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DEREGISTRATION OF COMPANIES IN TERMS OF THE NEW COMPANIES ACT 71 OF 2008

Before the enactment of the new Companies' Act, when a company was deregistered by the Registrar of Companies, one had to apply to the High Court in terms of the Old Companies Act to restore registration.

A company can be deregistered for a number of reasons, including when a company fails to file returns for two or more consecutive years, instead of six months as in the previous Act.

The reason for restoration of the deregistered company is because, whilst the company is deregistered, it has no legal capacity and any asset of the deregistered company became "bona vacantia" meaning that the asset/s are without an owner and are forfeited to the state.

In terms of the new Companies Act the Companies and Intellectual Property Commission (CIPC) is given the same discretion to deregister a company, however the CIPC is given a further discretion to reinstate a deregistered company subject to condition as the commissioner may determine.



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This makes the re-instatement of a deregistered company much easier than in the past:

- ❖ An application by an interested person can be made to the commissioner.
- ❖ The application:
 - must attach a document or sheet setting out each applicant's interest in the deregistered company and the grounds relied upon for requesting the reinstatement.
 - Be submitted in terms of form CoR 40.5.

It is still however uncertain whether the commissioner has the discretion to make an order as to costs.

Never –the –less it is important to keep this in mind when dealing with property transactions, as no transfer of property held in a company can take place whilst the company is deregistered or until it has been reinstated.



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