

REPUBLIC OF SOUTH AFRICA

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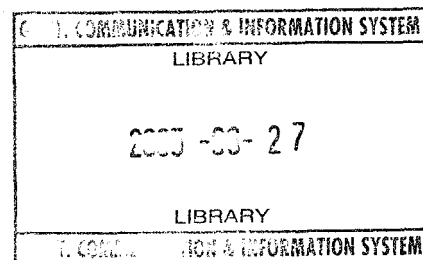
**PORTFOLIO COMMITTEE AMENDMENTS  
TO  
CLOSE CORPORATIONS  
AMENDMENT BILL**

[B 6—2005]

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*(As agreed to by the Portfolio Committee on Trade and Industry  
(National Assembly))*

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[B6A—2005]

ISBN 0 621 35791 X

No. of copies printed ..... 800

**AMENDMENTS AGREED TO**  


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**CLOSE CORPORATIONS AMENDMENT BILL**  
**[B 6—2005]**

NEW CLAUSE

1. That the following be a new Clause:

**Amendment of section 29 of Act 69 of 1984, as amended by section 3 of Act 64 of 1988 and section 1 of Act 17 of 1990**

2. Section 29 of the principal Act is hereby amended by the substitution for subsections (1) and (1A) of the following subsections, respectively:

“(1) Subject to **[the provisions of]** subsection (1A) or (2)(b) and (c), only natural persons may be members of a corporation and no juristic person **or** trustee of a trust *inter vivos* in that capacity shall directly **or** indirectly (whether through the instrumentality of a nominee or otherwise) hold a member’s interest in a corporation.

(1A) **[The provisions of subsection (1) shall not apply to the membership of a corporation of a]** A natural or juristic person **[who holds that membership for the benefit]** in the capacity of a trustee of a trust *inter vivos* **[if immediately before 13 April 1987 a natural person held membership of the]** may be a member of a corporation [for the benefit of that trust]: Provided that—

- (a) no juristic person shall directly or indirectly be a beneficiary of that trust;
- (b) the member concerned shall, **as** between himself or herself and the corporation, personally have all the obligations and rights of a member;
- (c) the corporation shall not be obliged to observe **or** have any obligation in respect of any provision of **or** affecting the trust **or** any agreement between the trust and the member Concerned of the corporation: and
- (d) if at any time the number of natural persons at that time entitled to receive any benefit from the trust shall, when added to the number of members of the corporation at that time, exceed 10, the provisions of, and exemption under, this subsection shall cease to apply and shall not again become applicable notwithstanding any diminution in the number of members **or** beneficiaries.”.

CLAUSE 2

1. On page 3, after line 5, to insert:
- (i) any person who is a member of a recognised profession listed in a notice referred to in subsection (2);
2. On page 3, in line 21, to omit “accounting functions” and to substitute “duties in terms of section 62”.