

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain uneven numbered pages as the other language is printed on even numbered pages.



STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

As 'n Nuusblad by die Poskantoor Geregistreer

Registered at the Post Office as a Newspaper

Verkoopprijs • Selling price
(AVB uitgesluit/GST excluded)

Plaaslik **50c** Local
Buitelands 70c Other countries
Posvry • Post free

Vol. 276

KAAPSTAD, 29 JUNIE 1988

No. 11372

CAPE TOWN, 29 JUNE 1988

KANTOOR VAN DIE STAATSPRESIDENT

STATE PRESIDENT'S OFFICE

No. 1261.

29 Junie 1988

No. 1261.

29 June 1988

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

—o. 64 van 1988: Wysigingswet op Beslote Korporasies, 1988.

No. 64 of 1988: Close Corporations Amendment Act, 1988.

CLOSE CORPORATIONS AMENDMENT ACT, 1988

Act No. 64, 1988

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Close Corporations Act, 1984, so as to make it clear that the Supreme Court shall have concurrent jurisdiction in any matter relating to close corporations in which the magistrate's court has jurisdiction; to further regulate the conversion of companies into corporations; to provide explicitly that the trustee of a trust *inter vivos* in that capacity may not hold a member's interest in a close corporation; to effect certain adjustments in the English text; and to make further provision in connection with the approval and signing of annual financial statements by members of a corporation; and to provide for matters connected therewith.

(English text signed by the State President.)
(Assented to 17 June 1988.)

BE IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:—

Substitution of section 7 of Act 69 of 1984

1. The following section is hereby substituted for section 7 of the Close Corporations Act, 1984 (hereinafter referred to as the principal Act):

“Courts having jurisdiction in respect of corporations

7. For the purposes of this Act the [court] courts having jurisdiction in any matter, including [liquidation] winding up, in respect of any corporation [and any matter referred to in section 36, 42 (3) (b), 49 (1) or 64 (1)] shall be any magistrate's court, and any provincial or local division of the Supreme Court of South Africa, within whose area of jurisdiction the registered office or main place of business of the corporation is situate or, in relation to any such matter in respect of which [such] a magistrate's court has in any particular case on account of any provision of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), no jurisdiction, any provincial or local division of the Supreme Court of South Africa within whose area of jurisdiction any such office or place of business is situate.”.

Amendment of section 27 of Act 69 of 1984, as amended by section 7 of Act 38 of 1986

2. (1) Section 27 of the principal Act is hereby amended by the addition to subsection (5) of the following paragraph:

“(d) The juristic person which prior to the conversion of a company into a corporation existed as a company, shall notwithstanding the conversion continue to exist as a juristic person but in the form of a corporation.”.

(2) Subsection (1) shall be deemed to have come into operation on 1 January 1985.

CLOSE CORPORATIONS AMENDMENT ACT, 1988

Act No. 64, 1988

Amendment of section 29 of Act 69 of 1984

3. (1) Section 29 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

5 “(1) Subject to the provisions of subsection (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.”.

(2) Subsection (1) shall be deemed to have come into operation on 13 April 1987.

10 Amendment of section 58 of Act 69 of 1984, as amended by section 12 of Act 38 of 1986

4. Section 58 of the principal Act is hereby amended—

15 (a) by the substitution in the English text in subsection (1) and in the words of subsection (2) preceding paragraph (a) for the expression “financial statements”, wherever it occurs, of the expression “annual financial statements”; and

15 (b) by the substitution for subsection (3) of the following subsection:

20 “(3) The annual financial statements shall be approved and signed by or on behalf of [every member of] a member holding a member’s interest of at least 51 per cent, or members together holding members’ interests of at least 51 per cent, in the corporation.”.

Amendment of section 63 of Act 69 of 1984

5. (1) Section 63 of the principal Act is hereby amended by the substitution for paragraph (d) of the following paragraph:

25 “(d) where a juristic person or a trustee of a trust *inter vivos* in that capacity purports to hold, whether directly or indirectly, a member’s interest in the corporation in contravention of any provision of section 29, such juristic person or trustee of a trust *inter vivos* and any nominee referred to in that section shall, notwithstanding the invalidity of the holding of such interest, be so liable for every debt of the corporation incurred during the time the contravention continues;”.

30 (2) Subsection (1) shall be deemed to have come into operation on 13 April 1987.

Short title

6. This Act shall be called the Close Corporations Amendment Act, 1988.