



Companies and Intellectual
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Status of Business Rescue Proceedings in South Africa

30 June 2022

Purpose of the Business Rescue Proceedings Report:

The purpose of this report is to provide a statistical overview of the status of business rescue proceedings within South Africa based on applications submitted to the Companies and Intellectual Property Commission.

The report below covers the period of 1 May 2011 (inception of Chapter 6 of the Companies Act, 2008) to 30 June 2022. This report does not provide statistical comparisons with previous years. For the yearly comparisons, refer to previous reports.

*Notes to report:

- For purposes of determining the volume of proceedings started, invalid filings are disregarded since in such instances the proceedings never commenced.

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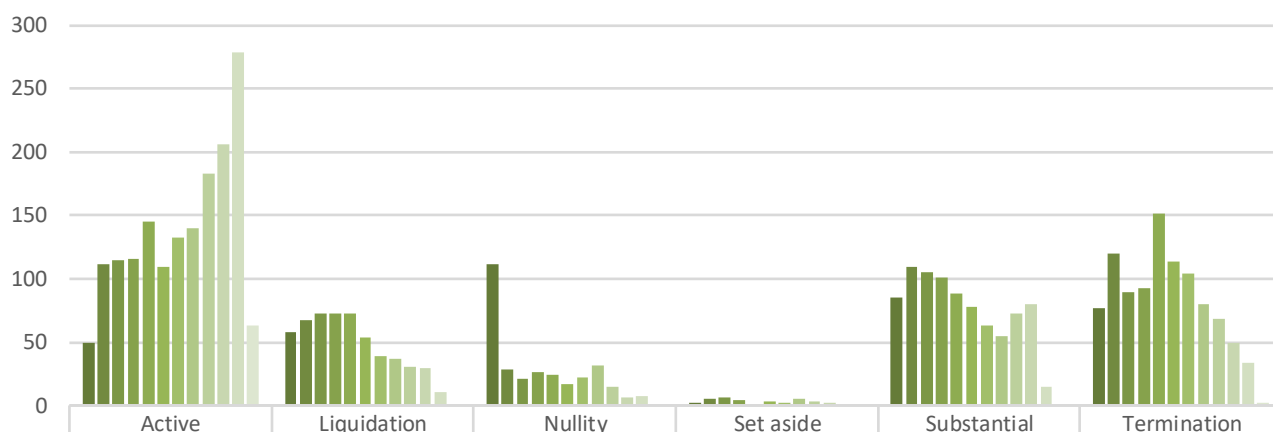
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1. Business Rescue Proceedings Status:

The below table reflects the status of commenced business rescue proceedings from inception of business rescue on 1 May 2011 to 30 June 2022.

Count of Status of BR Proceedings	Status												Grand Total
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	
Status of Proceedings													
Active	50	111	115	116	145	109	132	140	183	206	279	63	1649
Liquidation	58	67	73	73	73	54	39	37	31	30	11		546
Nullity	111	28	21	26	24	17	22	32	15	6	8		310
Set aside	2	5	6	4		3	2	5	3	2			32
Substantial	85	109	105	101	88	78	63	55	73	80	15		852
Termination	77	120	89	93	151	114	104	80	68	49	34	2	981
Grand Total	383	440	409	413	481	375	362	349	373	373	347	65	4370

Count of Status of BR Proceedings



	Active	Liquidation	Nullity	Set aside	Substantial	Termination
2011-2012	50	58	111	2	85	77
2012-2013	111	67	28	5	109	120
2013-2014	115	73	21	6	105	89
2014-2015	116	73	26	4	101	93
2015-2016	145	73	24		88	151
2016-2017	109	54	17	3	78	114
2017-2018	132	39	22	2	63	104
2018-2019	140	37	32	5	55	80
2019-2020	183	31	15	3	73	68
2020-2021	206	30	6	2	80	49
2021-2022	279	11	8		15	34
2022-2023	63					2

Status of BR Proceedings



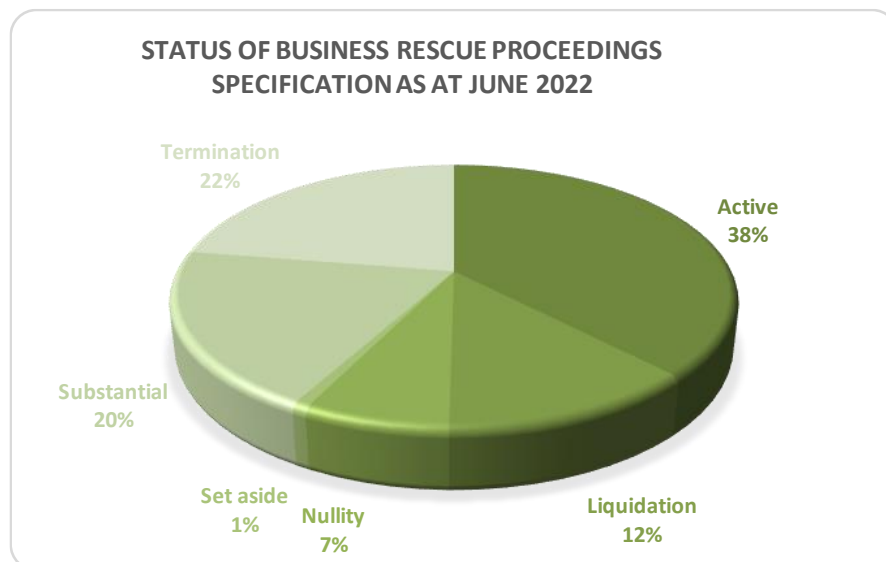
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From the 4370 cases (invalid filings are not included since the proceedings never commenced) for which business rescue proceedings commenced: -

- 310 proceedings were declared a nullity;
- 982 proceedings were terminated by way of filing a Notice of Termination (CoR125.2);
- 852 proceedings were substantially implemented by way of filing a Notice of Substantial Implementation (CoR125.3);
- 546 proceedings ended up directly in liquidation;
- 32 proceedings the court set aside the business rescue proceedings; and
- 1648 proceedings are still in business rescue.

Graph 1 indicates the percentage comparison between the different statuses of commenced business rescue proceedings from inception up until 30 June 2022.



2. Business Rescue Proceedings Started Per Category of Entity:

The below table indicates the volume of commenced business rescue proceedings for each entity category.

Count of Category Type	Column Labels												Grand Total
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	
Category Type													
Public	53	9	7	8	5	3	2	2	1	5	2	1	98
Private	240	281	257	266	297	238	252	265	299	299	273	52	3019
Not For Profit		3		2	1	2	2	1	1			1	13
Incorporated/Limited Liability			2		1	2	1		1	1	1	1	10
Close Corporation	90	147	143	137	177	130	105	81	70	68	69	10	1227
State Owned									1		2		3
Grand Total	383	440	409	413	481	375	362	349	373	373	347	65	4370

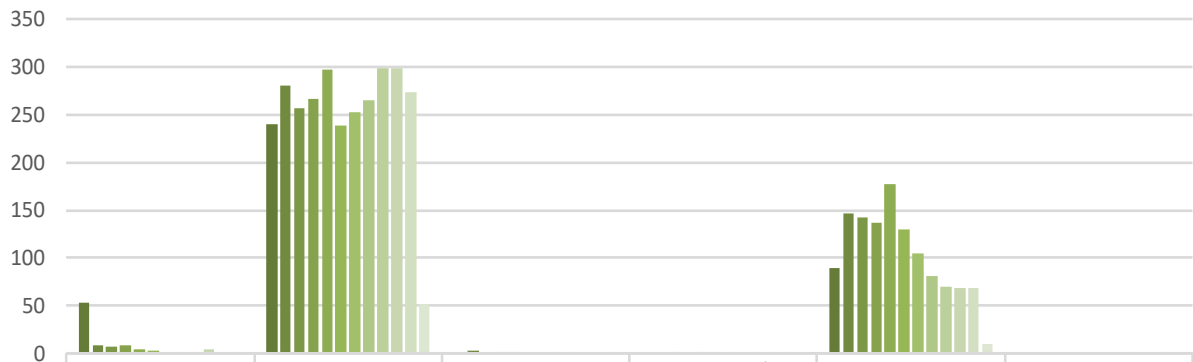
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Status of BR Proceedings ▾

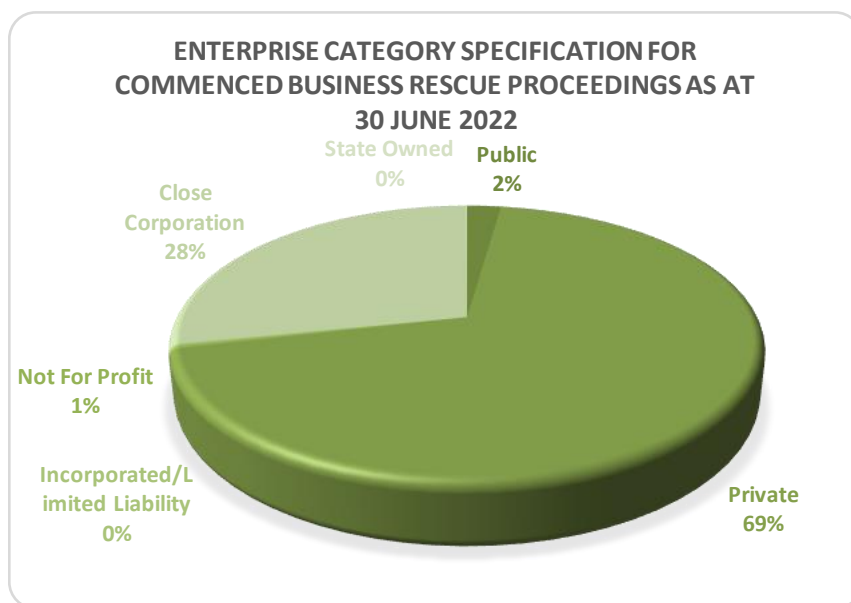
Count of Category Type



	Public	Private	Not For Profit	Incorporated/Limited Liability	Close Corporation	State Owned
2011-2012	53	240			90	
2012-2013	9	281	3		147	
2013-2014	7	257		2	143	
2014-2015	8	266	2		137	
2015-2016	5	297	1	1	177	
2016-2017	3	238	2	2	130	
2017-2018	2	252	2	1	105	
2018-2019	2	265	1		81	
2019-2020	1	299	1	1	70	1
2020-2021	5	299		1	68	
2021-2022	2	273		1	69	2
2022-2023	1	52	1	1	10	

Category Type ▾

Graph 2 indicates the percentage comparison for the different entity categories of commenced business rescues.



Business rescue is mostly utilized by private companies. 69% of entities applying for business rescue are private companies while only 28% are close corporations.



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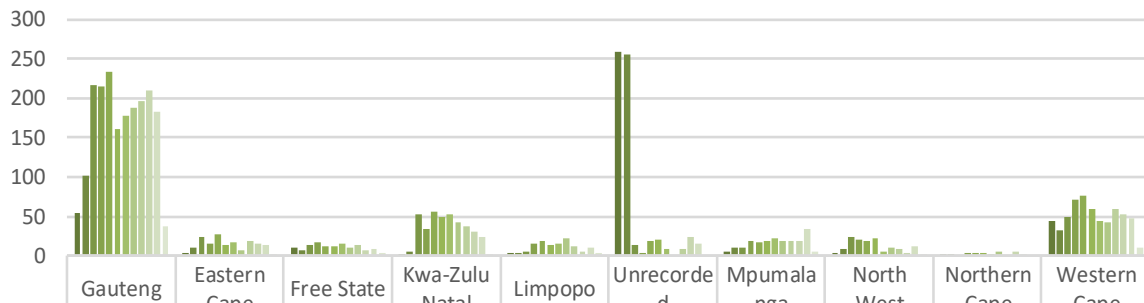
3. Business Rescue Proceedings Started Per Province:

The below table and graph 3 indicate the volume of commenced business rescue proceedings for each of the nine provinces.

Province	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Grand Total
Gauteng	54	102	216	215	234	160	178	188	197	210	182	38	1974
Eastern Cape	3	11	24	15	28	14	17	7	19	16	13	1	168
Free State	11	7	14	17	12	12	16	10	13	7	8	4	131
Kwa-Zulu Natal	1	6	52	34	56	50	53	43	37	30	24	2	388
Limpopo	3	4	6	15	18	13	16	23	12	6	10	4	130
Unrecorded	258	256	14	4	19	21	8		9	24	15		628
Mpumalanga	5	10	10	18	17	18	22	19	19	19	34	5	196
North West	3	9	24	21	18	23	6	11	8	4	12	1	140
Northern Cape	1	2		3	3	4	2	6		5	2		28
Western Cape	44	33	49	71	76	60	44	42	59	52	47	10	587
Grand Total	383	440	409	413	481	375	362	349	373	373	347	65	4370

Status of BR Proceedings

Count of Province



	Gauteng	Eastern Cape	Free State	Kwa-Zulu Natal	Limpopo	Unrecorded	Mpumalanga	North West	Northern Cape	Western Cape
2011-2012	54	3	11	1	3	258	5	3	1	44
2012-2013	102	11	7	6	4	256	10	9	2	33
2013-2014	216	24	14	52	6	14	10	24		49
2014-2015	215	15	17	34	15	4	18	21	3	71
2015-2016	234	28	12	56	18	19	17	18	3	76
2016-2017	160	14	12	50	13	21	18	23	4	60
2017-2018	178	17	16	53	16	8	22	6	2	44
2018-2019	188	7	10	43	23		19	11	6	42
2019-2020	197	19	13	37	12	9	19	8		59
2020-2021	210	16	7	30	6	24	19	4	5	52
2021-2022	182	13	8	24	10	15	34	12	2	47
2022-2023	38	1	4	2	4		5	1		10

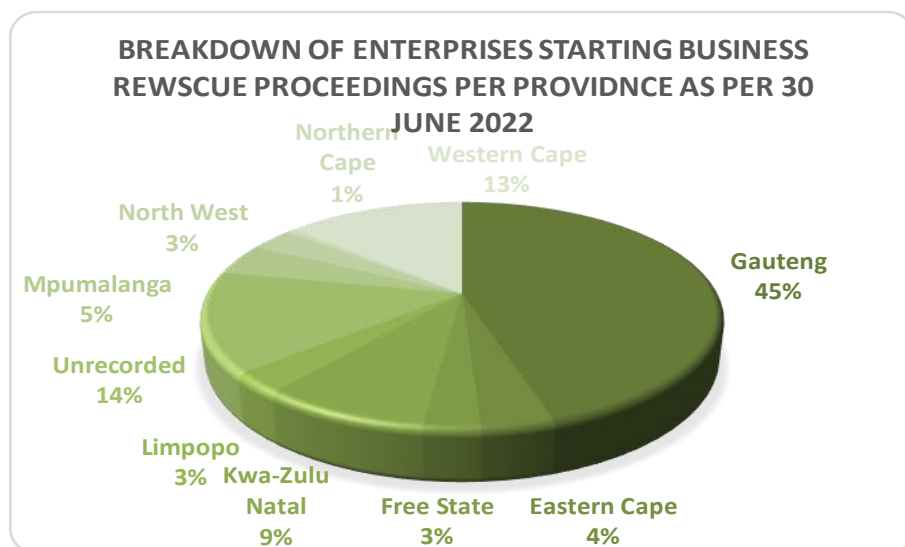
Province

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Graph 3 reflects the overall breakdown for each of the nine provinces as from inception of business rescue expressed as a percentage.



4. Notice of Termination (CoR125.2) Filed:

The below table indicates the volume of CoR125.2 filed for commenced business rescue proceedings. It should be noted that a CoR125.2 may be received during a specific financial year but the filing of the document will be recorded against the year for which the business rescue proceedings commenced. Example, the CoR125.2 may be filed January 2015 but the proceedings commenced during the 2011-2012 financial year and therefore the CoR125.2 will be recorded against the 2011-2012 financial year in the below table.

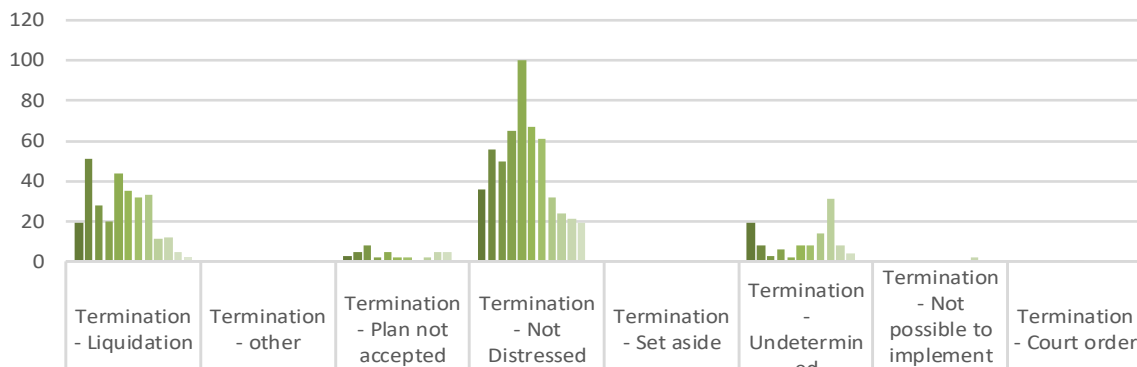
Termination Specification	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Grand Total
Termination - Liquidation	19	51	28	20	44	35	32	33	11	12	5	2	292
Termination - other											1		1
Termination - Plan not accepted	3	5	8	2	5	2	2	1	2	5	5		40
Termination - Not Distressed	36	56	50	65	100	67	61	32	24	21	19		531
Termination - Set aside						1				1			2
Termination - Undetermined	19	8	3	6	2	8	8	14	31	8	4		111
Termination - Not possible to implement plan										2			2
Termination - Court order						1	1						2
Grand Total	77	120	89	93	151	114	104	80	68	49	34	2	981



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Status Detail



	Termination - Liquidation	Termination - other	Termination - Plan not accepted	Termination - Not Distressed	Termination - Set aside	Termination - Undetermined	Termination - Not possible to implement plan	Termination - Court order
2011-2012	19		3	36		19		
2012-2013	51		5	56		8		
2013-2014	28		8	50		3		
2014-2015	20		2	65		6		
2015-2016	44		5	100		2		
2016-2017	35		2	67	1	8		1
2017-2018	32		2	61		8		1
2018-2019	33		1	32		14		
2019-2020	11		2	24		31		
2020-2021	12		5	21	1	8	2	
2021-2022	5	1	5	19		4		
2022-2023	2							

Subcategory of BR Status

*Notes:

Termination – Undetermined = reason for termination not specified

Termination – Liquidation = BRP terminates proceedings in order for entity to start liquidation proceedings

Termination – Not distressed = BRP terminates proceedings due to the fact that entity is not financially distressed

Termination – Plan not accepted = BRP notifies CIPC that plan was not accepted and no further action was taken by an affected person to extend the proceedings

Termination – Other = Is for terminations whereby the BRP notifies CIPC that proceedings are being terminated but does not fall within the main reasons e.g. BRP terminates for personal reasons, that he is removing/resigning himself from the matter due to director deviating from plan, business can trade itself out of distress.

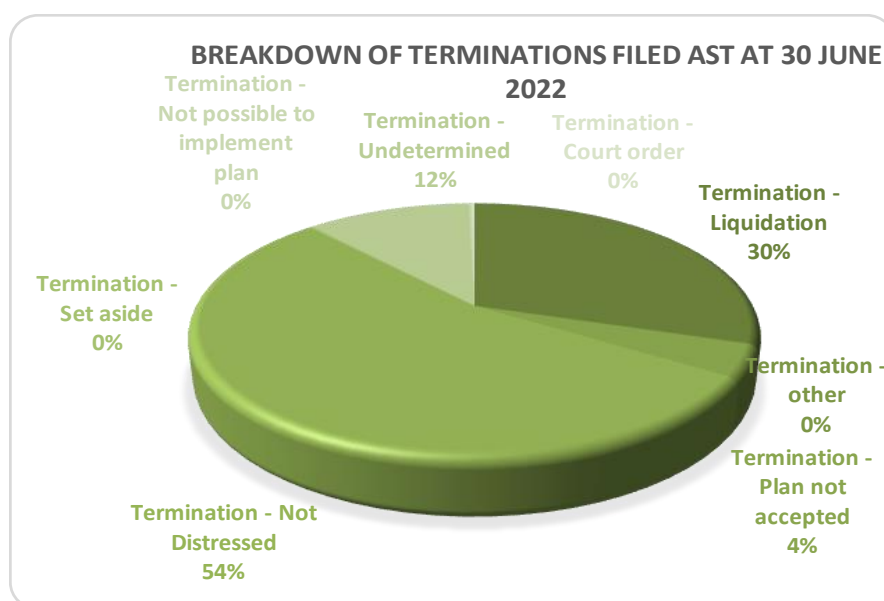
Termination – Court Order = BRP approached the courts for an order terminating the business rescue since the proceedings commenced by order of court

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Graph 4 reflects the overall breakdown of the main reasons for terminations submitted as at 30 June 2022.



5. Age analysis on Terminations (CoR125.2) and Substantial Implementations (CoR125.3) filed:

Substantial / Termination	Average of Age Analysis	Sum of Age Analysis - 2 months or less	Sum of Age Analysis - 3 months	Sum of Age Analysis - 4 months	Sum of Age Analysis - 5 months	Sum of Age Analysis - 6 months or less
Substantial	18.79	37	25	28	33	729
2011-2012	23.85	1	0	2	0	82
2012-2013	16.60	7	4	4	7	87
2013-2014	18.32	9	4	5	1	86
2014-2015	23.56	1	2	3	6	89
2015-2016	21.21	8	4	1	6	69
2016-2017	19.83	2	3	4	4	65
2017-2018	20.30	1	1	1	3	57
2018-2019	15.52	1	3	3	0	48
2019-2020	13.89	5	1	3	2	62
2020-2021	14.96	2	1	2	3	72
2021-2022	7.20	0	2	0	1	12
Termination	13.91	230	53	65	52	581
2011-2012	24.42	11	3	3	2	58
2012-2013	19.83	32	1	17	4	66
2013-2014	16.88	21	1	4	5	58
2014-2015	16.22	21	3	4	4	61
2015-2016	12.51	19	10	7	17	98
2016-2017	13.01	27	7	3	5	72
2017-2018	11.17	26	8	8	8	54
2018-2019	10.49	18	5	7	2	48
2019-2020	8.57	23	2	5	1	37
2020-2021	6.04	14	5	4	3	23
2021-2022	3.56	16	8	3	1	6
2022-2023	1.00	2	0	0	0	0
Grand Total	16.17	267	78	93	85	1310



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6. Substantial Implementations (CoR125.3) filed:

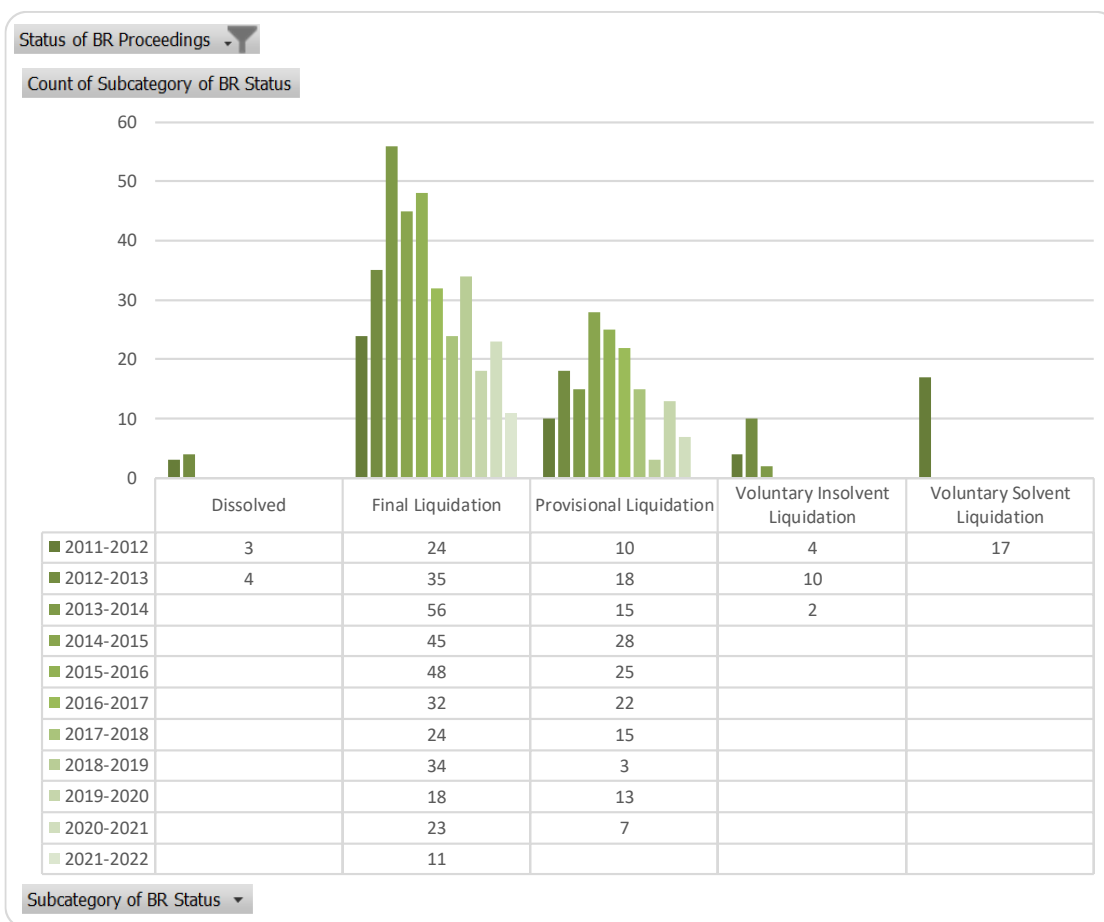
		2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	Grand Total	
Substantial	2011-2012												
Substantial		85	109	105	101	88	78	63	55	73	80	15	852
Grand Total		85	109	105	101	88	78	63	55	73	80	15	852

7. Liquidation Documents Filed:

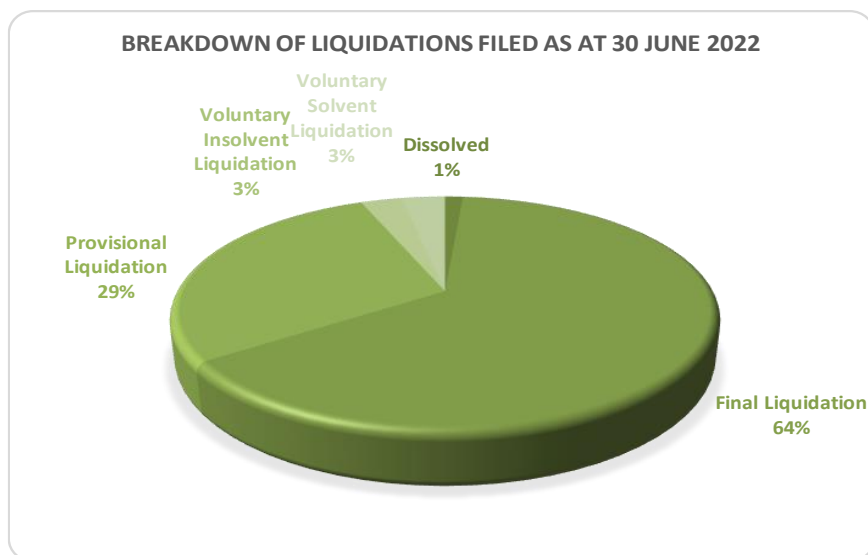
The below table indicates the volume of liquidation applications and court orders filed for entities which commenced business rescue proceedings without the proceedings being terminated or business rescue plan being substantially implemented. It should be noted that a liquidation application or court order may be received during a specific financial year but the filing of the document will be recorded against the year for which the business rescue proceedings commenced. Example, the liquidation application may be filed January 2015 but the proceedings commenced during the 2011-2012 financial year and therefore the liquidation application will be recorded against the 2011-2012 financial year in the below table

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Grand Total
Liquidation Specification												
Dissolved	3	4										7
Final Liquidation	24	35	56	45	48	32	24	34	18	23	11	350
Provisional Liquidation	10	18	15	28	25	22	15	3	13	7		156
Voluntary Insolvent Liquidation	4	10	2									16
Voluntary Solvent Liquidation	17											17
Grand Total	58	67	73	73	73	54	39	37	31	30	11	546

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Graph 5 reflects the overall breakdown of liquidations filed for commenced business rescue proceedings up until 30 June 2022.



8. **Nullities filed:**

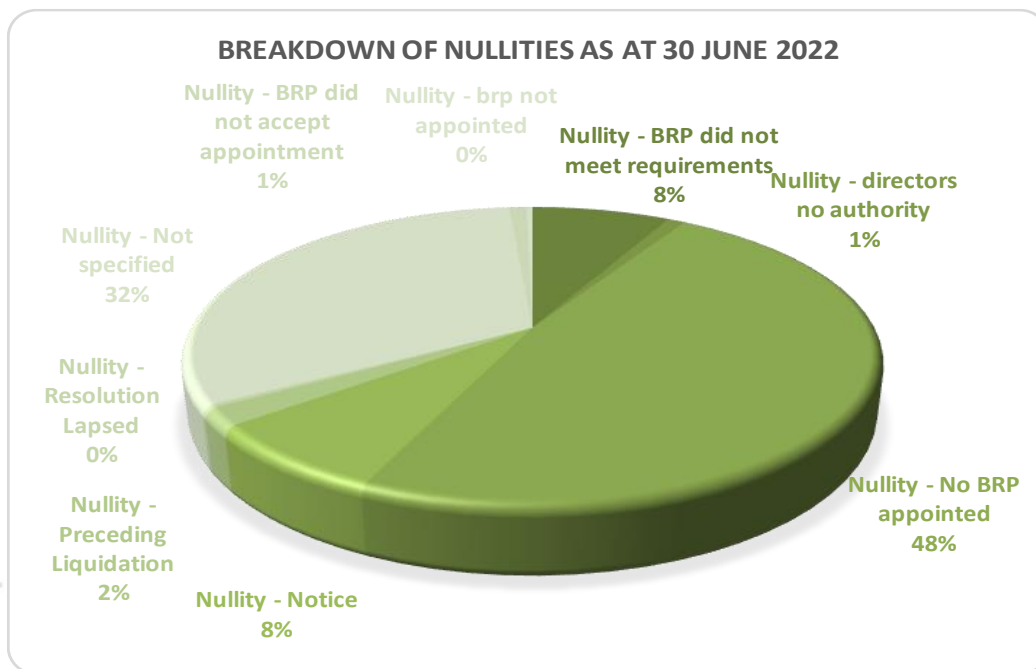
From the 4370 business rescue proceedings which commenced, 310 was declared a nullity. Therefore, 7,09% of all commenced proceedings ended in a nullity.



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Nullity Specification	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	Grand Total
Nullity - BRP did not meet requirements								23			1	24
Nullity - directors no authority			2							1		3
Nullity - No BRP appointed	68	10	7	3	14	11	16	8	6	4	2	149
Nullity - Notice	1	4	6	6	4		2				1	24
Nullity - Preceding Liquidation				1	2		2			1		6
Nullity - Resolution Lapsed				1								1
Nullity - Not specified	42	14	6	15	4	6	2	1	9			99
Nullity - BRP did not accept appointment											3	3
Nullity - brp not appointed											1	1
Grand Total	111	28	21	26	24	17	22	32	15	6	8	310

Graph 6 indicates the breakdown of the reasons for nullities up until 30 June 2022.



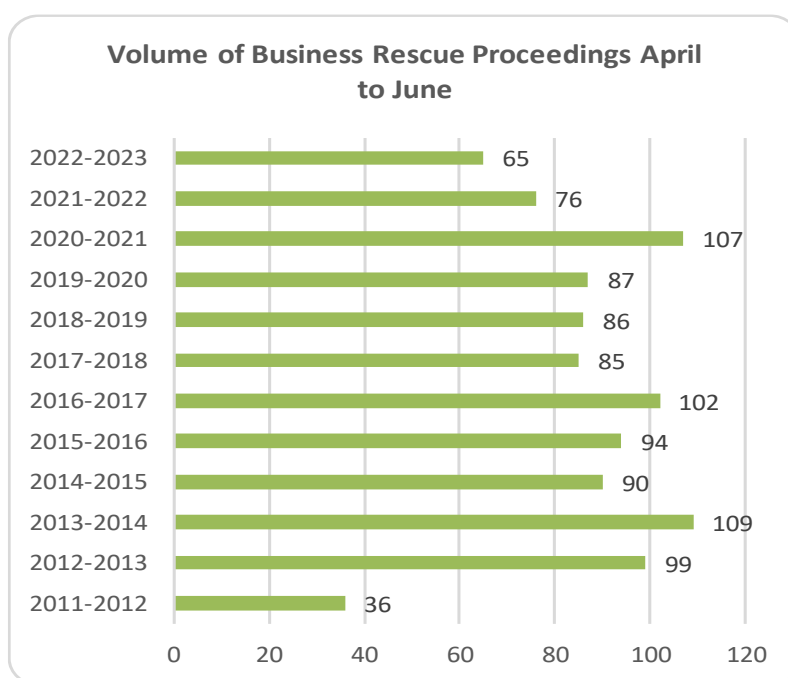
9. Total Recorded Matters:

The below table reflects the volume of commenced business rescue proceedings from inception of business rescue up until 30 June 2022.

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Year/Month	April	May	June	July	August	September	October	November	December	January	February	March	Grand Total
2011-2012	2	7	27	16	33	66	21	35	48	60	39	29	383
2012-2013	32	44	23	21	57	53	46	49	18	18	37	42	440
2013-2014	31	44	34	43	44	29	47	28	9	36	34	30	409
2014-2015	23	34	33	31	54	35	43	34	25	28	24	49	413
2015-2016	40	32	22	67	55	35	57	51	16	20	47	39	481
2016-2017	27	40	35	39	41	29	33	33	21	19	28	30	375
2017-2018	16	27	42	26	33	35	32	46	19	25	31	30	362
2018-2019	18	41	27	39	29	30	22	18	20	26	48	31	349
2019-2020	28	26	33	35	27	31	36	29	11	26	47	44	373
2020-2021	18	59	30	44	16	36	30	33	14	30	30	33	373
2021-2022	20	38	18	18	37	51	32	33	10	22	21	47	347
2022-2023	19	23	23										65
Grand Total	274	415	347	379	426	430	399	389	211	310	386	404	4370

Graph 7 reflects the overall breakdown of the volume of new matters recorded for each financial year. There is a clear decrease in new matters being reported compared with the previous two reporting periods.



Graph 8 reflects the difference between proceedings commencing by board resolution and court order. It should be noted that it is only after the introduction of the electronic filing platform for business rescue proceedings that this distinction is being stored. The electronic platform was introduced June 2021.

Application v Court Order	April	May	June	July	August	September	October	November	December	January	February	March	Grand Total
2021-2022	20	38	18	18	37	51	32	33	10	22	21	47	347
CoR123.1		7	14	18	35	46	29	30	8	21	20	38	266
Court Order			2		2	5	3	3	2	1	1	9	28
Not captured	20	31	2										53
2022-2023	19	23	23										65
CoR123.1	18	21	21										60
Court Order	1	2	2										5
Grand Total	39	61	41	18	37	51	32	33	10	22	21	47	412

Table below reflects the volume of new liquidation matters being reported compared with the volume of new business rescue proceeding matters.



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Financial year v Process	Sum of April	Sum of May	Sum of June
2020-2021	29	301	233
Co and CC New Business Rescue Proceedings	29	30	33
Co and CC New Liquidation Court orders	0	37	20
Co and CC New Liquidation Matters	0	234	180
2021-2022	248	300	236
Co and CC New Business Rescue Proceedings	20	38	18
Co and CC New Liquidation Court orders	18	34	21
Co and CC New Liquidation Matters	210	228	197
2022-2023	259	292	259
Co and CC New Business Rescue Proceedings	19	23	23
Co and CC New Liquidation Court orders	39	51	32
Co and CC New Liquidation Matters	201	218	204
Grand Total	536	893	728

*Notes: Co and CC New Liquidation Court Orders is the total number of court orders in terms of which companies and close corporations are placed into either provisional or final liquidation. It does not distinguish between liquidation court orders in terms of which business rescue proceedings were discontinued and company or close corporation placed into liquidation.

10. **Business Rescue Proceedings Started Per Industry:**

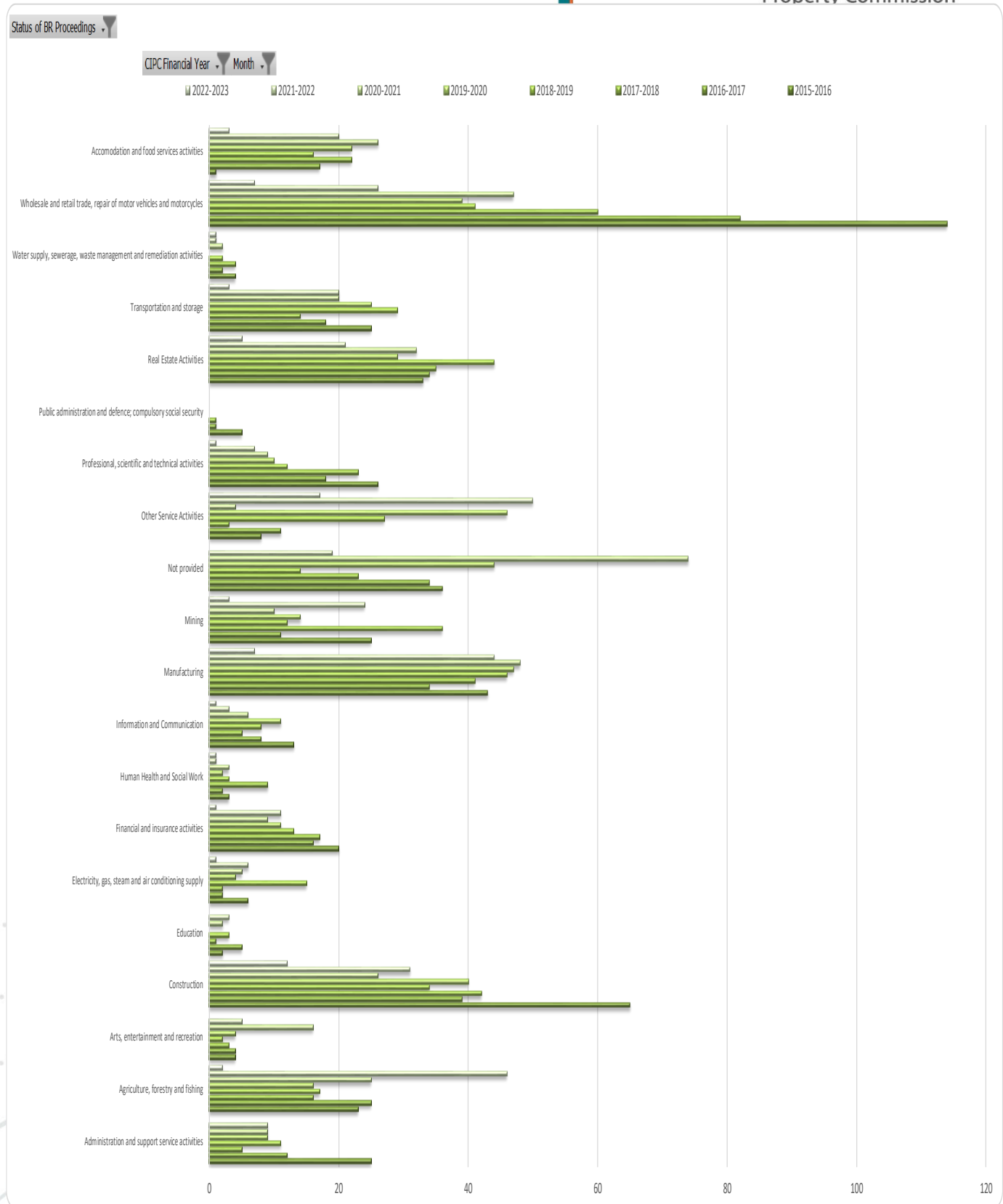
The below table indicates the volume of commenced business rescue proceedings for each of the classified industries.

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Description of Principle Business	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Grand Total
Administration and support service activities	25	12	5	11	9	9	9		80
Agriculture, forestry and fishing	23	25	16	17	16	25	46	2	170
Arts, entertainment and recreation	4	4	3	2	4	16	5		38
Construction	65	39	42	34	40	26	31	12	289
Education	2	5	1	3		2	3		16
Electricity, gas, steam and air conditioning supply	6	2	2	15	4	5	6	1	41
Financial and insurance activities	20	16	17	13	11	9	11	1	98
Human Health and Social Work	3	2	9	3	2	3	1	1	24
Information and Communication	13	8	5	8	11	6	3	1	55
Manufacturing	43	34	41	46	47	48	44	7	310
Mining	25	11	36	12	14	10	24	3	135
Not provided	36	34	23	14	44	74	19		244
Other Service Activities	8	11	3	27	46	4	50	17	166
Professional, scientific and technical activities	26	18	23	12	10	9	7	1	106
Public administration and defence; compulsory social security	5	1	1						7
Real Estate Activities	33	34	35	44	29	32	21	5	233
Transportation and storage	25	18	14	29	25	20	20	3	154
Water supply, sewerage, waste management and remediation activities	4	2	4	2		2	1	1	16
Wholesale and retail trade, repair of motor vehicles and motorcycles	114	82	60	41	39	47	26	7	416
Accommodation and food services activities	1	17	22	16	22	26	20	3	127
Grand Total	481	375	362	349	373	373	347	65	2725



Graph 9 indicates the consolidated percentage contribution of business rescue proceedings for each industry. Companies and Intellectual Property Commission



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***Notes:**

As from 1 August 2014 the primary industry within which the entity is conducting business is recorded. No information available on industry prior to such date.