

(1 April 1989 – to date)

SHARE BLOCKS CONTROL ACT 59 OF 1980

*(Government Notice 991 in Government Gazette 7013 dated 23 May 1980. Commencement date:
1 January 1981 [Proc. No. R.130 in Government Gazette 7172 dated 8 August 1980])*

REGULATIONS IN RESPECT OF SHARE BLOCK COMPANIES

*Government Notice R1608 in Government Gazette 7172 dated 8 August 1980. Commencement date:
1 January 1981.*

As amended by:

*Government Notice R772 in Government Gazette 9685 dated 4 April 1985. Commencement date:
4 April 1985.*

*Government Notice 541 in Government Gazette 10157 dated 27 March 1986. Commencement date:
1 April 1986.*

*Government Notice R416 in Government Gazette 11739 dated 10 March 1989. Commencement date:
1 April 1989.*

The Minister of Commerce and Consumer Affairs has under and by virtue of section 20 of the Share Blocks Control Act, 1980 (Act 59 of 1980), made the following regulations:

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1. INTERPRETATION

In these regulations, unless the context otherwise indicates –

Prepared by:

"Act" means the Share Blocks Control Act, 1980; and

"these regulations" include the Schedules to these regulations.

2. FEES AND FORMS

- (1) Subject to the provisions of section 2(2) and 9(2) of the Act, the fees to be paid under the Act and these regulations, shall be those specified in Schedule 1 to these regulations.
- (2) The form on which the certificate referred to in section 5(2) of the Act, shall be lodged, shall be substantially in the form contained in Schedule 2 to these regulations.
- (3) Any report referred to in section 15(6) of the Act by an auditor, shall be transmitted to the Registrar by the auditor concerned substantially in the form contained in Schedule 3 to these regulations.
- (3A) Any application in terms of section 15(6) of the Act for the extension of time within which to transmit the report referred to in the said section, shall be substantially in the form contained in Schedule 4 to these regulations.

(Regulation 2(3A) inserted by regulation 1 of Government Notice R772 in Government Gazette 9685 dated 4 April 1985)

- (4) The forms referred to in subregulations (2) and (3) shall be used in all cases to which they apply and shall be modified as directed by the Registrar to meet other cases, or as the circumstances may require.

3. MANNER OF PAYMENT OF FEES

- (1) The payment of all fees payable to the Registrar in terms of the Act or these regulations, shall be effected by –
 - (a) affixing revenue stamps to the relevant document, which stamps may be cancelled by the Registrar or a Receiver of Revenue; or
 - (b) impressing a stamp on the relevant document by means of a die approved by the Commissioner for Inland Revenue.
- (2) No document in respect of which any fee is prescribed under these regulations, shall be complete unless proof of payment of the fee has been delivered to the Registrar.

4. EXEMPTION FROM PROVISIONS OF THE ACT (SECTION 2)

- (1) An application in terms of section 2 of the Act may be submitted to the Registrar by the company concerned or on its behalf by its representative and shall be submitted in the form of a letter which shall be signed by a director or officer of the company or by its representative, as the case may be.
- (2) The registration number, the situation of the registered office, the postal address, the name of the holding company, if any, and the names and residential addresses of the directors, of the company, shall be stated in the application.
- (3) The provision of the Act from which exemption is desired must be stated clearly and concisely in the application.
- (4) The reasons for the application advanced for consideration by the Registrar, shall be set out in the application in precise and appropriate detail.
- (5) A copy of the resolution by the company authorising the application, certified to be a true copy of the resolution by a director or officer of the company, shall accompany the application.

5. LODGING OF SPECIMEN OF USE AGREEMENT [SECTION 7(5)]

A specimen of the use agreement to be used by a company in connection with any share block scheme operated by it, shall in terms of section 7(5) of the Act, be lodged with the Registrar under cover of a letter addressed by the company concerned to the Registrar.

6. CONFIRMATION OF AN OBLIGATION [SECTION 12(3)]

- (1) Any application for confirmation by the Registrar of an obligation referred to in section 12(3) of the Act, may be submitted to the Registrar by the person concerned or by his representative and shall be submitted in the form of a letter which shall be signed by the person concerned or by his representative, as the case may be.
- (2) The following information shall be contained in the application –
 - (a) in respect of the company concerned –
 - (i) the name of the company;
 - (ii) its registration number;
 - (iii) the situation of its registered office;
 - (iv) its postal address;

- (v) the name of its holding company, if any;
 - (vi) the names of all its directors;
 - (vii) the classes and the numbers of issued shares in its share capital; and
 - (viii) the number of votes which may be exercised in respect of each such share.
- (b) in respect of the applicant –
- (i) the name and address of the applicant;
 - (ii) the number of shares in each class of the issued shares of the company, held by him;
 - (iii) a description of the provision under which he may appoint the majority of the directors of the company; and
 - (iv) the names of the directors appointed by the applicant; and
- (c) in respect of the obligation guaranteed by the applicant –
- (i) a description of the relevant obligation;
 - (ii) an indication as to whether the obligation is secured or unsecured;
 - (iii) the manner in which the obligation is to be discharged;
 - (iv) the period for which the obligation is to endure; and
 - (v) the name and business address of the person to whom the obligation is due.

- (3) The Registrar shall, after receipt of any application contemplated in this regulation, confirm the obligation concerned for such period and on such conditions as the Registrar deems fit.

7. PROOF OF CERTAIN MATTERS (ITEM 5 OF SCHEDULE 1 TO THE ACT)

- (1) Proof of any matter referred to in item 5 of Schedule 1 of the Act may, in so far as it may be applicable, be lodged with the Registrar by the company concerned or by its representative and shall be lodged in the form of a letter signed by a director or an officer of the company or by its representative, as the case may be.

- (2) The letter referred to in subregulation (1), shall contain a statement in respect of each of the matters referred to in item 5 of Schedule 1 of the Act, in so far as it may be applicable, and shall be accompanied by –
- (a) a specimen of the notices dispatched in terms of item 2(3) of the said Schedule;
 - (b) a list containing the names and addresses of the creditors of the company to whom such notices were dispatched;
 - (c) a list of the names and addresses of the persons, if any, by whom objection was lodged in terms of item 3 of the said Schedule;
 - (d) if any such objection was withdrawn, a copy of the written withdrawal of the objection;
 - (e) if any order was issued by a court under item 3(5) of the said Schedule, a copy of the order certified as a true copy of the order by the Registrar of the Court; and
 - (f) if any written undertaking was given by a mortgagee[sic] in respect of a mortgage bond, a copy of such undertaking.

8. INFORMATION AND STATEMENTS

No person shall, in or in connection with any document lodged with the Registrar in terms of the Act or these regulations, furnish any information or make any statement which is false in any material respect.

9. COMMENCEMENT

These regulations shall come into operation on 1 January 1981.

SCHEDULE 1 FEES

(THIS SCHEDULE OF FEES IS EFFECTIVE FROM 1 APRIL 1989)

The following fees shall be payable under the Act and these Regulations:

Payment shall be made as prescribed by regulation 3.

Item No.	Service	Fee payable
		R
1.	On application for exemption under section 2 of the Act	40,00
2.	On application for confirmation of an obligation under section 12(3) of the Act	80,00
3.	On application for extension of time under section 15(6) of the Act	100,00

(Schedule 1 amended by regulation 2 of Government Notice R772 in Government Gazette 9685 dated 4 April 1985)

(Schedule 1 substituted by Government Notice 541 in Government Gazette 10157 dated 27 March 1986)

(Schedule 1 substituted by Government Notice R416 in Government Gazette 11739 dated 10 March 1989)

**SCHEDULE 2
CERTIFICATE**

REPUBLIC OF SOUTH AFRICA

[Section 5(2) of the Share Blocks Control Act, 1980]

CERTIFICATE BY ARCHITECT OR LAND SURVEYOR

Name of company

Registration number of company.....

Registered postal address of company

Description of immovable property in respect of which share block scheme is to be operated

Name and address of the local authority in whose area of jurisdiction the property is situated

I, the undersigned,, hereby certify that –

(a) according to information furnished to me by the directors of the above company, a share block scheme is to be operated in respect of the above immovable property;

(b) erection of the relevant building on the immovable property was commenced on

(c) I have acquainted myself with –

(i) the laws relating to the erection of buildings upon the above immovable property; and

(ii) the building plans for the erection of a building upon the above immovable property;

(d) I have established that the relevant building plans were approved by the above local authority;

(e) I have inspected thoroughly the building upon the above immovable property; and

(f) in my opinion the building has been erected in accordance with the building plans approved by the above local authority.

Signature.....

Architect/Land surveyor

Name.....

Address.....

Telephone number.....

SCHEDULE 3
AUDITOR'S REPORT
REPUBLIC OF SOUTH AFRICA

[Section 15(6) of the Share Blocks Control Act, 1980]

AUDITOR'S REPORT TO REGISTRAR IN TERMS OF SECTION 15(6) OF THE SHARE BLOCKS CONTROL ACT, 1980

1. We have examined the books, records and accounting systems of (name of company)
Registration number of company.....
Registered postal address of company
for its financial year ended on....., to the extent we considered necessary for purposes of our examination.
2. In our opinion, based on our examination –
 - 2.1 the said company complied during the relevant period with the provisions of sections 15(1), (2), (3), (4) and (5) of the Act;
 - 2.2 on....., being the financial year end date, the total amount standing to the credit of the company –
 - 2.2.1 in the trust account of the company, opened in terms of section 15(1)(a) of the Act with a bank or building society;
 - 2.2.2 with a practitioner or an estate agent, in his capacity as such, and entrusted to him in terms of section 15(1)(b) of the Act; and
 - 2.2.3 in the savings or other interest-bearing account of the company, opened in terms of section 15(2) of the Act with a bank, building society or any other institution designated by the Minister;
together with any trust moneys which, according to the company's accounting records, were held by it as cash on hand [which moneys we have satisfied ourselves were dealt with in accordance with the provisions of sections 15(1) and (2) of the Act within a reasonable period, not exceeding seven days following receipt thereof], were sufficient to cover on the said date the balance in aggregate of the moneys paid by its members in respect of the liability referred to in section 14(3) of the Act less any redemption of loan obligations made in terms of section 15(4)(a) of the Act;
 - 2.3 any negotiable instrument deposited in terms of sections 15(1) and (2) of the Act before the date referred to in paragraph 2.2 which was not honoured has been subsequently honoured or made good;
 - 2.4 all transfers from trust or savings or other interest-bearing accounts and from accounts with a practitioner or an estate agent, in his capacity as such, kept in terms of sections 15 (1) and (2) of the Act were made in accordance with the provisions of sections 15(2) and (4)(a) of the Act, and the balance in aggregate remaining in such accounts, together with any trust moneys on hand, amounted to not less than the balance in aggregate of the moneys paid by its members in respect of the liability referred to in section 14(3) of the Act less any redemption of loan obligations made in terms of section 15(4)(a) of the Act;

- 2.5 all trust moneys on the said date not immediately required for any purpose, appear to have been invested in a savings or other interest-bearing account referred to in section 15(2) of the Act.

Signature.....

Auditor

Name.....

Address

Telephone number

General notice.- Any company which desires an exemption under section 2 of the Act or any person who desires a confirmation under section 12(3) of the Act, with effect from 1 January 1981, is required to lodge the relevant application with the Registrar, not later than 30 September 1980.

SCHEDULE 4
APPLICATION FOR EXTENSION OF TIME

REPUBLIC OF SOUTH AFRICA

Revenue stamp or revenue franking-machine impression—R30

(To be lodged in duplicate)

[Section 15 (6) of the Share Blocks Control Act, 1980]

**APPLICATION FOR EXTENSION OF TIME WITHIN WHICH TO SUBMIT THE AUDITOR'S REPORT IN
TERMS OF SECTION 15(6) OF THE SHARE BLOCKS CONTROL ACT, 1980**

Name of company

Registration number of company

Registered postal address of company

An extension of time from 19..... to

19..... is required within which to submit the auditor's report in respect of the above company in terms of
section 15(6) of the Share Blocks Control Act, 1980, for the financial year ended on

The grounds for requiring the extension are

Date

Signature

(Auditor)

Name

Address

.....

Extension granted until/Extension refused.

.....

Registrar of Companies

Date

(Not valid unless stamped by Registrar of Companies)

*(Schedule 4 inserted by regulation 3 of Government Notice R772 in Government Gazette 9685 dated 4 April
1985)*

Prepared by: