



Companies and Intellectual  
Property Commission

a member of **the dti** group

**NOTICE TO CUSTOMERS  
(Notice 53 of 2016)**

**FALSE NOTIFICATION REGARDING REPEAL OF CLOSE CORPORATIONS ACT, 1984 AND  
FORCED CONVERSION FOR CLOSE CORPORATIONS TO COMPANIES**

Dear Customer

CIPC has been notified by concerned customers of an e-mail notification issued to business owners that the Close Corporations Act, 1984 (the Act) will be repealed with effective date October 2017 and that all close corporations must convert to companies before such date.

CIPC would like to firmly state that this is false, incorrect and misleading and is regarded by the CIPC as unsolicited marketing by the person who issued it.

It is not the intention of the legislator or the CIPC, to repeal the remaining sections of the Close Corporations Act, 2008 and inherently force close corporations to convert to companies. Nowhere within the Companies Act, 2008, Close Corporations Act, 1984, Companies Regulation, 2011, Close Corporations Act Administrative Regulations or Government Gazette Notification is it stated that the remaining part of the Close Corporation Act, 1984 will be repealed.

The notification may also be interpreted that upon re-instatement of a close corporation (after it has been finally deregistered) the CIPC will force the close corporation to be re-instated / converted to a company. Once again, this is false and incorrect. Upon re-instatement of a close corporation, the CIPC will re-instate it upon the information applicable on the date of final deregistration and therefore, it will be re-instated as a close corporation and will not be forced to convert to a company.

It is trusted that the above clarify and addresses any concerns from business owners regarding forced conversion of their close corporations.

Yours sincerely,

**Adv R Voller  
Commissioner: CIPC**

31/10/2016