CR 2B**  
**Commission Fee Schedule**  
*(in terms of Regulation 170)*

1. Except as set out below, the fee for filing any particular document with the Commission is as set out in Annexure 1, with respect to that document.
2. The fee for filing a **Notice of Incorporation** of a company varies, depending on the form of the company's attached Memorandum of Incorporation, as follows:
  - (a) If the Memorandum is in Form 15.1A or 15.1C, the filing fee is R 175, subject to any reduction allowed in terms of regulation 14(2).
  - (b) In any other case, the filing fee is R 475, subject to any reduction allowed in terms of regulation 14(2).
3. The fee for filing a **Notice of Conversion** of a close corporation to a company is
  - (a) Nil, if filed within three years after the effective date, and the current name of the close corporation is retained as the name of the company; or
  - (b) the same as filing a Notice of Incorporation, in any other case.
4. The fee for filing a **Notice of Amendment of the Memorandum of Incorporation**, with the special resolution and amendment attached, subject to any fee exemption set out in a particular regulation, is R 250, in any other case.

5. The fee for **filing any special resolution** not otherwise addressed in Annexure 1 or this Table, is R 80.
6. The fee for **filing a Prospectus to be registered** is R 5000 for each day or part thereof
7. The fee for **filing a letter of allocation** is R100.
8. The fee for **filing an annual return** varies according to the company or external company turnover, and time of filing, as set out below:

<b>Annual Turnover</b>	<b>Filing within 30 business days after anniversary</b>	<b>Filing more than 30 business days after anniversary</b>
Less than R1 Million	R 100	R 150
At least R 1 Million, but less than R 10 Million	R 450	R 600
At least R 10 Million, but less than R 25 Million	R 2000	R 2500
R 25 Million or more	R 3000	R 4000

9. The Commission may perform the ancillary services, and charge the fees, set out below:

<b>Service to be provided</b>	<b>Fee</b>
Vetting a draft of a proposed amendment to the Memorandum of Incorporation	R 150
Vetting a draft prospectus	R 2000
Issuing an electronic certificate	R 30
Allowing inspection of a company file	R 100
Certifying a copy of a document on file	R 20
Issuing a certificate relating to company, information	R 50

Providing photocopies of documents	R1.50 per page
Providing data extracts and reports of standard information on the registry, in electronic form.	R10, plus R.04 per record
Providing data extracts and reports of standard information on the registry, in paper form, to a maximum of 500 records.	R10, plus R.04 per record

10. For the purpose of Item 9, the fee for a data extract and report will be based on the following rules:

- (a) Basic company information constitutes *[sic]* a single record.
- (b) Information concerning directors or auditors, constitutes *[sic]* a single record per director or auditor.
- (c) A request for a paper report that exceeds 500 records will be divided, with every 500 record increment, or part thereof, constituting a separate request.

### Annexure 3

#### Table CR 3

#### Methods and Times for Delivery of Documents

*(in terms of Regulation 7)*

A notice or document to be delivered for any purpose contemplated in the Act or these regulations may be delivered in any manner set out in this Table.

Subject to regulation 7(2)(b), a document delivered by a method listed in the second column of this Table will be deemed to have been delivered to the intended recipient on the date and at the time shown opposite that method, in the third column of that table.

Nature of Person to whom the document is to be delivered	Method of Delivery	Date and Time of Deemed delivery
ANY PERSON	By faxing the notice or a certified copy of the document to the person, if the person has a fax number; or	On the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.
	By sending the notice or a copy of	On the date and at the time recorded by

	<p>the document by electronic mail, if the person has an address for receiving electronic mail; or</p> <p>By sending the notice or a certified copy of the document by registered post to the person's last known address; or</p> <p>By any other means authorised by the High Court; or</p> <p>By any other method allowed for that person in terms of the following rows of this Table</p>	<p>the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time.</p> <p>On the 7th day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.</p> <p>In accordance with the order of the High Court;</p> <p>As provided for that method of delivery.</p>
<b>ANY NATURAL PERSON</b>	<p>By handing the notice or a certified copy of the document to the person, or to any representative authorised in writing to accept service on behalf of the person; or</p> <p>By leaving the notice or a certified copy of the document at the person's place of residence or business with any other person who is apparently at least 16 years old and in charge of the premises at the time; or</p> <p>By leaving the notice or a certified copy of the document at the person's place of employment with any person who is apparently at least 16 years old and apparently in authority.</p>	<p>On the date and at the time recorded on a receipt for the delivery.</p> <p>On the date and at the time recorded on a receipt for the delivery.</p> <p>On the date and at the time recorded on a receipt for the delivery.</p>
<b>THE TRIBUNAL</b>	<p>By entering the required information in an electronic representation of that form on the internet website, if any, maintained by the Tribunal, if the document is a prescribed form; or</p>	<p>On the date and at the time recorded by the Tribunal's computer system, as verified by fax reply to the sender of the information.</p>

	<p>By transmitting the document as a separate file attached to an electronic mail message addressed to the recording officer of the Tribunal; or</p> <p>By sending a computer disk containing the document in electronic form, by registered post addressed to the recording officer of the Tribunal; or</p> <p>By handing the document, or a computer disk containing the document in electronic form, to the recording officer of the Tribunal</p>	<p>On the date and at the time recorded by the Tribunal's computer system, unless, within 1 business day after that date, the recording officer advises the sender that the file is unreadable.</p> <p>On the date and at the time of delivery of the registered post to the recording officer of the Tribunal, as recorded by the post office, unless, within 1 business day after that date, the recording officer advises the sender that the disk is unreadable.</p> <p>On the date and at the time noted in a receipt issued by the recording officer of the Tribunal unless, the document is on a computer disk, and, within 1 business day after that date, the recording officer advises the sender that the disk is unreadable.</p>
<b>THE COMMISSION</b>	<p>By entering the required information in an electronic representation of that form on the internet website, if any, maintained by the Commission, if the document is a prescribed form; or</p> <p>By transmitting the document as a separate file attached to an electronic mail message addressed to the Commission; or</p> <p>By sending a computer disk containing the document in electronic form, by registered post addressed to the Commission; or</p> <p>By handing the document, or a</p>	<p>On the date and at the time recorded by the Commission's computer system, as verified by fax reply to the sender of the information.</p> <p>On the date and at the time recorded by the Commission's computer system, unless, within 1 business day after that date, the Commission advises the sender that the file is unreadable.</p> <p>On the date and at the time of delivery of the registered post to the Commission, as recorded by the post office, unless, within 1 business day after that date, the Commission advises the sender that the disk is unreadable.</p> <p>On the date and at the time noted in a</p>

	computer disk containing the document in electronic form, to the Commission, or a responsible employee who is apparently in charge of the Commission's office.	receipt issued by the Commission unless, the document is on a computer disk, and, within 1 business day after that date, the Commission advises the sender that the disk is unreadable.
<b>A COMPANY OR SIMILAR BODY CORPORATE</b>	<p>By handing the notice or a certified copy of the document to a responsible employee of the company or body corporate at its registered office or its principal place of business within the Republic; or</p> <p>If there is no employee willing to accept service, by affixing the notice or a certified copy of the document to the main door of the office or place of business.</p>	<p>On the date and at the time recorded on a receipt for the delivery</p> <p>On the date and at the time sworn to by affidavit of the person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.</p>
<b>THE STATE OR A PROVINCE</b>	By handing the notice or a certified copy of the document to a responsible employee in any office of the State Attorney.	On the date and at the time recorded on a receipt for the delivery.
<b>A MUNICIPALITY</b>	By handing the notice or a certified copy of the document to the town clerk, assistant town clerk or any person acting on behalf of that person.	On the date and at the time recorded on a receipt for the delivery.
<b>A TRADE UNION</b>	By handing the notice or a certified copy of the document to a responsible employee who is apparently in charge of the main office of the union or for the purposes of section 13(2), if there is a union office within the magisterial district of the firm required to notify its employees in terms of these regulations, at that office.	On the date and at the time recorded on a receipt for the delivery.



	If there is no person willing to accept service, by affixing a certified copy of the notice or document to the main door of that office.	On the date and at the time sworn to by affidavit of the person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.
<b>EMPLOYEES OF FIRM</b>	By fixing the notice or certified copy of the document, in a prominent place in the workplace where it can be easily read by employees.	On the date and at the time sworn to by affidavit of the person who affixed the document, unless there is conclusive evidence that the document was affixed on a different date or at a different time.
<b>A PARTNERSHIP, FIRM OR ASSOCIATION</b>	By handing the notice or a certified copy of the document to a person who is apparently in charge of the premises and apparently at least 16 years of age, at the place of business of the partnership, firm or association; or  If the partnership, firm or association has no place of business, by handing the notice or a certified copy of the document to a partner, the owner of the firm, or the chairman or secretary of the managing or other controlling body of the association, as the case may be.	On the date and at the time recorded on a receipt for the delivery.  On the date and at the time recorded on a receipt for the delivery.
<b>A STATUTORY BODY OTHER THAN THE COMMISSION AND TRIBUNAL</b>	By handing the notice or a certified copy of the document to the secretary or similar officer or member of the board or committee of that body, or any person acting on behalf of that body	On the date and at the time recorded on a receipt for the delivery.

## FORMS

<i>Form CoR 9.1</i>	<i>Application to Reserve a Name</i>
<i>Form CoR 9.2</i>	<i>Application to Extend a Name Reservation</i>

<i>Form CoR 9.3</i>	<i>Notice Requiring further Particulars in respect of Name Reservation</i>
<i>Form CoR 9.4</i>	<i>Confirmation Notice of Name Reservation</i>
<i>Form CoR 9.5</i>	<i>Notice Refusing Name Reservation or Defensive Registration</i>
<i>Form CoR 9.6</i>	<i>Notice of Potentially Contested Name</i>
<i>Form CoR 9.7</i>	<i>Notice of Potentially Offensive Name</i>
<i>Form CoR 10.1</i>	<i>Application for Defensive Name Registration</i>
<i>Form CoR 10.2</i>	<i>Application to Renew a Defensive Name Registration</i>
<i>Form CoR 11.1</i>	<i>Application to Transfer a Reserved or Defensively Registered Name</i>
<i>Form CoR 11.2</i>	<i>Notice Refusing Name Transfer</i>
<i>Form CoR 12.1</i>	<i>Notice Alleging Reservation System Abuse</i>
<i>Form CoR 14.1</i>	<i>Notice of Incorporation</i>
<i>Form CoR 14.1 Annexure A</i>	<i>Notice of Incorporation - Initial Directors of the Company</i>
<i>Form CoR 14.1 Annexure B</i>	<i>Notice of Incorporation - Alternative Names for the Company</i>
<i>Form CoR 14.1 Annexure C</i>	<i>Notice of Incorporation - Notice of Ring Fencing Provisions</i>
<i>Form CoR 14.1 Annexure D</i>	<i>Notice of Incorporation - Notice of Company Appointments</i>
<i>Form CoR 14.2</i>	<i>Notice Rejecting a Notice of Incorporation</i>
<i>Form CoR 14.3</i>	<i>Registration Certificate</i>
<i>Form CoR 15.1A</i>	<i>Memorandum of Incorporation – Short Standard Form for Private Companies</i>
<i>Form CoR 15.1B</i>	<i>Memorandum of Incorporation – Long Standard Form for Profit Companies</i>
<i>Form CoR 15.1C</i>	<i>Memorandum of Incorporation – Short Standard Form Non Profit</i>

	<i>Companies without members</i>
<i>Form CoR 15.1D</i>	<i>Memorandum of Incorporation – Long Standard Form Non Profit Companies without members</i>
<i>Form CoR 15.1E</i>	<i>Memorandum of Incorporation – Long Standard Form Non Profit Companies with members</i>
<i>Form CoR 15.2</i>	<i>Notice of Amendment of Memorandum of Incorporation</i>
<i>Form CoR 15.2 Annexure A</i>	<i>Notice of Amendment of Memorandum of Incorporation - Notice of Ring Fencing Provisions</i>
<i>Form CoR 15.3</i>	<i>Notice of Alteration of Memorandum of Incorporation</i>
<i>Form CoR 15.4</i>	<i>Notice of Translation of Memorandum of Incorporation</i>
<i>Form CoR 15.5</i>	<i>Notice of Consolidation of Memorandum of Incorporation</i>
<i>Form CoR 15.6</i>	<i>Notice to Consolidate the Memorandum of Incorporation</i>
<i>Form CoR 16.1</i>	<i>Notice Concerning Company Rules</i>
<i>Form CoR 16.2</i>	<i>Notice of Results of Vote on Company Rules</i>
<i>Form CoR 17.1</i>	<i>Application to Transfer Registration of Foreign Company</i>
<i>Form CoR 17.2</i>	<i>Notice Requiring Further Particulars</i>
<i>Form CoR 17.3</i>	<i>Registration Certificate</i>
<i>Form CoR 17.4</i>	<i>Refusal to Transfer Registration of Foreign Company</i>
<i>Form CoR 18.1</i>	<i>Application to Convert a Close Corporation</i>
<i>Form CoR 18.2</i>	<i>Notice Requiring Further Particulars</i>
<i>Form CoR 18.3</i>	<i>Registration Certificate</i>
<i>Form CoR 19.1</i>	<i>Notice to Show Cause Regarding Reckless Trading or trading under insolvent circumstances</i>

<i>Form CoR 19.2</i>	<i>Confirmation Notice</i>
<i>Form CoR 20.1</i>	<i>Registration of External Company</i>
<i>Form CoR 20.1 Annexure A</i>	<i>Directors of External Company</i>
<i>Form CoR 20.2</i>	<i>Registration Certificate</i>
<i>Form CoR 21</i>	<i>Notice of Change of Registered Office</i>
<i>Form CoR 22</i>	<i>Notice of Location of Company Records</i>
<i>Form CoR 24</i>	<i>Request for Access to Company Information</i>
<i>Form CoR 25</i>	<i>Notice of Change of Financial Year End</i>
<i>Form CoR 30.1</i>	<i>Annual Return</i>
<i>Form CoR 30.2</i>	<i>Financial Accountability Supplement</i>
<i>Form CoR 30.3</i>	<i>Annual Return (External Company)</i>
<i>Form CoR 31</i>	<i>Notice of Board Resolution to Convert Par Value Shares</i>
<i>Form CoR 35.1</i>	<i>Notice of Pre-Incorporation Contract</i>
<i>Form CoR 35.2</i>	<i>Notice of Action concerning Pre-Incorporation Contract</i>
<i>Form CoR 36.1</i>	<i>Security Holder Notice to Company and Proxies</i>
<i>Form CoR 36.2</i>	<i>General Company Notice to Security Holders</i>
<i>Form CoR 36.3</i>	<i>General Company Notice to Holders of Beneficial Interests</i>
<i>Form CoR 36.4</i>	<i>Notice of Director's Personal Financial Interest</i>
<i>Form CoR 39</i>	<i>Notice of Change of Directors</i>
<i>Form CoR 40.1</i>	<i>Notice of Resolution to Wind-up Solvent Company</i>

<i>Form CoR 40.2</i>	<i>Notice of Foreign Registration of Company</i>
<i>Form CoR 40.3</i>	<i>Demand Notice concerning Inactive Company</i>
<i>Form CoR 40.4</i>	<i>Notice of Pending De-registration</i>
<i>Form CoR 40.5</i>	<i>Application for Re-instatement of De-registered Company</i>
<i>Form CoR 44</i>	<i>Notice of Change of Auditor or Secretary</i>
<i>Form CoR 46.1</i>	<i>Notice of Employee Share Scheme</i>
<i>Form CoR 46.2</i>	<i>Annual Certificate of Employee Share Scheme</i>
<i>Form CoR 46.3</i>	<i>Application concerning rights offer exclusion</i>
<i>Form CoR 46.4</i>	<i>Registration of Prospectus or letter of Allocation</i>
<i>Form CoR 46.5</i>	<i>Registration Certificate</i>
<i>Form CoR 46.6</i>	<i>Application to exclude information from prospectus</i>
<i>Form TRP 84</i>	<i>Declaration of coming into or out of concert</i>
<i>Form CoR 89</i>	<i>Notice of Amalgamation or Merger</i>
<i>Form TRP 98</i>	<i>Disclosure of dealings in securities</i>
<i>Form TRP 121.1</i>	<i>Disclosure of acquisition or disposal of securities</i>
<i>Form TRP 121.2</i>	<i>Notice of acquisition or disposal of securities</i>
<i>Form CoR 123.1</i>	<i>Notice of Beginning of Business Rescue Proceedings</i>
<i>Form CoR 123.2</i>	<i>Notice of Appointment of Business Rescue Practitioner</i>
<i>Form CoR 123.3</i>	<i>Notice of Decision Not to Begin Business Rescue</i>
<i>Form CoR 125.1</i>	<i>Business Rescue Status Report</i>
<i>Form CoR 125.2</i>	<i>Notice of Termination of Business Rescue Proceedings</i>

<i>Form CoR 125.3</i>	<i>Notice of Substantial Implementation of Business Rescue Plan</i>
<i>Form CoR 126.1</i>	<i>Application for Practitioner's Licence</i>
<i>Form CoR 126.2</i>	<i>Registration Certificate</i>
<i>Form CTR 132.1</i>	<i>Application for Alternative Dispute Resolution</i>
<i>Form CTR 132.2</i>	<i>Referral for Alternative Dispute Resolution</i>
<i>Form CTR 132.3</i>	<i>Certificate of Failed Alternative Dispute Resolution</i>
<i>Form CoR 134.1</i>	<i>Application for Accreditation</i>
<i>Form CoR 134.2</i>	<i>Registration Certificate</i>
<i>Form CoR 135.1</i>	<i>Complaint</i>
<i>Form CoR 135.2</i>	<i>Notice of Non-Investigation of Complaint</i>
<i>Form CoR 137.1</i>	<i>Notice to Investigate Complaint</i>
<i>Form CoR 137.2</i>	<i>Summons to provide evidence to Companies Commission</i>
<i>Form CoR 137.3</i>	<i>Request for Additional Information</i>
<i>Form CoR 137.4</i>	<i>Demand for Corrected Information</i>
<i>Form CoR 138</i>	<i>Notice of Consent Order</i>
<i>Form CoR 139.1</i>	<i>Compliance notice</i>
<i>Form CoR 139.2</i>	<i>Compliance Certificate</i>
<i>Form CTR 140</i>	<i>Complaint Referral</i>
<i>Form CoR 140.1</i>	<i>Referral of Complaint to alternative authority</i>
<i>Form CoR 140.2</i>	<i>Notice of Non-referral of Complaint</i>

<i>Form CTR 142</i>	<i>Application for Relief</i>
<i>Form CTR 145</i>	<i>Notice of Motion</i>
<i>Form CTR 147</i>	<i>Application for Condonation</i>
<i>Form CTR 148</i>	<i>Notice of Withdrawal or Postponement</i>
<i>Form CTR 151</i>	<i>Notice of hearing before Companies Tribunal</i>
<i>Form CTR 160</i>	<i>Summons to appear before Companies Tribunal</i>
<i>Form CoR 168</i>	<i>Notice Challenging Filed Information</i>
<i>Form CoR 178</i>	<i>Request for Additional Information</i>

*(Forms CoR 15.1A, 15.1B, 15.1C, 15.1D and 15.1E substituted by Government Notice R619 in Government Gazette 36759, dated 20 August 2013)*

***(Please note that the above-mentioned forms will be provided upon request. Kindly refer to our website for our contact details.)***