18 June 2026

The Director-General

Department of Trade, Industry and Competition (dtic)

Private Bag X84

Pretoria

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Subject: Request for Interpretive Guidance and Transitional Relief Relating to the Commencement of the Companies Amendment Act 16 of 2024

Dear Sir/Madam

We refer to the commencement of sections 5, 6 and 19 of the Companies Amendment Act 16 of 2024, which became effective on 22 May 2026.

The amendments introduce significant changes to corporate reporting and governance requirements, including the enhanced remuneration disclosure requirements contained in section 30 and the remuneration policy and remuneration report approval requirements contained in section 30A and 30B.

However, the commencement of these provisions without accompanying transitional arrangements has given rise to uncertainty regarding their application in practice. We have received numerous enquiries from companies, directors, prescribed officers, preparers of annual financial statements, auditors, independent reviewers and governance practitioners seeking clarity on the intended implementation of the amendments.

In the absence of explicit transitional provisions, differing interpretations are emerging, creating a risk of inconsistent application and regulatory uncertainty. We therefore respectfully request the Department's guidance on the matters set out below.

1. Application of Section 30 Remuneration Disclosure Requirements

Section 30 introduces expanded remuneration disclosure requirements applicable to individual directors and prescribed officers.

We seek clarification regarding:

1.1 Whether the amended disclosure requirements apply to:

- financial years commencing on or after 22 May 2026;
- financial years ending on or after 22 May 2026; or
- annual financial statements approved after 22 May 2026 irrespective of the financial year to which they relate.

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1.2 Where a company's financial year commenced prior to 22 May 2026 but ends after that date, whether the amended disclosure requirements apply:

- to the entire financial year;
- only to remuneration earned after the effective date; or
- only from the subsequent financial year.

1.3 Whether comparative information is required in the first year of application and, if so, the extent to which comparative remuneration information must be restated.

2. Application of Section 30A

Section 30A requires public companies and state-owned companies to prepare and present a remuneration policy and remuneration report for shareholder approval.

We seek clarification regarding:

2.1 Which annual general meeting constitutes the first AGM at which the remuneration policy and remuneration report must be presented.

2.2 Whether companies whose AGM notices were issued, board approvals obtained, or annual reports substantially completed before 22 May 2026 are required to comply immediately.

2.3 Whether any transitional relief is contemplated for companies that had already commenced or substantially completed their annual reporting and AGM processes prior to the effective date.

3. Retrospective Application

Given the presumption in South African law against retrospective application of legislation in the absence of clear legislative intent, we request confirmation as to whether the Department intended any aspect of the amendments to apply retrospectively to:

- remuneration earned before 22 May 2026;
- reporting periods that commenced before 22 May 2026; or
- corporate actions undertaken before the commencement date.

4. Need for Implementation Guidance

Given the significance of the amendments and the potential compliance implications, we respectfully request that the Department consider issuing implementation guidance, whether through regulations, a practice note, circular, frequently asked questions document, or other interpretive communication.

Such guidance would assist in promoting legal certainty, consistency of application, and effective compliance across affected entities.

5. Transitional Measures

We further request that the Department consider whether a transitional approach may be appropriate in circumstances where:

- a reporting period commenced before 22 May 2026;
- annual financial statements were substantially prepared before 22 May 2026;
- AGM notices had already been issued; or
- governance processes had been completed prior to commencement.

The absence of transitional provisions creates practical challenges for affected entities and may result in inconsistent reporting outcomes during the first year of implementation.

We would appreciate the Department's views on these matters and would welcome the opportunity to engage further should stakeholder consultation be considered beneficial.

We thank the Department for its consideration and look forward to receiving guidance that will assist stakeholders in implementing the amendments consistently and in accordance with the legislative intent.

Yours faithfully

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Thandokuhle Myoli

Head: Audit and Assurance

The South African Institute of Chartered Accountants