



## PRACTICE NOTE 2 OF 2024

### STATUS REPORT REQUIREMENTS

This practice note is issued in terms of Regulation 4(1)(b) of the Companies Regulations, 2011 which stipulates that a regulatory body may issue a practice note in respect to a matter within its authority which sets out a procedure that will be followed by that regulatory agency; a procedure to be followed when dealing with that regulatory agency or the regulatory agency's interpretation of or intended manner of applying a provision of the Act or the Regulations.

The Companies and Intellectual Property Commission (CIPC) introduced the automation of status reports in September 2024, with the objective to ensure the facilitation of efficient and effective services to its stakeholders and to ensure the widest enforcement of the Act. Substantial volumes of status reports have been received and reviewed by the Commission but the Commission has observed that a significant number of reports do not conform to the general prescribed structure required in terms of Section 132(3)(a)-(b) of the Act, which prescribes that the report should be on the development of the proceedings and should be updated at the end of each subsequent month.

A Majority of the reports that have been reviewed only have dates of the required meetings as per the mandate of the Act and dates as to the adoption of the plan and do not have any content in respect of the developments of the proceedings.

The Commission has come up with a general structure and requirements that should be adhered to when compiling status reports to be filed.

#### (a) **First update Report**

When the proceedings have not ended within 3 months after the commencement of the proceedings, the report should include the creditors meetings that have been convened, outcome of the investigations of the practitioner, date of publication of the plan, adopted actions as per the plan and any outstanding matters.

#### (b) **Subsequent Reports**

Herein practitioners are expected to provide reports on outstanding actions as per the adopted plan, the implementation of the plan, the implementation rate of the plan which must be provided in percentages.

It is not a requirement to include the date of the first meeting of creditors and the date of appointment of the practitioners as well as other dates that are provided in the first report.

The Commission has furthermore observed that there are entities that have been in business rescue for more than 5 years and no plan has been adopted in such entities post commencement of the business rescue proceedings and therefore Commission would like to put it on record that the practitioners appointed hereto will be advised accordingly on such issue.

We trust that you will find the above in order.

**Yours Sincerely,**



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**Adv. Rory Voller**  
**Commissioner: CIPC**  
**22 / 10 / 2024**