



# MoneyTalk

## Annual Returns for CC's

### Another admin burden for small business

OWNERS of small businesses will not be pleased to hear that another administrative burden had been placed on their shoulders with effect from 1 May 2008. Now, for the first time, the Registrar of close corporations is also demanding an annual return from CCs.

In a recent *e-bizzline*, Grant Thornton Johannesburg partner, David Nathan, provided details regarding the submission of annual returns in line with the Close Corporation Act 69 of 1984.

#### 1. Who must submit annual returns?

In terms of the Act, all close corporations must submit annual returns.

#### 2. What is the submission date for returns?

Annual returns must be submitted from 1 May 2008. However, annual returns must be lodged within the anniversary month of the close corporation's official incorporation up until the end of the month following its anniversary month.

For example, if a close corporation was registered in July 2007, then that organisation has until the end of August 2008 to submit its return.

#### 3. What is the purpose of annual returns?

The Registrar of close corporations needs to determine whether a close corporation is still in business and to determine whether he is possession of the latest information pertaining to that business.

#### 4. What will happen if I fail to lodge an annual return?

If a close corporation fails to lodge and pay for its annual returns for a period of more than six months, the Registrar may conclude that the close corporation is no longer doing business and advise that it be deregistered.

#### 5. How are annual returns submitted?

Annual returns must be lodged on payment of the prescribed fee, in electronic format, on CIPRO's website, [www.cipro.co.za](http://www.cipro.co.za), as stipulated by the Close Corporations Administrative Regulations.

#### 6. What are the costs involved?

- Turnover of less than R50 000 000 attracts a R100 fee
- Turnover greater than R50 000 000 attracts a R4 000 fee
- The penalty fee for late submissions is R150

The Close Corporation Act and the Close Corporation Administrative Regulations is available on CIPRO's website.

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*Copied from a Tax Breaks publication by Kathy Thersby*

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