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DEREGISTRATION OF A COMPANY

It is important to note that a company can't conduct business if its status at the CIPC is "in deregistration" or "final deregistration" or if the company is in liquidation.

Reasons for deregistration are:

1. The company has failed to file an annual return
2. The company appears to have been inactive for at least seven years
3. Voluntary deregistration

For such a company to sell or purchase property, its status at the CIPC must be restored to "in business".

In the next week's article the process to reinstate a company will be discussed.

Depending on if the entity has been provisionally or finally deregistered, the reinstatement process can take approximately 6-12 weeks, which is why it is very important to verify an entity's CIPC status at the very beginning of the transaction.