

**DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT
DEPARTEMENT VAN JUSTISIE EN STAATKUNDIGE ONTWIKKELING**

No. 798

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POLICY ON THE APPOINTMENT OF INSOLVENCY PRACTITIONERS

The Minister of Justice and Constitutional Development has under section 158(2) of the Insolvency Act, 1936 (Act No. 24 of 1936), section 10(1A)(a) of the Close Corporations Act, 1984 (Act No. 69 of 1984), and section 158(2) of the said Insolvency Act read with section 339 of the Companies Act, 1973 (Act No. 61 of 1973), determined the Policy in the Schedule.

SCHEDULE**Definitions**

1. In this Schedule "the Policy" means the Policy on the Appointment of Insolvency Practitioners published under Government Notice No. 77 of 7 February 2014.

Substitution of paragraphs 6 and 7 of the Policy

2. The following paragraphs are hereby substituted for paragraphs 6 and 7 of the Policy:

"6. Different categories of insolvency practitioners

6.1 Insolvency practitioners on every Master's List must be divided into the following categories:

Category A: African, Coloured, Indian and Chinese females who became South African citizens before 27 April 1994;

Category B: African, Coloured, Indian and Chinese males who became South African citizens before 27 April 1994;

Category C: White females who became South African citizens before 27 April 1994;

Category D: African, Coloured, Indian and Chinese females and males, and White females, who have become South African citizens on or after 27 April 1994 and White males who are South African citizens,

and within each category be arranged in alphabetical order according to their surnames and, in the event of similar surnames, their first names. Insolvency practitioners added to the list after the compilation thereof must be added at the end of the relevant category.

6.2 A Master's List must distinguish between "senior practitioners", being insolvency practitioners who have been appointed as such at least once each year for the past 5 years, and "junior practitioners", being insolvency practitioners who have not been appointed as such at least once each year for the past 5 years but who satisfy the Master that they have sufficient infrastructure and experience to be appointed alone. The senior and junior practitioners must be arranged where they fit alphabetically in Category A to Category D on the same Master's List.

7. Appointment of insolvency practitioners by Masters of High Courts

7.1 Insolvency practitioners must be appointed consecutively in the ratio A4: B3: C2: D1, where—

"A" represents African, Coloured, Indian and Chinese females who became South African citizens before 27 April 1994;

"B" represents African, Coloured, Indian and Chinese males who became South African citizens before 27 April 1994;

"C" represents White females who became South African citizens before 27 April 1994;

"D" represents African, Coloured, Indian and Chinese females and males, and White females, who have become South African citizens on or after 27 April 1994 and White males who are South African citizens,

and the numbers 4: 3: 2: 1 represent the number of insolvency practitioners that must be appointed in that sequence in respect of each such category.

7.2 Within the different categories on a Master's List, insolvency practitioners must, subject to paragraph 7.3, be appointed in alphabetical order.

7.3 The Master may, having regard to the complexity of the matter and the suitability of the next-in-line insolvency practitioner but subject to any applicable law, appoint a senior practitioner jointly with the junior or senior practitioner appointed in alphabetical order. If the Master makes such a joint appointment, the Master must record the reason therefor and, on request, provide the other insolvency practitioner therewith.

7.4 If an insolvency practitioner due for appointment in accordance with the alphabetical list of names in a specific category on the Master's List—

- (a) fails to lodge a bond of security in time, the next insolvency practitioner on the Master's List must be appointed, and the person determined previously is moved to the back of that list; or
- (b) satisfies the Master that he or she has a conflict of interest or a conflict of interest arises after the appointment, the next-in-line insolvency practitioner must be appointed, and the person determined previously is considered for appointment when the next appointment in that category is made.”