

REJECTION OF BRP LICENSE RENEWAL APPLICATIONS PENDING THE FILING OF STATUS REPORTS

CUSTOMER NOTICE 44 OF 2024

The Companies and Intellectual Property Commission (CIPC) has as one of its key objectives in terms of section 186 (1) (d) of the Companies Act 71 of 2008 (the Act), a responsibility to promote compliance with the Act, and furthermore the Commission is required to enforce the Act by monitoring proper compliance as provided in section 187 (2) (b) of the Act.

CIPC has observed that a significant number of business rescue practitioners (hereinafter referred to as practitioners) are not complying with the provisions of Section 132 (3) (a)-(b) of the Act, by not submitting monthly status reports (progress reports) of the business rescue proceedings of entities they are appointed to.

Section 132(3), of the Act, states: -

“(3) If a company’s business rescue proceedings have not ended within three months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must-

(a) prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and

(b) deliver the report and each update in the prescribed manner to each affected person, and to the-

(i) court, if the proceedings have been the subject of a court order; or

(ii) Commission, in any other case.”

In an effort to enforce proper compliance of the Companies Act, all practitioner license renewal applications will be rejected pending the filing and updating of business rescue proceedings status reports with the Commission. Therefore, business rescue practitioners, not compliant with the requirements of section 132(3) of the Act, will be prohibited from renewing their practitioner licenses until all reports have been filed and brought up to date. Practitioners, are urged to comply with the provisions of section 132 (3) (a)-(b) of the Act, by ensuring that they file and update the legislatively required status reports monthly, until the end of the proceedings.

We trust that you will find the above in order.

Yours sincerely,



Adv. Rory Voller
Commissioner: CIPC
8 / 07 / 2024