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Justice and Constitutional Development  
**REPUBLIC OF SOUTH AFRICA**

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**CIRCULAR ~~023~~ OF 2014**  
**(HEAD OFFICE FILE 12/4/1)**

**CHIEF MASTERS DIRECTIVE 1 OF 2014 – MASTERS' REPRESENTATION AT  
INSOLVENCY PROCEEDINGS**

1. Your attention is drawn to the contents of the attached Directive with regards to MASTERS'REPRESENTATION AT INSOLVENCY PROCEEDINGS
2. This Directive is effective from **31 March 2014** and should be implemented as such.
3. Any enquiries should be addressed in writing to the Office of the Chief Master or per e-mail to [chiefmaster@justice.gov.za](mailto:chiefmaster@justice.gov.za)

*pp*   
Adv. L G Basson  
Chief Master 6/3/2014

**TO ALL OFFICES IN THE DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT**



## CHIEF MASTER'S DIRECTIVE 1 OF 2014

### MASTERS' REPRESENTATION AT INSOLVENCY PROCEEDINGS

#### 1. PURPOSE OF THIS DIRECTIVE

- 1.1. The Minister of **Justice** and Constitutional Development determined a policy for the appointment of insolvency practitioners to administer estates of insolvent persons or the estates of legal persons in liquidation. Paragraph 5 of the Policy provides that the Chief Master must issue Directives to be used by all Masters in order to implement and monitor the application of the said Policy.
- 1.2. Section 2(1)(b)(iii) of the Administration of Estates Act, 66 of 1965 provides that the Chief Master must exercise control, direction and supervision over all the Masters. The purpose of this directive is to expedite the appointment of trustees and liquidators by shortening the period between the granting of the order of sequestration or liquidation and the appointment of the provisional trustee or provisional liquidator. The policy will try to reach this objective by building closer ties between the Offices of the Master and the High Courts.

#### 2. SCOPE AND APPLICATION OF THE DIRECTIVE IN RELATION TO THE POLICY?

This directive is aimed at building closer relationships between the Office of the Master of the High Court and the relative members of the judiciary dealing with Insolvency matters. It is also aimed at reducing the time between the granting of an order in an Insolvency matter and the Master's implementation of Court orders.

#### 3. MASTERS TO MEET WITH JUDICIARY OF HIGH AND LOWER COURTS

The Master must maintain sound relationships with the local judiciary of both High and Lower Courts.

Masters should ensure that there is a common understanding between the judiciary and the Master regarding:

- 3.1. The purpose of the policy and the role this directive plays in the successful implementation of the policy;
- 3.2. The need for personnel from the Master to attend court proceedings OR make effective arrangements with Registrars, with the aim of speeding up appointments of liquidators and trustees;
- 3.3. The need for each designated officer from the Master's Office to meet with the judge responsible for the motion roll when it is heard;
- 3.4. Any matter of protocol the judiciary would like to see observed in his or her court;
- 3.5. Any other matter that will contribute to the successful implementation of this policy.

#### **4. DESIGNATION OF OFFICIALS TO STUDY APPLICATIONS BEFORE ATTENDING COURT**

- 4.1 Every Master should designate an adequate number of officials to note courts' decisions regarding sequestration or liquidation applications. Such officials are expected to study all court papers pertaining to a matter before attending the hearing.
- 4.2 The documents which need to be on the case file before the hearing starts are:
  - A copy of the application for sequestration/liquidation;
  - A notice of set down of preliminary application;
  - Any interchanging pleadings;
  - A section 9(3) / 346 bond of security and expiry date for the certificate;
- 4.3 In the alternative to 4.1 and 4.2 above, Masters could make effective arrangements with Registrars to obtain Court Orders without delay.

#### **5. FUNCTIONS OF THE OFFICIALS WHO REPRESENT THE MASTER AT INSOLVENCY COURT PROCEEDINGS**

The designated official should enquire from the judge if he or she has any preference regarding seating or any other matter that will ensure an orderly conduct of the hearing.

The designated official must attend the hearing.

The designated official must make a note of the **order and the time** of the order.

**6. PROCEDURE TO BE FOLLOWED AT INSOLVENCY COURT PROCEEDINGS**

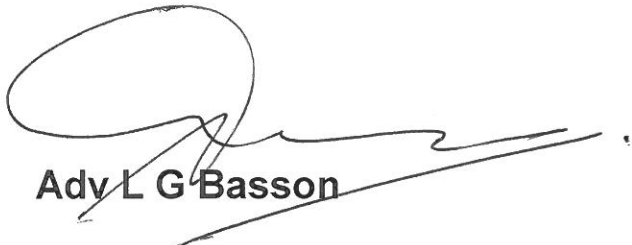
If at all possible the designated official should obtain a copy of the court order from the registrar. Back in the Master's Office the copy of the order and/or the notes made during the hearing, should be handed to the chairperson of the appointments group who should forthwith commence with the appointment process.

This information should be shared with all relative interested parties such as the Insurance Industry, Sheriffs, CIPC and the oversight committees.

**7 EFFECTIVE DATE**

This Directive will come into effect on **31 March 2014**.

Signed on ..... 5 / 3 / ..... 2014



**Adv L G Basson**

**Chief Master of the High Courts of South Africa**