When must close corporations or companies lodge annual returns?

All members of close corporations (“CC’s”) and directors of companies should take note of the Corporate Laws Amendment Act which was promulgated on the 22nd January 2002. In terms of this act all CC’s and companies must in future lodge a return with the Registrar of Companies every year:

1. the annual return must be lodged in the prescribed form and with payment of the prescribed fee.
2. a copy of the annual return must be filed at the registered office of the CC or company to enable the public to inspect it and obtain a copy.
3. the annual return must be lodged not later than the end of the month following the month within which the anniversary of the date of incorporation of the CC or company falls.
4. If a CC or company fails, for a period of six months, to lodge an annual return the Registrar may, after written warning, deregister such CC or company. There is a penalty of up to R150.00 payable on late lodgement of the annual return.

In the case of CC’s the provisions of section 26(5) of the Close Corporations Act should be kept in mind. This section stipulates that the members of a CC are personally liable for any outstanding debts of the CC after the deregistration thereof.

The Act provides for the prescribed form and fee and the effective date of the Act to be specified by regulations. Up to date such regulations have, however, not been published, but are expected soon.