



Companies and Intellectual  
Property Commission

a member of the dti group

## PRACTICE NOTE 3 OF 2015

### CONDITIONS OF THE CONDITIONAL LICENSE

Note that Practice Notice 1 of 2015 is hereby withdrawn on 22 September 2015, and is replaced with Practice Note 3 of 2015.

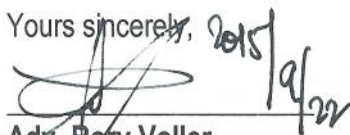
This practice note is issued in terms of Chapter 6 of the Companies Act (Act 71 of 2008) and the Regulations promulgated thereof.

**The Licensed Practitioner must comply with the conditions below for all Business Rescue Proceedings he or she is engaged in:**

- In terms of Section 132(3) of the Companies Act (Act 71 of 2008) as amended, if a company's business rescue proceedings have not ended within three months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must –
  - (a) Prepare a report on the progress of the rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
  - (b) Deliver a report and each update in the prescribed manner to each affected person, and to the Commission.
- In terms of Sections 147(1)(2) & 148 (1)(2), the practitioner must convene a meeting of creditors and employees respectively and must give due notice of the meeting within 10 business days after being appointed.
- In terms of Section 150(1) and (5); the practitioner must prepare a business rescue plan for consideration and possible adoption and the plan must be published within 25 business days after the date on which the practitioner was appointed.
- In terms of Section 151(1) and (2); Within 10 business days after publishing the business rescue plan, the practitioner must convene and preside over a meeting of creditors and other holders of voting interest to consider the plan.
- The practitioner must at least 5 business days before the meeting, deliver a notice to all affected persons, setting out the date, time, place, agenda and rights of affected persons.
- In terms of Section 153(1) & (5), if a rescue plan has been rejected and no further action was taken by a person, the practitioner must promptly file a notice of termination of business rescue proceedings.
- The practitioner must keep a proper record of the processes and all correspondence.
- The practitioner must ensure that he/she has sufficient capacity at all times to accept the appointment.
- The practitioner must adhere to the concurrent application of Section 5(6) of the Companies Act (Act 71 of 2008) as amended, in the case of listed companies.
- A practitioner commits an offence if he/she knowingly provides false information to the Commission.

**Failure to comply with these conditions will be regarded as reasonable grounds for the Commission to suspend or withdraw the license of the Practitioner in terms of Regulation 126(7)(b) for a particular rescue proceeding or on good cause, for all business rescue proceedings.**

Yours sincerely,

  
Adv. Rory Voller  
CIPC: Acting Commissioner

22.9.2015