

South African Corporate Law Reform

There is an overwhelming and undeniable need to review and modernise South African company law and to bring it in line with international trends that reflect and accommodate the changing environment for business, both in South Africa and globally. The South African Companies Act of 1973, is 30 years old and has not been subjected to a comprehensive review to reflect fundamental global and internal developments since then.

Corporate structures and financial instruments have undergone significant developments since 1970. Globalisation, electronic communications, sensitivity to social and ethical concerns, competition for capital, goods and services, have all been on the increase, and still rising. There is a growing recognition by the private and public sectors that there is a need for higher standards of corporate governance and ethics and greater interdependence between enterprises and the societies in which they operate for the benefit not only of investors, but of all stakeholders. The rise in international trade and foreign investment since 1994 has made necessary the harmonisation and modernisation of company law, as well as the need to make specific provision for foreign companies to operate in South Africa.

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