



Companies and Intellectual
Property Commission

a member of **the dti** group

Dear Stakeholders,

Withdrawal of a non-binding opinion issued pertaining to Regulations 28(2)(a) of the Companies Act 2008

The Companies and Intellectual Property Commission (CIPC) issued a non-binding opinion on the issue pertaining to Regulation 28(2)(a) of the Companies Regulations, 2011 which was drafted by Adv. Tina Rabilall and published on 19th June 2013. CIPC has taken a decision to withdraw the non-binding opinion.

Emphasis is hereby placed on companies that are affected by Regulation 28(2)(a), which states:

"In addition to public companies and state owned companies, any company that falls within any of the following categories in any particular financial year must have its annual financial statements for that financial year audited:

(a) any profit or non-profit company if, in the ordinary course of its primary activities, it holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds R 5 million"

The above statute affects all categories of companies which, in the ordinary course of their primary activities, hold assets in a fiduciary capacity for persons who are not related to them, the value of which exceeded R5 million in the preceding financial year (the year being reported on). Such companies, in terms of Regulation 28 (2)(a), **must** have their annual financial statements audited. Examples of such companies include, but not limited to, estate agents, conveyancers and notaries, nominee companies (who report to the FSCA), legal practitioners etc.

As such, there is an obligation on the companies affected by Regulation 28 (2)(a) to submit their AFS in iXBRL when filing their annual returns in terms of Section 33 of the Companies Act 71, of 2008.

Khutso Maboya
Senior Investigator
Corporate Compliance and Disclosure Regulations
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