



Companies and Intellectual  
Property Commission  
a member of **the dti** group

## BRIEFING NOTE: FOLLOW-UP MEETING ON STEINHOFF AT STANDING COMMITTEE ON FINANCE, JOINTLY WITH OTHER RELEVANT COMMITTEES – 4 SEPTEMBER 2019

### **Companies and Intellectual Property Commission (CIPC) input**

At the Meeting of 19 March 2019 Adv. Rory Voller, Commissioner, CIPC, confirmed that CIPC issued Steinhoff with a compliance notice in January 2018. Steinhoff International Holdings had complied with the compliance notice and a Certificate of Compliance was subsequently issued in September 2018.

Following the issuing of the PWC report, CIPC was bound by confidentiality agreements demanded by Steinhoff. The Compliance Notice required Steinhoff to identify the individuals involved in the falsification of records, to institute criminal and civil action against them within six months.

Applications in respect of delinquency, i.e. Section 162(3) of the Companies Act and /or disqualification, i.e. (Section 69(8)(b)) will be considered as and when the required information becomes available to the CIPC. It needs to be mentioned that some of the directors who might be implicated in the PWC report are not directors in any South African companies and can thus not be declared delinquent and /or disqualified in terms of the South African Companies Act.

Although it is not at this point in time a requirement for an external company to establish a Social and Ethics Committee, Steinhoff contacted the CIPC for assistance in applying for the establishment of a Social and Ethics Committee in South Africa. Regulation 43(4) *inter alia* provides that a company's Social and Ethics Committee must comprise of not less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years. Steinhoff requested CIPC's advice in respect of the person who Steinhoff identified as the director / person not being involved in the day-to-day management of the company's business. CIPC in this regard informed Steinhoff to approach the Companies Tribunal for a decision in terms of Regulation 142: Applications to the Tribunal in respect of matters other than complaints to ensure compliance with this requirement.