

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 5844

7 February 2025



## PRACTICE NOTE 1 OF 2025

**DEREGISTRATION OF CORPORATE ENTITIES DUE TO NON-COMPLIANCE WITH THE COMPANIES ACT, 71 OF 2008**

Part of the Commission's objectives relates to the promotion of compliance with the Companies Act, 71 of 2008 (hereinafter referred to as "the Act") and any other applicable legislation, and the most efficient and effective enforcement of this Act and other pieces of applicable legislation.

Non-compliance with the filing of beneficial ownership declarations constitutes a direct violation of the Companies Act and its Regulations, given full effect by the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 22 of 2022. Entities not compliant with beneficial ownership declarations are prohibited from filing annual returns, thus one cannot be done without the other. Filing of annual returns constitutes an unalterable provision of the Act, with the consequences of non-compliance necessary and applicable to promote compliance.

With South Africa on the cusp of another Financial Action Task Force Assessment, and the existent possibility of South Africa's removal from the grey list, the Commission must ensure that the country's corporate registry is accurate, up to date and economically relevant.

**Current non-compliant corporate entities with deregistration process status, that do not comply with beneficial ownership declarations, and annual return filing obligations by 31 January 2025, will be finally deregistered by the Commission, without further notice.**

We trust that the above process will culminate into greater compliance for entities that are still economically viable and desirous of participating in the economy of South Africa, as well as directly result in an accurate, up to date corporate entity register.

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This Practice Note is issued in terms of Regulation 4(1)(b)(i) of the Companies Act Regulations and is intended to set out the procedure that will be followed by the Commission in terms of deregistration of non-compliant entities.



Adv Rory Voller  
Commissioner: CIPC  
27 January 2025