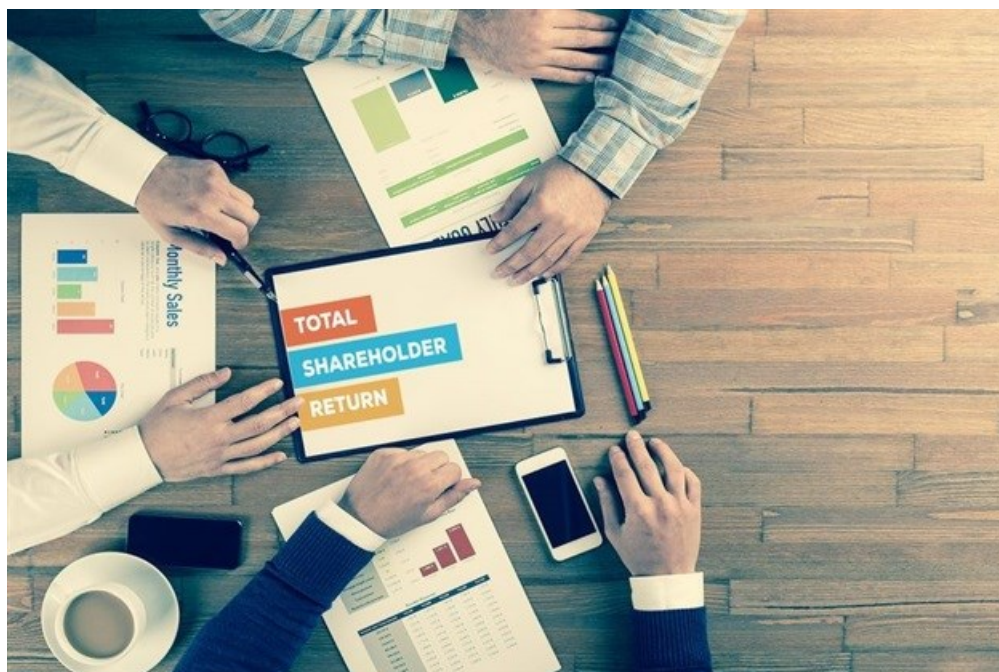


Companies Amendment Bill gazetted

Trade and Industry Minister Rob Davies has gazetted the Companies Amendment Bill for public comment.



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The proposed amendments are legislative amendments to the Act without changes to the original policy of the Companies Act.

“The amendment requires that a Notice of Amendment will take effect 10 business days after receipt of the Notice of Amendment, if the Commission, after the expiry of the 10 business days, has not endorsed the Notice of Amendment or has failed to deliver a rejection of the Notice of Amendment to the company with reasons,” said Davies on Monday.

The Amendments of the Companies Act were published for public comment on 21 September.

According to Davies, another proposed amendment, requires the companies to also file a copy of its securities register in its annual return.

“The bill proposes to impose the duty on the directors of a public company to prepare a director’s remuneration report and the manner of compiling the report and the presentation thereof.

“Furthermore, the Bill proposes an amendment that gives the court the power to validate the creation, allotment or issue of shares, which are otherwise invalid, upon application by a company or an interested party,” said the Minister.

The bill also proposes an amendment to the Act requiring issued shares transferred to a third party to be held by a stakeholder in terms of the stakeholder agreement.

The Bill proposes that the provision of financial assistance by a company to its subsidiary, does not need the adoption of a special resolution.

Davies adds that the Bill further provides that no special resolution has to be adopted when a company is implementing a pro rata share-buyback where the shareholders affected are also the directors of the company.

The Bill extends the definition of an employee share scheme to include those where there are purchases of shares of a company. It also limits the circumstances under which a private company will be a regulated company and this amendment will be beneficial for SMMEs.

The public can send their inputs and comments to Mr Desmond Rabulana via email on DRamabulana@thedti.gov.za or send their inputs via post to Private Bag X54, Pretoria, 0001 or hand delivery: First Floor, Block B, 77 Meintjies Street, Sunnyside.

The gazette can be accessed on <http://www.thedti.gov.za/gazettes/41913.pdf>.

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