



fn inc

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DISPOSAL OF THE WHOLE OR GREATER PART OF THE ASSETS OF A COMPANY

When the seller of immovable property is a company or a close corporation, and the company or close corporation disposes of the whole or the major part of its assets (for instance when a company / cc having only one asset being its immovable property sells that property) remember that compliance with the following provisions are necessary:

1. If the seller is a company, section 228 of the Companies Act requires that a special resolution by the shareholders of the company be passed in order to dispose of the whole of the major part of the assets of the company.

Remember that a special resolution by shareholders has to be registered with the Companies office. For a detailed list of the requirements view the following link:

http://www.ghostdigest.co.za/code/A_1568.html

2. If the seller is a close corporation, note that section 46 (b) (ii) of the Close Corporation Act 69 of 1984 determines that written consent of the member/s holding at least 75% of the members interest in the close corporation is required.

Therefore ensure that the required consents and proper resolutions are obtained prior to the disposal.

Although care has been taken to ensure the accuracy of the above information, FN Inc and its members, employees, agents and representatives cannot be held liable for any loss suffered, as a result of the use of this information.

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