

MARK SILBERMAN AND ASSOCIATES

2020 COMPLIANCE CHECKLIST

KARDASHIAN INVESTMENTS (PTY) LTD
78051457832

Before the annual CIPC return can be submitted. CIPC now require a compliance checklist to be completed and lodged. This is compulsory for all PTY LTD's.

The Annual CIPC return cannot be lodged without the compliance checklist and the financial accountability return (CoR 30.2) first being submitted.

NOTE :

- ALL questions must be answered
- No is if your company "should have but did not comply"
- N/A is if your company "had no need to" or "does not apply"

1. Section 04 - Solvency and Liquidity test

Defines the solvency and liquidity test in detail which must be carried out when one of the following distributions have occurred. In order to understand these sections, you will need to understand the following in detail.

1. S46 distributions of any nature including dividends
2. S 44 financial assistance for shares
3. S 45 financial assistance to directors and group companies
4. S 47 capitalization of shares with a cash alternative seven
5. S 48 buyback of shares
6. S113 amalgamations and mergers

The solvency and liquidity must establish that the assets fairly valued exceed the liabilities on the day of the distribution and the company must be able to meet its cash flow commitments for the next 12 months.

Yes No N/A

fghsrtgn fgbn JFBF

2. Section 15 - Memorandum of Incorporation

Deals with the MOI, shareholders agreement and rules. It's important that shareholders agreements have been updated to comply with the new act and if there are rules that they have been properly published. Even if the company has an old MOI which was produced under the old act, the MOI is still valid except any articles in conflict with the new act.

If the old MOI is in place then there are two clauses that must be looked at and changed, the audit which still has to be done and the holding of an AGM which still has to be held.

Yes No N/A

3. Section 26 - Access to Company Records

Deals with the availability of records for inspection. Shareholders (someone who has a beneficial interest in shares) are entitled to request and view the following documents;

MOI, Shareholders minutes and communications; Financial Statements; Directors Register

Any other person is entitled to view and make copies of the share register. If the company is on an electronic secretarial system and can produce these reports on demand then this is fine and can be answered as Yes.

Yes No N/A

4. Section 27 - Financial Year End

Defines the rules for changes to year end. The year-end may be changed by the directors prior to a year end but not after and may not result in the year being longer than 15 months from the preceding year end.

If no change is made then mark as N/A. As a rule, this will always be N/A unless the yearend is changed.

Yes No N/A

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5. Section 28 - Accounting Records [X] Yes [] No [] N/A
Accounting records must be kept in the prescribed form and standards and be accessible easily from the registered office and by those entitled to view them. The accountant should advise on this compliance.
6. Section 29 - Financial Statements [X] Yes [] No [] N/A
If the company provides any Financial Statements they must be fairly presented and must not be false or misleading. There must be a prominent statement as to how the accounts were prepared. i.e. audited or not, financially reviewed etc. Accountants to advise.
7. Section 30 - Annual Financial Statements [X] Yes [] No [] N/A
Annual Financial Statements must be prepared for all companies within six months of the year end. Also deals with the requirement of the financials to be audited and if an AGM is to be held in terms of the Act or MOI. Owing to current workloads many companies may not be able to comply.
8. Section 32 - Use of Company Name and [X] Yes [] No [] N/A
A company must use its properly registered name in conformity with the registration certificate as issued by the CIPC. In no circumstances must the name be used to create a false impression and must appear on all company notices and documentation.
9. Section 33 - Annual CIPC Return [X] Yes [] No [] N/A
Every company and external company must file an annual return within the prescribed period after the end of the anniversary of the date of its incorporation, within 30 days of this date. Included in that return must be Annual Financial Statements if the company is audited and any other prescribed information. If the company is not audited then the Financial Accounting Supplement must be filed.
10. Section 44 - Financial Assistance for Shares [X] Yes [] No [] N/A
Subject to the MOI financial assistance for shares must be covered by a shareholder's resolution within the last two years, which must be for a specific purpose or within a category as specified. The solvency and liquidity test must be carried out by the directors and the provision of the financial assistance should be fair and reasonable to the company.
11. Section 45 - Loans or Financial Assistance to [X] Yes [] No [] N/A
Subject to the MOI financial assistance to a director or prescribed officer must be covered by a shareholder's resolution within the last two years, which must be for a specific purpose or within a category specified. The solvency and liquidity test must be carried out by the directors and the provision of the financial assistance should be fair and reasonable to the company. There are other requirements if the loan is 10% of 1% of the company's net worth.
12. Section 50 - Securities Register [X] Yes [] No [] N/A
The securities register must be kept in the prescribed form and must have all the details as specified in this section as well as the details contained in regulation 32 of the companies act.
13. Section 61 - Shareholders Meetings [X] Yes [] No [] N/A
A company which is a public company or where an audit is done an annual general meeting needs to be held. Direction must also be taken from the companies MOI. A shareholders meeting can be called by the directors or any two shareholders having 10% of the shares. It is important to have proper compliance for a shareholders meeting. Where there is a special resolution there will be a shareholders meeting and the answer to the question is Yes.

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14. Section 66 - Appointment of Board of Directors and Direction must be taken from the MOI and the companies act in in regard to appointment of directors, and the correct number of directors must have been appointed. Yes No N/A
15. Section 69 - Ineligible, Delinquent and Disqualified Make sure that all directors, alternative directors and prescribed officers are not disqualified or not ineligible and are not in probation. As a general rule this will be N/A. Yes No N/A
16. Section 70 - Board Vacancies Where the MOI has fixed term directors appointments and a director has vacated his/her office and the number of directors falls below the minimum number specified either in the MOI or in the rules, has the company made an additional appointment to cover the vacancy. Where there is a vacancy the answer will be N. Yes No N/A
17. Section 71 - Removal of Directors Where there has been a removal of a director either by directors' resolution or a shareholder's resolution or by someone named in the MOI have all the requirements been complied with. It is important to note new guides on the CIPC website. Yes No N/A
18. Section 86 - Mandatory Appointment of Secretary A Public company or State-owned company requires the appointment of a company secretary with the requisite knowledge in compliance, company law and governance. A private company may elect to have a company secretary. As a general rule this will be N/A in most private companies. Yes No N/A
19. Section 90 - Appointment of Auditor A Public company, a State-owned company, or a Private company that has the specified the requirement for an audit in the MOI or has the required public interest score appointed a qualified registered auditor to the company. Yes No N/A
20. Section 92 - Rotation Of Auditors The same individual or designated firm may not serve the company for more than five consecutive years. Yes No N/A
21. Section 94 - Audit Committees Has a Public company or State-Owned company or Private company required by its MOI appointed an audit committee in terms of this section. Yes No N/A
22. Regulation 21 - Registered Office If there has been a change to the Company's registered address, was the CIPC notified within the required period of time? Yes No N/A
23. Regulation 43 - Social and Ethics Committee Has a social and ethics committee been appointed in compliance with this regulation to a listed company, state-owned company or other company with a PI score in excess of 500 for any of the 2 preceding 5 years, and such company is not exempt from the requirements of this regulation? Yes No N/A

Date : _____

Name and Surname

Signature