

CLOSING A BUSINESS OR COMPANY (DEREGISTRATION)

What is it?

When closing a business/company, this means it's ceasing to operate either due to:

- Deregistration or
- Liquidation

What is deregistration of a business/company?

When a business/company deregisters with the Companies and Intellectual Property Commission (CIPC), it implies the business/company is no longer registered and has no legal standing since it's not doing any business nor have assets or liabilities.

What is liquidation?

When a business/company undergoes a voluntary or compulsory liquidation (also known as the "winding – up" of a business/company) it involves the process of selling all the assets, paying off creditors, issuing any remaining assets to the main or parent company, and then simply closing the business/company.

Liquidation or the "winding –up" of a business/company may happen:

- When a business/company is unable to pay its debts
- As a result of a legal court process
- By application of the creditors
- Voluntary, i.e. applied for by members of a Close Corporation (CC)
- When the business owner decides to do something different, or even perhaps retires for a well-earned rest

What steps should be followed when closing a business/company?

Once a business/company receives confirmation from CIPC they have been deregistered, the registered representative should visit their nearest [SARS branch](#) and make sure the business or company is deregistered for all the various types of tax.

For more information on deregistration from SARS, see the following:

Employers – [Guide for employers in respect of Employees' Tax](#)

Micro Businesses – [Turnover Tax \(TT\)](#)

Vendors – [Cancellation of VAT registration.](#)

Need Help

For more information on CIPC deregistration and liquidation process visit www.cipc.co.za.

Call the SARS Contact Centre on 0800 00 SARS (7277) or visit your nearest [SARS branch](#).