

GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with a solid line indicate insertions in existing enactments.

 (English text signed by the President)
 (Assented to 25 July 2024)

ACT

To amend the Companies Act, 2008, so as to amend the time bars, in respect of proceedings to recover any loss, damages or costs for which a person may be held liable in terms of section 77 of the Companies Act; to amend the time bar for the bringing of an application to declare a person delinquent or under probation in terms of section 162(2) and (3) of the Companies Act; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 77 of Act 71 of 2008, as amended by section 49 of Act 3 of 2011

1. Section 77 of the Companies Act, 2008 (Act No. 71 of 2008), (hereinafter referred to as the “principal Act”), is hereby amended by the substitution for subsection (7) of the following subsection: 5

- “(7) In relation to the proceedings to recover any loss, damages or costs for which a person is or may be held liable in terms of this section—
- (a) the Prescription Act, 1969 (Act No. 68 of 1969) does not apply; 10
 - (b) subject to paragraph (c), such proceedings may not be commenced more than three years after the act or omission that gave rise to that liability; and
 - (c) the court may, on good cause shown, extend the period referred to in paragraph (b) regardless of whether— 15
 - (i) such period has expired or not; or
 - (ii) the act or omission that resulted in the loss, damages or costs contemplated in this section, occurred prior to the promulgation of the Companies Second Amendment Act, 2024 (Act No. 17 of 2024).”.

Amendment of section 162 of Act 71 of 2008, as amended by section 101 of Act 3 of 2011 20

2. Section 162 of the principal Act is hereby amended—
- (a) by the substitution in subsection (2) for paragraph (a) of the following paragraph: 25
 - “(a) the person is a director of that company or, subject to subsection (2A), within the [24] 60 months immediately preceding the application, was a director of that company; and”;

- (b) by the insertion after subsection (2) of the following subsection:
 - “(2A)(a) The court may, on good cause shown, extend the period contemplated in subsection (2)(a) in respect of any of the circumstances contemplated in subsection (2)(b) regardless of whether—
 - (i) such period has expired or not; or
 - (ii) the circumstances occurred prior to the promulgation of the Companies Second Amendment Act, 2024 (Act No. 17 of 2024).”.
- (c) by the substitution in subsection (3) for paragraph (a) of the following paragraph:
 - “(a) the person is a director of a company or, subject to subsection (3A), within the [24] 60 months immediately preceding the application, was a director of a company; and”;
- (d) by the insertion after subsection (3) of the following subsection:
 - “(3A)(a) The court may, on good cause shown, extend the period contemplated in subsection (3)(a) in respect of any of the circumstances contemplated in subsection (3)(b) regardless of whether—
 - (i) such period has expired or not; or
 - (ii) the circumstances occurred prior to the promulgation of the Companies Second Amendment Act, 2024 (Act No. 17 of 2024).”.

Short title and commencement 20

3. This Act is called the Companies Second Amendment Act, 2024, and comes into operation on a date to be fixed by the President by proclamation in the *Gazette*.