

## **COMPANIES ACT, 71 OF 2008**

The Companies Act was signed by the President on the 08th April 2009 and gazetted in the Gazette No 32121 (Notice 421). The Act comes into operation on a date still to be fixed by the President by proclamation in the Gazette, which may not be earlier than one year following the date on which the President assented to this Act.

The regulations and transitional provisions to be stipulated by the Minister will have a big impact on the application of the Companies Act and members need to take heed of what is still coming, treading carefully in analysis of the Act until the Regulations are published. Similarly, we believe effective, detailed training cannot be provided until the Regulations are published, which include inter alia:

### **The Minister must make the following regulations:**

- establish a council to be known as the Financial Reporting Standards Council (FRSC)
- select and appoint candidates for membership of the FRSC
- establish the Takeover Regulations
- provide for the transitional status and conversion of nominal or par value shares, treasury shares and capital accounts to no par value shares

### **The Minister may make regulations prescribing the following:**

- financial reporting standards
- requirements for different companies prescribing the private companies that have to have their AFS audited
- manner, form procedures for the conduct of an independent review
- the professional qualifications of the people who can conduct the independent review
- categories of companies that has to have a social and ethics committee
- minimum qualification requirements for members of audit committees
- designating one person or association to regulate the practice of persons as Business Rescue Practitioners
- Business Rescue Practitioner qualifications, remuneration and procedures to be followed
- designate any organ of state or other entity to deal with conciliation, mediation and arbitration require the FRSC to be a member of a relevant international accounting standards setting organisation