



Companies and Intellectual
Property Commission

a member of **the dtic** group

ANNUAL REPORT

2023 | 2024



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Property Commission

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COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

ANNUAL REPORT 2023/2024



modernise customer knowledge sharing indaba
vision introspect corporations colleagues
collaborate cipc news sharepoint information intellectual
excellence leadership close ownership property tindzaba
innovate share governance people ditaba
sage online companies regulate management
disclosure excellence thought accountability employees
beneficial

TABLE OF CONTENTS

Table of Contents	3
List of Figures	6
List of Tables	6
Document Approval	8
Glossary of Terms	9
About the Annual Report	10

PART A: GENERAL INFORMATION **11**

1. Public Entity's General Information	12
2. Acronyms and Abbreviations	13
3. Foreword by the Minister	15
4. Commissioner's Overview	17
4.1 General Financial Review of the Public Entity	17
4.2 Spending Trends of the Public Entity	18
4.3 Capacity Constraints and Challenges facing the Public Entity	18
4.4 Discontinued Activities/Activities due to be Discontinued	19
4.5 New or Proposed Activities	19
4.6 Requests for Rollover of Funds	19
4.7 Supply Chain Management	19
4.8 All Concluded Unsolicited Bid Proposals for the Year Under Review	19
4.9 SCM Processes and Systems in Place	19
4.10 Challenges Experienced and How These are Resolved	19
4.11 Audit Report on Matters in the Previous Year and How These are Addressed	19
4.12 Outlook/Plans for the Future to Address Financial Challenges	19
4.13 Events after the Reporting Date	20
4.14 Economic Viability	20
4.15 Acknowledgement/s or Appreciation	20
4.16 Other (information that needs to be communicated to users of AFS)	20
5. Statement of Responsibility	21
6. Strategic Overview	22
6.1. Vision	22
6.2. Mission	22
6.3. Values	22

7. Legislative and other Mandates	23
7.1 Constitutional Mandate	23
7.2 Legislative Mandates	23
7.3 Policy Mandates	25
8. Organisational Structure	26

PART B: PERFORMANCE INFORMATION **27**

1. Overview of the CIPC's Performance	28
1.1 Service Delivery Environment	28
1.2 Organisational Environment	35
1.3 Key Policy Developments and Legislative Changes	36
1.4 Progress Towards Achievement of Institutional Impact Statements, Outcomes and Outputs	36
2 Performance Information by Programme	42
2.1 Programme 1: Service Delivery and Access	43
2.2 Programme 2: Innovation and Creativity Promotion	47
2.3 Programme 3: Business Regulation and Reputation	51
3 Revenue Collection	57
4 Capital Investment	58

PART C: GOVERNANCE **59**

1. Introduction	60
2. Portfolio Committees	61
3. Executive Authority	61
4. Accounting Authority	61
5. Risk Management	62
6. Internal Audit and Audit Committees	63
7. Compliance Laws and Regulations	63
8. Fraud and Corruption	63
9. Minimising Conflict of Interest	64
10. Code of Conduct	64
11. Health, Safety, and Environmental Issues	64
12. Company/Board Secretary	64
13. Social Responsibility	64
14. Audit Committee Report	66
15. B-BBEE Compliance Performance Information	68

PART D: HUMAN RESOURCE MANAGEMENT	69
1. Introduction	70
1.1 Overview of Human Capital Matters	70
1.2 Talent Management and Employee Relations	70
Employee Development	70
Employee Performance Management	70
Employee Wellness	71
1.3 Achievements and Challenges	71
2. Human Resource Oversight Statistics	73
PART E	77
1.1 Irregular Expenditure or Reconciliation of Irregular Expenditure	78
PART F: FINANCIAL INFORMATION	79
ANNEXURES	133
ANNEXURE A – Statistics	134
1.1 Service Delivery Statistics	134
1.1.1 Applications, Registrations and Amendments	134
1.1.2 Compliance and enforcement	148
1.1.3 Client Engagement	160
1.1.4 Disclosure	163
1.1.5 CIPC Services and Channels	164
2.2 Organisational Environment	168
2.2.1 Governance and Compliance	168
2.2.2 Anti-corruption	168

LIST OF FIGURES

PART A: GENERAL INFORMATION

Figure A1:	Breakdown of Revenue, FY2023/24	17
Figure A2:	Actual Operating Expenditure, FY2023/24	18
Figure A3:	CIPC Organisational Structure	26

PART B: PERFORMANCE INFORMATION

Figure B1:	CIPC Overall Performance and Programmatic Performance	42
Figure B2:	Overall Performance Comparison over a Period of Five (5) Years	43

PART C: GOVERNANCE

No Figures

PART D: HUMAN RESOURCE MANAGEMENT

No Figures

PART E: FINANCIAL INFORMATION

No Figures

LIST OF TABLES

PART A: GENERAL INFORMATION

Table A1:	CIPC Values	22
Table A2:	CIPC Constitutional Mandate	23
Table A3:	PFMA Provisions for Public Entities	23
Table A4:	CIPC Legislative Mandate	24

PART B: PERFORMANCE INFORMATION

Table B1:	Programme 1- Service Delivery and Access, Key Performance Indicators, Planned Targets and Actual Achievements	45
Table B2:	Programme 2 - Innovation and Creativity Promotion, Key Performance Indicators, Planned Targets and Actual Achievements	48
Table B3:	Programme 3 - Business Regulation and Reputation, Key Performance Indicators, Planned Targets and Actual Achievements	53
Table B4:	Revenue Collection related to Key Objectives of the Organisation, FY2022/23 - FY2023/24	57
Table B5:	Capital Investment, FY2022/23 - FY2023/24	58

PART C: GOVERNANCE

Table C1:	Portfolio Committee Meetings	61
Table C2:	Quarterly Performance Reports Submitted to the Executive Authority	61
Table C3:	Audit Committee and Risk & ICT Committees	61
Table C4:	Remuneration of Committee Members	62
Table C5:	Risk and ICT Committee Member Details	62
Table C6:	Disclosure of Information on Audit Committee Members	63
Table C7:	B-BBEE Compliance Table	68

PART D: HUMAN RESOURCE MANAGEMENT

Table D1:	Personnel Cost by Programme / Activity / Objective, FY2023/24	73
Table D2:	Personnel Cost per Salary Band, FY2023/24	73
Table D3:	Performance Rewards, FY2023/24	73
Table D4:	Training Costs, FY2023/24	74
Table D5:	Employment and Vacancies	74
Table D6:	Occupational Bands	74
Table D7:	Employment Changes	75
Table D8:	Reasons for Staff Leaving	75
Table D9:	Labour Relations: Misconduct and Disciplinary Action	75
Table D10:	Equity Target and Employment Equity Status – Male	75
Table D11:	Equity Target and Employment Equity Status – Female	76
Table D12:	Equity Target and Employment Equity Status – Persons with Disabilities	76

PART E

Table E1:	Irregular expenditure	78
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PART F: FINANCIAL INFORMATION



GLOSSARY OF TERMS

Annual Returns – A statutory document required to be filed by companies and closed corporations in terms of the Companies Acts, 2008. It serves as an annual update to the Companies and Intellectual Property Commission (CIPC) as to the company's status, directors, shareholders, and other relevant information. Essentially, annual returns serve as a formal report that confirms the company's continued existence, provides updated details, and ensures compliance with the Companies Act. Failure to file returns will result in the Commission assuming that the company and/or close corporation is not doing business or is not intending on doing business in the near future.

Director – A member of the board of a company, as contemplated in the Companies Act, 2008, or an alternate director of a company and includes any person occupying the position of a director or alternate director, by whatever name designated.

Financial Reporting Standards — With respect to any particular company's financial statements, means the standards applicable to that company, as prescribed in the Companies Act, 2008.

Member — When used in reference to a non-profit company, means a person who holds membership in, and specified rights in respect of, that non-profit company according to the Companies Act, 2008.

Memorandum of Incorporation (MOI) — The document that sets out rights, duties and responsibilities of shareholders, directors, and others within and in relation to a company, and other matters as contemplated in the Companies Act, 2008.

Non-profit company (NPC) — A company (a) incorporated for a public benefit or other object as required according to the Companies Act, 2008 and (b) the income and property of which are not distributable to its incorporators, members, directors, officers, or persons related to any of them except to the extent permitted according to the Act.

Private Company — A for-profit company that (a) is not a company or a personal liability state-owned company; and (b) which satisfies the criteria set out in section 8(2)(b) of the Companies Act, 2008.

Profit Company — A company incorporated for the purpose of financial gain for its shareholders. A profit company that is not a state-owned company, a private company, or a personal liability company.

Public Company — A profit company that is not a state-owned company, a private company, or a personal liability company.

Registration Certificate — The certificate, or amended certificate, issued by the Commission as evidence of the incorporation and registration of that company or intellectual property (Patents, Designs, Copyright in Film, and Trade marks).

Registry – A depository of documents required to be kept by the Commission in terms of the Companies Act, 2008.

State-owned Company — Means an enterprise that is registered in terms of the Companies Act, 2008 as a company, and either (a) falls within the meaning of "state-owned enterprise" in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999); or (b) is owned by a municipality, as contemplated in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), and is otherwise similar to an enterprise referred to in paragraph (a);

ABOUT THE ANNUAL REPORT

This document constitutes the Annual Report of the Companies and Intellectual Property Commission (CIPC) of South Africa for the 2023/24 financial year. It is premised on the Commission's Strategic Plan for 2021/22 – 2025/26. This Annual Report has been prepared in line with the Annual Report Guide for Schedule 3A and 3C Public Entities, which is published by the National Treasury. It captures the key performance outputs, outcomes, and impact of the Commission over the reporting period. It also articulates how the Commission fared in the management of its resources and in complying with corporate governance principles as captured in Part C of this report.

This report is organised as follows:

- Part A: General Information
- Part B: Performance Information
- Part C: Governance
- Part D: Human Resource Management
- Part E: Financial Information



PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name of the Public Entity

Companies and Intellectual Property Commission (CIPC)

Registration Numbers and/or Other Relevant Numbers

Not applicable

Registered Office Address

the dtic campus (Block F - Entfufukweni)

77 Meintjies Street

Sunnyside,

Pretoria

Postal Address

P.O. Box 429

Pretoria

0001

Contact Telephone Number

+27 86 100 2472

Enquiries

<http://enquiries.cipc.co.za>

Website Address

www.cipc.co.za

External Auditors Information

Auditor-General South Africa (AGSA)

PO Box 446

Pretoria

0001

Banker's Information

ABSA Business Banking

PO Box 4210

Pretoria

0001

Company Secretary

The CIPC does not have a Company Secretary.

2. ACRONYMS AND ABBREVIATIONS

AfCFTA	Africa Free Trade Agreement
AFS	Annual Financial Statements
AG	Auditor General
AGM	Annual General Meeting
AGSA	The Auditor-General of South Africa
AML	Anti-Money Laundering
ANC	African National Congress
API	Application Programming Interface
APP	Annual Performance Plan
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BI	Business Intelligence
BISG	Business Information Systems Group
BO	Beneficial Ownership
CCMA	Commission for Conciliation Mediation and Arbitration
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
COP	Congress of the Parties
CLC	Client Liaison Committee
CPD	Continuing Professional Development
DEI	Diversity, Equity and Inclusion
DSBD	Department of Small Business
DSI	Department of Science and Innovation
the dtic	The Department of Trade, Industry and Competition
ELP	Experiential Learning Programme
EP	European Parliament
EPO	European Patent Office
ESAAMLG	Eastern and Southern African Anti- Laundering Group
ESG	Environmental, Social, and Governance
FAS	Financial Accounting Supplements
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FNB	First National Bank

FSCA	Financial Sector Conduct Authority
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
HIPO	Head of Intellectual Property Offices
HR	Human Resources
IAP	Inventor Assistance Programme
ICT	Information and Communication Technology
IDM	Identity Management
IESBA	International Ethics Standards Board of Accountants
IFRS	International Financial Reporting Standard
IIA	Institute of Internal Auditors
IMF	International Monetary Fund
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IPAS	Industrial Property Automation System
IPO	Initial Public Offering
IPR	Intellectual Property Rights
ISMS	Information Security Management System
IT	Information Technology
JETP	Just Energy Transition Plan
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LEA	Law Enforcement Agency
MOI	Memorandum of Incorporation
MOU	Memorandum of Understanding
MTSF	Medium-Term Strategic Framework
NDC	Nationally Determined Contributions
NDP	National Development Plan
NIPMO	National Intellectual Property Management Office
NPA	National Prosecuting Authority
NPC	Non-Profit Company

NPO	Non-Profit Organisation
NSG	National School of Government
NT	National Treasury
OTP	One Time Pin
PCT	Patent Cooperation Treaty
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PTA	Pretoria
QRS	Query Resolution System
RFP	Request for Proposal
RFQ	Request for Quotation
SA	South Africa
SACCL	Standing Advisory Committee in Company Law
SARB	South African Reserve Bank
SARS	South African Revenue Service
SCM	Supply Chain Management
SDS	Service Delivery Standards
SIEM	Security Information and Event Management
SMME	Small, Medium and Micro Enterprises
SOC	State Owned Company
SSC	Self-Service Centre
SSE	Substantive Search and Examination
SST	Self-Service Terminal
TAT	Turnaround Time
TVET	Technical Vocational Education and Training
UIF	Unemployment Insurance Fund
WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language
YWBN	Young Women in Business Network



PARKS TAU

Minister of Trade, Industry and Competition

3. FOREWORD BY THE MINISTER

It is my pleasure to present the Annual Report of the Companies and Intellectual Property Commission (CIPC) for the 2023/24 financial year.

This report marks another significant step in **the dtic's** ongoing efforts to strengthen South Africa's economy, reflecting the continued dedication of the CIPC to its critical role within the broader goals of South Africa.

In the financial year under review, the integrated efforts of **the dtic** and its entities focused on realising three core outcomes:

- **Industrialisation** - efforts are focused on linking strategic interventions to tangible outcomes in production, investment, export growth, and job creation. the dtic is committed to developing a greener growth path while prioritising African regional integration
- **Transformation** – connecting initiatives to the empowerment of historically disadvantaged South Africans, including women and persons with disabilities remains an imperative for the dtic. This includes addressing spatial inequities and tackling the challenges posed by high levels of economic concentration which have contributed to a less agile and competitive private sector
- **Building a capable state for service delivery** – the dtic is shifting focus from processes to outcomes and impact, having an influence on improving the lived

citizen experience, and strengthening partnerships for effective delivery. By enhancing public sector capabilities and fostering collaborations with both the private and public sector, we are contributing to the building of a more effective and responsive state

The industrialisation strategy aims to promote localisation and investment in South Africa. To this end, the CIPC has established an automated Beneficial Ownership Register, a critical tool in the fight against illicit financial activities. By enforcing transparency and accountability, this initiative helps to safeguard the integrity of South Africa's financial system, thus bolstering investor confidence. The CIPC also continued with its education and awareness campaigns, targeted at small and medium enterprises (SMMEs), institutes of higher learning, and schools to educate on intellectual property (IP) and its role in the economy, and to encourage the registration of inventions.

These efforts have contributed to fostering a culture of innovation and entrepreneurship within South Africa, empowering individuals and businesses to protect and commercialise their intellectual assets; thereby contributing to creating a more competitive and dynamic economy where local innovations can thrive and contribute to sustained economic growth and job creation. This not only enhances the capacity of South African enterprises to compete globally but also drives the development of new industries, further solidifying the foundation for long-term economic resilience.

Additionally, the CIPC's education and awareness efforts have continued to improve compliance with the Company Act No. 71 of 2008, such as the annual returns filing and the submission of the audited financial statements.

The CIPC also contributed to the transformation of the economy through extending access of its services nationally by expanding its self-service sites in the country and the services offered therein; promoting integrated service delivery through collaborative efforts with public and private institutions; implementing the Preferential Procurement Framework which ensures that businesses owned by youth, women, and people living with disabilities benefit from government procurement.

Toward building a capable state and strengthening service delivery, the CIPC has made significant strides in improving service delivery through the digitisation of company registration processes, which not only simplifies the administrative burden on businesses but also supports our broader goal of creating a more accessible and efficient business environment. Furthermore, the CIPC has actively strengthened its partnerships with strategically selected organisations, allowing it to leverage their unique capabilities and expertise. These partnerships include collaborations with Law Enforcement Agencies to bolster enforcement initiatives, integrations with other government agencies to access and utilise shared data, and cooperation with corporate registrars in other jurisdictions to enhance compliance efforts. The work with international bodies to protect the intellectual property rights of South African exports, creating a robust regulatory framework in collaboration with global partners have proven to be beneficial.

As we look to the future, the CIPC's ongoing efforts will be crucial in navigating the dynamics of a complex global economic environment. In this regard, I am confident that the groundwork laid this year will position the Commission to continue delivering on its mandate effectively.

I wish to thank the CIPC Commissioner, Adv. Rory Voller, and his Executive Team for leading the Commission in an exemplary manner. I wish to also thank all staff members who have demonstrated a passion for service and dedication to the people of South Africa. May the year ahead bring impactful success and assist with the recovery of the economy, ensuring that the economy grows sustainably and more inclusively, as well as create meaningful job opportunities.



Mr Parks Tau, MP

Minister of Trade, Industry and Competition

RORY VOLLER, ADV.
CIPC Commissioner



4. COMMISSIONER'S OVERVIEW

I hereby present the CIPC 2023/24 Annual Report, which outlines the CIPC's performance during this period.

4.1 General Financial Review of the Public Entity

For the year under review, the CIPC collected a total revenue of R762.2m. A significant portion, amounting to 66.9% (R509.7m), was generated from annual returns filed by businesses.

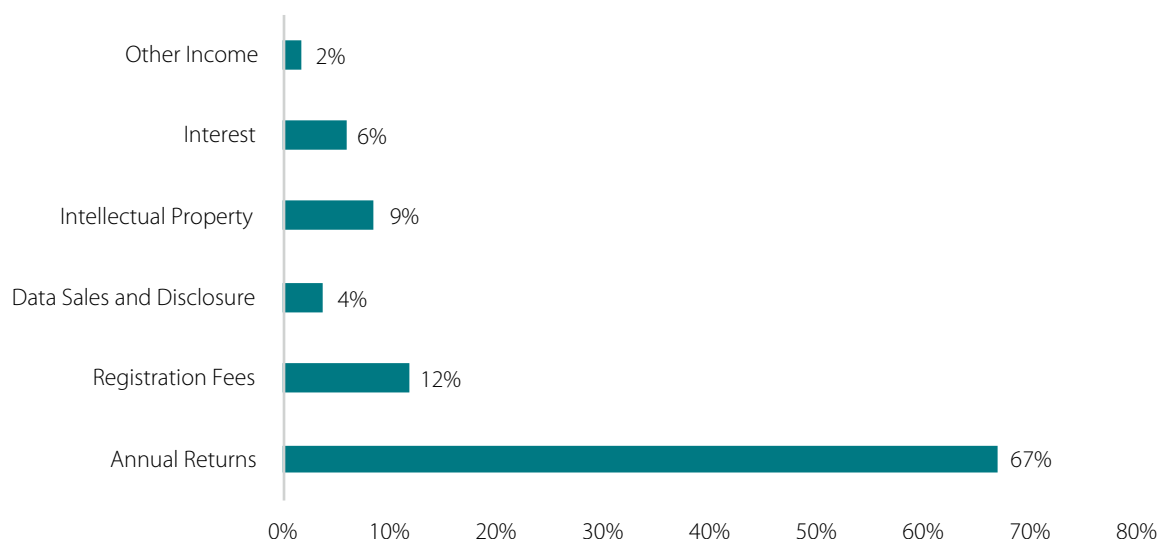
In addition, R190m was earned from various activities, including fees for the registration and maintenance of companies, intellectual property (IP) registrations and maintenance, the registration and maintenance of co-operatives, as well as from disclosure and the sale of data.

Revenue generated from other income amounted to R12.7m. This was comprised of revenue generated from recovery of expenditure for bursary debt, recognition of customer deposits greater than 36 months and other sundry income. Interest of R49.8m was earned through the Corporation for Public Deposits (CPD) investment at the South Africa Reserve Bank (SARB), as well as other bank accounts.

Although annual returns form a significant portion of the revenue sources, the CIPC portfolio demonstrates diversity and the potential for greater stability and resilience. The diversity in revenue sources enhances the financial viability of the CIPC. By not relying on a single stream of income, the risk of potential downturn in one area is mitigated.

The image below represents the breakdown of the revenue generated in FY2023/24:

Figure A.1: Breakdown of Revenue, FY2023/24

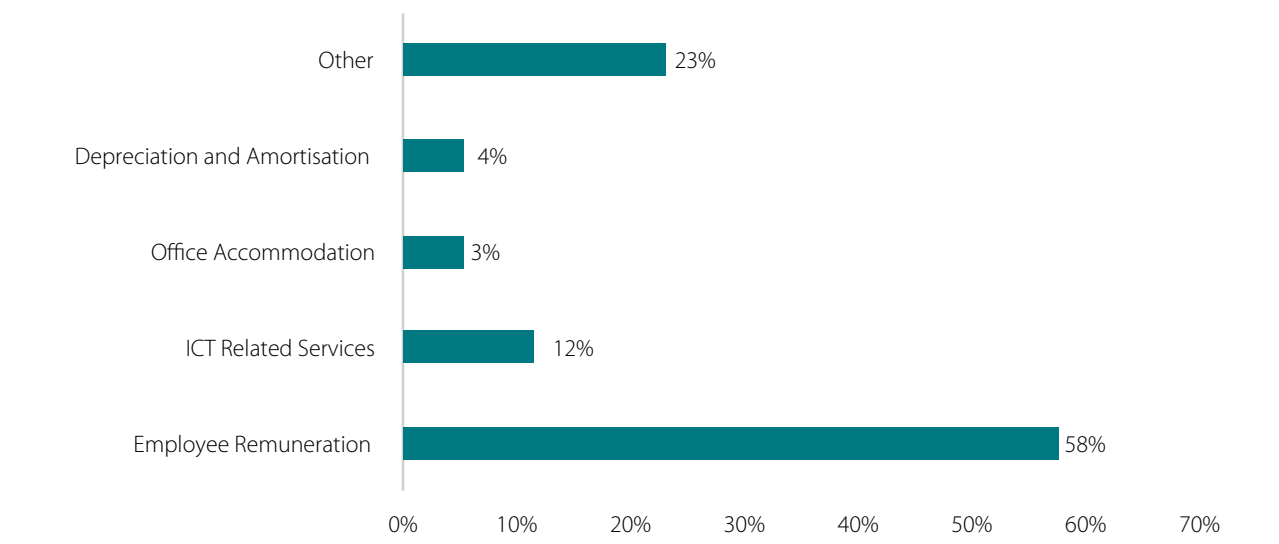


4.2 Spending Trends of the Public Entity

In FY2023/24, the primary cost drivers for the CIPC were employee remuneration, IT-related services, office accommodation, and depreciation and amortisation. As illustrated in the figure below, staff remuneration constituted the largest expense, totalling R412.78m,

which represents 58% of total operating expenditure for the period. Furthermore, ICT-related services were the second largest expense, amounting to R92.9m (12%), which reflects the CIPC's ongoing initiatives to stabilise, modernise, and enhance its ICT systems.

Figure A.2: Actual Operating Expenditure¹, FY2023/24



¹ Operating expenditure is all expenditure spent on activities relating to strategic and normal operations of CIPC

The CIPC's financial strategy, as evidenced by its expenditure distribution, emphasises the importance of human and technological resources in executing its mandate. While these costs are essential for maintaining operational efficiency and enhancing service delivery, there are potential concerns regarding cost management, sustainability, and the mitigation of financial risks. The high proportion of expenditure on staff remuneration may limit the flexibility to allocate funds to other critical areas. Therefore, ensuring that the level of spending is sustainable over the long term becomes crucial. Moving forward, the CIPC will continue to monitor and manage its expenditures to align with strategic objectives and ensure its continued responsiveness and financial sustainability.

4.3 Capacity Constraints and Challenges facing the Public Entity

Human Capacity Challenges

The implementation of the strategic initiatives at CIPC was significantly impacted by human capacity constraints. A widespread shortage of specialist skills affected several key areas, disrupting the progress and efficiency of the CIPC's operations. Notable impacts included

challenges in developing planned key IT infrastructure, compliance and enforcement activities, and the timeous development of essential applications. Moreover, a limited number of support staff across the organisation compelled senior management to take on a broader range of responsibilities, from routine administrative tasks to strategic decision-making.

In response to these human capacity constraints, the CIPC adopted several mitigation strategies to ensure continued service delivery. These included the temporary re-assignment and secondment of staff from other divisions to distribute workloads more evenly and ensure continuity of operations, engaging external service providers to augment the existing capacity on specific projects and tasks, thereby alleviating pressure on staff, and initiating internal internship programmes to provide support and build a pipeline of future talent. These measures have been vital in maintaining the CIPC's operations and minimising disruptions to service delivery.

Expiration of Contracts/Contract Negotiations

The contract negotiations with the service provider for the procurement of a social media management tool were

unsuccessful, leaving the CIPC without the necessary tool to manage social media activities in the first quarter of this reporting period. This hindered the ability of the organisation to monitor social media activities effectively.

Query Resolution System

In the fourth quarter of FY2023/24, the Query Resolution System (QRS) was deactivated as a security measure following a cybersecurity breach that the CIPC faced in the same quarter. This deactivation significantly hampered the operational capabilities of the CIPC, leaving a critical tool for handling queries inaccessible and complicating the process of managing and resolving customer inquiries effectively.

In response, the CIPC implemented temporary alternative measures to ensure continued service delivery and customer support. These measures included the use of dedicated email addresses and other communication channels to manage queries.

The process to procure a new QRS is currently underway, with the new system expected to be operational in the second quarter of the new financial year.

4.4 Discontinued Activities/Activities due to be Discontinued

There were no discontinued activities or activities due to be discontinued.

4.5 New or Proposed Activities

The CIPC has introduced a new Director Amendments process designed to combat fraudulent changes to director information through the use of one-time-pins (OTPs) for identity verification. This enhanced security measure ensures that only verified individuals can alter director details, thereby significantly reducing the incidences of fraudulent director removals and additions.

Linked to the Director Amendments process, the CIPC has introduced the Foreign National Assurance, a service which serves to automate the verification process for foreign nationals' identity documents or passports. Previously, the documents needed to be certified and submitted before each director appointment or renewal. With the introduction of the new process, foreign nationals provide their personal information and upload a certified copy of their identity document or passport once, which is then stored electronically after approval. This streamlined process facilitates easier submission of foreign national details and supports future data enhancements for customer verification, beneficial

ownership, director amendments, and new company registrations.

4.6 Requests for Rollover of Funds

No rollover of funds was reported, or requested, during this period. The entity is self-funded and applies zero-based budgeting.

4.7 Supply Chain Management

The Supply Chain Management (SCM) Unit is located within the Office of the Chief Financial Officer (CFO), in line with Treasury Regulations and the Public Finance Management Act (PFMA), No. 1 of 1999, as amended. It is responsible for procurement of goods and services for the CIPC in a fair, equitable, transparent, cost-effective, and competitive manner.

All bids are subject to evaluation and adjudication by the respective bid committees as appointed, and declarations of interest are duly signed during meetings. An approved SCM policy and Delegations of Authority are in place and reviewed as necessary.

4.8 All Concluded Unsolicited Bid Proposals for the Year Under Review

The CIPC had no unsolicited bid proposals for the year under review.

4.9 SCM Processes and Systems in Place

SCM processes and systems are in place. These are reviewed as and when necessary, as per the PFMA and Treasury Regulations.

4.10 Challenges Experienced and How These are Resolved

See Section 4.3.

4.11 Audit Report on Matters in the Previous Year and How These are Addressed

There are no audit matters from the previous year as the CIPC received a clean audit.

4.12 Outlook/Plans for the Future to Address Financial Challenges

There are currently no financial challenges facing the organisation in the short to medium-term. However, there are several combined efforts, measures, and steps that seek to secure the CIPC's economic viability, as outlined in *Section 4.14*.

4.13 Events after the Reporting Date

After five years of dedicated service at the helm of the department of Trade, Industry and Competition, Minister Ebrahim Patel announced his retirement from Cabinet following the National General Elections. Minister Patel's tenure has been marked by a steadfast commitment to fostering economic growth and industrial development, leaving behind a legacy of transformative policies and strategic partnerships that have positioned South Africa as a resilient player in the global market. His leadership will be remembered for its vision, integrity, and unwavering dedication to the nation's progress.

The National Elections, which were held on the 29th of May 2024, marked a historic shift in the country's political landscape. For the first time in the country's 30 years of democracy, no party received an outright majority in the National Assembly. The results necessitated the formation of a coalition to govern the country effectively. This formed impetus for the formation of a Government of National Unity (GNU). The GNU operates based on a 'Statement of Intent' which outlines fundamental principles and priorities, including respect for the constitution, transparency, evidence-based decision-making and good governance.

Following the formation of the new government, a new Minister of Trade, Industry and Competition, Minister Parks Tau, was appointed. Alongside Minister Tau, two Deputy Ministers were appointed, Deputy Minister Zuko Godlimpi and Deputy Minister Andrew Whitfield. On behalf of the CIPC, I warmly welcome Minister Parks Tau, Deputy Minister Zuko Godlimpi, and Deputy Minister Andrew Whitfield to their new roles. We look forward to working together to advance our shared goals of fostering innovation, driving economic growth, and enhancing South Africa's competitive edge in the global market.

4.14 Economic Viability

To ensure its economic viability, the CIPC will leverage its primary revenue sources: annual returns, registration fees, and intellectual property services. As the registrar of companies, the CIPC is dedicated to maintaining an accurate and compliant register. This involves ensuring companies meet their annual return filing requirements, an area where increased compliance will be driven by both the de-registration of non-compliant entities and proactive education and awareness campaigns. This focus on compliance has already shown positive results in the financial year under review.

Furthermore, the CIPC plans to implement gradual increases in registration fees, which will contribute to a steady rise in gross revenue. By continuing to fulfil

its mandate effectively and enhancing its revenue-generating activities, the CIPC is well-positioned to sustain and grow its economic viability.

Additionally, the CIPC plans to generate additional revenue by selling data to third parties, which can be used to support decision-making processes for businesses and other organisations.

4.15 Acknowledgement/s or Appreciation

I appreciate the commitment and dedication of the CIPC Executive, Senior Management, and Staff who perform their jobs admirably, thereby contributing to the realisation of our Annual Performance Plan, and the delivery of services to CIPC clients. I would also like to thank organised labour for their contribution to the organisation's effectiveness.

Appreciation also goes to the Audit and Risk, and IT Committees for their value-add and commitment to governance within the organisation. I thank other committees, such as the Client Liaison Committee (CLC), IP Lawyers fraternity, Standing Advisory Committee in Company Law (SACCL) and all collaboration partners, for their contribution to the CIPC.

Finally, let me extend my appreciation to the Minister of Trade, Industry and Competition, Mr. Ebrahim Patel; the Deputy Minister of Trade, Industry, and Competition, Ms. Nomalungelo Gina; the Deputy Minister of Trade and Industry, Mr Fikile Majola, and the Acting Director General of the Department of Trade, Industry and Competition (**the dtic**), Ms M Mabitje-Thompson, together with all **the dtic** for their support.

4.16 Other (information that needs to be communicated to users of AFS)

The Annual Financial Statements for the year ending 31 March 2024 are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and incorporate disclosures in line with the accounting policies of the entity and the requirements of the PFMA.



Rory Voller, Adv.

CIPC Commissioner

Date: 30/08/2024

5. STATEMENT OF RESPONSIBILITY

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.

The Annual Report is complete, accurate, and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully,



Rory Voller, Adv.

CIPC Commissioner

Date: 30/08/2024

6. STRATEGIC OVERVIEW

6.1. Vision

A world-class modern regulator, making a strategic contribution towards improving competitiveness and driving economic growth in South Africa.

6.2. Mission

We make it easy to do business in SA, in collaboration with our partners;

We regulate business and the IP environment contributing to SA becoming an investment destination, and enabling the protection and commercialisation of innovation, and

We leverage technology, knowledge assets, and networks to support third party decision making.

6.3. Values

Consistent with being a South African national public entity, the Batho Pele principles drive the conduct of the CIPC Executive, Management, and Staff in carrying out their mission, with emphasis on the values listed in **Table A.1: CIPC Values**.

Table A.1: CIPC Values

Value	What it Means
Passion for Service	We work as one to seamlessly serve our customers with passion, commitment, and dedication.
Integrity	We live out fairness, impartiality, and respect in all our actions — as individuals and as an organisation.
Empowerment	We recognise the value of our employees and partners and provide them with the discretion and tools to effectively deliver on their responsibilities.
Accountability	We hold one another accountable for our commitments. We are responsible and responsive in the execution of our duties.
Collaboration	We believe in the power of teams, teamwork, and collaborative effort to deliver exceptional service and to execute our duties effectively.



7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

The Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) as amended (hereinafter referred to as 'the Constitution'), is the supreme law of the Republic, with all legislation subservient to the prescripts of the Constitution. That is, no other law or government action can supersede the provisions of the Constitution. The CIPC, through its mandate and strategy, must abide by the Constitution. **Table A. 2: CIPC Constitutional Mandate** highlights relevant sections of the Constitution applicable to the CIPC.

Table A.2: CIPC Constitutional Mandate

Chapter / Section	Provision
Chapter 2: Bill of Rights	
Rights: Section 7	The state must respect, protect, promote, and fulfil the rights in the Bill of Rights.
Equality: Section 9:	The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language, or birth.
Access to Information: Section 32	(1) Everyone has the right of access to— (a) any information held by the state; and (b) any information that is held by another person and that is required for the exercise or protection of any rights. (2) National legislation must be enacted to give effect to this right and may provide for reasonable measures to alleviate the administrative and financial burden on the state.
Just Administrative Action: Section 33	(1) Everyone has the right to administrative action that is lawful, reasonable, and procedurally fair. (2) Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons. (3) National legislation must be enacted to give effect to these rights, and must – according to Chapter 2: Bill of Rights 14: (a) provide for the review of administrative action by a court or, where appropriate, an independent and impartial tribunal; (b) impose a duty on the state to give effect to the rights in subsections (1) and (2); and (c) promote an efficient administration.

7.2 Legislative Mandates

The CIPC is listed as a Schedule 3A entity in the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended (hereinafter referred to as the PFMA).

As shown in **Table A. 3: PFMA Provisions for Public Entities** below, Chapters 1, 6, and Schedule 3A of the PFMA provide for public entities such as the CIPC.

Table A.3: PFMA Provisions for Public Entities

Chapter / Section	Provision
Chapter 1	A national public entity is a board, commission, company, corporation, fund, or other entity (other than a national government business enterprise) which is— (i) established in terms of national legislation; (ii) fully or substantially funded either from the National Revenue Fund, or by way of a tax, levy or other money imposed in terms of national legislation; and (iii) accountable to Parliament.
Chapter 6	Provides classification, assignment of powers and responsibilities, corporate plans, annual budgets and performance, revenue and expenditure management, information access, annual reports, and financial statements of public entities.
Schedule 3A	Lists the CIPC as a Schedule 3A entity.

The CIPC, as a national public entity, is established by - and derives its core mandate from - national legislation, namely the Companies Act, 2008 (Act No. 71 of 2008), as amended (hereinafter referred to as the Companies Act). In addition to the Companies Act, the CIPC must abide by further applicable legislation, as illustrated in **Table A.4: CIPC Legislative Mandate**.

Table A.4: CIPC Legislative Mandate

Legislation	Mandate
Companies Act, 2008 (No. 71 of 2008)	Register companies, business rescue practitioners and corporate names; maintain data; regulate governance of and disclosure by companies; accredit dispute resolution agents; educate and inform about all laws; give non-binding opinions and circulars, policy, and legislative advice. Enforce the Companies Act, 2008, to promote voluntary resolution of disputes arising between companies and directors or shareholders as contemplated in Part C of Chapter 7. Monitor proper compliance with the Act, receiving or initiating complaints concerning alleged contravention of this Act, evaluating such complaints, and initiating investigations into complaints.
Close Corporations Act, 1984 (No. 69 of 1984)	Maintain data, regulate governance of - and disclosure by - close corporations.
Co-operatives Act, 2005 (No 14 of 2005)	Register co-operatives, maintain data, regulate governance of - and disclosure by - co-operatives.
Co-operatives Amendment Act, 2013 (No. 6 of 2013)	Annual submission of information by co-operatives, audit, and independent review of co-operatives, voluntary winding-up of co-operatives by special resolution, liquidation process of co-operatives.
Share Block Control Act, 1980 (No. 59 of 1980)	Regulate conduct and disclosure by share block schemes.
Consumer Protection Act, 2008 (No. 68 of 2008)	Register business names.
Trade marks Act, 1993 (No. 194 of 1993)	Register Trade marks, maintain data, resolve disputes.
Merchandise Marks Act, 1941 (No. 17 of 1941) (Unauthorised Use of State Emblems Act, 1961 (No. 37 of 1961))	Prevent and enforce the law against unauthorised use of state emblems.
Patents Act, 1978 (No. 57 of 1978)	Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents.
Designs Act, 1993 (No. 195 of 1993)	Register designs, maintain data, resolve disputes.
Copyright Act, 1978 (No. 98 of 1978)	Provide non-binding advice to the public.
Registration of Cinematography Films Act, 1977 (No. 62 of 1977)	Register films, maintain data.
Performers Protection Act, 1967 (No. 11 of 1967)	Accredit Collecting Societies; regulate their governance, conduct and disclosure.
Counterfeit Goods Act, 1997 (No. 37 of 1997)	Conduct and co-ordinate search and seizure operations, oversee depots.
Protection of Personal Information Act, 2013 (No. 4 of 2013)	The Protection of Personal Information Act, 4 of 2013 (POPIA) came into operation on 1 July 2021. As a public body, in terms of POPIA, the CIPC must ensure compliance with the POPI Act about the personal information that is collected, processed, and disclosed. All CIPC processes - external as well as internal - are affected by the new legislation.

7.3 Policy Mandates

Aligned to the legislation listed above, the CIPC also derives its policy mandate from the policies of its principal department, **the dtic**, and SA government in general. The key policies and strategies of **the dtic** relevant to the CIPC are as follows:

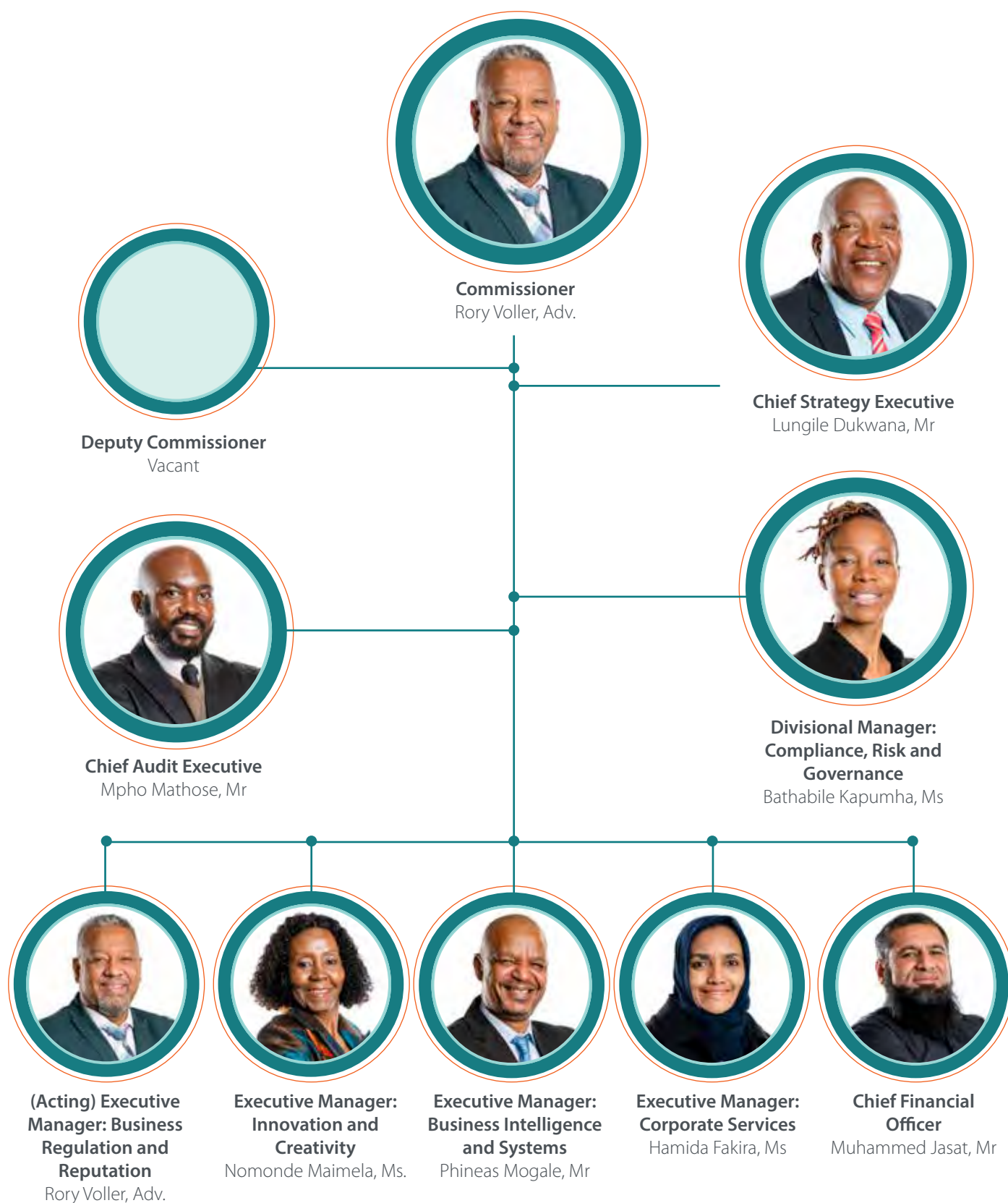
Table A5: National Policies and Strategies Relevant to the CIPC

Policy/Strategy	Mandate
National Development Plan 2030	<p>The NDP 2030 is a long-term vision for the country, which provides a broad strategic framework to guide key government choices and actions and focuses on the critical capabilities needed to transform the economy and society. The plan highlights that accelerated development in South Africa requires the active support of all citizens, leadership in all sectors that puts the country's collective interests ahead of narrow, short-term goals, and radically improved government performance.</p> <p>The NDP 2030 has two overarching goals:</p> <ul style="list-style-type: none"> • Firstly, a reduction in the number of people who live in households with a monthly income below R419 per person from 39% to zero. • Secondly, a reduction in inequality as measured by the Gini coefficient, from 0.69 to 0.6.
National Development Plan Five-Year Implementation Plan 2019 - 2024	<p>The NDP Five-Year Implementation Plan provides a medium-term roadmap, which will form the basis for developing five-year institutional plans that will guide the realisation of the NDP priorities. The purpose of the NDP Five-Year implementation plan is to advance and guide medium and short-term planning that is responsive to the attainment of the NDP priorities. Intergovernmental and interdepartmental planning is crucial to the realisation of government priorities and ultimately the vision for South Africa. The NDP Five-Year Implementation Plan will allow for the coordination and alignment of priorities across the spheres of government and non-government stakeholders and assist in integrating all the components of national development into mainstream planning processes.</p>
Revised Medium-Term Strategic Framework 2019/20 – 2023/24	<p>The revised Medium-Term Strategic Framework (MTSF) 2019-2024 is the government's monitoring framework for the NDP Five-Year Implementation Plan, tracking progress against election manifesto commitments. It sets specific targets for seven priorities:</p> <ol style="list-style-type: none"> 1. A capable, ethical, and developmental state 2. Economic transformation and job creation 3. Education, skills, and health 4. Reliable and quality basic services 5. Spatial integration and local government 6. Social cohesion and safe communities 7. A better Africa and world <p>COVID-19 interventions and the 2020 Supplementary Budget relief package impacted short- and medium-term plans, leading to further reprioritisation in the 2021 Budget. The DPME, in consultation with the government, had to adjust plans, taking into account lessons learned and proposing ways to move forward. Implementation plans will support integrated development across national, provincial, and local government, facilitated by the District Development Model (DDM).</p>
Industrial Policy Action Plan (IPAP) 2018/19 – 2020/21	<p>To facilitate diversification by promoting increased value-addition per capita and intensification of South Africa's industrialisation process.</p> <p>CIPC has a particular focus on innovation and technology.</p>
Strategy on the Promotion of Entrepreneurship and Small Enterprise	<p>To increase supply for financial and non-financial support services and creating demand for small enterprise products and services through the reduction of small enterprise regulatory constraints.</p>
Corporate Law Reform Policy	<p>To promote growth, employment, innovation, stability, good governance, and confidence in the South African business environment, as well as increase international competitiveness.</p>
Co-operatives Development Policy for South Africa	<p>Create an enabling environment for co-operative enterprises which reduces the disparities between urban and rural businesses, and is conducive to entrepreneurship and to promote the development of economically sustainable cooperatives.</p>
Integrated Strategy for the Development and Promotion of Co-operatives	<p>To grow all forms and types of co-operatives and the cooperatives movement, as well as increase its contribution to the country's GDP growth rate, economic transformation, and social impact.</p>

9. ORGANISATIONAL STRUCTURE

Figure A.3: CIPC Organisational Structure, below depicts the CIPC's organisational structure at Executive level.

Figure A.3: CIPC Organisational Structure





PART B

PERFORMANCE INFORMATION

1. OVERVIEW OF THE CIPC'S PERFORMANCE

The mandate and the strategy of the CIPC sets the direction of the organisation, with the Annual Performance Plan (APP) providing the framework within which the CIPC tracks and measures its performance. The strategic intent, as captured by Vision 2030, seeks to position the regulator as a modern and credible entity that is relevant in contributing to the economic growth and competitiveness of the Republic. Over the past financial year, substantial effort was directed towards refining Vision 2030 to ensure that this was consistent with the mandated service delivery requirements of the Republic, while positioning the CIPC to ensure that it exceeds its mandatory expectations.

In this regard, for the 2023/24 Financial Year, the CIPC tracked 26 Key Performance Indicators (KPIs) across three (3) Programmes, with the CIPC achieving 85%: (22/26) of its targets.

1.1 Service Delivery Environment

External Environment

In the financial year 2023/24, South Africa experienced several significant geopolitical shifts, which have had profound implications on its domestic and international relations. These shifts are reflective of broader global trends as well as the specific socio-political and economic dynamics within South Africa. A number of shifts in the financial year 2023/24 can be identified:

1. BRICS Expansion

One of the most notable geopolitical events was the BRICS (Brazil, Russia, India, China, and South Africa) summit held in Johannesburg in August 2023. This summit was significant as it marked a substantial expansion of the BRICS bloc, with the admission of six new members: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (UAE). South Africa played a central role in facilitating this expansion, emphasising its commitment to strengthening ties within the Global South.

Consequently, South Africa has increasingly looked towards Middle Eastern nations, particularly those newly admitted to BRICS, for economic and strategic partnerships. Saudi Arabia and the UAE, in particular, have become important partners in areas such as energy, trade, and investment.

The expansion of BRICS and South Africa's active participation signalled a shift towards a more multipolar

world order. South Africa, alongside its BRICS partners, has been advocating for a global governance system that is more inclusive and reflective of the diverse interests of developing nations, countering the dominance of Western powers.

2. Israel – Palestine Conflict

In the year under review, the Israel-Palestine conflict escalated, drawing international attention. South Africa responded by reaffirming its support for Palestine. The South African government called for an immediate ceasefire and urged the international community to hold Israel accountable for what it described as violations of international law. South Africa's diplomatic relations with Israel have remained strained, with the South African government recalling its ambassador to Israel in protest of the ongoing conflict.

South Africa's stance on the Israel-Palestine conflict has further aligned it with other countries in the Global South, particularly within BRICS, where there is broad support for Palestinian self-determination. This alignment has also led to stronger ties with Middle Eastern nations that support Palestine, such as Iran and Saudi Arabia, both of which have recently joined BRICS.

3. Africa Continental Free Trade Agreement (AfCFTA)

The Africa Continental Free Trade Agreement (AfCFTA) is the flagship project of Agenda 2063 that brings together the fifty-five (55) countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs) to form the world's largest free trade area. AfCFTA aims to create a unified African market for goods and services facilitated by the free movement of goods and services, capital, investment to deepen economic integration, promote and attain sustainable and inclusive socio-economic development, gender equality, industrialisation, agricultural development, food security, and structural transformation².

Significant strides towards regional integration have been achieved particularly with the implementation of the AfCFTA. According to the World Bank, this initiative could lead to an 80 percent increase in intraregional trade by 2035. In 2024, 31 out of the 47 countries that have ratified the AfCFTA are expected to participate in the AfCFTA Guided Trade Initiative, a notable rise from just seven in 2023². This means that over half of Africa's

² African Union, Theme of the Year 2023: "Acceleration of the AfCFTA Implementation"

nations will be operating under the continent-wide free trade agreement, bringing the region closer to a unified market. Additionally, a Pan-African Payment Settlement System will be piloted in 2024, which could facilitate secure cross-border transactions and significantly enhance African trade.

4. *Impending National and Provincial Elections*

The 2024 general elections in South Africa are expected to be one of the most consequential since the end of apartheid. Ahead of the National Elections, electoral trends indicated a progressive decline in the ruling party's influence where all the polls had one common result: the ruling party was set to lose its outright majority in Parliament. Key opposing parties were poised to challenge the ruling party's outright majority.

The outcome of the 2024 general elections will have significant implications for South Africa's foreign policy and its position on the global stage. If the ANC manages to hold on to around 44-45% of the vote, it should be able to form a coalition government with a minority party. This would enable it to pursue its policy of structural reform over the next five years without too much trouble, thus guaranteeing relative economic and political continuity. On the other hand, if the ANC were to fall below the 44% mark, an alliance with one or more rival parties would be more delicate and would require compromises (transfer of key ministerial portfolios). A weakened or fractured ruling party could lead to shifts in South Africa's alliances and its role within regional and international organisations such as BRICS and the African Union. Furthermore, the elections are expected to influence South Africa's domestic policy priorities, particularly in areas such as energy security, economic reform, and social justice.

Economic Outlook

The global economy's recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the ongoing cost-of-living crisis has shown unexpected resilience. Inflation is declining more rapidly than anticipated from its 2022 peak, with a lesser impact on employment and economic activity than feared. This is largely due to favourable supply-side factors and the central banks' efforts to keep inflation expectations in check through tighter monetary policies. However, the high interest rates implemented to combat inflation, coupled with the withdrawal of fiscal support amidst significant debt levels, are likely to dampen growth prospects in 2024³.

In 2023, South Africa's economic growth slowed to 0.6%, hampered by escalating constraints linked to the nation's deteriorating infrastructure. Notably, the power outages imposed by Eskom, the state-owned utility, reached a record high with over 6,950 hours of load shedding in 2023, compared to approximately 2,400 in 2022⁴. During the first half of 2023, both businesses and households invested in self-generation and rooftop solar power, driving investment spending and helping to mitigate energy shortages. Nevertheless, household consumption growth remained stagnant, constrained by the high cost of living and the energy crisis. In addition to the energy crisis, logistical challenges continued to plague rail and sea transport in 2023, with Transnet facing a delivery backlog equivalent to 0.7% of GDP by December⁵. Despite these obstacles, the economy narrowly avoided recession in Q4 2023.

Among the ten industries tracked by Statistics South Africa (StatsSA), four (4) experienced contractions in 2023, while three (3) showed marginal positive growth of less than 1%. Only the finance, transport, and personal services sectors posted growth exceeding 1%, with increases of 1.8%, 4.3%, and 2%, respectively⁶. Moreover, business sentiment remained subdued as companies contended with various challenges, including high operating costs, elevated lending rates, significant power and transport issues, and uncertainties surrounding policies and the upcoming elections.

South Africa's National Treasury forecasts in its budget review, GDP growth of 1.3% for 2024 and 1.6% for 2025⁷, in contrast to the less optimistic outlook of organisations such as the International Monetary Fund's projections of 0.9% for 2024 and 1.3% for 2025⁸. Nonetheless, South Africa's growth forecast lags significantly behind the global economy, which is expected to grow by 3.2% in both 2024 and 2025⁹.

Social

Although South Africa's GDP has rebounded to its pre-pandemic levels, the recovery's momentum has been hampered by several structural challenges, including ongoing power shortages and logistical bottlenecks. Despite various progressive initiatives, the country continues to grapple with significant issues such as

4 Statista 2024, Number of Load Shedding Hours in South Africa

5 BNP Paribas, South Africa: A Long Hard Road

6 Stats SA, Gross Domestic Product: Fourth Quarter 2023

7 National Treasury, Budget Review 2024

8 International Monetary Fund, *World Economic Outlook*

9 International Monetary Fund, *Global economy remains resilient despite uneven growth, challenges ahead*

3 International Monetary Fund, 2024, *World Economic Update*

poverty, unemployment, and inequality. South Africa's unemployment rate saw a slight increase in the fourth quarter of 2023, from 31.9 percent to 32.1 percent¹⁰.

Inequality in South Africa remains among the highest globally, with poverty estimated at 62.7% in 2023, according to the upper-middle-income country poverty line—a figure only marginally below its pandemic peak¹¹. Structural constraints and sluggish economic growth have stalled efforts to reduce poverty, challenges that were exacerbated by the COVID-19 pandemic. Progress in improving household welfare is severely limited by rising unemployment, which stood at 32.1% in the fourth quarter of 2023, surpassing already elevated pre-pandemic levels. The unemployment crisis is particularly severe among the youth aged 15 to 34, with an alarming rate of 45.5%¹².

South Africa continues to be a dual economy, characterised by one of the world's highest and most persistent inequality rates, as reflected by a consumption expenditure Gini Score of 63 in 2023¹³. This high level of inequality is perpetuated by a legacy of exclusion and an economic growth model that is not inclusive, failing to create sufficient jobs. Wealth inequality is even more pronounced, and intergenerational mobility is low, meaning that economic disparities are passed down from generation to generation with little change over time¹⁴.

Environmental

Climate change poses a considerable geopolitical risk with the potential to disrupt global stability. Extreme weather events, such as Cyclone Freddy in Africa and the widespread wildfires in Canada that enveloped eastern North America in dense smoke, are indicative of the ongoing impacts of climate change. The year 2023 has been marked by unprecedented heat, with July standing out as the hottest month ever recorded¹⁵.

While international responses to climate change are often gradual, 2023 has seen notable progress, particularly at the 28th Conference of the Parties (COP28) in Dubai. A significant achievement of COP28 was the creation of

the Loss and Damage fund¹⁶, designed to aid developing nations in mitigating and coping with the effects of human-induced climate change. By the conclusion of COP28, nearly USD 800 million had been raised, with substantial contributions from the United Arab Emirates and Germany. Although discussions on fund contributions and allocations continue, the fund's establishment highlights the pressing need for enhanced international climate financing. Several new global initiatives were also introduced, including the Global Renewables and Energy Efficiency Pledge, which aims to triple the global capacity of renewable energy and double annual improvements in energy efficiency by 2030. Additionally, the Oil and Gas Decarbonisation Charter seeks to rally companies to cut emissions in oil and gas production. These and other voluntary efforts could potentially close up to one-third of the emission gap if fully realised¹⁷.

Beyond COP28, 2023 also saw the formation of further international partnerships to bolster climate policy. For example, the Just Energy Transition Partnerships (JETPs), which focus on securing billion-dollar investments to transition the power sector away from fossil fuels, made significant headway¹⁸. Countries like South Africa, Indonesia, and Vietnam finalised their investment strategies, setting clear goals for reducing fossil fuel use and identifying the financial support needed from both private and public sectors.

Moreover, in October 2023, South Africa's National Assembly passed the Climate Change Bill, which now awaits approval from the National Council of Provinces and the President. This Bill is anticipated to accelerate South Africa's shift towards a greener, more resilient economy, aligning the country with global efforts to cut greenhouse gas (GHG) emissions and adapt its economy to climate impacts¹⁹. If enacted, the Bill would represent a major advancement, making South Africa's Nationally Determined Contributions (NDCs) legally binding. It would mandate the government to establish sector-specific emission targets and assign carbon budgets to major GHG-emitting companies.

10 Statistics SA, *Quarterly Labour Force Summary*, Q4 2023/24

11 World Bank, *The World Bank in South Africa*, <https://www.worldbank.org/en/country/southafrica/overview#2>

12 Statistics SA 2024, *Unemployment in South Africa: A Youth Perspective*

13 Statista 2024, *Gini Index*, <https://www.statista.com/statistics/264627/ranking-of-the-20-countries-with-the-biggest-inequality-in-income-distribution>

14 World Bank, *The World Bank in South Africa*, <https://www.worldbank.org/en/country/southafrica/overview#2>

15 S&P Global, *Climate Risk and Sustainability*, <https://www.spglobal.com/en/research-insights/market-insights/geopolitical-risk/climate-risk-sustainability#Quantifying-Risk>, 2024

16 Nascimento L, Godinho C, Kuramochi T, Moisiu M, den Elzen M, & Hohne N, *Climate Policy in 2023*, Nature Reviews Earth & Environment, 2024

17 Climate Action Tracker, *COP28 Initiatives Will Only Reduce emissions if followed through*, <https://climateactiontracker.org/publications/cop28-initiatives-create-buzz-will-only-reduce-emissions-if-followed-through/>, 2023

18 Nascimento L, Godinho C, Kuramochi T, Moisiu M, den Elzen M, & Hohne N, *Climate Policy in 2023*, Nature Reviews Earth & Environment, 2024

19 Dentons 2024, *South Africa Climate Change Bill 2023*, <https://www.dentons.com/en/insights/articles/2024/january/25/south-african-climate-change-bill-2023#:~:text=The%20Bill%20is%20expected%20to,the%20impacts%20of%20climate%20change>

Strategic Interventions

The Commission's ongoing initiatives are aligned with its goal to become a world-class modern regulator, setting benchmarks in service delivery standards and regulatory excellence. By embracing innovative technologies and implementing strategic reforms, the CIPC aims to enhance operational efficiency, and significantly improve accessibility, enabling stakeholders to interact with CIPC seamlessly. Thus, ensuring compliance with evolving regulations, and better serve the needs of the business community.

In the 2023/24 financial year, the CIPC has demonstrated robust performance in key areas, achieving substantial growth in service delivery metrics. This is a consequence of targeted efforts to optimise service delivery channels.

Beneficial Ownership

The Financial Actions Task Force (FATF) is the international standard-setting body that oversees global compliance with anti-money laundering rules. In collaboration with the Eastern and Southern Africa Anti-Money Laundering Group, the FATF conducted an assessment of South Africa's Anti-money Laundering and Counter Terrorist Funding (AML/CFT) system. The exercise revealed that while South Africa has a robust legal framework for combating money laundering and terrorist financing, significant shortcomings persist. In February 2023, the Financial Action Task Force (FATF) grey listed South Africa after identifying eight strategic deficiencies in its Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. During its Plenary meetings, FATF adopted a jointly agreed Action Plan with 22 Action Items aimed at addressing these deficiencies. South Africa must fulfil all 22 Action Items to be removed from the grey list, with deadlines ranging from January 2024 to January 2025.

South Africa has made notable progress in addressing the FATF concerns since being grey listed in February 2023. Of the 22 action items identified to improve the country's AML/CFT framework, five (5) have been largely addressed as of February 2024. These include strengthening legal provisions against terrorist financing and enhancing the use of financial intelligence in investigations.

The CIPC, in particular, has played a crucial role in advancing South Africa's compliance with Immediate Outcome 5 of the FATF Action Plan, specifically focusing on enhancing the transparency of beneficial ownership (BO) information. Key contributions include the establishment

of a BO Register and a dedicated BO Review Team on April 1, 2023. This initiative ensures accurate BO filings and strengthens the verification process through cross-checks with various databases, including those of Home Affairs and financial sanctions lists. Additionally, the CIPC has implemented regulations promulgated on May 24, 2023, and continuously upgraded the BO system to facilitate amendments and streamline the administration of BO information. To raise awareness, the CIPC has conducted an extensive outreach campaign through various media channels, webinars, and workshops. Importantly, the CIPC has developed the capability to share BO data with law enforcement agencies and other authorities like SARS, the Prudential Authority, and banks. Furthermore, it has proactively enforced compliance by investigating non-compliant entities, issuing compliance notices, and conducting inspections, with particular attention to sectors such as scrap metals, health, media, ICT, and agriculture. These efforts underscore CIPC's commitment to enhancing transparency and accountability in South Africa's corporate sector.

Moreover, the CIPC made significant strides in enhancing transparency, accountability, and governance through the establishment of a Beneficial Ownership (BO) Register on its e-Services platform, which became functional on April 1, 2023. This register enables corporate entities to submit details regarding their beneficial ownership to the CIPC. From May 24, 2023, the submission of BO information became mandatory for all entities. The BO Register ensures that companies, including non-profit companies and close corporations, maintain records of the natural persons who own or control the legal entity. This provides the CIPC with a detailed mechanism to maintain accurate and updated beneficial ownership information of complex corporate structures, facilitating the swift identification of ownership by law enforcement authorities and regulatory bodies. The primary purpose of implementing the beneficial ownership regime is to identify individuals who ultimately benefit from the operations of corporate vehicles and to combat money laundering and the financing of terrorism through the misuse of such legal persons.

South Africa faces tight deadlines to meet these requirements, with significant progress expected by May and September 2024. The FATF will review these developments in June 2024, with a potential assessment visit scheduled for 2025 if all action items are addressed. While challenges remain, the country is on track to comply with most of the FATF's recommendations,

having already improved compliance with 35 out of 40 FATF recommendations as of late 2023.

IP BRICS

The IP BRICS group aims to enhance the value of IP to ensure its contribution to the economic development and growth in the member countries. The cooperation originated from the Informal Heads Consultation of IP BRICS in Geneva, Switzerland in 2012.

The BRICS IP offices have continued to explore their cooperation covering ALL areas of IP. This was then structured by way of cooperation streams allocated and lead by the member countries. Currently, there are eight (8) cooperation streams:

- Training of IP office staff and Examiner Exchange
- National IP strategy and Promotion of Public Awareness on IP
- Information Services on IP
- IP/Patent Processes and Procedures
- IP Strategies for SMMEs
- Collaboration in International Forums
- Trade marks, and
- Industrial Designs

In addition, ongoing exchanges and discussion also involve a variety of topics such as responses to digital and new emerging technologies, achieving United Nation Sustainable Development Goals (SDGs) in the IP field, etc.

In the year under review, the CIPC chaired the IP BRICS forum, marking a key moment in international IP collaboration. Country coordinators discussed work stream progress, logistical plans for the Heads of IP Offices (HIPO) meeting, and other crucial matters. All BRICS HIPO members approved the event schedule for the year under CIPC's leadership.

During the 56th Session of WIPO in July 2023 in Geneva, the CIPC Commissioner delivered a joint statement from the Federal Service for Intellectual Property (ROSPATENT), reflecting BRICS' collaborative spirit. This session provided a platform for bilateral and IP BRICS meetings to strengthen ties. A key meeting on July 7th, chaired by CIPC, allowed coordinators to discuss issues for the Heads of IP Offices (HIPO).

The BRICS HIPO Meeting on July 7th, held alongside the WIPO General Assembly, laid the groundwork for the annual BRICS HIPO Meeting in October, which CIPC coordinated virtually on October 15th. Discussions

focused on work stream updates and strategies for cooperation, including a proposal to commemorate the decade-long collaboration with a publication on BRICS IP Offices' achievements.

From October 23rd to 27th, CIPC hosted a virtual IP BRICS Examiners' training where patent examiners from BRICS countries exchanged best practices. The training covered patent examination, IP commercialisation, AI in trade marks searches, and the role of women in IP.

During this period, focal point coordinators engaged intensively as the chair transitioned to ROSPATENT-Russia, and five new members joined. Discussions included Consultative Group Meeting (CGM) and key decisions on the 2024 IP BRICS calendar, strategic directions, and preparations for upcoming events like the Authorship event, Europäische Rechtsakademie Trier (ERA) IP event, and 16th HIPO meeting, ensuring continuity in collaborative efforts.

IP Enforcement

The CIPC has embarked on an innovative and environmentally friendly initiative to address the challenge of confiscated counterfeit goods. Recognising the costly and environmentally harmful methods traditionally used to destroy these goods, particularly vast quantities of counterfeit clothing, footwear, and apparel, the CIPC is piloting a programme aimed at recycling and upcycling these items into new products, such as children's toys, pet accessories, and therapeutic tools, without any trace of the original counterfeit trade marks.

This initiative not only mitigates the environmental impact associated with the disposal of counterfeit goods but also offers numerous benefits:

- **Resource Conservation:** Upcycling reduces the demand for new raw materials, conserving natural resources
- **Energy Savings:** Manufacturing new products from scratch consumes significant energy; upcycling requires less, contributing to energy conservation and reduced emissions
- **Reduced Pollution:** Upcycling cuts down the pollutants and greenhouse gases emitted during the production of new goods, promoting cleaner air and water
- **Lower Carbon Footprint:** By processing goods locally or regionally, upcycling reduces the carbon emissions associated with transportation.

- **Circular Economy Promotion:** It encourages a sustainable model where materials are reused and repurposed, minimising waste and enhancing resource efficiency
- **Job Creation:** The process creates employment opportunities, especially in recycling, repurposing, and craftsmanship, driving economic development
- **Awareness and Education:** The initiative raises awareness about the environmental repercussions of counterfeiting and educates on sustainable consumer choices
- **Innovation and Creativity:** Transforming counterfeit goods into valuable items encourages innovative solutions and fosters a culture of creativity

By championing upcycling, the CIPC not only presents a cost-effective solution to the disposal of counterfeit goods but also supports environmental sustainability, economic development, and the promotion of a more responsible consumption culture.

Operational Excellence

The CIPC implements a deliberate and robust operational excellence and quality management strategy, that aims to ensure that the primary strategies are executed consistently and continuously. Central to this strategy is the goal of meeting customer expectations and fulfilling regulatory requirements.

To achieve these objectives, the CIPC regularly monitors operational and process performance - Service Delivery Standards (SDSs) are systematically reviewed and enhanced to foster continuous improvement.

As part of the review, an analysis of current turnaround times against the established service standards was conducted. As a result, the SDS for various services within the organisation were improved, ensuring faster and more efficient service delivery.

The commitment of the CIPC to operational excellence and quality management has led to significant enhancements in service delivery, ensuring that the organisation remains responsive to the needs of its customers and meets its regulatory obligations effectively.

Automation of Processes

In pursuit of operational excellence, the CIPC placed significant emphasis on improving and automating its processes as part of a comprehensive modernisation strategy. This strategy aims to migrate all CIPC operations and services to new, modern platforms, enhancing

efficiency, accuracy, and overall service delivery. One of the most notable advancements was the automation of the Director Amendments process, which aimed to improve the accuracy and security of director registrations by reducing manual intervention and speeding up the approval process. Despite initial challenges, this initiative successfully managed over 9,000 applications by year-end.

Additionally, the registration of new companies and the management of annual returns saw increased levels of automation, resulting in faster turnaround times and reduced error rates. This resulted in turnaround times for private companies with customised MOIs, Incorporated Companies, State-Owned Companies, Public Companies, and Not-for-Profit companies with customised MOIs (CoR15.1D and E) reduced from an average of five (5) to four (4) days. The introduction of advanced data analytics tools further supported these efforts by enabling better tracking of service delivery metrics, identifying bottlenecks, and allowing for prompt corrective actions.

The modernisation strategy also focuses on strengthening online service channels such as the website, and *BizPortal*. This comprehensive approach is expected to enhance data integrity, information security, registration system transparency, and the verification of business compliance. Ultimately, the automation of processes will lead to faster transactions and improved customer experiences, ensuring that CIPC's service delivery remains efficient and responsive to the needs of its clients.

CIPC STRATEGIES

Reduced turnaround times and improved customer and stakeholder satisfaction are as a result, largely, of the CIPC's strategies and programmes regarding Modernisation; Client Engagement; Innovation and Collaboration; Education and Awareness; Voluntary Compliance and Enforcement.

Modernisation Strategy

The modernisation strategy aims to modernise all CIPC operations and services. This entails migration of CIPC processes to new modern platforms, as well as automation of all its processes, in order to minimise transacting times. It also entails strengthening online service channels such as the website, Mobile App and *BizPortal*.

Migration of processes to new platforms provides a foundation for simplified and full automation of CIPC internal and external processes. Most processes have been migrated to the K2 platform. Priority has been

given to services currently attracting high usage from the client community. In the IP arena, the CIPC is in the process of deploying a fully automated IP Administration System (IPAS) with the assistance of the World Intellectual Property Organisation (WIPO). It is believed that this end-to-end automated system will make the patent system seamless and therefore act as a catalyst for improved applications.

Automation of processes will lead to faster transactions, and thus improved customer experiences. This will also enhance data integrity, information security, registration system transparency and verification of business compliance.

Mobile application services and web services are being modernised, because of the integration of the currently published CIPC mobile platform with legacies. CIPC successfully implemented the ChatBot pilot, which mainly catered for general questions that customers can ask and get responses to, instantly, from the bot.

The Covid-19 Pandemic called for the CIPC to adapt quickly and develop new services: the first of which was an additional functionality, which is located in the **BizPortal** platform, to register and issue certificates for businesses to operate as essential businesses during the national lockdown. The second was the booking service, which sought to reduce congestion at CIPC Self-Service Centres by allowing CIPC clients to book appointments to SSCs, in advance, via the CIPC Mobile App. The third was automation of submissions and approvals of invoices online.

The modernisation strategy serves to extend the reach of the CIPC and government-integrated services. However, this excludes individuals who do not have access to network data to access the internet, nor appropriate devices. To close this gap, the CIPC offers its services through Self-Service Centres and Partner Sites, where Self-Service Terminals are installed, operate, and manned by CIPC staff, or individuals allocated to partners. Customers can also use a drop-box situated at the CIPC offices, use postal services, or email.

Multi-Channel Strategy (Innovation and Collaboration)

The CIPC extended its footprint by collaborating with strategically selected partners, in doing so leveraging the capabilities and competencies of its partners. The CIPC has access to its partner's infrastructure, customer base and value-add services, for the benefit of its own customers. These partnerships are not only limited to the

public sector, but also extend into the private sector.

The partnership model has also been critical for creating a 'one-stop shop' for businesses. Channels such as the **BizPortal**, SSTs and partnerships with banks, are built upon this model. The **BizPortal** is a 'one-stop shop' that enables entrepreneurs to access one website in order to register their company, register for tax, get their Broad Based Black Economic Empowerment (BBBEE) certificate, register for the Unemployment Insurance Fund (UIF), get their company's domain name, as well as open a bank account.

Through SSCs and Partner Sites, entities can not only register themselves as companies, but can also acquire their BBBEE certificates.

In an effort to continue providing value-added services, the CIPC also collaborated with SARS to offer a tax number once an enterprise is registered. Several banks offer a wide range of CIPC products and services as well, including company registration, name reservation, payment integration and B-BBEE certificate application. This happens, primarily, when their customers open a business bank account.

Operational Excellence and Quality Management Strategy

The operational excellence and quality management strategy is deliberate, in that it ensures that the CIPC's primary strategies are executed in a consistent and continuous manner. At the centre of this strategy is meeting customer expectations, as well as those of the organisation's own regulatory requirements. To this end, the CIPC regularly monitors operational and process performance. Moreover, service delivery standards are regularly monitored and reviewed with the aim of fostering continuous improvement. For a detailed analysis of the CIPC service delivery standards please refer to Annexure B section 1.1.

Substantive Search and Examination Strategy

In 2018/19, Cabinet approved phase one of the draft IP Policy of the Republic of South Africa, which seeks to establish a national IP system that is cognisant of government priorities, and which also seeks to provide for a co-ordinated approach in relation to IP matters on behalf of government departments and other organs of state. Additionally, the IP Policy aims to provide a balance between preserving the rights of creators of IP on the one hand, and providing access to knowledge, technology, and affordable and safe medication for the benefit of all South Africans, on the other.

One of the key policy instruments emanating from the IP Policy is the Substantive Search and Examination (SSE) of Patent Applications in South Africa. The IP Policy provides for a phased approach to the introduction of SSE, where the Inter-Ministerial Committee on Intellectual Property (IMCIP), established under the IP Policy, will determine the priority sectors in which Patent Applications will be examined. In terms of the CIPC SSE strategy roll-out, patent examiners and interns are actively being recruited and trained.

Key Challenges

One of the primary challenges faced by the CIPC during FY2023/24 was a significant security breach in the fourth Quarter. Intruders illegally gained access to CIPC systems, threatening to encrypt and publicly release data in lieu of a ransom. Although initial scans did not detect malware, subsequent security protocols confirmed the breach through the defacement of the e-Services website and malicious emails sent to internal staff.

In response, CIPC enacted several security measures, including system hardening and password resets. In addition, reports about the breach were submitted to law enforcement and regulatory authorities. Advanced monitoring and response services were engaged together with the CIPC security service providers. CIPC systems were then restored, and the affected environments were isolated for further analysis and investigation.

Private forensic investigation services were also sought to uncover the vulnerabilities that were explored, the sequence of events, and the role players and processes that might have led to the breach. The process to implement recommendations stemming from investigations into the breach to ensure improved security of CIPC and customer/partner data is in progress.

The security breach significantly impacted service delivery, leading to disruptions, and necessitating the enhancement of both external and internal security measures. The upgrade process, which included mandatory re-verification of customer identities through the Department of Home Affairs—a process that experienced bottlenecks—resulted in notable customer dissatisfaction and access issues.

The re-verification of customers not only heightened the volume of incoming inquiries but also coincided with the deactivation of the Query Resolution System (QRS), forcing the CIPC to manage these inquiries via email. This adjustment disrupted the workflow, and as the verification processes began to stabilise, a significant

surge in application submissions was encountered, leading to backlogs and delays.

Moreover, the bulk deregistration of over 1.7m companies and closed corporations triggered an unprecedented volume of reinstatement requests, exacerbating the backlog created by the security breach aftermath.

In response to the breach, the CIPC accelerated the implementation of Foreigner Assurance measures. The introduction of Foreigner Assurance for Beneficial Ownership and customer verification further strained operational capacity, delaying the processing of these applications amidst the ongoing challenges.

The CIPC has demonstrated remarkable resilience and commitment to operational excellence, leading to significant improvements in efficiency and accessibility. By focusing on modernisation and automation, the CIPC is enhancing its ability to adapt and remain relevant in a rapidly changing environment. These efforts are crucial in building a more capable and efficient regulatory framework, which not only reduces administrative burdens but also strengthens industrial resilience and competitiveness, ensuring that the CIPC continues to make a strategic contribution to South Africa's economic infrastructure.

1.2 Organisational Environment

In the past financial year, the CIPC has faced a challenging yet transformative journey in its pursuit to become a world-class modern regulator. This evolution has been driven by a strategic focus on enhancing operational efficiency and service delivery amidst notable human resource constraints and process efficiency challenges.

Human Resource Constraints

One of the primary challenges in the financial year under review was related to human resource constraints, significantly influenced by a widespread shortage of specialist skills. This shortage affected several key areas, including the development of key IT infrastructure, compliance and enforcement activities, and the timely development of essential applications. Moreover, the turnover of critical staff, many of whom left through resignations and retirements, exacerbated these issues.

These constraints had a direct impact on the CIPC's ability to deliver services effectively, leading to delays in compliance investigations, slower processing times for applications, and extended turnaround times for customer queries. The shortage of staff also meant that existing employees had to manage higher workloads,

leading to increased stress and potential burnout. Additionally, a limited number of support staff compelled senior management to take on a broader range of responsibilities, from routine administrative tasks to strategic decision-making.

In response to its human capacity constraints, the CIPC adopted several mitigation strategies to ensure continued service delivery, and these included:

- **Staff re-allocation and job rotation:** Temporary re-assignment and secondment of staff from other divisions to distribute workloads more evenly and ensure continuity of operations.
- **External service providers:** Engaging external service providers to augment the existing workforce on specific projects and tasks thereby alleviating pressure on staff.
- **Internship Programmes:** Initiation of internship programmes to provide support and build a pipeline of future talent.

These measures have been critical in maintaining the CIPC's operations and minimising disruptions to our service delivery.

Operational Inefficiencies

The CIPC's strategic vision of becoming a world-class modern regulator necessitates the adoption of advanced, digital technologies. However, the persistence of outdated legacy systems has posed significant obstacles. Throughout the year, the CIPC embarked on initiatives aimed at streamlining, digitising and automating processes to enhance efficiency, service delivery and stakeholder satisfaction. Significant developments include tackling inefficiencies in the organisation's legacy systems, which had previously impeded digital transformation efforts and enhancing integration with partnering entities to facilitate smoother collaboration and data management. Moreover, the CIPC had endeavoured to migrate processes to modern platforms to increase process efficiency and system uptime.

These technological advancements are part of the CIPC's broader strategy to modernise its operations and ensure a seamless service experience for its stakeholders.

Moreover, the development of the Integrated Planning and Reporting Framework has marked a pivotal step towards refining the CIPC's strategic planning processes. This framework is designed to enhance the CIPC's capability in strategy development, risk management, resource optimisation, and communication, setting

a strong foundation for more integrated, agile, and accountable operations.

Despite the challenges, the CIPC remains committed to its strategic vision of reducing regulatory burdens and protecting intellectual property, thereby enhancing the ease of doing business in South Africa. Our efforts this year have laid a robust groundwork for continued improvements and innovations in our regulatory functions, ensuring that the CIPC remains at the forefront of business regulation and intellectual property protection, both locally and internationally.

Moving forward, the CIPC will continue to focus on overcoming the remaining challenges, particularly those related to human resource capacity, to ensure that the organisation is fully equipped to meet the evolving needs of its stakeholders and maintain the role of a leader in business regulation. Through strategic initiatives and continuous improvement, the Commission is determined to advance its mission and contribute significantly to industrial resilience and competitiveness in South Africa.

1.3 Key Policy Developments and Legislative Changes

No changes to legislation relevant to the operations of the CIPC were effected during the year under review. However, significant legislative advancements have been made with the publication of two Companies Amendment Bills, which were open for public commentary. The Portfolio Committee on Trade, Industry and Competition conducted numerous sessions, including oral hearings with essential stakeholders to discuss these Bills. The CIPC actively contributed to these discussions, providing feedback and responses to issues highlighted during the hearings, which were forwarded to **the dtic**.

Additionally, between December 2023 and February 2024, further deliberations took place involving the Parliamentary Committee on Trade, Industry and Competition. Following these discussions, both Bills received approval through a majority vote. The promulgation of these Bills by the President is currently pending, which will mark a significant advancement in our legislative framework and operational landscape.

1.4 Progress Towards Achievement of Institutional Impact Statements, Outcomes and Outputs

In the 2021/22 - 2025/26 strategic cycle, the CIPC has committed itself to a strategic vision aimed at elevating South Africa's global business stature and

enhancing competitive industrial resilience. This vision is encapsulated in four (4) Impact Statements, each designed to enhance the CIPC's capabilities and service delivery, foster an environment conducive to business growth, and ensure robust regulatory compliance. These statements are not merely goals but are reflections of proactive commitment to innovation and excellence in a rapidly evolving business landscape.

At the core of the strategy of the CIPC lies a robust blueprint aimed at transforming the CIPC into a world-class modern regulator. This transformation is guided by a dedication to improving organisational competencies, engaging with stakeholders effectively, and fostering international collaborations. Each Impact Statement, intricately linked with strategic objectives, is designed to shift the organisation towards achieving a more streamlined, transparent, and efficient regulatory framework that supports and stimulates the South African and global business ecosystems.

The strategic objectives outlined encapsulate the CIPC's dual focus on operational excellence and strategic influence. From enhancing technological capabilities and reducing regulatory burdens to ensuring rigorous compliance with Company and IP Laws, the strategic objectives are tailored to foster an environment conducive to business growth and innovation. Moreover, the CIPC's commitment extends beyond mere compliance to empowering businesses and protecting intellectual property, which are vital components of South Africa's economic expansion and international competitiveness.

IMPACT STATEMENT #1

"Building the required competencies and capabilities to become **a world-class modern regulator** that is fit-for-purpose, agile, adaptive, relevant and ahead of the curve, building the capacity of the state, reducing red tape, and making a strategic contribution towards industrial resilience and competitiveness."

1. Improved Organisational Competencies and Capabilities Towards Building a Capable State and Improved Service Delivery

The CIPC remains steadfast in its commitment to the ongoing training and development of its staff, a key component of the strategy is to enhance organisational competencies and capabilities. In response to the fast-paced technological advancements and the increasing shift towards digitalisation and digitisation of systems and workflows, the CIPC has developed and implemented Phase 1 of its skills development plan.

This plan covers a broad spectrum of competencies including industry-specific knowledge, technical skills, and the soft skills critical for effective collaboration and innovation.

A pivotal objective of the skills development plan is to ensure inclusivity as the CIPC advances towards modernising and automating its systems and workflows. The CIPC is committed to the principle that as it embraces these changes, no one is left behind. This commitment guarantees that every staff member is given the opportunity and tools necessary to thrive in a digitally transformed environment.

Moreover, targeted training initiatives are specifically tailored to equip CIPC staff with the requisite skills to transform the organisation into a world-class modern regulator. This involves not only mastering cutting-edge technologies but also developing a deep understanding of global standards and best practices. By integrating these elements into training interventions, CIPC ensures that its workforce is not just keeping pace with but leading the charge in innovation and efficiency.

By focusing on these strategic areas of development, the Commission is enhancing its ability to adapt to an evolving technological landscape and empowering its workforce to drive growth and improve service delivery.

Twelve (12) processes were conceived for automation in preparation for the future state of a modernised, digitised, and automated business environment. Moreover, the CIPC has commenced with enhancements of existing processes and integration of processes and services. This is all toward improving and enhancing service delivery.

2. Regular stakeholder engagement towards accurately determining the impact of CIPC activities on local and international businesses, as well as society as a whole

The CIPC continued to successfully produce case studies that highlight its positive impact on society. These case studies covered a wide range of the CIPC's services, including its efforts in enforcing intellectual property rights and promoting sustainability, maintaining comprehensive corporate registers, and supporting and protecting innovation. The case studies not only demonstrate the commitment to these areas but also showcase the practical applications and benefits of the services.

The purpose of these case studies is to serve as valuable tools for stakeholders and beneficiaries, allowing them to assess the direct outcomes and gauge how effectively the CIPC is meeting its strategic objectives. This achievement underscores the effectiveness of the CIPC strategies and the dedication of CIPC teams to fostering an environment that supports and promotes innovation while ensuring that the rights and interests of businesses and individuals are protected.

3. Collaboration with businesses and other government entities based on mutual commitments

The CIPC has initiated an initiative focused on establishing a Global Memorandum of Understanding (MoU) among members of the Corporate Registers Forum (CRF) and other jurisdictions. The motivation behind this proposal is rooted in the need to enhance international cooperation for sharing corporate information, particularly in preliminary investigations and potential legal inquiries regarding the verification of legal and beneficial ownership.

South Africa, having undergone a Mutual Evaluation by the Financial Task Force (FATF), International Monetary Fund (IMF), and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2019, received recommendations to apply a risk-based approach to verifying beneficial ownership information. This global agreement, as proposed, aims to formalise relations between countries to facilitate the easier sharing of corporate data without replacing existing Mutual Legal Assistance processes.

The Global MoU is expected to enable Companies Registries to meet their international obligations under FATF guidelines effectively. This arrangement will also lay the groundwork for future bilateral agreements that respect the diverse legal systems of the CRF members, which include both civil law and common law jurisdictions.

Overall, the establishment of this Global MoU is a critical step toward realising enhanced collaboration across borders, ensuring that no jurisdiction is left behind in the global effort to maintain transparent, reliable verification of corporate entities. This initiative not only reflects a commitment to improved service delivery and building a capable state but also strengthens international relations based on shared goals and mutual legal and regulatory understanding.

Ultimately, the organisation has taken several steps forward, towards becoming a world-class modern regulator, by improving its processes through automation and prioritising a more responsive service delivery mechanism. Strengthening of virtual channels ensures that the CIPC is globally competitive and provides for reduced transacting times when transacting with the CIPC. Moreover, migration of processes to modernised platforms strengthens the CIPC's ICT capabilities towards a modernised operations environment.

IMPACT STATEMENT #2

"Reducing the regulatory administrative burden by creating ease, simplicity, and flexibility in the formation, maintenance, and compliance by companies, as well as protection of intellectual property. This will make it **easy to do business in SA**, contributing to enterprise efficiency, growth, and sustainability, and build a foundation for increased exports and investments – local and foreign."

1. Reduced administrative and compliance burden for companies and IP owners

The CIPC has enhanced its support for SMMEs and improved overall efficiency by reducing the company registration time for external company, private company with customised MOI, Incorporated Company, State Owned Company, Public Company and Not for Profit companies with customised MOI (CoR15.1D and E) from five (5) days to four (4). This improvement was achieved by automating processes, including the verification of directors of foreign nationality.

Further advances in automation, particularly in the director amendments process, have not only streamlined operations but also made CIPC services more accessible, enhancing the efficiency of company registration and oversight.

These enhancements support the CIPC's mission to ensure implementation and compliance with Company and IP Laws, thereby fostering a reputable business regulation and IP protection environment in South Africa. Such improvements boost investor confidence in South African businesses and innovations, encouraging investments that contribute to business growth and sustainability.

Considering the above, the CIPC has conducted many activities in line with improving the ease of doing business in South Africa, including with regards to easing the compliance burden for companies, increasing

education and awareness of laws and regulations, and fostering a reputable business regulatory environment suitable for additional investment and for further business opportunities.

IMPACT STATEMENT #3:

“The CIPC will ensure implementation and compliance with Company and IP Laws to create a reputable Business Regulation and IP Protection environment in South Africa, contribution **to investor confidence in South African businesses and innovations** translating to investments in business and innovations, contributing to business growth and sustainability.”

1. Reputable Business and IP Environment

In the financial year under review, the CIPC effectively conducted targeted proactive investigations into violations of the Companies Act, focusing specifically on entities identified in the State Capture Commission Report. This initiative not only enforced compliance but also streamlined the regulatory process for both private and state-owned enterprises. Seven (7) such cases were rigorously pursued, demonstrating the CIPC’s commitment to upholding the law.

Furthermore, through XBRL and vigilant monitoring of the Companies Tribunal decisions and media reports, the Commission identified and took action on another eight (8) cases. These efforts are part of the broader strategy to reduce the administrative burdens associated with corporate formation, maintenance, and compliance. By simplifying these processes, the CIPC is fostering a more flexible and efficient business environment.

Proactive and targeted interventions are instrumental in creating a conducive atmosphere for business operations in South Africa. These measures directly contribute to enterprise efficiency, growth, and sustainability by ensuring voluntary compliance and protecting intellectual property, thereby making South Africa an attractive destination for business.

2. Building state capacity to better regulate and ensure integrity of granted patent rights

South Africa uses a depository patent application and granting system under the current legislation, which means that patent applications are not subject to substantive examination to determine whether they meet the patentability criteria of novelty, inventiveness and industrial applicability but are considered on the basis of meeting formal prescribed

requirements. Phase I of the IP Policy as approved by parliament in 2018 proposed the “introduction of substantive search and examination (SSE) for patents, which is a key step towards ensuring that the patent regime fulfils its purpose of stimulating genuine innovation. The introduction of SSE will benefit patent holders by granting them rigorously assessed rights and benefit the public at large by ensuring that market exclusivity is only granted when appropriate.” The implementation of the Substantive Search and Examination (SSE) Experiential Learning Project by the CIPC is in line with the IP Policy recommendation of developing SSE capacity in preparation for the proposed patent law reforms.

The delayed legislative reform process however poses a risk to the retention of trained examiners, who are being poached by established IP Law firms as they possess highly sought out skills that cannot be easily or readily acquired through normal ways e.g. institutional learning but through specialised training as well as coaching and mentoring by international intellectual property offices inclusive of ‘on the job training’. Most resignations have occurred in the priority fields of biotechnology and chemistry. The CIPC continues with the SSE ELP training whilst awaiting the proposed patent law reforms. Over the 2023/24 period, this programme delivered four (4) separate training initiatives, training eleven (11) Patent Examiners and twenty (20) interns. These training initiatives directly contribute to the CIPC’s mission of enforcing Company and IP Laws, creating a reputable business regulation and IP protection environment in South Africa.

By strengthening expertise in patent examination, the SSE programme boosts investor confidence in South African businesses and innovations. This, in turn, encourages investments in business and innovation, thereby fostering business growth and sustainability.

3. Reduce IP filing costs to transform the economy through localisation

The CIPC’s Inventor Assistance Programme (IAP) is an innovative initiative designed to integrate under-resourced inventors into the local IP system. The programme equips inventors with the requisite knowledge, tools, and resources to file complete patent applications and undergo substantive examination, leading to the issuance of patents. A key milestone in this initiative was the convening of the

Inventor Assistance Programme Review Committee. During this session, the committee reviewed twenty-six (26) applications, rigorously selecting those that demonstrated significant potential and alignment with the programme's objectives. Four (4) inventors were subsequently recommended for pairing with pro bono attorneys.

This programme underscores the CIPC's commitment to transforming the economy and promoting innovation. By empowering inventors, the IAP enhances compliance with IP laws and contributes to a reputable business regulation and IP protection environment. Such efforts boost investor confidence in South African innovations, fostering investments that drive business growth and sustainability.

4. Increased awareness (including capacity building) of IP protection laws, regulations, as well as services and related processes

The CIPC recognises the importance of protecting local innovation and creativity. To support this, it actively provides information on IP rights and raises awareness of the benefits of formalising IP through registrations. A significant effort to enhance investor confidence in South Africa includes the sixty-five (65) IP education and awareness events organised or co-hosted by the CIPC. These events, often held in collaboration with partners such as the Small Enterprise Development Agency (Seda) and other government departments, feature annual highlights like World IP Day and the IP Summer School.

The CIPC's focus on collaboration, capacity building, training, and targeted awareness plays a critical role in fostering adherence to IP laws, protection of IP rights, and combating the distribution of counterfeit goods. By participating in local and international events, the CIPC effectively raises awareness about the value of IP and the importance of the protection of IP rights.

In addition, the CIPC has strengthened South Africa's law enforcement capacity by conducting more training sessions for law enforcement agencies during this reporting period. These efforts ensure compliance with Company and IP Laws, building a trustworthy business regulation and IP protection environment that fosters investor confidence, encourages investments in South African innovations and drives sustainable business growth.

5. Ensuring compliance and accuracy of related data

In 2019, South African Regulatory and Law Enforcement Agencies collaborated to prepare for a Financial Action Task Force (FATF) assessment, evaluating the effectiveness of Anti Money Laundering (AML) and Counter Financing of Terror (CFT) measures. This assessment pinpointed significant challenges in accessing accurate beneficial ownership (BO) information, underscoring vulnerabilities in combating money laundering and terror financing. In response, the CIPC took decisive action by developing an automated Beneficial Ownership Register, aimed at bolstering the integrity and transparency of the financial system. The first phase of this initiative was successfully launched in the 2022/23 financial year.

On 01 April 2023, the CIPC established a comprehensive Beneficial Ownership Register. Simultaneously, a dedicated BO Review Team was formed to assess incoming BO filings, ensuring accuracy and compliance. Further enhancements were made with the implementation of new regulations promulgated on 24 May 2023. The BO system was upgraded to include capabilities for conducting checks against various databases such as Home Affairs, the Delinquent Directors Register, the Targeted Financial Sanctions List, and mechanisms for foreigner assurance. It also allowed for validations against STRATE for affected companies, significantly improving the robustness of the BO system.

In FY2023/24, the CIPC made substantial progress in enhancing transparency, accountability, and governance through further advancements to the BO Register. Notably, the implementation of an API Gateway facilitated real-time data queries by key government entities, such as the Department of Justice. This development not only marked a significant enhancement in data accessibility but also fostered stronger interagency cooperation. Additionally, the CIPC developed the capability to disclose BO data to law enforcement agencies and other competent authorities like SARS, the SA Reserve Bank (Prudential Authority), the Financial Sector Conduct Authority (FSCA), and banks.

The CIPC embarked on an intensive awareness campaign to educate stakeholders on the BO system. This campaign included media outreach, social media engagement, issuance of guidelines and frequently asked questions, the release of a BO demonstration,

consistent webinars, and physical workshops. Enhancements to the BO system also allowed for amendments of BO information and streamlined the BO administration workflow to assist with query generation and transaction completion.

Proactively, the CIPC investigated entities failing to comply with BO filing requirements, issuing compliance notices and conducting boardroom visits and inspections to ensure directors' compliance. The efforts of the BO Review Team led to thematic investigations in sectors such as scrap metals, health, media, ICT, and agriculture.

The Beneficial Ownership Enforcement Drive and the creation of a dedicated portal for law enforcement were pivotal in ensuring compliance and aiding effective investigations, thereby reinforcing the CIPC's leadership in maintaining integrity and efficiency within the financial system. These advancements have crucially supported third-party decision-making by providing accurate, readily accessible ownership data, essential for various stakeholders including investors, regulatory bodies, and law enforcement agencies. By leveraging these knowledge assets and networks, the CIPC has extracted maximum value for itself and its customers, facilitating informed decisions that enhance regulatory compliance and deter financial crimes. This strategic utilisation of data not only supports the CIPC's operational goals but also contributes significantly to a more stable and transparent business environment in South Africa.

In line with the above, the CIPC has taken several steps towards increasing investor confidence in South African businesses and innovations, for the benefit of all South African citizens.

Further in this regard, the CIPC, in collaboration with local and international partners - in this case, WIPO - has introduced innovative programmes such as the IP for SMMEs programme in South Africa. The IP for SMME Capacity Development Programme is a national flagship programme spearheaded by the CIPC in partnership with WIPO and the National Task Force Team comprising **the dtic**, Department of Small Business Development (DSBD), Small Enterprise Development Agency (Seda), National Intellectual Property Management Office (NIPMO) and several research institutions.

This programme aims to increase IP awareness, build capacity and make the patent system more accessible to financially under-resourced inventors and small

businesses, respectively, thus ensuring that there is greater inclusivity in terms of the use of the IP system. The project has two (2) main objectives. Firstly, it is to enhance SMME competitiveness through the effective use and management of intellectual property (IP) assets; and secondly, it is to strengthen the institutional capacity of SMME support institutions (also known as SMME Intermediaries) for delivering IP-related services to their stakeholders.

IMPACT STATEMENT #4:

"Support third-party decision making by leveraging knowledge assets and networks, extracting maximum value for the CIPC and its customers."

Data and Information Management Strategy

The CIPC's data and information management strategy constitutes the foundation through which the CIPC leverages knowledge assets and networks to support third-party decision making, thereby creating shared value for the CIPC and its customers.

In the next five years, the CIPC will:

- Strengthen internal data reporting by establishing a business intelligence (BI) platform, and a data warehouse.
- Relocate the data centre and Server Room from **the dtic** Shared Services Centre to an external hosting service provider.
- Strike a good balance between strong ICT security and increased access to data:
 - Further enhance the existing data security measures through a fully implemented effective Identity Management (IDM) solution for the CIPC.
 - Strengthen information security by implementing Security Incident Event Management Solution (SIEM) to complement the use of the McAfee Solution, as a key component of the ISMS.
- Revise 100% of current partners' integration to be compatible with current CIPC service/data demands, while leveraging the capabilities of modern technologies.

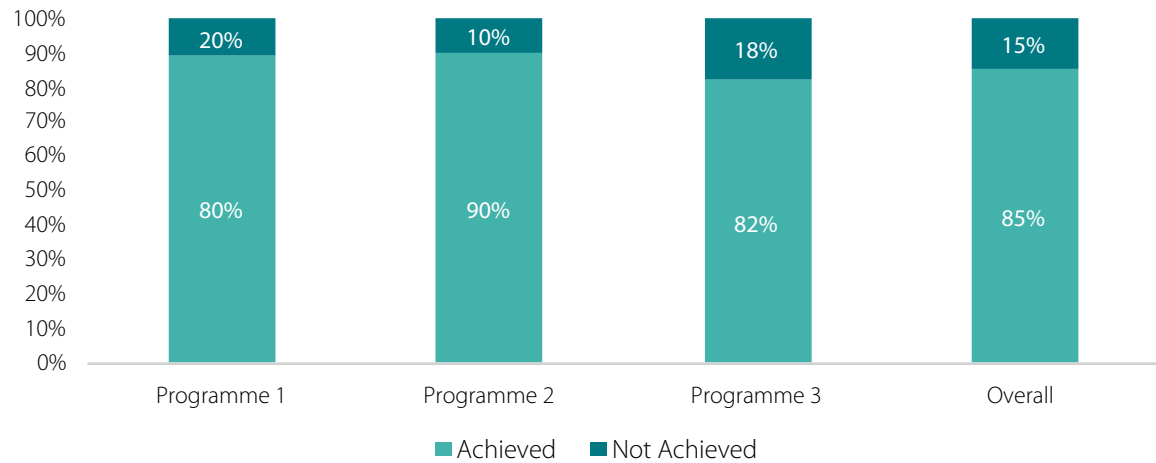
2 PERFORMANCE INFORMATION BY PROGRAMME

The CIPC has implemented three (3) programmes responsible for carrying out its mandate and the realisation of strategic outcome-oriented goals, strategic objectives, and targets:

- Programme 1: Service Delivery and Access
- Programme 2: Innovation and Creativity
- Programme 3: Business Regulation and Reputation

The CIPC’s overall performance in terms of APP KPIs was 85%, as 22 out of 26 output targets were achieved in 2023/24. This is represented in **Figure B1: CIPC Overall Performance and Programmatic Performance** below.

Figure B1: CIPC Overall Performance and Programmatic Performance

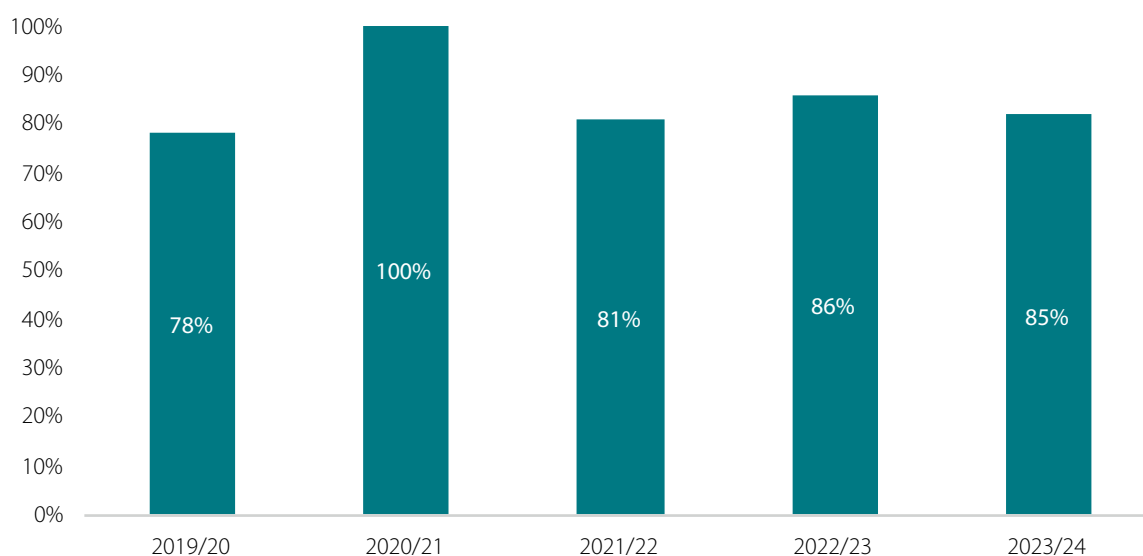


Programme 1: Service Delivery and Access performance in 2023/24 stood at 80%, as 4 out of 5 APP KPI output targets were achieved.

Programme 2: Innovation and Creativity performance in 2023/24 stood at 90%, as 9 out of 10 APP KPI output targets were achieved.

Programme 3: Business Regulation and Reputation Promotion performance in 2023/24 stood at 82%, as 9 out of 11 APP KPI output targets were achieved.

Further, the table below depicts the CIPC’s overall performance over the past five (5) years.

Figure B2: Overall Performance Comparison over a Period of Five (5) Years

From the figure above, it is evident that the CIPC's performance improved significantly from 2019/20 to 2020/21, and subsequently maintained a performance of above 80% from 2021/22 to 2023/24. Notably, there was a 1% decrease in performance from 86% in 2022/23 to 85% in 2023/24. Despite the slight decrease in performance from 2022/23 to 2023/24, The general maintenance of an above 80% performance since 2020/21 reflects CIPC's commitment to enhancing operational efficiency.

2.1 Programme 1: Service Delivery and Access

2.1.1 Purpose

The purpose of Programme 1: Service Delivery and Access, is to promote better access to - and service delivery by - the CIPC, ensuring that our access channels are secure and easily accessible to all, that the institution has sufficient and appropriate organisational resources to deliver the best possible service, and that operational excellence is established in all areas of the organisation.

The following is a list of sub-programmes:

1. Broader Office of the Commissioner

- a) Advisor to the Commissioner
- b) Innovation and Collaboration
- c) Strategy
 - (i) Strategy, Planning and Monitoring
 - (ii) Operational Excellence
 - (iii) Strategic Communications

d) Compliance, Governance and Risk

e) Internal Audit

2. Corporate Services

a) Human Capital

(i) Human Capital

(ii) Knowledge Centre

(iii) Labour Relations and Employee Engagement

b) Facilities and Security

(i) Facilities

(ii) Security

(iii) Disclosure

c) Service Centres

d) Client Engagement and E-communications

3. Finance

a) Financial Management

b) Treasury

c) Supply Chain Management

4. Business Information and Systems

a) Chief Technology Officer

b) Enterprise Information Management

(i) Enterprise Information Management

(ii) Information Assurance

c) Enterprise Programme Management Office

- d) ICT Service Delivery
 - (i) Application Management
 - (ii) Infrastructure Management
 - (iii) Process Engineering

The institutional outcomes that Programme 1 contributes towards are:

- i. Improved Organisational competencies and capabilities towards Building a Capable State and Improved Service Delivery.
- ii. Regular stakeholder engagement towards accurately determining the impact of CIPC activities on local and international businesses, as well as society as a whole.
- iii. Collaboration with businesses and other government entities based on mutual commitments.
- iv. Reduced administrative burden for companies and IP owners.

The outputs are outlined in both the APP and the Annual Operations Plan.

2.1.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Under Programme 1, 80% (4 out of 5) targets were achieved, as illustrated in **Figure B1: CIPC Overall Performance and Programmatic Performance** above.

Key Achievements and Contributions Towards Institutional Outcomes

The CIPC successfully produced case studies that highlighted its positive impact on society. These case studies covered a wide range of the CIPC's services, including its efforts in enforcing intellectual property rights and promoting sustainability, maintaining comprehensive corporate registers, and supporting and protecting innovation. The purpose of these case studies is to serve as valuable tools for stakeholders and beneficiaries, allowing them to assess the direct outcomes and gauge how effectively we are meeting our strategic objectives.

The CIPC has actively participated in various business forums aimed at bolstering Foreign Direct Investment (FDI), exports, and outward investment. Notable among these is the Black Industrialist Conference, which serves as a platform for discussing and promoting diverse industrial opportunities. Through such engagements, the CIPC demonstrates its commitment to supporting economic growth and the expansion of business opportunities

within and beyond national borders. These forums not only facilitate networking and partnerships but also align with the CIPC's broader strategic goals of fostering inclusive economic development.

The CIPC successfully implemented the skills development plan and continued with staff training, emphasising the importance of equipping its workforce with the necessary skills to achieve organisational objectives effectively.

The CIPC has initiated an Organisational Design Project aimed at aligning skills and resources with the organisation's strategic objectives. This process involves a thorough review of the organisational structure and job descriptions to ensure they are fit-for-purpose and that all resources are effectively contributing to the achievement of the CIPC's goals. Unfortunately, the job description review and evaluation process has faced delays, primarily due to challenges with stakeholders, including those associated with organised labour. Initially, progress was hampered by late submissions from managers, resulting in incomplete job descriptions. Although job evaluations had begun, these too encountered delays due to the limited availability of key stakeholders.

Due to the cybersecurity breach in the fourth quarter of FY2023/24, the Query Resolution System (QRS) was deactivated as a security measure. This deactivation significantly hampered the operational capabilities of the CIPC, leaving a critical tool for handling queries inaccessible and complicating the process of managing and resolving customer inquiries effectively. In response, the CIPC implemented temporary alternative measures to ensure continued service delivery and customer support. These measures included the use of dedicated email addresses and other communication channels to manage queries. The process to procure a new QRS is currently underway, with the new system expected to be operational in the second Quarter of the new financial year.

2.1.3 Programme 1: Performance Table

Table B 1: Programme 1- Service Delivery and Access, Key Performance Indicators, Planned Targets and Actual Achievements

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Improved Organisational Competencies and Capabilities towards building a capable state and improved service delivery	Implementation of the skills development programme aligned to the CIPC Strategy	Progress Report on the Implementation of the Skills Development Programme	New Indicator	New Indicator	Phase 1 of Skills Development Plan Implemented	Phase 1 and Phase 2 training initiatives fully implemented	0	No deviation from target
	Reviewed job descriptions and evaluations to align to the new organisational structure	Progress Report on the Reviewed job descriptions and evaluations	New Indicator	New Indicator	Updated JDs and Evaluations	80% of JDs have been reviewed. 57% of Category 1 Positions have been evaluated	<ul style="list-style-type: none"> 20% of Job Descriptions 43% Category 1 positions 100% Category 2 & 3 positions 	Challenges with stakeholders (i.e., organised labour) delayed the review of job descriptions, and unavailability of key personnel further caused delays
	A governed, accountable, clean and compliant administration enabling improvement in operational efficiency and better service delivery	AG Audit Outcome	Clean Audit	Clean Audit	Clean Audit	Clean Audit	0	No deviation from target

²⁰ This target is measured every second year

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Improve the customer / citizen experience in relation to service delivery / delivery of the CIPC's core mandate, and to enhance the CIPC's good reputation	Gathering of enhanced insights for improving customer / citizen experiences and satisfaction	% overall customer and stakeholder satisfaction	N/A	80%	Not Measured ²¹	Not Measured	0	No deviation from target
Regular stakeholder engagement towards accurately determining the impact of CIPC activities on local and international businesses, as well as society as a whole	Case studies of firms, workers, entrepreneurs, professionals, or communities impacted by CIPC activities	Number of Case Studies demonstrating the impact of CIPC activities on business and society	New Indicator	New Indicator	30	30	0	No deviation from target
Improving the Capacity and Responsiveness of the state to support increased investment	Business Forums participated in aimed at supporting increased FDI, exports and outward investment	Number of Business Forums participated in	New Indicator	New Indicator	4	7	+3	The proactive engagement of the CIPC led to an increased number of forums participated in.

²¹ The target has historically been measured bi-ennially, however beginning FY2024/25 will be measured annually

2.2 Programme 2: Innovation and Creativity Promotion

2.2.1 Purpose

The purpose of Programme 2: Innovation and Creativity Promotion is to support and promote local innovation and creativity by maintaining accurate and secure registries of patents, designs, film productions and creative works. This includes matters pertaining to intellectual property rights, as well as the provision of that information to the public and to other organs of state. IP enforcement includes referring offense to law enforcement agencies such as the National Prosecution Authority.

Under this programme, the CIPC also supervises and regulates the distribution of collected royalties by accredited collecting agencies. In addition, the programme is responsible for providing policy inputs and legal advisory opinion on the coordination, implementation, and impact of the respective IP laws. Furthermore, the group ensures that the implementation of the national IP regime is in alignment with the international IP system.

The group also registers patent attorneys that have passed the Patent Board Examination. Other functions of the Programme include the coordination of appropriate enforcement actions, education and creating awareness of the requirements and benefits of registration of IP rights, the remedies available and the opportunities for commercialisation and industrial development through efficient management of IP assets.

Through this programme, the CIPC also provides policy and legal insights into the implementation and impact of the relevant IP legislation. Thus, additional functions in this programme include in-depth research to identify gaps and to analyse the impact of IP rights registration forming a basis for further IP policy inputs. The programme is also responsible for monitoring the unauthorised use of private and public IP rights, with a particular focus on the protection of IP rights holders in the creative industries.

The following is a list of sub-programmes:

1. Innovation Support and Creativity
 - a) Patents and Designs Register
 - b) Innovation Policy and Outreach
2. Creative Industries
 - c) Copyright and IP Enforcement
 - d) Copyright Education and Awareness

The institutional outcomes that Programme 2 contributes to are:

- i. Improved Organisational competencies and capabilities

- ii. Building state capacity to better regulate and ensure integrity of granted patent rights
- iii. Reduced administrative burden for companies and IP owners
- iv. Reduced filing costs for IPR owners

2.2.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Under Programme 2, 90% (9 out of 10) targets were achieved, as illustrated in **Figure B.1: CIPC Overall Performance and Programmatic Performance** above.

Key Achievements and Contributions Towards Outcomes

The CIPC has made notable strides in fostering innovation and enhancing its service delivery through the successful implementation of the SSE Experiential Learning Programme. A key highlight of this initiative was the production of six (6) non-binding work products per examiner, alongside the execution of a comprehensive SSE training initiative. These non-binding work products, comprising Written Opinions and Search Reports on patentability play a crucial role in the experiential learning process, offering a practical glimpse into the patent examination procedure and interaction with patent attorneys, all under the adept guidance of the European Patent Office (EPO). In a significant boost to capacity building, the programme facilitated the creation of twenty (20) examiner jobs, further enriching the talent pool. This initiative is particularly notable for its simulation of real-world patent examination processes, providing invaluable hands-on experience to the participants.

The CIPC has further demonstrated its ongoing commitment to transforming the economy and promoting innovation through the continued success of its Inventor Assistance Programme (IAP). A notable achievement in this regard was the convening of the Inventor Assistance Programme Review Committee hearing. This session was dedicated to meticulously screening applications, ensuring that only those with the potential for significant impact and alignment with the programme's objectives were advanced. Furthermore, an Annual Status Report was produced, which serves a dual purpose: firstly, it tracks the progress of applications that have been paired through the IAP, providing insights into their journey towards becoming granted patents, and their eventual enforcement, licensing, or commercialisation.

Through these achievements, the CIPC not only reinforces its role in, nurturing an environment conducive to innovation, supporting inventors, and safeguarding intellectual property but also showcases its strategic approach to enhancing the local patent landscape.

2.2.3 Programme 2: Performance Table

Table B2: Programme 2 - Innovation and Creativity Promotion, Key Performance Indicators, Planned Targets and Actual Achievements

Outcome	Output	Output Indicator	Audited Performance 2021/23	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Building state capacity to better regulate and ensure integrity of granted patent rights	Implementation of Experiential Learning Project (ELP) with the SSE team	Number of non-binding work products (including Search Reports and a Number of new sustainable permanent jobs created through implementation of the Experiential Learning Project (ELP) of the SSE Programme Learning	New Indicator	24	24	24	0	No deviation from target
		Number of SSE Training initiatives undertaken	New Indicator	7	4	4	0	No deviation from target
	Sustainable job creation through implementation of Experiential Learning Project (ELP) via the SSE programme	Number of new sustainable permanent jobs created through implementation of the Experiential Learning Project (ELP) of the SSE Programme	New Indicator	New Indicator	20	20	0	No deviation from target
		Number of new interns employed biennially through implementation of the Experiential Learning Project (ELP) via the SSE Programme	New Indicator	New Indicator	20	0	-20	Recruitment of interns was deferred as a result of cost containment measures

Outcome	Output	Output Indicator	Audited Performance 2021/23	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Transform the economy through localisation	Inventor Assistance Programme implemented	Number of IAP Review Committee meetings to screen applications	New Indicator	5	4	5	+1	Additional committee meeting to track the progress of applications that have been paired through the IAP.
	Inventor Assistance Programme (IAP) implemented	Annual Status Report: tracking the status of paired applications to ascertain whether the applications resulted in granted, enforced, licensing or commercialised inventions and to make recommendations for reconceptualisation of the program if there is a need.	New Indicator	New Indicator	1	1	0	No deviation from target
Increase compliance with IP Regulations	Compliance with regulations by accredited collecting societies	Annual audit report on promoting compliance with regulations by Collecting Societies conducted by the CIPC	New Indicator	New Indicator	1	1	0	No deviation from target
Efficient and effective collection and distribution of Royalties to local musicians, so as to contribute to social security transformation of the creative industry	Efficient and Effective collection and distribution of royalties for the benefit of local musicians	Rm Royalties distributed by Collecting Societies to local musicians for poverty alleviation, job creation, social security and promotion of the creative industries	New Indicator	New Indicator	R 100m	R 176,8m	+R 76,6m	Proactive collaboration and renewal of SAMPRAs license led to success in collection.

Outcome	Output	Output Indicator	Audited Performance 2021/23	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Towards building a capable state, enhance capacities to deal with IP Crimes with the objective of creating a conducive environment for investment	Increase IP regulatory compliance monitoring capacity within Law Enforcement to enhance their capacity to deal with IP Crimes with the goal of creating a conducive environment for investment	IP Enforcement Operations Report which specifies the impact on jobs and the investment environment	New Indicator	New Indicator	1	1	0	No deviation from target
Regular stakeholder engagement towards accurately determining the impact of CIPC activities on local and international businesses, as well as society as a whole	Conferences, Summits, and International Forums hosted or participated in (including inter alia the SA Investment Conference, the Black Industrialist Conference, the Worker Ownership	Number of Conferences, Summits and International Forums hosted or participated in	New Indicator	New Indicator	3	4	+1	Due to the increased relevance of the BRICS forum to the CIPC, and addition of new countries, it became critical for the CIPC to engage and explore further opportunities for participation in such forums.

2.3 Programme 3: Business Regulation and Reputation

2.3.1 Purpose

The purpose of Programme 3: Business Regulation and Reputation is to enhance the reputation of South African businesses and the South African business environment by ensuring that the registers of corporate entities, their managers and their identity have integrity and that a culture of corporate compliance and high standards of governance, disclosure and corporate reputation are established. The programme also aims to provide policy and legal insight and advice on the co-ordination, implementation, and impact of the respective laws.

The following functions, amongst others, fall within this programme:

- Maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, and Trade marks as well as company names and business names;
- Accreditation of practitioners and intermediaries;
- Educating business owners and practitioners on compliance with the legislation; and
- Promoting and enforcing compliance with the legislation.

The CIPC is required to monitor compliance with certain requirements of the legislation, such as the submission of annual returns, the rotation of auditors and disclosures in terms of the financial reporting standards and the requirements for prospectuses. Furthermore, the CIPC investigates complaints and enforces the provision of the Companies Act, the Close Corporations Act, the Share Block Companies Act and the Co-operatives Act relating to governance and disclosure.

The Business Regulation and Reputation Programme also incorporates a focus on corporate policy and legal matters. This includes support for the prosecution of offences, the interpretation of laws, as well as the proposal of amendments to legislation and regulations. The function also entails continuously tracking international developments in the areas of corporate governance, disclosure, corporate registration and enforcement and Trade marks.

Complaints relating to Companies may be filed in writing with the CIPC. Upon receiving a complaint, the CIPC may resolve:

- Not to investigate;
- To refer it to the Companies Tribunal or Accredited Agency or other appropriate regulatory authority; or
- To direct an investigator or inspector to investigate.

After receiving an investigation report the Commission may:

- Excuse a respondent;
- Refer the complaint to the Companies Tribunal;
- Issue a notice of non-referral to complainant, advising the complainant of any rights to seek a remedy in court;
- Propose that the complainant and any affected person meet with the Commission or with the Tribunal, to resolve matter by consent order;
- Commence proceedings in a court in the name of the complainant if the complainant:
 - Has a right to apply to a court; and
 - Has consented to the Commission to do so;
- Refer the matter to the NPA, or other regulatory authority, if the Commission alleges that a person:
 - Has committed an offence in terms of this Act or any other legislation; or
 - Has been issued a compliance notice in terms of section 171.

The following is a list of sub-programmes:

1. Corporate Compliance and Enforcement
 - a) Corporate Disclosure and Compliance
 - b) Corporate Governance, Surveillance and Enforcement
2. Corporate Registers
 - a) Companies and Close Corporations (CCs)
 - b) Co-operatives
 - c) Directors, Members and Practitioners
 - d) Trade marks
3. Legal Policy and Outreach
 - a) Corporate Education and Voluntary Compliance
 - b) Corporate Legal and Policy Support

The institutional outcomes that Programme 3 contributes to are:

- i Improved organisational competencies and capabilities
- ii Organisational effectiveness
- iii Reduced administrative burden for companies and IP owners

2.3.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Under Programme 3, 82% (9 out of 11) of the targets were achieved, as illustrated in **Figure B.1 CIPC Overall Performance and Programmatic Performance** above.

Key Achievements and Contributions Towards Outcomes

In the quest to achieve its objectives, the CIPC has leveraged its partnerships with law enforcement agencies to great effect, resulting in the success of its targeted proactive investigations. This success stems from vigilant monitoring of media articles, which has uncovered numerous contraventions and, in turn, has significantly increased the number of investigations.

The organisation places a strong emphasis on corporate education and awareness concerning regulatory compliance and the services offered by the CIPC. This initiative is designed to empower both the public and CIPC stakeholders, fostering a culture of compliance and understanding of the legal frameworks essential for business operations. In response to a surge in demand for education and awareness initiatives, the CIPC has exceeded expectations, demonstrating its commitment to this crucial area.

Additionally, CIPC has achieved its objective of reducing the average registration time for various entities, including private companies with customised MOIs, Incorporated Companies, State-Owned Companies, Public Companies, and Not-for-Profit companies with customised MOIs (CoR15.1D and E). This efficiency directly enhances the ease of doing business, facilitating customer and stakeholder engagement in critical activities such as securing partnerships or funding opportunities. This, in turn, contributes positively to the economic growth and development of South Africa.

Moreover, the CIPC has successfully piloted the Beneficial Ownership register. Efforts are now focused on operationalising the register and the accompanying change management, marking another milestone in the commitment to transparency and regulatory compliance.

In an effort to facilitate data sharing among jurisdictions regarding Company Directors, Shareholders, and Beneficial Owners, the process revealed the complexity and time intensity needed to negotiate and sign MOUs; the CIPC's proactive approach has culminated in a groundbreaking achievement. The Commission has not only successfully executed an MOU with the Zambian Companies Register on February 6, 2024, but has also begun the process of establishing a global MOU. This comprehensive agreement effectively addresses and mitigates the jurisdictional challenges previously encountered.



2.3.3 Programme 3: Performance Table

Table B3: Programme 3 - Business Regulation and Reputation, Key Performance Indicators, Planned Targets and Actual Achievements

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Impact Statement #2: Ease of doing Business in South Africa								
Reduced administrative compliance burden for SMME's, companies and co-operatives, whilst maintaining a reputable regulated business environment	Reduction in the average number of days to register a company, from the date of receipt of a complete application, to support SMME's and to enhance efficiency and effectiveness	The average number of business days (network days) to approve applications for registering an external company, private company with customised MOI, Incorporated Company, State Owned Company, Public Company and Not for Profit companies with customised MOI (CoR15.1D and E) by automating and assuring directors of foreign nationality	New Indicator	New Indicator	4	4	0	No deviation from target
	Capacity building through institutional capabilities	Implementation of the CIPC Learning Academy	New Indicator	An approved Request for Quote (RFQ) for the development of the CIPC Learning Academy Business Case was released on 10/03/2023	Approved RFP for the development of the CIPC Learning Academy Business Case	Principle agreement to collaborate with NSG was established, workshop on deliverables	The planned action of developing the business case through an RFQ was unsuccessful due to a lack of responses. As a result, the CIPC pivoted to establishing a partnership with an established training organisation, i.e., the National School of Government (NSG)	An RFQ for the development of the business case was issued to the market, however, no responses were received. As a result, a new approach was identified, i.e., partnering with an organisation already established in the training space

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
Reputable business regulation environment which is conducive to investment and facilitation thereof	Increased awareness among SMME's, including outside of metro areas, of company laws, regulations, as well as CIPC services, processes, and channels	Corporate education and awareness events or workshops (virtual or physical) conducted by the CIPC, also in collaboration with partners, for the benefit of SMME's including those outside of main metros	New Indicator	72	30	65	+35	Due to an influx of requests from stakeholders and partners
	Reputable business regulation environment (strengthened financial system and ownership transparency) to address South Africa's 'Grey list' status.	Progress Report on the establishment of a Beneficial Business Ownership Register and the Integrated Business Ownership Register	Approved Beneficial Ownership concept paper	Approved Business Case	Beneficial Ownership register establishment (Phase 1)	Successful establishment of the Beneficial Ownership Register Piloting and change management	0	No deviation from target
	Pro-active investigations in response to contraventions of Companies Act No 71 of 2008, on Companies identified in State Capture Commission Report	Number of Pro-Active investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified in the State Capture Report	New Indicator	4	6	7	+1	Active collaboration with law enforcement agencies such as the SIU, and targeted monitoring strengthened the investigation capability of the CIPC.
	Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	New Indicator	6	4	8	+4	A significant number of contraventions were detected through the monitoring of media articles

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
	Quarterly Report on Tracked Capital Raised through IPOs to promote regular tracking of investments	Quarterly Prospectus Report which captures tracking of investments and their impact on society, as well as the impact of investment facilitation and unblocking interventions (Quarterly monitoring and Annual Reporting of Capital Raised)	New Indicator	New Indicator	1	1	0	No deviation from target
	Incorporate ESG Taxonomy into our CIPC Base Taxonomy as an initiative to address climate change	Updated CIPC XBRL Taxonomy aligned with government initiatives to address climate change (Gap Analysis Report on adoption of ESG)	New Indicator	New Indicator	1	1	0	No deviation from target
	Conclude MoU's on data exchange with foreign jurisdictions	Conclude MOU's which facilitate data sharing between jurisdictions on company Directors, Shareholders and BO's	New Indicator	New Indicator	3	1	-2	The planning process did not account for the dependencies that impact the turnaround time to develop and conclude MOUs with foreign jurisdictions. The development of MOUs with other jurisdictions was delayed due to various factors

Outcome	Output	Output Indicator	Audited Performance 2021/22	Audited Performance 2022/23	Planned 2023/24 Annual Target	Actual 2023/24 Performance	Deviation from Planned Performance to Actual	Reason for Deviation from Planned Performance to Actual
	Automation of Director Amendments Platform to build on capabilities for combating Fraud	Progress report on automation of the Director Amendments Platform	New Indicator	New Indicator	1	1	0	No deviation from target
Improving the Capacity and Responsiveness of the state towards a new social compact and social partnerships	Participation in Parliamentary consultation processes pertaining amendment, tabling or submission of priority legislation	Number of Parliamentary consultation processes, pertaining amendment, tabling or submission of priority legislation, participated in	New Indicator	New Indicator	1	1	0	No deviation from target

3 REVENUE COLLECTION

The revenue collection of the organisation in FY2023/24 has experienced a significant increase compared to FY2022/23. The primary driver of the increase in revenue collection was Annual Returns for Companies and Close Corporations, which increased by 16% compared to FY2022/23. This surge was primarily due to the successful completion of the Annual Return Deregistration process, which deregistered over 1.7m entities and led to a spike in reinstatement applications and filings. An extensive Education and Awareness Campaign supported this initiative, targeting small business owners through various outreach activities. Despite the overall increase, the fourth Quarter saw a downturn due to the security breach affecting other sectors, along with a backlog in processing reinstatement applications.

Furthermore, co-operatives recorded a 10% revenue increase to R799k, thanks to improved processing turnaround times and contributions from cooperative amendments and disclosures.

Corporate Information also saw a 8% rise in revenue to R25.2m, driven by heightened demand from the banking and financial sectors.

Moreover, trade marks reported a 3% increase to R30.9m, bolstered by growth in both new applications and renewals, as well as an uptick in administration services.

Within the IP sector, patents and designs saw a 2% increase in revenue to R35.2m, attributed to a Practice Notice issued by the Patent Office aimed at curbing frivolous applications. This regulatory tightening has led to a decrease in applications, especially from foreign applicants without priority claims, affecting overall revenue.

Table B4: Revenue Collection related to Key Objectives of the Organisation, FY2022/23 - FY2023/24

Programme / Activity / Objectives	2023/2024			2022/23		
	Budget	Actual Amount Collected	(Over) / Under Collection	Budget	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Annual Returns	466 538	509 746	-43 208	475 202	437 943	37 259
Companies	100 447	94 885	5 562	117 630	95 311	22 319
Cooperatives	832	799	33	17	727	-710
Data Sales / Disclosure	25 165	28 247	-3 082	23 544	25 928	-2 384
Trade Marks	30 695	30 858	-163	28 561	29 894	-1 333
Patents and Designs	33 723	35 164	-1 441	27 340	34 349	-7 009
Copyright	14	2	12	47	26	21
Total Revenue	657 414	699 701	-42 287	672 341	624 178	48 163

4. CAPITAL INVESTMENT

For the financial year 2023/24, the total capital expenditure of the CIPC amounted to R85.7m. This represents a 13.8% variance, or R13.7m, below the projected capital expenditure. This can be attributed to various planned projects not commencing during the 2023/24 year.

Expenditure on computer software reached R28.1m, which is R8m (22%) below projections. This variance is primarily due to invoices currently being in the process of being paid. The CIPC anticipates these payments will be processed in the upcoming period, aligning its software investment with planned projections.

Investment in computer hardware totalled R57.6m, slightly exceeding the budget by R5.7m (9%). This marginal over-expenditure is attributed to upfront payments necessary for the next-generation firewall, which is vital for enhancing the CIPC's cybersecurity infrastructure.

The CIPC's capital expenditure strategy for FY2023/24 demonstrates a balanced approach, prioritising essential investments while managing resources effectively. Despite variances in certain categories, the overall expenditure remains within a disciplined framework, positioning CIPC for continued operational excellence and readiness to meet future demands.

Table B5: Capital Investment, FY2022/23 - FY2023/24

Programme / Activity / Objectives	2023/2024			2022/23		
	Budget	Actual Expenditure	(Over) / Under Collection	Budget	Actual Expenditure	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Computer Hardware	56 835	57 629	-794	9 200	5 021	4 179
Computer Software	36 120	28 091	8 209	16 700	10 814	5 886
Furniture and Equipment	100	0	100	0	542	-542
Leasehold Improvements	300	0	300	500	-	500
Safety and Security	6 100	0	6 100	2 000	-	2 000
Total Expenditure	99 455	85 721	13 735	28 400	16 377	12 023





PART C

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, 2008, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and ran in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

The governance structures of the CIPC promote independent judgement through its appointed committees, which comprise of the following:

- Audit Committee
- Risk and IT Committee

The Audit Committee includes a majority of members independent of the CIPC, ensuring objective decision-making in matters of governance, risk, compliance, and performance management of the Commission. The independence of the committee members helps to provide unbiased oversight and enhances the credibility of the governance processes. The established governance structures have demonstrated a good understanding of their roles and responsibilities and are sufficiently independent to make decisions that are in the best interest of the CIPC. The Committees regularly evaluate measures to strengthen and broaden the purview of best practices to focus on changing priorities.

Achieving a balance of power is crucial for effective governance, and CIPC has implemented this by distributing roles and responsibilities across various committees. The Audit Committee and the Risk and IT Committee are chaired by independent members, with additional independent professionals contributing their expertise. This distribution prevents any single group from dominating the decision-making process and ensures that diverse perspectives are considered. Such

a balanced approach fosters a more comprehensive and inclusive governance environment.

The responsibility of the Audit Committees with its sub-committee the Risk and ICT Committee, continues to evolve to meet changing oversight needs and has played a critical role in supporting management to focus on evolving operational demands relating to strategic opportunities, compliance, technological developments, sustainability, and to respond to global emerging risks that can impact the organisation.

The CIPC's governance also benefits from a holistic and integrated approach, which enhances collaboration and reduces redundancy. By integrating risk and IT functions within a single committee, CIPC ensures that related issues are managed cohesively. This approach facilitates better coordination and communication among committee members, leading to more effective governance outcomes. Cross-membership between committees further ensures that information flows seamlessly, promoting a unified governance strategy.

The Commission has established a Code of Conduct and ethics campaigns which contributes to fostering an ethical culture within the organisation. Regular declarations of interest by employees and suppliers ensure transparency and mitigate conflicts of interest, which is in line with the desired King IV outcome of an ethical culture.

The governance of the CIPC is marked by a commitment to strong oversight, balanced power distribution, and effective management of duties. Independent judgement is fostered through well-structured committees that include a mix of independent and internal members, ensuring diverse perspectives and unbiased decision-making. The distribution of roles across various committees prevents the concentration of power and promotes comprehensive oversight. Furthermore, the integrated approach to committee functions facilitates collaboration and reduces redundancy, enhancing the overall effectiveness of governance. These practices demonstrate a dedication to maintaining high standards of accountability and transparency.

2. PORTFOLIO COMMITTEES

The following table lists the portfolio meeting attended by CIPC officials in during the period under review.

Table C1: Portfolio Committee Meetings

Date	Details	Attending Officials	Agenda / Areas of Risk Identified and CIPC Implementation Plans / Actions	Required Action
12 May 2023	2023/24 APP and Budget	Rory Voller, Adv. – CIPC Commissioner Muhammed Jasat, Mr., CFO	Financial and Non-Financial Reporting	None
21 November 2023	Zondo Commission recommendations	Rory Voller, Adv. – CIPC Commissioner	State Capture reporting	None

3. EXECUTIVE AUTHORITY

The CIPC submits quarterly reports on its performance and activities to the Executive Authority as mandated. In the period under review, four (4) quarterly reports were submitted. These await approval from the Minister.

Table C2: Quarterly Performance Reports Submitted to the Executive Authority

Quarter Report Submission	Approval by the Minister	Comments & Required Action	Progress
Quarter 1 submitted	Awaiting approval	N/A	N/A
Quarter 2 submitted	Awaiting approval	N/A	N/A
Quarter 3 submitted	Awaiting approval	N/A	N/A
Quarter 4 submitted	Awaiting approval	N/A	N/A

4. ACCOUNTING AUTHORITY

The Audit and Risk Committee continues to play a pivotal role in ensuring compliance with financial regulations and governance obligations. This Committee remains thorough and rigorous in upholding sound financial controls and mitigating risks. Additionally, the Audit and Risk and IT Committees meet regularly throughout the financial year. The following table lists the meetings held during the 2023/24 financial year.

Table C3: Audit Committee and Risk & ICT Committees

Committee	Ordinary Meetings Held	Special Meetings Held	Workshop	No. of Members	Names of Members
Audit Committee	4	2	0	7	Dr. L Konar – Chairperson; Ms. N Maharaj – Independent Member; Mr. C de Kock – Independent Member; Ms. G Ramphaka – Independent Member; Dr. T Sethibe – Independent Member; Adv. R Voller – Commissioner; Ms. K Singh – the dtic (shareholder) representative

Committee	Ordinary Meetings Held	Special Meetings Held	Workshop	No. of Members	Names of Members
Risk and IT Committee	4	0	1	4	Dr. T Sethibe – Chairperson; Dr H Patrick – Independent Member; Ms. T van der Sandt – Independent Member; Adv. R Voller - Commissioner

Table C4: Remuneration of Committee Members discloses the remuneration for the members of the committees

Table C4: Remuneration of Committee Members

Name	Remuneration	Other Allowance	Other Re-imbursements	Total
Konar, D	R 145,334.00	R1,364.00	N/A	R 187,560.14
Maharaj, N	R 98,028.00	N/A	N/A	R 124,135.00
Ramphaka, GT	R 63,018.00	R 65	N/A	R 94,794.00
Patrick, H	R 84,024.00	N/A	R4,119.00	R 115,107.00
van der Sandt, CM	R 84,024.00	R 292.00	N/A	R 115,107.00
Sethibe, TG	R 209,510.00	R 1,159.00	N/A	R 281,082.00
De Kock, CG	R 102,465.00	N/A	N/A	R 163,519.65
Total	R 786,403.00	R 3 280.48	R 4 119.00	R 793 802.48

5. RISK MANAGEMENT

Risk management provides the CIPC staff with a common approach to understand and manage uncertainties in pursuit of the organisation's objectives and goals. The CIPC has - and maintains - policies and frameworks, strategies and plans to guide the implementation of risk management. On a regular basis, risk assessments are conducted, and mitigation actions are implemented and reviewed. Emerging risks are identified as part of the process and are discussed at various governance forums, including the mitigation thereof.

The CIPC established the Risk Management and ICT Committee as part of the Audit Committee. This committee is a sub-committee of the Audit Committee and oversees the implementation and management of risk and ICT activities. The chairperson and the majority of members of the committee are independent and non-executive members.

Table C5: Risk and ICT Committee Member Details discloses the relevant information on the Risk and ICT committee members.

Table C5: Risk and ICT Committee Member Details

Name	Qualifications	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No. of Meetings Attended
Dr. Tebogo Sethibe	DBL, MBL, MIT, BSc Computer Science (Honours)	External	--	01 April 2022	N/A	4
Dr. Harold Patrick	DPhil (Info Systems & Technology), CFE MComm (Info Systems & Technology), BCom (Business Management) (Honours), Postgraduate Diploma Forensic Auditing & Criminal Justice, BAdmin	External	--	01 April 2022	N/A	4
Ms. Tia van der Sandt	MBA Edinburg, BSc (ITM), Postgraduate Diploma in Auditing, BCompt (Hons)	External	--	01 April 2022	N/A	4
Adv. Rory Voller	LLM	Internal	Commissioner	01 Sept 2016	N/A	4

6. INTERNAL AUDIT AND AUDIT COMMITTEES

The Audit Committee provides oversight on the CIPC's governance, risk, compliance, control, and performance management, including financial and annual performance. The table below discloses relevant information on the audit committee members.

Table C6: Disclosure of Information on Audit Committee Members

Name	Qualifications	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No. of Meetings Attended
Dr. Len Konar	BCom, PG DIP in ACC, CA (SA), MAS, CERT in Tax Law, DCOM, CRMA	External	--	01 April 2022	N/A	6
Dr. Tebogo Sethibe	DBL, MBL, MIT, BSC Computer Science (Honours)	External	--	01 April 2022	N/A	5
Mr. Charl de Kock	MCom – IT Audit, BCom – Hons/ Acc; CISA, CIA	External	--	01 April 2022	N/A	6
Ms. Gratitude Ramphaka	CA (SA), Bachelor of Accountancy (Honours) BCom, Auditing Specialism	External	--	01 April 2022	N/A	4
Ms. Nalini Maharaj	BProc LLB, Financial Accounting for public entities	External	--	01 April 2022		6
Adv. Rory Voller	LLM	Internal	Commissioner	01 Sep 2016	N/A	6
Ms. Kamitha Singh	BCom; BCompt; BCompt Honours; Executive Development Programme, CIA, Associate Member of IIA	dtic representative	dtic representative	dtic representative	dtic representative	5

7. COMPLIANCE LAWS AND REGULATIONS

The organisation has established processes to ensure compliance with relevant and applicable legislation, regulations and prescripts and policies. A compliance Policy, Framework, Universe, and Plan is being implemented. Regular monitoring is conducted, and results are communicated to all governance structures on a regular basis.

8. FRAUD AND CORRUPTION

The CIPC has an approved Fraud Prevention Plan in place. In addition, policies, systems, and processes for managing, handling, and responding to the fraud risks and incidents, in accordance with applicable legislation, have been established. Progress reports on the implementation of the plan are discussed by management and other relevant governance structures.

A fraud risk register detailing the areas in which the CIPC is exposed is in place and is reviewed regularly.

The organisation has various channels for reporting fraud and corruption. Among these is a dedicated independently managed hotline, which is available 24/7/365. The hotline is preferred by most complainants and whistle-blowers, as it provides a degree of anonymity for those who prefer to have their identity and other personal information protected.

A Case Register which provides a record of all fraud related complaints is maintained. This register is updated regularly with regard to the status or progress of the reported matters. On receipt, information is analysed and dependent on the nature and complexity, cases are allocated for investigation by internal or external resources. Investigation reports are used to determine the course of action. A detailed analysis of the Fraud and Corruption Cases can be found in Annexure B Section 2.2.

9. MINIMISING CONFLICT OF INTEREST

As a regulator, the CIPC expects and promotes the highest standard of ethical conduct from all its employees. Appropriate policies and procedures to direct and support expected behaviour are in place, including the Code of Conduct and Ethics, and the Declaration of Interest policies.

For the reporting period, an organisation-wide ethics campaign was held to create education and awareness on ethics. All employees of the CIPC are required to declare their interest in line with the approved policy. Finance and SCM-related processes address declarations by suppliers and service providers.

10. CODE OF CONDUCT

The Code of Conduct and Ethics defines who we are and how we act whilst pursuing the goals of the CIPC. Our conduct is closely aligned with the ethical behaviour expected of each employee and stakeholder involved with the CIPC. The Code of Conduct and Ethics has been updated and aligned with other policies of the organisation.

11. HEALTH, SAFETY, AND ENVIRONMENTAL ISSUES

The CIPC business operations conducted within an office environment have been proclaimed to be within a safe and conducive working environment, as inspections were conducted and minor safety risks and hazards identified and addressed, to mitigate any such risks/hazards timeously. No loss of lives and/or injuries occurred during the reporting period.

12. COMPANY/BOARD SECRETARY

Not applicable.

13. SOCIAL RESPONSIBILITY

The CIPC Social Responsibility Committee has been established to lead the commitment to community upliftment. As part of the initiatives, 220 sets of school uniforms were delivered to two (2) disadvantaged schools around Tshwane (Mamelodi and Atteridgeville). The ongoing development of a CIPC Corporate Social Responsibility Framework will further enhance this commitment.



AUDIT AND RISK COMMITTEE



Dr Len Konar
Audit Committee Chairperson



Dr Tebogo Sethibe
Independent Risk & ICT Chairperson



Ms Nalin Maharaj
Independent Audit Committee



Ms Gratitude Rampahaka
Independent Audit Committee



Ms Kamitha Singh
the dtic Representative



Dr Silma Koekemoer
Risk and ICT Independent Committee
Member



Dr Harold Patrick
Independent Risk & ICT Committee
Member



Mr Charl de Kock
Independent Audit Committee
Member



Ms Tia van der Sandt
Independent Risk & ICT Committee
Member (resigned)

14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee Responsibility

The Audit Committee was established following Sections 51(a)(ii) and 77 of the Public Finance Management Act, 1999 as amended (PFMA).

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the PFMA and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

Audit Committee Members and Attendance

The incumbent Committee was appointed on 1 April 2022 and consists of five independent non-executive members and is chaired by Dr Len Konar. The Accounting Officer and **the dtic** shareholder representative attend the Audit Committee meetings as ex-officio members. The Accounting Officer, Chief Financial Officer, and Internal and External Auditors have a standing invitation to all meetings of the Committee and provide the necessary support. A brief profile of each of the Committee Members and their qualifications can be viewed in the Governance section of the CIPC Annual Report, under Members of the Audit Committee.

The Chairperson of the Audit Committee reports to the Accounting Authority quarterly about the Audit Committee's deliberations, decisions, recommendations, and approvals per its Terms of Reference.

In terms of Section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. During the financial year ended 31 March 2024, the Audit Committee met on 7 occasions.

Effectiveness of Internal Control Environment and Risk Management

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that a public entity has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

The Audit Committee was responsible for overseeing risk management, including information technology risk management, activities, controls and plans and reviewing the internal controls, as such independent reviews on the

effectiveness of the internal controls were conducted by the internal audit function, and they covered areas of financial, operational, information technology, compliance and risk management.

The Audit Committee has reviewed the risk register and the reports from management and is generally satisfied with the maturity of the risk management process.

Based on the results of Internal Audit reviews for the 2023/2024 financial year, in our opinion, the overall environment across the organisation is considered "satisfactorily effective" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained and had remained effective throughout the 2023/2024 financial year.

The CIPC's IT systems were subject to an intentional external penetration intrusion during the financial year. The vulnerability assessment and remediation steps taken by the CIPC have restored the integrity and functionality of the systems and additional preventative, detective, and corrective controls have been implemented.

Internal Audit

The Audit Committee was responsible for ensuring that the organisation's internal audit function is independent and has the necessary resources, skills, standing, and authority within the organisation to enable it to discharge its responsibilities effectively. The Internal Audit function has unrestricted access to the Audit Committee.

The Audit Committee reviewed and approved the Internal Audit Plan. Resources, budget and professional development. The Internal audit activities are measured against the approved internal audit plan and the Head: Internal Audit tables progress reports in this regard to the Audit Committee.

The Internal Audit Unit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the organisation's operations. The Internal audit function is currently capacitated through a co-sourced model.

The Audit Committee is satisfied that adequate, objective internal audit policies and procedures exist within the organisation and that the organisation's Internal Audit function has complied with the internal audit standards, and the required legal, regulatory, and other

responsibilities as stipulated in its charter during the period under review.

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the organisation.

The Internal Audit function was evaluated by The Institute of Internal Auditors from an external quality assurance review point of view and the function was determined to be “generally compliant” with the requirements of the IIA Code, Standards and practices.

Evaluation of the Annual Financial Statements

During the reporting period, the Audit Committee reviewed the Annual Financial Statements and is satisfied that the Annual Financial Statements have been prepared in terms of GRAP and the PFMA.

The Annual Financial Statements were reviewed, with the following focus:

- Significant financial reporting judgements and estimates contained in the Annual Financial Statements.
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context, including matters relating to any irregular, fruitless, and wasteful expenditure.
- Changes in the Accounting Policies and Practices.
- Significant adjustments resulting from the Audit.
- Compliance with accounting standards and legal requirements.
- Explanation of the accounting treatment adopted.
- Reasons for year-on-year fluctuations.
- Asset valuations; and
- The basis for the going concern assumption.

The review of the Annual Financial Statements and the Draft Annual Report for the 2023/2024 financial year was finalised and recommended to the Accounting Authority for approval.

Programme Performance Information Management

The Audit Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework.

During the period under review, quarterly reports were presented by management to enable the Audit Committee to:

- Review and comment on compliance with statutory requirements and programme performance information best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan, and annual performance plans.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the public entity.
- Review of reported non-compliance with legislation.
- Review of compliance with in-year reporting requirements.
- Assess internal audit reports on reviews carried out on quarterly performance reports.

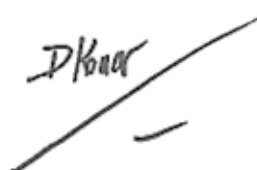
The Audit Committee reviewed the quarterly and annual reports of the organisation and the organisation's performance against predetermined objectives.

The Audit Committee is satisfied that the annual performance report has been prepared in terms of the PFMA, the Treasury Regulations, and any other related regulatory requirements for reporting programme performance information.

Auditor's Report

The Audit Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. It is also of the view that audited financial statements be accepted and read together with the report of the external auditors. The Audit Committee confirms that it has been actively involved throughout the audit process and has been thoroughly informed of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor-General South Africa, is independent of the organisation. The Audit Committee has met with the external auditors to ensure that there are no unresolved issues.



Dr. Len Konar

Chairperson of the Audit Committee Companies and Intellectual Property Commission

Date: 30/08/2024

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with B-BBEE requirements, as per the B-BBEE Act (2013) and as determined by the Department of Trade, Industry and Competition.

Table C7: B-BBEE Compliance Table

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion <i>(Include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	This does not fall within the CIPC mandate.
Developing and implementing a preferential procurement policy?	Yes	The Preferential Procurement Policy is implemented at all times.
Determining qualification criteria for the sale of state-owned enterprises?	No	This does not fall within the CIPC mandate.
Developing criteria for entering into partnerships with the private sector?	Yes	A collaboration framework is in place.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	No	This does not fall within the CIPC mandate.





PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The effective management of human resources is critical to the success of the CIPC, especially in an ever evolving and dynamic landscape it operates in. This section provides a holistic view of the strategies, challenges, and achievements in the pursuit of ensuring that the Commission's human capital is aligned with and enables the strategic objectives of the CIPC.

Using qualitative and quantitative insights, we present how human resources planning contributes to the fulfilment of the CIPC mandate, and its contribution to positively impacting the lives of South African citizens.

1.1 Overview of Human Capital Matters

The CIPC staff establishment comprises of 640 approved posts, of which 30,9% are vacant as of 31 March 2024. The highest vacancy rates are within Innovation and Creativity Promotion (49,5%), and the Commissioner's Office (34,7%). The overall vacancy rate remains the same as compared to FY 2022/23, as a result of the delay in the implementation of the new proposed organisational structure. This decision is to ensure that appointments are made in alignment with the needs of the CIPC and promote optimal functioning on the organisation.

In relation to this, the CIPC has embarked on an Organisational Design Project that seeks to ensure alignment of skills and resources to the objectives of the organisation. As part of the process, the organisational structure and job descriptions are being reviewed to ensure that they are fit-for-purpose. The Strategy Division will resume a process of reviewing the operating model, which will largely dictate how the organisational will be structured.

In our efforts to enhance the efficiency and effectiveness of our service delivery, automation of key functions within the CIPC has been ongoing. As a result, some resources have been temporarily seconded and reallocated to other Divisions to ensure that available resources are utilised in an optimal and efficient manner. The process of reviewing key human capital policies through a consultative process with key stakeholders is underway, as well as signoffs for implementation.

To promote equity, the CIPC has focused and prioritised targeted recruitment strategies to achieve the set targets. However, while progress has been made in areas such as gender and racial gender equity, the inclusion of persons with disabilities targets remains unmet. To address this

gap, the active exploration of partnerships and alliances with organisations that directly engage such persons will enhance our efforts to integrate the participation of individuals with disabilities within our workforce.

In light of driving and pursuing the effective delivery of the CIPC's mandate and strategic objectives, priorities identified for the period under review are as follows:

- Managing the recruitment and selection of talent for the CIPC – the recruitment unit has been capacitated to efficiently recruit the identified critical vacant positions within the set time frames by the organisation. Strategic positions are being prioritised to respond to the needs of the CIPC.
- The finalisation and approval of all human capital policies to uphold the commitment to human capital practices in line with the CIPC objectives.

1.2 Talent Management and Employee Relations

Employee Development

The CIPC has recognised the need for and importance of identifying the requisite skills to perform the duties and responsibilities of filled positions. The ability to attract and retain the relevant talent is key to achieving the objectives of the CIPC. As such, training interventions to capacitate and develop employees, and recruitment efforts were put in place as follows:

- Targeted recruitment to fill strategic positions that are not affected by the Organisational Design process.
- Embedding organisational culture, values, and ethics through the conclusion of a Leadership Charter that encompasses CIPC culture and values and in turn encouraging teamwork and collaboration. Management remains committed to the management of change and creating a culture that enables efficient service for excellent customer experience.
- Training and development of CIPC staff through the development and implementation of a CIPC Work Skills Plan that addresses the needs for development of CIPC staff. This is supplemented by the Personal Development Plans for employees.

Employee Performance Management

Efforts to monitor compliance to performance management principles are ongoing, with the CIPC

Employee Performance Management Policy being actively implemented. As a result, the fourth Quarter performance reviews of this reporting period were finalised and completed successfully.

Employee Wellness

Employee wellness is intrinsic to the employee value proposition in terms of optimising wellness within the CIPC. In line with global trends, CIPC is shifting towards a holistic preventative approach to wellness. This encompasses the provision of support and guidance to employees, as well as the traditional health and wellness provided by organisations.

The CIPC's comprehensive wellness programme is an integral part of the overall strategy and incorporates multiple new capabilities, such as:

- Confidential Counselling Services - internal and outsourced confidential counselling services are provided to staff and their family members. Reports on identified trends are regularly presented to Management, ensuring a proactive response to emerging needs.
- Health and Wellness Interventions – a comprehensive range of interventions are being offered, including information sessions covering health, psychology, and benefits related matters. Additionally, health screenings are conducted during Staff Connect Sessions at least once per year, promoting preventative care and early detection.
- Occupational Health Clinic – through **the dtic**, there is provision of the clinic and advisory services including HIV programmes, disease prevention, chronic disease management, etc. This promotes the commitment to employee well-being.
- Support for employees under medical treatment, where support mechanisms for employees undergoing medical treatment are in place e.g. recommendations for alternative placements (based on doctor's reports), support of hospitalised staff etc.
- Support for Sick and Bereaved Staff – this is done in alignment with the Hospitalisation, Funeral and Bereavement policy to ensure that a culture of care and support is fostered.
- Sports and Recreation Initiatives – the facilitation of such activities is prioritised, evidenced by the review of the Sports and Recreation Policy, hosting of various sporting activities, and conducting a Gym Facility benchmarking exercise.

- Social Responsibility Initiatives – the CIPC Social Responsibility Committee has been established to lead the commitment to community upliftment. As an example, 220 sets of school uniforms were delivered to two (2) disadvantaged schools around Tshwane (Mamelodi and Atteridgeville). The ongoing development of a CIPC Corporate Social Responsibility Framework will further enhance this commitment.
- Staff Engagement Initiatives – various staff engagement initiatives are being undertaken, including Staff Connect Sessions, Employee Engagement and Wellness Surveys fostering a culture of open communication and feedback.
- Diversity, Equity, and Inclusivity (DEI) Initiatives – the CIPC has launched DEI initiatives which include sessions such as the Commissioner with Women in Leadership session. Ongoing efforts in this area demonstrate a commitment to fostering a diverse, inclusive, and equitable workplace culture.

1.3 Achievements and Challenges

The achievements for the period under review are:

- Key Human Capital Policies approved, providing a structured framework to the management of personnel in accordance with best practice.
- A total of thirty-three (33) Interns have been appointed in CIPC, to provide valuable learning opportunities.
- The submission of the Employment Equity Report to the Department of Labour reflecting adherence to requirements and promotion of diversity within the CIPC.
- Demonstrating the commitment to employee development, in the financial year 2023/24, 19 additional employees were awarded bursaries, empowering them to pursue further education and skills enhancement, which brings the organisation to a total of 93 bursaries that Human Capital is administering.
- Investment in employee development through the training of 283 employees in line with their Performance Development Plans.
- There was a notable decrease in vexatious grievances, dispute referrals to CCMA and Labour Court. This achievement can be attributed to proactive and timely interventions.

The challenges that the CIPC faced during the period under review are:

- Lengthy consultation process on HR policies which may affect agility in policy implementation.
- Automation, whilst enhancing efficiency has impacted the staff operation of some business units. The CIPC responded strategically through the reallocation and secondment of staff to areas of need.
- High vacancy rates in some business units put strain on existing resources and in some instances, hindered optimal service delivery.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following tables summarise personnel related expenditure by programme.

Table D1: Personnel Cost by Programme / Activity / Objective, FY2023/24

Programme/ Activity/ Objective	Total Expenditure for the Entity	Total Personnel Expenditure	Total Personnel Exp. as a % of Total Expenditure	No. of Employees	Average Personnel Cost per Employee
	R'000	R'000	%		R'000
Business Regulation and Reputation	90 766	61 917	68	67	930
Innovation and Creativity Promotion	60 510	41 278	68	44	930
Service Delivery and Access	453 828	309 584	68	333	930
Total / Average	605 104	412 779	68	444	

The following tables summarise personnel cost by salary band

Table D2: Personnel Cost per Salary Band, FY2023/24

Programme / Activity / Objective	Personnel Expenditure	% of Personnel Exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee
	R'000	R'000		R'000
Top Management	8 762	2	4	2 191
Senior Management	6 428	2	7	918
Professional Qualified	61 521	15	67	918
Skilled	138 651	34	151	918
Semi-Skilled	197 417	48	215	918
Total	412 779		444	

The following tables summarise personnel performance rewards per salary band

Table D3: Performance Rewards, FY2023/24

Programme/ Activity/ Objective	Performance Rewards	Personnel Expenditure	% of Performance Rewards to Total Personnel Cost	No. of Employees
	R'000	R'000	%	R'000
Top Management	147	8 762	0.04%	4
Senior Management	256	6 428	0.06%	7
Professional Qualified	2 426	61 521	0.59%	67
Skilled	5 552	138 651	1.35%	151
Semi-Skilled	7 868	197 417	1.91%	215
Total	16 249	412 779		444

The following tables summarise personnel training costs per programme.

Table D4: Training Costs, FY2023/24

Programme/ Activity/ Objective	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg Training Cost per Employee
	R'000	R'000	%		R'000
Business Regulation and Reputation	61 917	277	0.4%	64	4
Innovation and Creativity Promotion	41 278	185	0.4%	102	2
Service Delivery and Access	309 584	1 385	0.4%	117	12
Total	412 779	1847	0.4%	283	

The following tables summarise employee vacancies within each programme.

Table D5: Employment and Vacancies

Programme/Activity/Objective	Employment Beginning of Period	Approved Posts	Employment End of Period	Vacancies	Vacancy Rate %
Commissioner's Office	46	72	47	25	34.7%
Corporate Services	92	126	95	31	24.6%
Business Intelligence & Systems	41	61	46	15	24.6%
Innovation and Creativity Promotion	54	99	50	49	49.5%
Business Regulation & Reputation	211	282	206	76	27.0%
Total / Average	444	640	444	196	30.9%

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the organisation.

Table D6: Occupational Bands

Occupational Bands	Employment Beginning of Period	Approved Posts	Employment End of Period	Vacancies	Vacancy Rate %
Top Management / Executives	4	6	4	2	33.3%
Senior Management / Advanced Specialists	7	14	7	7	50.0%
Professional Qualified / Experienced Specialist / Middle Management	66	96	67	29	30.2%
Skilled Technical / Academically Qualified / Junior Management	152	261	151	111	42.5%
Semi-Skilled	215	263	215	47	17.9%
Total	444	640	444	196	30.9%

Senior management posts are being filled as and when they are vacated or required. Positions are advertised internally and externally, and the best suitable candidate is appointed. The CIPC prides itself on paying its employees market-related salaries and offering service benefits such as:

- 13th Cheque
- Performance Bonuses
- Rewards for Years of Service
- Unemployment Insurance Fund (UIF)
- Group Life Policy.

Table D7: Employment Changes

Occupational Bands	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate %	Employment at End of the Period
Top Management / Executives	4	0	0	0%	4
Senior Management / Advanced Specialists	7	0	0	0%	7
Professional Qualified / Experienced Specialist / Middle Management	66	5	4	9.9%	67
Skilled Technical / Academically Qualified / Junior Management	152	6	7	5.6%	151
Semi-Skilled	215	6	6	0.8%	215
Total	444	6	17	3.8%	444

Table D8: Reasons for Staff Leaving

Reason	Number	% of Total no. of Staff Leaving
Death	2	11.1%
Resignation	8	44.4%
Dismissal	2	11.1%
Retirement	6	33.3%
Ill Health	0	0.0%
Expiry of Contract	0	0.0%
Other	0	0.0%
Total	18	100%

Table D9: Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written Warning	4
Dismissal	2

Table D10: Equity Target and Employment Equity Status – Male

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	1	1	0	0	1	1
Senior Management	5	5	0	0	1	1	0	0
Professional Qualified	27	34	3	3	4	4	4	4
Skilled	71	79	3	17	1	1	9	14
Semi-Skilled	65	75	1	1	1	1	2	2
Total	168	194	8	22	7	7	16	21

Table D11: Equity Target and Employment Equity Status – Female

Levels	Female							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	1	1	0	0
Senior Management	4	4	0	0	0	0	0	0
Professional Qualified	17	15	3	6	2	2	11	8
Skilled	70	65	5	9	5	2	10	5
Semi-Skilled	141	120	8	8	1	1	23	10
Total	233	205	16	23	9	6	44	23

Table D12: Equity Target and Employment Equity Status – Persons with Disabilities

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	1	0	2
Skilled	5	5	0	7
Semi-Skilled	2	2	2	3
Total	7	8	2	12



PART E

IRREGULAR EXPENDITURE OR RECONCILIATION OF IRREGULAR EXPENDITURE

Table E1: Irregular expenditure

Reconciliation of irregular expenditure			
Description	2023/2024	2022/2021	2021/2020
	R'000	R'000	R'000
Opening balance	98,788	98,788	98,581
Prior Period Errors			
As Restated	98,788	98,788	98,581
Add: Irregular expenditure confirmed			207
Less: Irregular expenditure condoned			
Less: Irregular expenditure not condoned and removed			
Less: Irregular expenditure recoverable			
Less: Irregular expenditure not recovered and written off			
Closing balance	98,788	98,788	98,788





PART F

FINANCIAL INFORMATION

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT ON COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

Report on the audit of the annual financial statements

Opinion

1. I have audited the financial statements of the Companies and Intellectual Property Commission set out on pages 88 to 130, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Companies and Intellectual Property Commission as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 83, forms part of our auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to Programme 3: Business Regulation and Reputation presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - The average number of business days (network days) to approve applications for registering an external company, private company with customised MOI, Incorporated Company, State Owned Company, Public Company and Not for Profit companies with customised MOI (CoR15.1D and E) by automating and assuring directors of foreign nationality
 - Implementation of the CIPC Learning Academy
 - Corporate education and awareness events or workshops (virtual or physical) conducted by the CIPC, also in collaboration with partners, for the benefit of SMME's including those outside of main metros
 - Progress Report on the establishment of a Beneficial Business Ownership Register and the Integrated Business Ownership Register
 - Number of Pro-Active investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified in the State Capture Report
 - Number of targeted proactive pre-investigations
 - Quarterly Prospectus Report which captures tracking of investments and their impact on society, as well as the impact of investment facilitation and unblocking interventions (Quarterly monitoring and Annual Reporting of Capital Raised)
 - Updated CIPC XBRL Taxonomy aligned with government initiatives to address climate change (Gap Analysis Report on adoption of ESG)
 - Conclude MOU's which facilitate data sharing between jurisdictions on company Directors, Shareholders and BO's
 - Progress report on automation of the Director Amendments Platform
 - Number of Parliamentary consultation processes, pertaining amendment, tabling or submission of priority legislation, participated in

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements. This information should be considered in the context of the material findings on the reported performance information.
20. The tables that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 53 to 56.

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

Programme 3: Business Regulation and Reputation

Targets achieved: 82%		
Budget spent: 183%		
Key indicator not achieved	Planned target	Reported achievement
Implementation of the CIPC Learning Academy	Approved RFP for the development of the CIPC Learning Academy Business Case	An RFQ for the development of the business case was issued to the market, however, no responses were received.
Conclude MOU's which facilitate data sharing between jurisdictions on company Directors, Shareholders and BO's	3	1

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: Business Regulation and Reputation. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

26. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. The other information I obtained prior to the date of this auditor's report is Commissioner's Overview, and the Audit Committee Report, Human Resource Management information and Ministers Foreword are expected to be made available to us after 31 July 2024.

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
31. When I do receive and read the Audit Committee Report, Human Resource Management information and Ministers Foreword, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
33. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

22 August 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Report of the auditor-general to Parliament on Companies and Intellectual Property Commission

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A.9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Public Entity in terms of Schedule 3A of the Public Finance Management Act
Controlling entity	Department of Trade, Industry and Competition
Nature of business and principal activities	Regulator of Companies and Intellectual Property in South Africa
Registered Office	the dtic Campus (Block F - Entfutukweni) 77 Meintjies Street Sunnyside Pretoria 0001
Postal address	PO Box 429 Pretoria 0001
Bankers	ABSA Corporate Banking
Auditors	Auditor-General South Africa

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the Parliament:

	Page
Accounting Authority's Responsibilities and Approval	89
Statement of Financial Position	90
Statement of Financial Performance	91
Statement of Changes in Net Assets	92
Cash Flow Statement	93
Statement of Comparison of Budget and Actual Amounts	94 - 95
Accounting Policies	96 - 107
Notes to the Annual Financial Statements	108 - 132

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Authority's Responsibilities and Approval

The annual financial statements for the year ended 31 March 2024, are prepared under Generally Recognised Accounting Practice (GRAP) and incorporate disclosures in line with the accounting policies of the entity and the requirements of the Public Finance Management Act 1999 (Act No. 1 of 1999) (PFMA).

The Accounting Authority is responsible for the preparation and integrity of the annual financial statements and related information included in the annual report. For the Accounting Authority to discharge these responsibilities, as well as those imposed in terms of the PFMA and other applicable legislation, a system of internal controls has been developed, and maintained.

The internal controls include a risk-based system approach of internal auditing and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded under Generally Recognised Accounting Practice (GRAP), as well as the entity's policies and procedures. Trained and skilled personnel, with an appropriate segregation of duties, implement these controls. Monitoring of these controls includes a regular review of their operations by the Accounting Authority and independent oversight by the Audit Committee.

The Auditor-General South Africa, as external auditor, is responsible for expressing an opinion on the annual financial statements.

The annual financial statements which have been prepared on a going concern basis, were approved and signed by the Accounting Authority on 22 August 2024.



Adv. Rory Voller
Commissioner (Accounting Authority)

Pretoria

22 August 2024

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

	Notes	2024 R '000	2023 Restated* R '000
Assets			
Current Assets			
Receivables from exchange transactions	3	1 271	1 384
Prepayments	4	18 267	25 031
Cash and cash equivalents	5	574 568	585 363
		594 106	611 778
Non-Current Assets			
Property, plant and equipment	6	60 731	17 395
Intangible assets	7	56 570	40 925
Prepayments	4	2 444	2 050
		119 745	60 370
Total Assets		713 851	672 148
Liabilities			
Current Liabilities			
Operating lease liability	9	69	192
Payables from exchange transactions	10	33 968	19 786
Payables from customer deposits received	11	134 578	130 891
Employee benefit obligation	12	1 825	1 895
Provisions	13	167 995	193 183
		338 435	345 947
Non-Current Liabilities			
Operating lease liability	9	1 898	69
Employee benefit obligation	12	21 849	22 153
		23 747	22 222
Total Liabilities		362 182	368 169
Net Assets		351 669	303 979
Accumulated surplus		351 669	303 979

* See Note 36

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

	Notes	2024 R '000	2023 Restated* R '000
Revenue			
Revenue from exchange transactions			
Fees	14.1	189 956	186 235
Interest income	14.2	49 826	39 496
Other income	14.3	12 701	9 926
Gain on disposal of assets		98	7
Actuarial gains	12	2 467	2 742
Total revenue from exchange transactions		255 048	238 406
Revenue from non-exchange transactions			
Annual return fees	14.4	509 746	437 943
Total revenue	14	764 794	676 349
Expenditure			
Advertising		(2 440)	(1 638)
Audit fees	15	(4 959)	(5 896)
Bad debts		(57)	(27)
Bank charges		(5 463)	(4 708)
Consulting and professional fees	16	(92 865)	(75 653)
Depreciation and amortisation	17	(26 588)	(22 255)
Employee related costs	18	(412 779)	(377 401)
Internet and network costs		(1 483)	(1 227)
Maintenance and repairs		(471)	(800)
Operating lease charges	19	(26 415)	(31 719)
Other operating expenses	20	(27 069)	(20 119)
Publications, printing and stationery	21	(2 007)	(1 328)
Transfer to National Revenue Fund		(112 000)	(144 926)
Travelling and subsistence		(2 508)	(2 113)
Total expenditure		(717 104)	(689 810)
Surplus (deficit) for the year		47 690	(13 461)

* See Note 36

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Opening balance as previously reported	514 756	514 756
Adjustments		
Prior year adjustment	(197 316)	(197 316)
Balance at 01 April 2022 as restated*	317 440	317 440
Changes in net assets		
Deficit for the year	(13 461)	(13 461)
Total changes	(13 461)	(13 461)
Balance at 01 April 2023 as restated*	303 979	303 979
Changes in net assets		
Surplus for the year	47 690	47 690
Total changes	47 690	47 690
Balance at 31 March 2024	351 669	351 669

* See Note 36

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Cash Flow Statement

	Notes	2024 R '000	2023 Restated* R '000
Cash flows from operating activities			
Receipts			
Fees: Exchange transactions		190 066	185 918
Annual return fees		513 433	438 251
Other income		12 701	9 925
Interest income		49 826	39 496
		<u>766 026</u>	<u>673 590</u>
Payments			
Employee costs		(402 696)	(375 934)
Suppliers		(151 888)	(189 845)
Transfer to National Revenue Fund		(144 926)	(197 316)
		<u>(699 510)</u>	<u>(763 095)</u>
Net cash flows from operating activities	23	<u>66 516</u>	<u>(89 505)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(49 333)	(5 563)
Proceeds on disposal of property, plant and equipment		113	89
Acquisition of intangible assets	7	(28 091)	(10 017)
Net cash flows from investing activities		<u>(77 311)</u>	<u>(15 491)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(10 795)</u>	<u>(104 996)</u>
Cash and cash equivalents at the beginning of the year		585 363	690 359
Cash and cash equivalents at the end of the year	5	<u>574 568</u>	<u>585 363</u>

* See Note 36

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Budget on accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on a comparable basis R '000	Difference between final budget and actual R '000	Reference
	R '000	R '000	R '000			

Statement of Financial Performance

Revenue

Revenue from exchange transactions	190 876	-	190 876	189 956	(920)	
Revenue from non-exchange transactions	460 551	5 987	466 538	509 746	43 208	N1
Other income	391	-	391	12 701	12 310	N2
Interest received from exchange transactions	29 642	22 231	51 873	49 826	(2 047)	
Total revenue	681 460	28 218	709 678	762 229	52 551	

Expenses

Employee costs	(422 912)	3 269	(419 643)	(412 779)	6 864	N3
Operational expenditure	(158 644)	(19 435)	(178 079)	(137 800)	40 279	N4
Other administrative expenditure	(58 185)	9 377	(48 808)	(27 743)	21 065	N5
Depreciation and amortisation	(22 860)	(5 000)	(27 860)	(26 588)	1 272	
Assets derecognised	-	-	-	(137)	(137)	
Bad debts	-	-	-	(57)	(57)	
Transfer to National Revenue Fund	-	-	-	(112 000)	(112 000)	N6
Total expenditure	(662 601)	(11 789)	(674 390)	(717 104)	(42 714)	
Operating surplus	18 859	16 429	35 288	45 125	9 837	
Gain on disposal of assets	-	-	-	98	98	
Actuarial gains/losses	-	-	-	2 467	2 467	
	-	-	-	2 565	2 565	
Surplus for the year	18 859	16 429	35 288	47 690	12 402	
Actual Amount on a comparable basis as presented in the Budget and Actual Comparative Statement - Refer to notes 35 and 36	18 859	16 429	35 288	47 690	12 402	

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	38 386	24 949	63 335	57 630	(5 705)	N7
Intangible assets	28 380	7 740	36 120	28 091	(8 029)	N7
Total Assets	66 766	32 689	99 455	85 721	(13 734)	

Net Assets

Net Assets Attributable to the Controlling Entity

Reserves

Accumulated surplus	66 766	32 689	99 455	85 721	(13 734)	
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Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on a comparable basis R '000	Difference between final budget and actual R '000	Reference
	R '000	R '000	R '000	R '000	R '000	

Budget adjustments are the result of amended forecasts of revenue and expenditure which occur during the year.

Budget narrations are provided for variances above R3 million.

N1 - Revenue from non-exchange transactions

The variance of R43,2 million, translated to 9.3% above budget is due to higher than anticipated annual return submissions compared to the prior year. The reason for the increase could be attributed to compliance notices issued, as well as an education and awareness campaign during the year. The gross volume of filings increased by 20% since the prior year.

N2 - Other income

The variance of R12,3 million over the budgeted income relates mainly to the prescription of customer deposits balances for which no transactions have been processed against, and are older than three years. The CIPC did not budget for such income due to the uncertainty of the amount which will be unutilised by customers during each financial year.

N3 - Employee costs

The variance of R6,9 million, translated to 1.6% below the budgeted expenditure is due to conservative percentages being applied to the performance bonus payments, resulting in the full provision not being utilised.

N4 - Operational expenditure

The variance of R40,3 million, translated to 23% savings in the budgeted expenditure relates mainly to underspending of consulting and professional fees due to:

- R28 million saving in licences and ICT consulting fees due to certain planned projects not occurring
- R6 million saving in lease expenditure due to new leases at lower than anticipated rates

N5 - Other administrative expenditure

The variance of R21 million, translated to 50% savings in the budgeted expenditure is attributed mainly to the change in the way of working at CIPC, and relates mainly to the following:

- Underspending of R5,2 million in budgeted advertising expenditure due to planned campaigns not commencing during the year.
- Savings of R2,4 million in travel and subsistence expenditure due to cost saving measures implemented
- Savings of R5,4 million in special event and venue expenditure due to cost-saving measures implemented

N6 - Transfer to National Revenue Fund

The variance of R112 million is due to providing for and recognising the transfer to the National Revenue Fund in expenditure. This amount was not budgeted for.

N7 - Capital expenditure

The variance of R14,4 million translated to 14% below budgeted capital expenditure is attributed to the planned projects not commencing during the year.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board under Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are under the historical cost convention as the basis of measurement, unless specified otherwise. All figures are rounded to the nearest thousand rand.

A summary of the significant accounting policies, that have been consistently applied in the preparation of these annual financial statements, is disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand (R), which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence the decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment considers how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefits, or the service potential of items of property, plant and equipment are expensed as incurred.

Depreciation commences when the assets are available for use. Management expects to dispose of assets at the end of their useful lives and therefore the residual values are estimated to be negligible. The useful lives and residual values are assessed on an annual basis. If the expectations differ from previous estimates, the change is accounted for as a change in the accounting estimate.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 - 10 years
Office furniture and equipment	Straight line	5 - 15 years
Leasehold improvements	Straight line	Lease period

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.5 Intangible assets

Intangible assets represent directly attributable costs associated with the acquisition, development and installation of computer software. Software which is not an integral part of related computer hardware, is classified as intangible assets.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

The CIPC assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	5 years - indefinite

Impairment losses are determined as the excess of the carrying amount of intangible assets over the recoverable service amount and are charged to surplus or deficit.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is included in surplus or deficit when the asset is derecognised.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.6 Financial instruments

Classification

The classification of financial instruments depends on the purpose for which the financial instruments were obtained and is determined by management at initial recognition.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with original maturities of three months or less.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They comprise receivables from exchange transactions. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method, less any impairment loss. The entity classifies its financial assets as reflected on the face of the statement of financial position as follows:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial assets measured at amortised cost

Financial liabilities

Payables: Customer deposits

Customer deposits represent payments received from customers for future transactions. Customer deposit balances that have not been utilised for a period of 36 months from the date of the last transaction in that customer account, are recognised as revenue.

Trade and other payables

Trade and other payables are non-derivative financial liabilities. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

The entity classifies its financial liabilities as reflected on the face of the statement of financial position as follows:

Class	Category
Payables from customer deposits	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

Initial measurement of financial assets and financial liabilities

The entity recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.6 Financial instruments (continued)

Fair value measurement considerations

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost and are subject to an impairment review.

Impairment of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived.
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

Financial liabilities

The entity removes a financial liability from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

1.7 Leases

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.8 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

1.9 Prepayments

Prepaid expenses are payments made in advance of the future performance of services, receipt of goods or other assets, or incurrance of expenses. If the period of the prepayment covers more than one financial period, these amounts are recorded as assets until the related expenses have been incurred, contract terms are met, or goods or services are received.

1.10 Impairment of cash-generating assets

The carrying amounts of the entity's non-financial (cash generating) assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use, and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time, value for money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU, exceeds its estimated recoverable amount. Impairment losses are recognised in surplus and deficit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount do not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.11 Impairment of non-cash-generating assets

Cash-generating assets are assets managed to generate a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

The carrying amounts of the entity's non-financial (non-cash generating) assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the entity will estimate the recoverable service amount of the asset. The recoverable service amount of an asset is the greater of its value in use, and its fair value less costs to sell. In assessing value in use, the present value of the asset's remaining service potential must be determined. The present value of the remaining service potential of the asset is determined by using the depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition.

When the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and is recognised in surplus and deficit. An impairment loss recognised in prior years for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. That increase is a reversal of an impairment loss.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is based on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used to generate a commercial return and service delivery, is designated either as a cash-generating asset or a non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.12 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.13 Revenue from exchange transactions

An exchange transaction is one in which the one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Interest income

Interest income comprises interest income on funds invested. Interest income is recognised on a time-proportion basis using the effective interest rate method.

Revenue from fees

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) the economic benefits or service potential associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the reporting date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the recognition of revenue is postponed until the significant act is executed.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed, taking into consideration the total time that the transaction has been in process and the probability of the customer continuing with the application.

Advance payments on customer accounts are only recognised as revenue on the rendering of services. Customer accounts that have insufficient funds are raised as receivables.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Trade receivables from exchange transactions

Exchange revenue is measured at the fair value of the consideration received or receivable. Exchange revenue comprises finance income and other operating income and is recognised when it is probable that future economic benefits will flow to the CIPC, and these benefits can be measured reliably. Accounts receivable arising from these transactions are categorised as financial instruments at amortised cost.

Interest income

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Non-exchange revenue comprises annual return revenue.

Revenue from annual return fees

Non-exchange revenue comprises annual return revenue. Revenue from annual return fees is measured at fair value. Fair value is deemed to be the transaction cost and is based on the annual return fee as prescribed in the annual return table as set out in Annexure 2 of the Companies Regulations, 2011.

Trade receivables from non-exchange transactions

Annual return fees are recognised only when the entity has filed an annual return, since this is when the initial recognition criteria are met. The filing and payment of the annual return constitute a single transaction, as these transactions must happen simultaneously to file a successful annual return and are measured at fair value.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as salaries, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

A liability is recognised for the amount expected to be paid under performance bonus, if the entity has a present legal or constructive obligation to pay this amount because of past service provided by the employee, and the obligation can be estimated reliably.

Post-employment benefit: Defined contribution plan

The entity makes contributions to the Government Employees' Pension Fund along with its employees to provide retirement benefits. The obligation of the entity for any shortfall in the fund is limited to the contributions already made. Contributions are charged to surplus or deficit when made.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Post-retirement medical aid benefit

The entity provides a post-retirement medical aid benefit to retirees.

The entitlement to the post-retirement medical aid benefit is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

In-service members employed after 01 July 2013 are not eligible for a post-employment benefit.

Independent qualified actuaries carry out valuations of these obligations.

An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the present value of the defined benefit obligation at the reporting date.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost.
- interest cost.
- actuarial gains and losses.
- past service cost.
- the effect of any curtailments or settlements.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other employee benefit obligations

The entity provides long service awards to current employees.

Long service awards

The entitlement to long service awards is based on the employee remaining in uninterrupted service of the entity and is payable upon the completion of each five-year anniversary of employment at the entity. The expected costs of these benefits are accrued over the period of each five-year anniversary.

A Long Service Award cannot be awarded to an individual who has not reached his/her anniversary date yet, unless the employee is about to retire at the age of 65. A pro-rata payment will be paid to retiring employees who are 65 years of age.

Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is its present value at the reporting date.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost.
- interest cost.
- actuarial gains and losses, which shall all be recognised immediately.
- the effect of any curtailments or settlements.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditures is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified under the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not under a requirement of any applicable legislation.

Irregular expenditure is accounted for as expenditure in the statement of financial performance and where relevant a receivable is raised in the statement of financial position.

1.18 Budget information

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

The approved and final budget amounts and variances between the actual and budget amounts are presented and explained. The approved budget is prepared on an accrual basis and is presented by functional classification.

1.19 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. Because of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:		
• GRAP 104 (amended): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 1 Presentation of financial statements	No effective date	The impact is currently being assessed
• GRAP 2023 Improvements to the Standards of GRAP 2023	No effective date	Unlikely there will be a material impact

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
3. Receivables from exchange transactions		
Trade receivables	639	618
Staff receivables	394	398
Patent Corporation Treaty (PCT) receivables	43	80
Other receivables	204	379
Allowance for impairment	(9)	(91)
	1 271	1 384

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(91)	(112)
Net provision for impairment	(9)	(6)
Net amounts are written off as uncollectible	81	27
Unused amounts reversed	10	-
	(9)	(91)

4. Prepayments

Prepaid expenses:

Insurance	-	1
Software licences and maintenance	20 711	19 424
Subscriptions	-	221
Assets received after year-end	-	7 435
	20 711	27 081

Reconciliation of prepayments

March 2024			
Prepayments	Current 18 267	Non-current 2 444	Total 20 711
March 2023			
Prepayments	Current 25 031	Non-current 2 050	Total 27 081

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	21 374	23 902
Collection accounts	2 643	7 012
Call account-Corporation for Public Deposits (CPD)	550 551	554 449
	574 568	585 363

Call account: Interest was earned at an average rate of 8.2% (2023: 6.1%) during the financial year.

The CIPC has a credit card facility of R1,5 Million. The balance at reporting date was Nil.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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6. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer equipment	146 166	(86 351)	59 815	91 039	(75 067)	15 972
Office furniture and equipment	7 513	(6 608)	905	8 619	(7 216)	1 403
Leasehold improvements	519	(508)	11	519	(499)	20
Total	154 198	(93 467)	60 731	100 177	(82 782)	17 395

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	15 972	57 630	(1)	(13 786)	59 815
Office furniture and equipment	1 403	-	(14)	(484)	905
Leasehold improvements	20	-	-	(9)	11
	17 395	57 630	(15)	(14 279)	60 731

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Derecognition	Depreciation	Total
Computer equipment	20 356	5 021	(28)	(59)	(9 318)	15 972
Office furniture and equipment	1 673	542	(54)	-	(758)	1 403
Leasehold improvements	31	-	-	-	(11)	20
	22 060	5 563	(82)	(59)	(10 087)	17 395

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

General repairs to items of property, plant and equipment	471	800
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Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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7. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	109 091	(52 521)	56 570	93 154	(52 229)	40 925

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Derecognition	Amortisation	Total
Computer software	40 925	28 091	(137)	(12 309)	56 570

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Derecognition	Amortisation	Total
Computer software	42 284	10 814	(5)	(12 168)	40 925

Other information

Intangible assets with indefinite lives:

Intangible assets with a carrying value of R3,018 Million were assessed at year end as having indefinite useful lives.

The assessment was a result of the continued use of certain modules within eservices due to the rollback of the new eservices which occurred in February 2023. ICT made a decision to utilise these modules for the foreseeable future.

8. Changes in accounting estimates

Property, plant and equipment

Management reviewed the estimated useful lives of property, plant and equipment at the end of the annual reporting year as required by GRAP 17. The useful lives of certain assets were deemed to be longer and the effect of the reassessment, assuming the assets are held until the end of their useful lives, was to decrease the depreciation expense disclosed in note 6 by:

Reassessment of property, plant and equipment useful lives	2 715	1 509
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Intangible assets

Management reviewed the estimated useful lives of intangible assets at the end of the annual reporting year as required per GRAP 31. The useful lives of certain assets were deemed to be longer and the effect of the reassessment, assuming the assets are held until the end of their useful lives is a decrease in the amortisation expense disclosed in note 7 by:

Reassessment of intangible assets useful lives	1 607	1 236
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Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
9. Operating lease liabilities		
Current liability	(69)	(192)
Non-current liability	(1 898)	(69)
	(1 967)	(261)

Lease accruals arise due to the straight lining of operating lease expenditure over the term of the lease.

Refer to note 19 for details of operating lease expenditure and note 25 for operating lease commitments.

10. Payables from exchange transactions

Trade payables	19 893	6 129
Accruals: Remuneration related	7 019	6 713
Accruals: Trade payables	7 056	6 944
	33 968	19 786

11. Payables from customer deposits received

Customer balances	134 578	130 891
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Deposits are received from customers for future transactions. These are non-interest bearing and are recognised as revenue when the customer transacts with the CIPC.

Deposits received that have not been utilised for a period of 3 years from the receipt date, are recognised as other income.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

2024 R '000	2023 R '000
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12. Employee benefit obligations

Defined benefit plan

Post-retirement medical aid benefit

The CIPC offers in-service members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

Members must have belonged to a medical aid scheme for at least one year and must achieve at least 15 years of service to be eligible. For retirement on ill-health grounds, the minimum service period is 10 years. The benefit is forfeited on resignation and other withdrawals.

In-service members employed before 01 July 2013 will receive a post-employment subsidy of 75% of the contribution payable should they be a member of a medical scheme at retirement.

All continuation members and their eligible dependents receive a 75% subsidy. Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

Post-employment subsidies are subject to a maximum of R 925 per member per month for a single member and R 1 850 for a member with dependents, for the year ending 31 March 2023.

In-service members employed after 01 July 2013 are not eligible for a post-employment subsidy.

The defined benefit plan is wholly funded by the entity and operates within the CIPC remuneration framework. All contributions are funded by CIPC operations.

Other long-term benefits

Long service awards

Employees qualify for a long service award in the month following each five-year anniversary date of uninterrupted service to the CIPC.

Long service awards are paid out as follows:

Years of service	Amount
5	R5 000
10	R10 000
15	R15 000
20	R20 000
25	R25 000
30	R30 000
35	R35 000
40	R40 000

A Long Service Award cannot be awarded to an individual who has not reached his/her anniversary date yet, unless the employee is about to retire at the age of 65. A pro-rata payment will be paid to retiring employees who are 65 years of age.

Long service awards are limited to current in-service employees and therefore there is no expectation that the benefit will affect the amount and timing of the entity's future cash flows.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
12. Employee benefit obligations (continued)		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Post-retirement medical aid benefit: Present value of the defined benefit obligation wholly unfunded	(11 514)	(11 727)
Long service awards: Present value of the other long-term benefit obligation - wholly unfunded	(12 160)	(12 321)
	(23 674)	(24 048)
Non-current liabilities: Post-retirement medical aid benefit	(10 981)	(11 303)
Current liabilities: Post-retirement medical aid benefit	(533)	(424)
Non-current liabilities: Long service awards	(10 868)	(10 850)
Current liabilities: Long service awards	(1 292)	(1 471)
	(23 674)	(24 048)
Changes in the present value of the employee benefit obligation are as follows:		
Opening balance	24 048	24 796
Benefits paid - Post-retirement medical aid benefit	(386)	(367)
Benefits paid - Long service awards	(1 265)	(1 370)
Net expense recognised in the statement of financial performance	1 277	989
	23 674	24 048
Net expense recognised in the statement of financial performance		
Current service cost - post-retirement medical aid benefit	378	410
Current service cost - long service awards	738	764
Interest cost - post-retirement medical aid benefit	1 411	1 373
Interest cost - long service awards	1 252	1 184
Actuarial (gains) losses - post-retirement medical aid benefit	(1 364)	(1 831)
Actuarial (gains) losses - long service awards	(1 103)	(911)
Prior period adjustment effected in the current year - refer to note 37	(35)	-
	1 277	989
Calculation of actuarial gains and losses: Post-retirement medical aid benefit		
Actuarial (gains) losses: economic assumptions	(1 335)	(1 092)
Actuarial (gains) losses: experience items	(29)	(739)
	(1 364)	(1 831)
Calculation of actuarial gains and losses: Long service awards		
Actuarial (gains) losses: economic assumptions	(556)	(672)
Actuarial (gains) losses: experience items	(547)	(239)
	(1 103)	(911)

The entity expects to contribute R 565 thousand to its defined benefit plans in the following financial year.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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12. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used - post-retirement medical aid benefit	13,20 %	11,90 %
Discount rates used - long service awards	10,70 %	10,20 %
Medical cost trend rates	9,20 %	8,30 %
Inflation rate - post-retirement medical aid benefit	7,20 %	6,30 %
Inflation rate - long service awards	5,50 %	5,10 %

The basis on which the discount rate has been determined is as follows:

Post-retirement medical aid benefit

The basis of the assumption used is the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa, at the duration of the liabilities of 10 years.

Long service awards

The basis of the assumption used is the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa, at the duration of the liabilities of 5 years.

Other

Assumed cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed cost trends rates would have the following effects:

	One percentage point/year increase	One percentage point/year decrease
Post-retirement medical aid benefit - Discount rate	10 478	12 718
Post-retirement medical aid benefit - Expected retirement age	10 364	12 937
Post-retirement medical aid benefit - Age rating	12 764	10 497
Long service awards - Discount rate	11 526	12 683
Long service awards - Age rating	12 092	12 223

GRAP 25 requires the amount for the current year and the previous four years to be disclosed as follows:

	2024 R '000	2023 R '000	2022 R '000	2021 R '000	2020 R '000
Defined benefit obligation - Post-retirement medical aid benefit	11 514	11 727	12 142	10 010	8 609
Other long-term benefits - Long service awards	121 260	12 321	12 654	13 274	12 003

Defined contribution plan: pension fund

The CIPC provides a defined benefit scheme for its employees which is the Government Employees Pension Fund (GEPF). Contributions to the pension plan in respect of service in a particular year are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate, as part of the cost of employment.

The CIPC has no legal or constructive obligation in respect of normal retirements to pay further contributions if the GEPF does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not the financial statements of CIPC.

The total economic entity contribution to such schemes	29 511	27 622
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Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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13. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Utilised or forfeited during the year	Total
Leave pay benefits	28 119	29 006	-	(22 200)	34 925
Performance bonuses	20 138	17 181	(16 249)	-	21 070
Transfer to National Revenue Fund	144 926	112 000	(144 926)	-	112 000
	193 183	158 187	(161 175)	(22 200)	167 995

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Utilised or forfeited during the year	Total
Leave pay benefits	30 444	21 713	-	(24 038)	28 119
Performance bonuses	18 768	16 519	(15 149)	-	20 138
Transfer to National Revenue Fund	197 316	144 926	(197 316)	-	144 926
	246 528	183 158	(212 465)	(24 038)	193 183

Leave pay benefits

In terms of the CIPC leave pay policy, employees are entitled to accumulated leave pay benefits not taken within a leave cycle, provided that any leave benefits, excluding capped leave amounting to R5,9 million (2023: R6,4 million) which accrued before 01 July 2000, not taken within a period of six months after the end of the leave cycle is forfeited.

Performance bonuses

Merit awards are based on the results of staff performance evaluations and may be adjusted based on the actual audited percentage of organisational performance against key performance indicators.

The actual expense paid during the 2023/2024 financial year relating to the 2022/2023 provision amounted to R16,3 million. The difference was accepted as immaterial and therefore the comparatives were not restated.

Transfer to National Revenue Fund

The CIPC will submit an application to the National Treasury to retain its surplus for the 2023/2024 financial year in terms of section 53(3) of the PFMA and section 6 of the National Treasury Instruction No. 12 of 2020/2021.

The CIPC provided for R112 million (2023: R144,926 million) of its accumulated surpluses to be surrendered to the National Treasury as calculated in terms of section 6 of the National Treasury Instruction No. 12 of 2020/2021, taking into consideration the previously approved surpluses by National Treasury.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
14. Revenue		
Fees	189 956	186 235
Other income	12 701	9 926
Interest income	49 826	39 496
Actuarial gains	2 467	2 742
Annual return fees	509 746	437 943
Gain on disposal of assets	98	7
	764 794	676 349

The amount included in revenue arising from exchanges of goods or services are as follows:

Fees	189 956	186 235
Other income	12 701	9 926
Interest income	49 826	39 496
Gain on disposal of assets	98	7
	252 581	235 664

14.1 Fees

Corporate information	25 170	23 300
Company registration and maintenance	94 885	95 311
Data sales	3 077	2 628
Intellectual property registration and maintenance	66 025	64 269
Cooperatives registration and maintenance	799	727
	189 956	186 235

14.2 Interest income

Interest received	49 826	39 496
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14.3 Other income

Other exchange transactions	104	105
Patent Corporation Treaty (PCT) income	48	55
Recognition of customer balances	12 549	9 766
	12 701	9 926

The amount included in revenue arising from non-exchange transactions is as follows:

14.4 Annual return fees

Annual return fees*	509 746	437 943
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*Included in annual return fees are penalties levied for returns submitted more than 30 business days after the due date.

15. Audit fees

External audit fees - Regulatory audit	4 959	4 990
Internal audit fees (Co-sourced portion)	-	906
	4 959	5 896

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
16. Consulting and professional fees		
Specialist information technology consultants, licences and services	83 318	65 682
Management consultants	9 547	9 971
	92 865	75 653
17. Depreciation and amortisation		
Computer equipment	13 786	9 318
Office furniture and equipment	484	758
Leasehold Improvements	9	11
Amortisation of intangible assets	12 309	12 168
	26 588	22 255
18. Employee costs		
Salary	301 128	280 731
Pension contributions	29 511	27 622
Medical contributions	12 639	12 842
Service bonus	12 964	12 745
Performance bonus	17 181	16 519
Other benefits	19 346	11 217
Skills Development Levy	3 388	3 169
Group life cover	2 680	2 186
Parking allowance	423	-
Overtime and production allowances	645	418
Long-service bonus	2 100	1 908
Internships	10 774	8 044
	412 779	377 401
19. Operating lease charges		
Offsite storage facility	4 632	5 348
Premises	20 392	24 980
Equipment	1 391	1 391
	26 415	31 719
20. Other operating expenses		
Agency support staff	5	55
Audit and Risk committee fees	767	1 081
Bursaries	1 079	931
Communication and postage	11 145	8 785
Conferences and venues	1 177	1 077
Derecognition of assets - Refer note 22	137	64
Donations	171	-
Entertainment and refreshments	268	54
Flowers	23	10
Insurance and courier services	302	149
Legal fees	6 539	4 309
Membership fees	429	369
Resettlement costs	140	14
Security and cleaning	3 040	2 772
Training	1 847	449
	27 069	20 119

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
21. Publications, printing and stationery		
Publications and printing	13	569
Stationery	1 994	759
	2 007	1 328
22. Derecognition of assets		
Computer equipment	-	59
Computer software	137	5
	137	64

Computer equipment

2024

Fully depreciated Computer equipment with an original cost of R875 thousand were derecognised as no future economic benefits or service potential were expected from its use. The derecognition relates mainly to Wi-Fi modems and docking stations.

Four fully depreciated laptops with an original cost of R89 thousand were derecognised as they were stolen whilst in the possession of staff. All four cases were reported to the South African Police Service.

2023

Relates to the carrying value of Computer Equipment which was stolen due to a burglary at the CIPC head office storeroom. The theft was reported to the South African Police Service.

Computer software

2024

Software with a net book value of R137 thousand and an original cost of R12,2 million were derecognised as no future economic benefits or service potential was expected from its use.

Included in the amount are applications with a net book value of R113 thousand at year-end which was replaced by or is in the process of being replaced by new applications.

2023

Software with a net book value of R5 thousand and an original cost of R1,3 million were derecognised as no future economic benefits or service potential was expected from its use.

Office furniture and equipment

2024

Fully depreciated furniture and equipment with an original cost of R45 thousand were derecognised as no future economic benefits or service potential was expected from their use. The derecognition relates mainly to broken chairs.

2023

No items of office furniture and equipment were derecognised.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
23. Cash generated from (used in) operations		
Surplus (deficit)	47 690	(13 461)
Adjustments for:		
Depreciation and amortisation	26 588	22 255
Loss / (Gain) on disposal of assets	(98)	(7)
Bad debts are written off	57	27
Movements in operating lease assets and accruals	1 706	(1 169)
Movements in retirement benefit liabilities	(374)	(748)
Movements in provisions	(25 188)	(53 345)
Derecognition of assets	137	64
Purchase of assets not yet paid for	(8 296)	(797)
Changes in working capital:		
Receivables from exchange transactions	54	(250)
Prepayments	6 370	(11 539)
Payables from exchange transactions	14 183	(30 843)
Payables from customer deposits - Annual returns	3 687	308
	66 516	(89 505)

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

		2024 R '000	2023 R '000			
24. Key Management emoluments						
Executive						
2024						
Name	Designation	Emoluments	Long service	Travel	Performance	Total
Adv Rory Voller	Commissioner	2 577	-	33	-	2 610
Ms Hamida Fakira-du Toit	Executive Manager: Corporate Services	2 126	-	-	81	2 207
Mr Lungile Dukwana	Chief Strategy Executive	2 082	15	-	107	2 204
Mr Muhammed Jasat	Chief Financial Officer	1 772	-	-	91	1 863
Mr Phineas Mogale	Executive Manager: Business Intelligence	2 225	-	3	86	2 314
Mr Mpho Mathose	Chief Audit Executive	1 645	-	-	84	1 729
Ms Nomonde Maimela	Executive Manager: Innovation and Creativity	2 391	-	45	124	2 560
Ms Bathabile Kapumha	Divisional Manager: Risk, Governance and Compliance	1 843	-	-	95	1 938
		16 661	15	81	668	17 425

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

					2024 R '000	2023 R '000
24. Key Management emoluments (continued)						
2023						
Name	Designation	Emoluments	Long service	Travel	Performance	Total
Adv Rory Voller	Commissioner	2 488	20	11	-	2 519
Ms Hamida Fakira-du Toit	Executive Manager: Corporate Services	1 993	-	-	76	2 069
Mr Lungile Dukwana	Chief Strategy Executive	1 972	-	-	101	2 073
Mr Muhammed Jasat	Chief Financial Officer	1 685	5	-	125	1 815
Mr Phineas Mogale	Executive Manager: Business Intelligence	2 125	-	-	81	2 206
Mr Mpho Mathose	Chief Audit Executive	1 564	-	-	115	1 679
Ms Nomonde Maimela	Executive Manager: Innovation and Creativity	2 273	-	1	117	2 391
Ms Bathabile Kapumha	Divisional Manager: Risk, Governance and Compliance	1 753	-	-	90	1 843
		15 853	25	12	705	16 595

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
25. Operating lease commitments		
March 2024		
The dtic Campus - Office	18 024	59 660
The dtic Campus - Parking	126	-
Hollard Street: Johannesburg	282	-
Norton Rose House: Cape Town	315	1 053
Suncardia Mall: Pretoria	544	2 855
AGS Records Management - Offsite file storage	6 695	26 780
Iron mountain - Backup storage facility	74	259
Dido - Printers	605	-
	26 665	90 607
	17 980	135 252
March 2023		
The dtic Campus - Office	17 165	77 684
The dtic Campus - Parking	98	-
Hollard Street: Johannesburg	655	282
Norton Rose House: Cape town	385	-
Suncardia Mall: Pretoria	345	-
AGS Records Management - Offsite file storage	6 695	26 780
Iron Mountain - Backup storage facility	105	511
Dido - Printers	1 427	605
	26 875	105 862
	22 530	155 267

The dtic Campus - Office

The offices are based at 77 Meintjies Street, in Sunnyside, Pretoria. The lease term is five years from 01 April 2023 to 31 March 2028. The lease rental escalates at the Consumer Price Index rate annually. A CPI rate of five percent was used to calculate the annual increase and future commitments.

The dtic Campus - Parking

Relates to the lease of parking bays at the dtic campus. The lease term is 12 months from 01 October 2023 to 30 September 2024. The lease rental escalates at 6% per annum.

Hollard Street: Johannesburg - Offices

The offices are based in Hollard Street, Johannesburg. The lease term is three years from 01 September 2021 to 31 August 2024. The lease rental escalates at 8% per annum.

Norton Rose House: Cape Town - Offices

The office is based at Norton Rose House, Cape Town. The lease term is five years from 01 April 2023 to 31 March 2028 and escalates at 5.5% per annum.

Suncardia Mall: Pretoria - Offices

The offices are based at Suncardia Mall, Pretoria. The lease term is five years from 31 January 2024 to 30 January 2029. The lease rental escalates at 7% per annum.

AGS Records Management - Offsite file storage

The lease is for an off-site file storage facility. The lease term is ten years from 21 July 2021 to 20 July 2031. The commitment is based on the maximum estimated storage space which may be utilised by the CIPC, with the expense based on the actual storage space utilised and which results in differing monthly costs.

Iron Mountain - Backup storage facility

The lease is for a backup storage facility. The lease term is five years from 09 March 2023 to 08 March 2028. The lease rental escalates at 8% per annum.

Dido - Printers

Relates to a lease for printers at the CIPC offices in Pretoria. The lease term is three years from 01 September 2021 to 31 August 2024. The lease rental escalates at 4.5% per annum.

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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26. Taxation

Income tax

The entity is not liable for income tax in terms of section 10(1)(a) of the Income Tax Act, as amended.

Value-added tax

The entity is exempt from value-added taxation in terms of a Tax Authorities' directive.

27. Contingencies

Contingent liabilities

Accumulated surplus

240 500	240 799
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In terms of section 53(3) of the PFMA, the entity at the end of the financial year needs to declare any surplus to the National Treasury. The National Treasury may apply such surplus to reduce any proposed allocation to the entity; or require that all or part of it be deposited in the Exchequer bank account.

Surplus for 2023/24

A declaration of the cash surplus as of 31 March 2024 will be submitted to the National Treasury, together with an application to retain such surpluses in terms of section 53(3) of the PFMA and National Treasury instruction No 12 of 2020/2021.

Surplus for 2022/23

A declaration of the cash surplus as of 31 March 2023 was submitted to the National Treasury, together with an application to retain such surpluses in terms of section 53(3) of the PFMA and National Treasury instruction No 12 of 2020/2021.

28. Planned capital programmes

The following capital programmes were approved and contracted:

Head Office and self service centres

Leasehold improvements - Head office and Self-service centres	458	-
Investment in ICT systems for improved service delivery: Hardware and Software	23 092	18 300
	23 550	18 300

The following capital programmes were approved but not yet contracted:

Head Office and Self-service centres

Furniture and equipment	3 100	6 700
Leasehold improvements - Head office and Self-service centres	487	300
Investment in ICT systems for improved service delivery: Hardware and Software	35 408	41 465
	38 995	48 465

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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29. Patent Corporation Treaty (PCT) Trust Account

Funds held in trust to which the entity is not entitled, are accounted for separately and deposited into a separate bank account.

PCT creditors	422	301
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Funds received from South African clients to be paid to the World Intellectual Property Organisation (WIPO) and the International Searching Authority (ISA).

Balance in the PCT bank account	422	301
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30. Risk management

Financial risk management

The main risks arising from the CIPC's financial instruments are credit risk, market risk and liquidity risk.

Financial assets that potentially subject the CIPC to concentrations of credit risk consist mainly of cash and cash equivalents. The entity's cash and short-term deposits are placed with high-quality financial institutions as well as the South African Reserve Bank. Credit risk concerning trade receivables is limited, because most of the entity's revenue transactions are carried out on a pre-paid basis. The entity's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the receivables. Accordingly, the entity has no significant concentration of credit risk.

Liquidity risk

The CIPC's risk to liquidity is a result of the funds available to cover future commitments. Taking into consideration the CIPC's current funding structures and availability of cash resources, the CIPC regards this risk to be low.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and cash flow forecasts.

March 2024	Carrying amount	Total cash flow	Contracted cash flow within 1 year	Contractual cash flow 2-5 years
Payables from exchange transactions	33 968	33 968	33 968	-
Payables from customer deposits received	134 578	134 578	134 578	-
	168 546	168 546	168 546	-

March 2023	Carrying amount	Total cash flow	Contracted cash flow within 1 year	Contractual cash flow 2-5 years
Payables from exchange transactions	19 787	19 787	19 787	-
Payables from customer deposits received	130 891	130 891	130 891	-
	150 678	150 678	150 678	-

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024	2023
	R '000	Restated* R '000

30. Risk management (continued)

Credit risk

Reputable financial institutions are used for investing and cash handling purposes. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after taking into account that receivable services payable advance.

Financial assets exposed to credit risk at year-end were as follows:

Exposure to credit risk

Cash and cash equivalents*	574 568	585 363
Receivables from exchange transactions	1 271	1 384
	575 839	586 747

* Included is an amount of R550,6 million (2023: R554,5 million) invested in a call account at the South African Reserve Bank.

Concentration of credit risk

The maximum exposure to credit risk for financial assets at the reporting date by credit rating category was as follows:

March 2024

	*Ba2 and Government	Unrated
Cash and cash equivalents	574 568	-
Receivables from exchange transactions	-	1 271
	574 568	1 271

March 2023

	*Ba2 and Government	Unrated
Cash and cash equivalents	585 363	-
Receivables from exchange transactions	-	1 384
	585 363	1 384

Ageing of financial assets

The following table provides information regarding the credit quality of assets, which may expose the CIPC to credit risk:

March 2024

	Neither past due nor impaired	Past due but not impaired less than 12 months	Past due but not impaired more than 12 months	Carrying value
Cash and cash equivalents	574 568	-	-	574 568
Receivables from exchange transactions	-	1 271	-	1 271
	574 568	1 271	-	575 839

March 2023

	Neither past due nor impaired	Past due but not impaired less than 12 months	Past due but not impaired more than 12 months	Carrying value
Cash and cash equivalents	585 363	-	-	585 363
Receivables from exchange transactions	-	1 384	-	1 384
	585 363	1 384	-	586 747

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024	2023
	R '000	Restated* R '000

30. Risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as the interest rate, will affect the value of the financial assets of the entity.

Interest rate risk

The CIPC's exposure to interest risk is managed by investing, on a short-term basis, in current accounts and the Corporation for Public Deposits (CPD), to ensure maximum interest on surplus funds within the prescribed legislation. The risk arises when there are interest rate changes downward, as this will reduce the interest income on invested funds. The entity manages its interest rate risk by only investing its funds in accounts at financial institutions wherein the accounts accrue interest at market related interest rates. In terms of National Treasury Regulation (section 31.3.3), all surplus funds are deposited in the call account – Corporation for Public Deposits (CPD).

The CIPC is exposed to interest rate changes in respect of returns on its investments with financial institutions.

A change in the market interest rate would have increased / (decreased) the surplus for the year by the amounts below:

March 2023

	Change in interest rate	Increase in the surplus for the year upward change	Decrease in the surplus for the year downward change
Cash and cash equivalents	1 %	5 872	(5 817)

March 2023

	Change in interest rate	Increase in the surplus for the year upward change	Decrease in the surplus for the year downward change
Cash and cash equivalents	1 %	6 362	(6 302)

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024	2023
	R '000	Restated* R '000

31. Related party transactions

Related parties are identified as being those parties that control or have significant influence over the CIPC and those parties that are controlled or significantly influenced by the CIPC.

Department of Trade, Industry and Competition (the dtic)	Transactions 31 March 2024	Balance due as at 31 March 2024	Transactions 31 March 2023	Balance due as at 31 March 2023
Expenses				
Lease of building	17 165	2 861	24 522	2 044
Telephone costs	-	-	636	-
Internet costs	1	-	1	-
Subtotal	17 166	2 861	25 159	2 044
	17 166	2 861	25 159	2 044

The dtic group

The CIPC forms part of the dtic portfolio and the related entities are included in the table below. The CIPC did not transact with any of the dtic group entities during the current year.

Income (Disclosure of information)

The CIPC registry services are rendered free of charge to other National and Provincial government departments and entities. The total amount for such services cannot be quantified.

Name	Relationship
Department of Trade, Industry and Competition (dtic)	Member of the dtic group
BBBEE Commission	Member of the dtic group
Companies Tribunal	Member of the dtic group
Competition Commission	Member of the dtic group
Competition Tribunal	Member of the dtic group
Export Credit Insurance Corporation of South Africa	Member of the dtic group
Industrial Development Corporation	Member of the dtic group
International Trade Administration Commission	Member of the dtic group
National Consumer Commission (NCC)	Member of the dtic group
National Consumer Tribunal (NCT)	Member of the dtic group
National Credit Regulator (NCR)	Member of the dtic group
National Empowerment Fund (NEF)	Member of the dtic group
National Gambling Board (NGB)	Member of the dtic group
National Lotteries Commission (NLC)	Member of the dtic group
National Metrology Institute of South Africa	Member of the dtic group
National Regulator for Compulsory Specifications (NRCS)	Member of the dtic group
South African Bureau of Standards (SABS)	Member of the dtic group
South African National Accreditation System (SANAS)	Member of the dtic group

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024	2023
	R '000	Restated* R '000
31. Related party transactions (continued)		
Commission for Conciliation Mediation & Arbitration (CCMA)		National sphere of government
Community Schemes Ombud Services (CSOS)		National sphere of government
Compensation Fund (under Department of Labour)		National sphere of government
Co-operative Bank Development Agency (CBDA)		National sphere of government
Cross Border Road Transport Agency (CBRTA)		National sphere of government
Department of Agriculture, Land Reform and Rural Development		National sphere of government
Department of Employment and Labour (DOEL)		National sphere of government
Department of Home Affairs (National)		National sphere of government
Department of International Relations and Co-operation (DIRCO)		National sphere of government
Department of Justice (DOJ)		National sphere of government
Department of Mineral Resources and Energy (DMR)		National sphere of government
Department of Planning, Monitoring and Evaluation (DPME)		National sphere of government
Department of Public Enterprise		National sphere of government
Department of Public Service (DPSA)		National sphere of government
Department of Science & Technology (DST)		National sphere of government
Department of Small Business Development (DSBD)		National sphere of government
Department of Social Development (DSD)		National sphere of government
Department of Water & Sanitation (DWS)		National sphere of government
Development Bank of SA (DBSA)		National sphere of government
Financial Reporting Standards Council		National sphere of government
Financial Sector Conduct Authority (FSCA)		National sphere of government
National Home Builders Registration Council (NHBRC)		National sphere of government
National Nuclear Regulator (NNR)		National sphere of government
National Prosecuting Authority (NPA)		National sphere of government
National Small Business Chamber (NSBC)		National sphere of government
National Treasury		National sphere of government
Office of the President		National sphere of government
Parliament of the Republic of South Africa		National sphere of government
Payment Association of South Africa (PASA)		National sphere of government
Pension Funds Adjudicator (PFA)		National sphere of government
Private Security Industry Regulatory Authority (PSIRA)		National sphere of government
Property Practitioners Regulatory Authority		National sphere of government
Proudly South Africa (PSA)		National sphere of government
Public Service Commission (PSC)		National sphere of government
Road Accident Fund (RAF)		National sphere of government
Road Traffic Management Corporation (RTMC)		National sphere of government
SA Police Services - HAWKS and IPID		National sphere of government
SA Reserve Bank (SARB)		National sphere of government
SA Revenue Services (SARS)		National sphere of government
SA Social Security Agency (SASSA)		National sphere of government
State Institute Technology Agency (SITA)		National sphere of government
State Security Agency (National and Provincial)		National sphere of government
Statistics SA		National sphere of government
Technology Innovation Agency		National sphere of government
Transnet		National sphere of government
Unemployment Insurance Fund (UIF)		National sphere of government
ZADNA Domain Name Authority		National sphere of government

Transactions with key management

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024	2023
	R '000	Restated* R '000

31. Related party transactions (continued)

The total remuneration of key management is included in the employees' remuneration (refer to note 24 for Executive Management's remuneration).

32. Irregular, Fruitless and wasteful expenditure

Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-

No instances of irregular expenditure were identified during the current and prior year.

No losses have occurred during the current and prior financial year due to fruitless or wasteful expenditure.

The National Treasury Instruction Number 4 of 2022/2023, effective 03 January 2023, resulted in a change to the disclosure requirements of Irregular, Fruitless and Wasteful expenditure.

33. Gifts and donations

The acceptance or granting of a gift, donation or sponsorship is managed in terms of Section 76 of the Public Finance Management Act, 1999 (Act 1 of 1999). Gifts and donations received by employees during the year under review were:

Small gifts received by staff	2	5
Granting of donations and gifts by the CIPC:		
Social responsibility: school clothes	171	-

34. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus with the net cash generated from operating, investing and financing activities:

Operating activities

Actual amount as presented in the budget statement	47 690	(13 461)
Basis differences	18 826	(76 044)
Net cash flows from operating activities	66 516	(89 505)

Investing activities

Actual amount as presented in the budget statement	(85 721)	(16 377)
Basis differences	8 410	886
Net cash flows from investing activities	(77 311)	(15 491)
Net cash generated from operating, investing and financing activities	(10 795)	(104 996)

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
35. Reconciliation between budget and statement of financial performance		
Reconciliation of the actual expenditure per the Statement of comparison of Budget and Actual Amounts to the Statement of Financial Performance:		
Operational expenditure		
Bank charges	5 463	4 708
Communication and postage	11 145	8 785
Consulting and professional fees	92 865	75 653
Internet and network costs	1 483	1 227
Membership fees	429	369
Operating lease charges	26 415	31 719
	137 800	122 461
Other administrative expenditure		
Advertising	2 440	1 638
Agency support staff	5	55
Audit and risk committee fees	767	1 081
Audit fees	4 959	5 896
Bursaries	1 079	931
Conferences and venues	1 177	1 077
Donations	171	-
Entertainment and refreshments	268	54
Flowers	23	10
Insurance and courier services	302	149
Legal fees	6 539	4 309
Maintenance and repairs	471	800
Publications, printing and stationery	2 007	1 328
Resettlement cost	140	14
Security and cleaning	3 040	2 772
Training	1 847	449
Travelling and subsistence	2 508	2 113
	27 743	22 676

Companies and Intellectual Property Commission

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R '000	2023 R '000
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36. Prior period error

Employee benefit obligation

During the current financial year, it was discovered that the prior year employee benefit obligation was overstated by R35 thousand.

The financial impact of the error amounts to an understatement of R35 thousand in the 2023/2024 employee cost expenditure with a corresponding overstatement of the 2022/2023 employee cost expenditure.

Management did not restate the prior year's financial figures as the amount of the error is considered trivial.

Transfer to National Treasury

During the current financial year, the auditors through the audit process directed that the treatment of the surplus to be surrendered to National Treasury required an amendment.

Management reclassified the prior period transfer of surpluses to National Treasury from The Statement of Changes in Net Assets to expenditure, in order to comply with the auditor's directive.

The comparative figures and opening accumulated surplus were adjusted to account for the provision and expense in the prior years as follows:

Statement of financial position - extract

	Comparative figures previously reported	Reclassification	After reclassification
Provision: Transfer to National Revenue Fund	-	(144 926)	(144 926)
Opening accumulated surplus	(514 756)	197 316	(317 440)
Total	(514 756)	52 390	(462 366)

Statement of financial performance - extract

	Comparative figures previously reported	Reclassification	After reclassification
Transfer to National Revenue Fund	-	144 926	144 926
Net assets: Transfer to National Revenue Fund	197 316	(197 316)	-
Total	197 316	(52 390)	144 926

The impact of the adjustments have been accounted for in the Cash Flow Statement comparative figures .

37. Events after reporting the date

Management is not aware of any matters or circumstances as at the end of the financial year, not otherwise dealt within the annual financial statements, that significantly affect the financial position of the CIPC or the results of its operations.

The NHI bill was signed on 15 May 2024. CIPC operates on a cost to company salary and as such there is no expected impact to the entity upon implementation.

38. Going concern

The annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



ANNEXURES

ANNEXURE A – STATISTICS

1.1 Service Delivery Statistics

The following section highlights the impact of the service delivery environment, including the performance of core CIPC services, issues of compliance and enforcement, customer engagement, and key CIPC strategies.

1.1.1 Applications, Registrations and Amendments

In general, trends have been either positive or consistent across most service domains relating to volumes of applications, registrations and amendments processed. This suggests that there is growing - or at least stable - demand for CIPC services as shown in **Table 1: CIPC Key Services – Volumes over the past 5 years**.

Table 1: CIPC Key Services – Volumes over the past 5 years

CIPC Services	2019/20	2020/21	2021/22	2022/23	2023/24
Patent Applications	8 533	8 393	12 479	14 330	10 029
Patent Registrations	5 756	3 525	7 834	7 397	6 075
Patent Renewals	48 151	44 948	47 803	45 387	42 434
Design Applications	1 873	1 651	1 555	1 782	1 325
Design Registrations	1 741	1 391	1 825	1 544	1 275
Design Renewals	8 916	8 522	8 712	7 322	7 108
Copyright in Film Applications	55	26	56	17	14
Copyright in Film Registrations	18	19	46	9	1
Trade Mark Applications	38 148	39 317	42 138	38 224	38 919
Trade Mark Registrations	32 029	30 102	14 941	35 208	31 395
Trade Mark Renewals	22 410	24 255	26 651	26 550	28 302
Name Reservations	539 100	528 208	570 907	467 823	531 810 ¹
Company Registrations	385 181	510 024 ²¹	469 983 ²²	404 095	402 559
Co-Operative Registrations	12 478	6 142	4 483	6 253	6 315
Director Amendments	5 588	167 415	167 627	149 816	116 029
Member Amendments	31 803	25 273	27 010	22 937	15 816
Auditor Changes	53 434	93 204	33 316	22 393	23 907
Business Rescue Proceedings Commenced (Active Cases)	369	335	373	249	191
BBBEE Certificates	167 482	299 393	339 931	357 583	431,711

Some key considerations include the following:

There have been notable decreases in both Patent and Design application volumes in 2023/24, compared to the previous year. Trade Mark applications experienced a marginal decline in volume, while Copyright in Film application and registration volumes experienced a significant decline.

Company name reservations and registrations experienced a marginal increase between 2022/23 and 2023/24, while amendment services have largely remained the same. Other key services, such as BBBEE certificate issuing, have shown a consistent positive growth trajectory over the past five years.

Another relevant indication of the CIPC's performance is the time within which services are delivered, as this directly affects individuals or entities requesting services. These are, therefore, a strong indicator of the level of services rendered by the CIPC, as well as the customer experience in relation to their engagements with the CIPC.

Compared to 2022/23, certain areas (e.g., Patent Registrations, Director Amendments, and Copyright in Film registrations) indicated an improvement in terms of average service delivery turnaround times, while Design registrations remained the only service indicating decline.

²² Includes external companies registered

²³ Same as above

Table 2: CIPC Key Services – Average Turnaround Times below depicts the average speed at which listed services were processed over the past five years.

Table 2: CIPC Key Services – Average Turnaround Times

CIPC Services	2019/2020	2020/21	2021/22	2022/23	2023/24
Patent Applications	3 days	3 days	2 days	2 days	2 days
Patent Registrations	Not reported	Not reported	24 days	27 days	20 days
Patent Renewals	Not reported	Not reported	3 days	2 days	2 days
Design Applications	3 days	2 days	2 days	2 days	2 days
Design Registrations	Not reported	Not reported	38 days	9 days	11 days
Design Renewals	Not reported	Not reported	2 days	2 days	2 days
Copyright in Film Applications	3 days	10 days	1 day	2 days	1 days
Copyright in Film Registrations	Not reported	Not reported	32 days	2 days	1 days
Trade Mark Applications	3 days	3 days	3 days	3 days	3 days
Trade Mark Registrations	Not reported	Not reported	132 days	180 days	180 days
Trade Mark Renewals	Not reported	Not reported	2 days	3 days	3 days
Name Reservations	Not reported	2 days	1 day	1 day	1 day
Company Registrations	2 days	2 days	1 day (Instant ²³)	1 day	1 day
Co-Operative Registrations	2 days	2 days	1 day	1 day	1 day
Director Amendments Manual	Not reported	4 days	2 days	3 days	2 days
Director Amendments (Electronic)	Not reported	1 day	1 day	2 days	1 days
Member Amendments (Manual)	Not reported	3 days	1 day	1 day	1 day
Member Amendments (Electronic)	Not reported	1 day	2 days	1 day	1 day
Auditor Changes (Manual)	Not reported	2 days	1 day	3 days	3 days
Auditor Changes (Electronic)	Not reported	1 day	1 day	1 day	1 day
Company Name Changes	Not reported	1 day	Instant	Instant	Instant
Company Share Changes	Not reported	Not reported	Instant	Instant	Instant
Company Financial Year End Changes Electronic	Not reported	1 day	Instant	Instant	Instant
Companies and CC Address Changes	Not reported	Not reported	Instant	Instant	Instant
Memorandum of Incorporation (MOI) Amendments (JSE, E-Mail)	Not reported	Not reported	Instant	Instant	Instant
Location of Company Records	Not reported	Not reported	Instant	Instant	Instant
Company and Voluntary De-Registration	Not reported	Not reported	Instant	Instant	Instant
Company Liquidations	Not reported	Not reported	Instant	Instant	Instant
Company Re-instatement	Not reported	Not reported	Instant	Instant	Instant
Company and CC Commencement of Business Rescue Proceedings	Not reported	Not reported	Instant	Instant	Instant
Annual Returns Filings	Instant	Instant	Instant	Instant	Instant
AFS Filings	Instant	Instant	Instant	Instant	Instant
BBBEE Certificate	Not reported	Instant	Instant	Instant	Instant

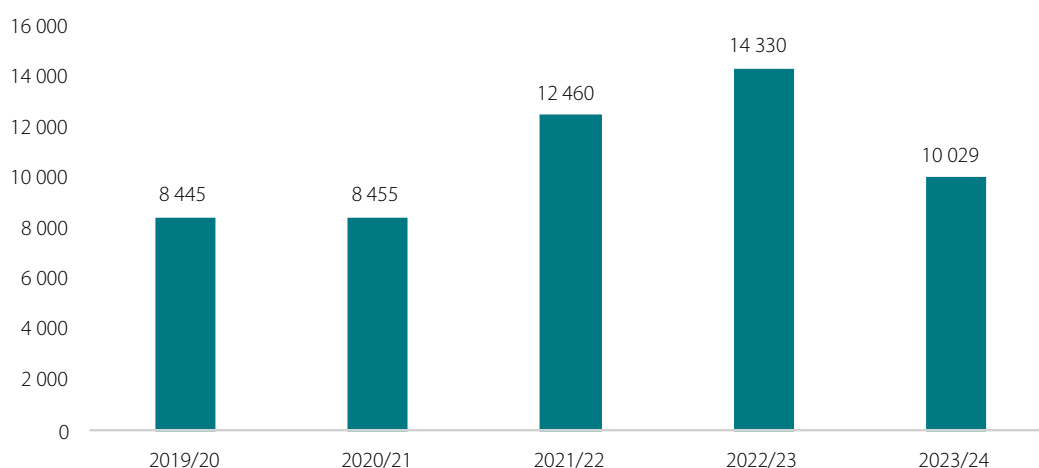
24 Only short standard private company and short standard npc (without members) via BizPortal, banks, self-service terminal, and mobile app.

PATENTS

Patent Applications

Between 2020/21 and 2022/23, South Africa experienced a significant increase in the number of patent applications filed. The main contributor to this increase was applications filed by first-time foreign applicants, claiming no priority. This trend may indicate exploitation of inherent loopholes within the South African Patent Depository System, within which the merits of patent applications are not assessed²⁵. However, a significant decrease in patent applications was between 2022/23 and 2023/24. This was as a result of the implementation of a practice note aimed at curbing abuse of the patent system. This notice outlined the requirements for requesting expedited acceptance of patent applications²⁷.

Figure 1: Patent Applications²⁸



There has been a concomitant improvement in average turnaround times for granting Patents once notices of acceptance have been published in the Patents Journal, from 27 days in 2022/23 to 20 days in 2023/24. On the other hand, Patent renewal average turnaround times has remained constant at 2 days over the corresponding period. The high average turnaround time in the former regard could be attributed to the utilisation of manual processes.

Patent Applications: Residents vs Non-residents

There has been a continued decline in terms of the percentage of Patent applications filed by South African residents between 2018/19 and 2022/23 (with a very sharp decline between 2020/21 and 2021/22) as compared to the percentage of Patent applications filed by Non-residents of South Africa, as depicted in **Figure 2: Patent Applications: Residents vs Non-residents**.

Given that the subject matter of Patent applications is often an output of research & development (R&D) activities, the decline of resident Patent applications could be linked to a decline in R&D funding in South Africa.²⁹

²⁵ <https://www.bbrief.co.za/2023/04/20/registrar-of-patents-takes-steps-to-prevent-patent-system-abuse-in-south-africa/>

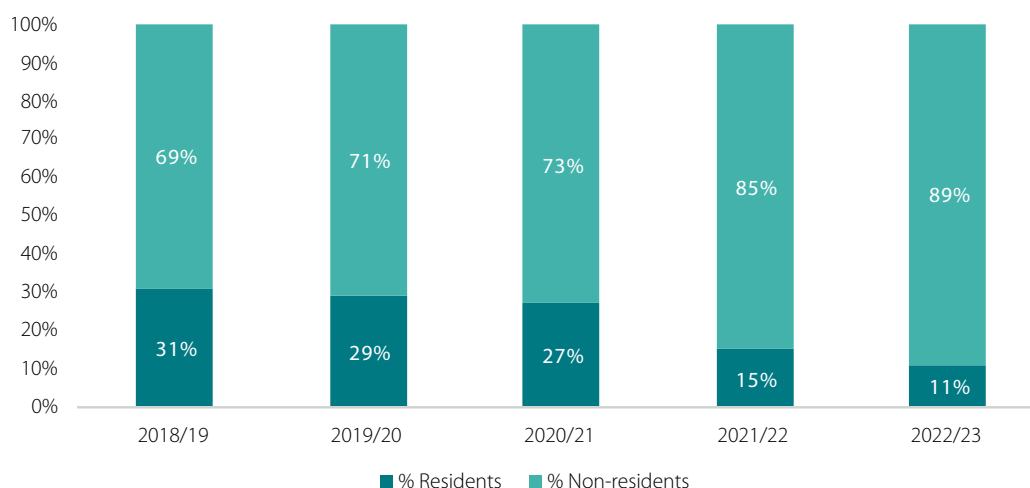
²⁶ <https://www.cipc.co.za/?p=17839>

²⁷ https://www.cipc.co.za/wp-content/uploads/2023/04/Practice-Notice_21-of-2023-2.pdf

²⁸ The reported information might be slightly different from what was reported in the previous years and during quarterly reporting in 2022. The provided information is as it currently appears in the system. Certain information, for stipulated time frames may have changed, due to some business rules that have affected some office actions retrospectively.

²⁹ <https://allafrica.com/stories/202303010097.html>

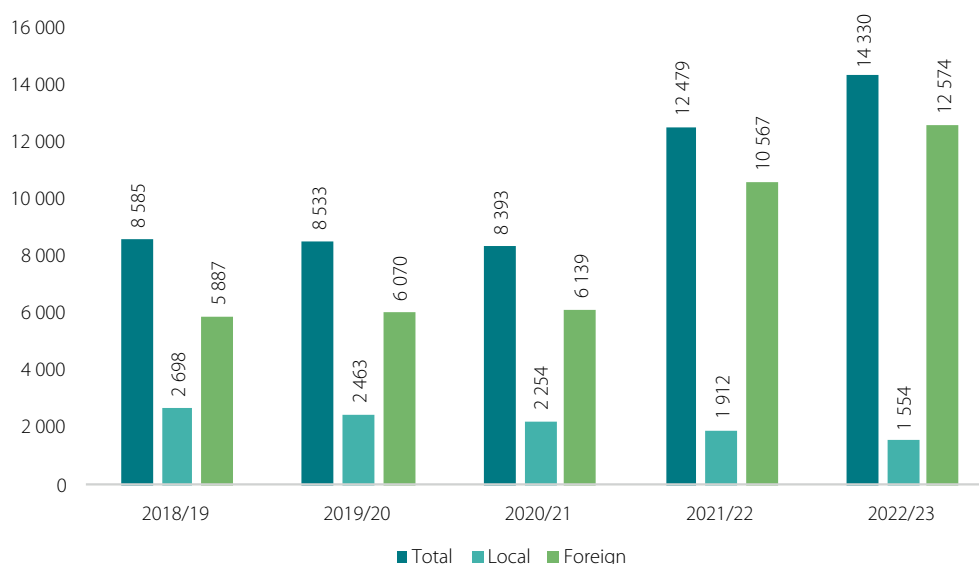
³⁰ <https://www.scidev.net/sub-saharan-africa/news/south-africa-covid-19-spending/#:~:text=%2C%E2%80%9D%20Mustapha%20adds%20The%20report%2C%20which%20was%20published%20last%20month%2C%20shows%20that%20gross%20decrease%20of%207.6%20per%20cent>

Figure 2: Patent Applications: % Residents vs Non-residents

Thus, the persistent decline of the number of Patent applications filed by South African residents per year (2 698 in 2018/19 to 1 552 in 2022/23), as well as the decline in the percentage of South African resident versus non-resident patent applications, remains a cause for concern.

Therefore, in the past few years, the CIPC has accelerated its Education and Awareness Programme to raise awareness and inform the public of the importance and benefits of the patent system, as well as to encourage local innovators to protect their inventions.

The Inventor Assistance Programme (IAP) has been implemented to ensure that the Patent system is accessible to under-financed inventors and Small-, Medium- and Micro-Enterprises (SMMEs). However, it may take years to realise the impact of these interventions on patent applications volumes.

Figure 3: Patent Applications, Number of Residents versus Non-Residents

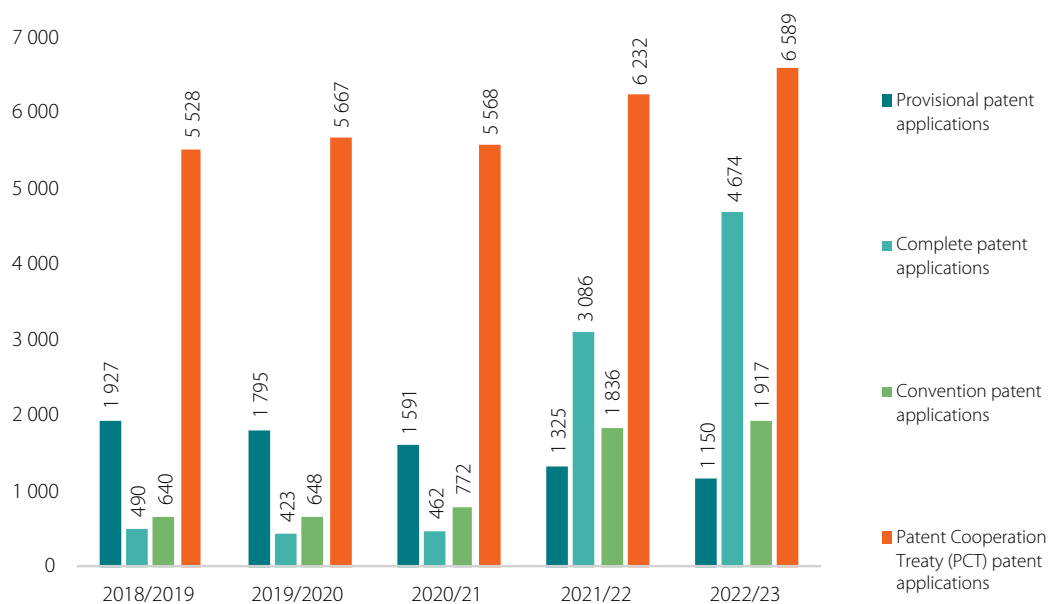
Patent Applications per Type

For the purposes of this report, complete applications refer to complete applications that claim no priority, as well as complete applications claiming priority from South African provisional applications or first-time complete applications. Patent Cooperation Treaty (PCT) national phase applications are applications which were made in South Africa following implementation of the international Patent Cooperation Treaty (PCT). They could be filed by residents or non-residents. Convention patent applications, on the other hand, are mainly filed by non-residents in accordance with the Paris Convention Treaty.

Table 3: Patent Applications per Type

Patent Applications Lodged	2018/19	2019/20	2020/21	2021/22	2022/23
Provisional Patent Applications	1 927	1 795	1 591	1 325	1 150
Complete Patent Applications	490	423	462	3 086	4 674
Convention Patent Applications	640	648	772	1 836	1 917
Patent Cooperation Treaty (PCT) Patent Applications	5 528	5 667	5 568	6 232	6 589
Total	8 585	8 533	8 393	12 479	14 330

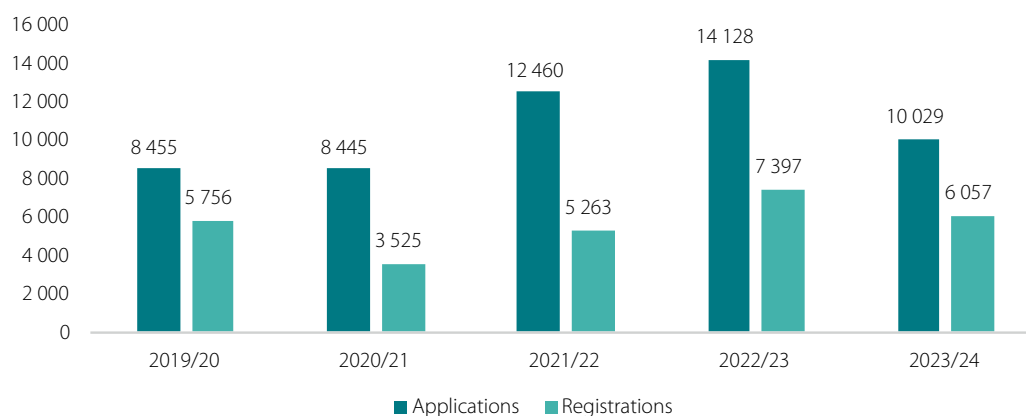
Figure 4 Patent Application per Type, the graphical representation of **Table 3: Patent Application per Type**, shows the five-year trend for each patent application type.

Figure 4: Patent Application per Type

PCT and Convention Patent applications have shown a growing trend over the past five years. Further, Complete Patent applications have also been growing, rather significantly in comparison to pre-Covid-19 levels. However, Provisional Patent applications continued to decline, in line with their declining trend over the past five years.

Patent Registrations

Figure B.5: Patent Applications and Registrations depict a marked increase in Patent applications and registrations between 2020/21 and 2022/23. Although a significant decrease in patent registrations is observed between 2022/23 and 2023/24, volumes have remained above pre-Covid levels, in 2022/23.

Figure 5: Patent Applications and Registrations

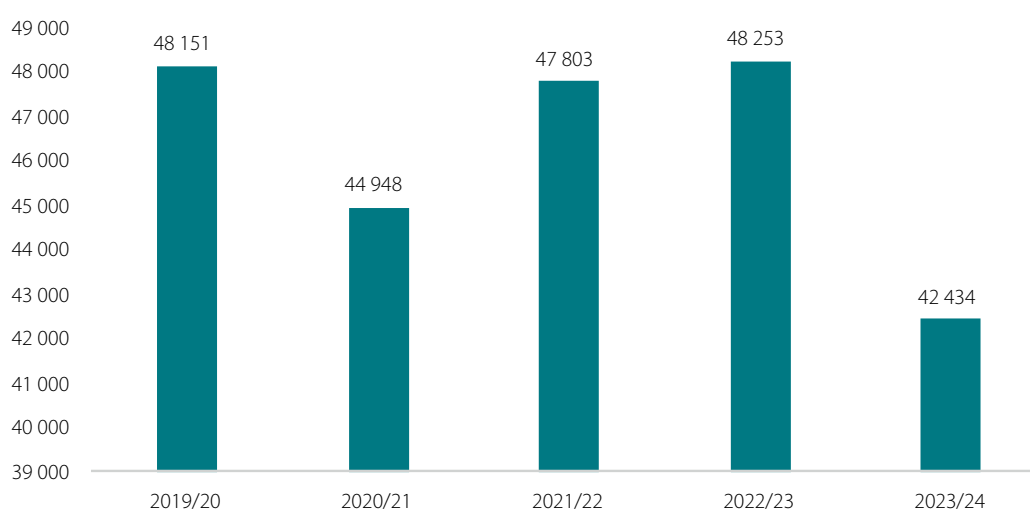
During 2023/24, the CIPC issued 6 057 patent registration certificates, of which one-hundred percent (100%) were processed within set service delivery turnaround times of forty-four (44) days, at an average turnaround time of twenty-seven (20) days from the date of publication in the Patents Journal.

Further, 10 029 Patent applications were processed in 2023/24, of which ninety-eight (100%) were processed within set service delivery turnaround times of two (2) days, at an average turnaround time of two (2) days from the date of receipt of a complete application.

Patent Renewals

Figure 6 Patent Renewals demonstrates a fluctuating trend in the volumes of patent renewals over a 5-year period. Pre-Covid, the volumes were relatively high, with 48,151 renewals in 2019/20. However, there was a noticeable decline during the Covid-19 pandemic, dropping to 44,948 in 2020/21. Post-Covid, the patent renewals showed signs of recovery, reaching 47,803 in 2021/22 and 48,253 in 2022/23. However, the most recent data for 2023/24 indicates a significant decrease, with the number of patent renewals falling to 42,434, suggesting a new downward trend.

Figure 6: Patent Renewals

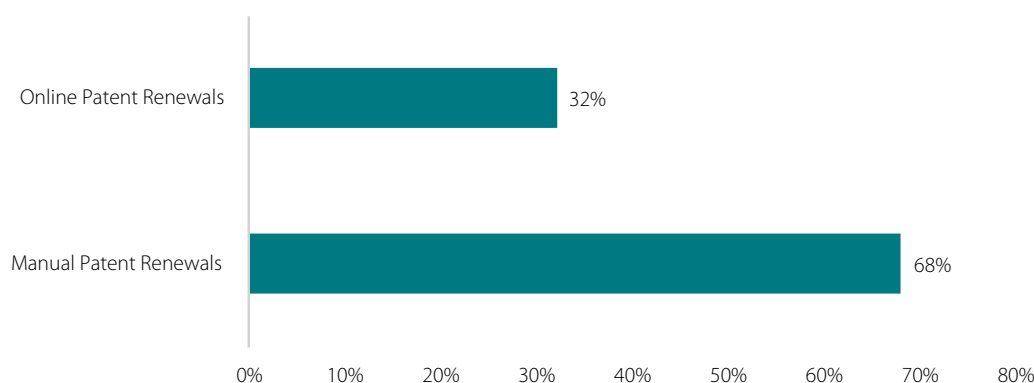


Of the 42 434 Patent Renewals processed in 2023/24, and all (100%) were processed within the set service delivery standard turnaround time of two (2) days, at an average turnaround time of two (2) days.

Further, of the sixty-eight percent (68%) or 32 833 Patent Renewals that were processed manually, 99% were processed within the set service delivery standard turnaround time of two (2) days, at an average turnaround time of two (2) days.

Primary stakeholders are currently still utilising manual renewal processing platforms, which poses a challenge. However, it must be noted that the percentage of Patent Renewals filed and processed electronically (online) increased from 26% in 2021/22 to 32% in 2022/23.

Figure 7: Electronic vs Manual Patent Renewals

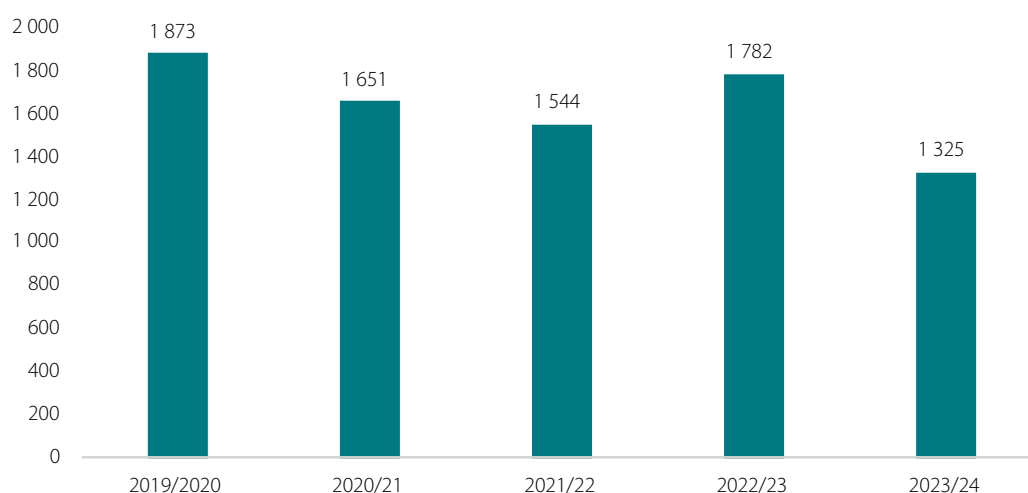


DESIGNS

Design Applications

As shown in **Figure 8: Design Applications**, there was a steady decline in Design Applications between 2018/19 and 2021/22, while an uptick was observed in 2022/23 compared to 2021/22.

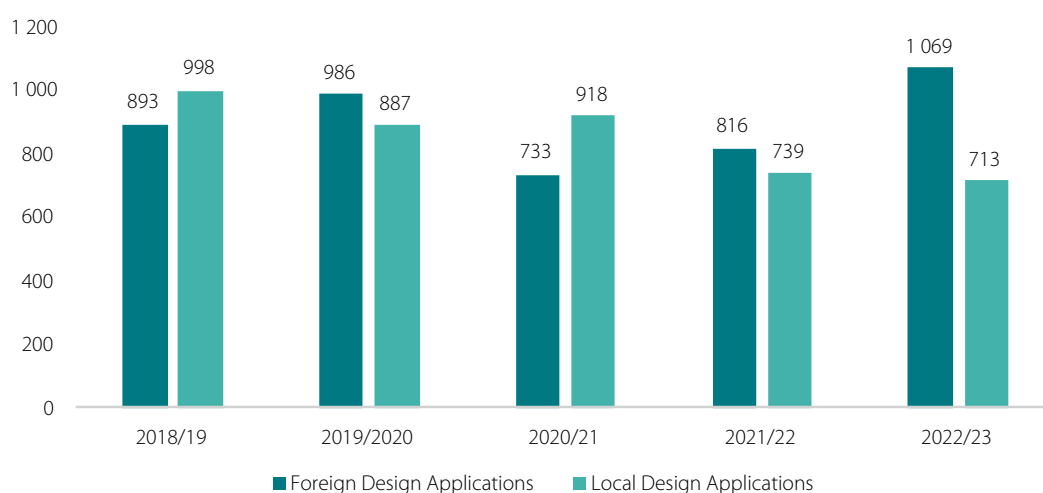
Figure 8: Design Applications



The CIPC received 1 325 Design Applications during 2023/24, which is markedly lower than the number of Design Applications received in 2022/23 (1 782). The average turnaround time for Design Applications was two (2) working days. Ninety-six percent (99%) of Design Applications were processed within the published service delivery turnaround time of two (2) working days.

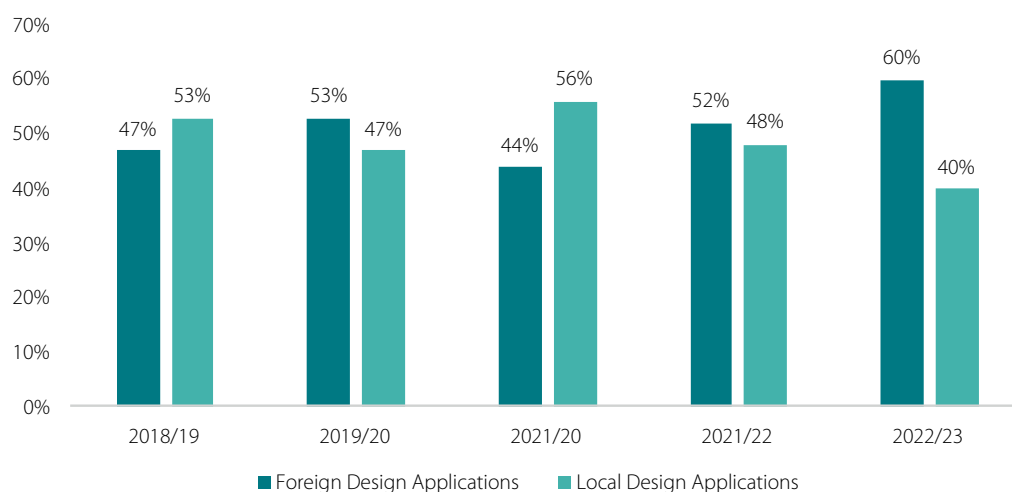
If one compares the number of foreign versus local Design Applications received by the CIPC over the last five years, as per **Figure 9 Number of Foreign vs Local Design Applications** below, it emerges that between 2020/21 and 2022/23, the number of foreign Design Applications has increased, whereas the number of local Design Applications has decreased in comparison.

Figure 9: Number of Foreign vs Local Design Applications



This downward trend in terms of local Design Applications and upward trend in terms of Foreign Design Applications is further substantiated by **Figure 10: Percentage Foreign vs Local Design Applications** below.

Figure 10: Percentage Foreign vs Local Design Applications

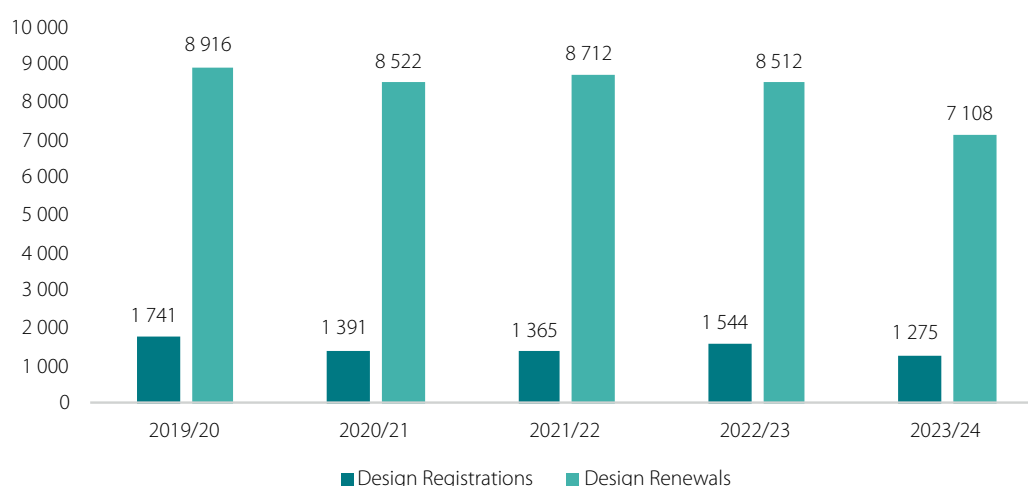


Design Registrations and Renewals

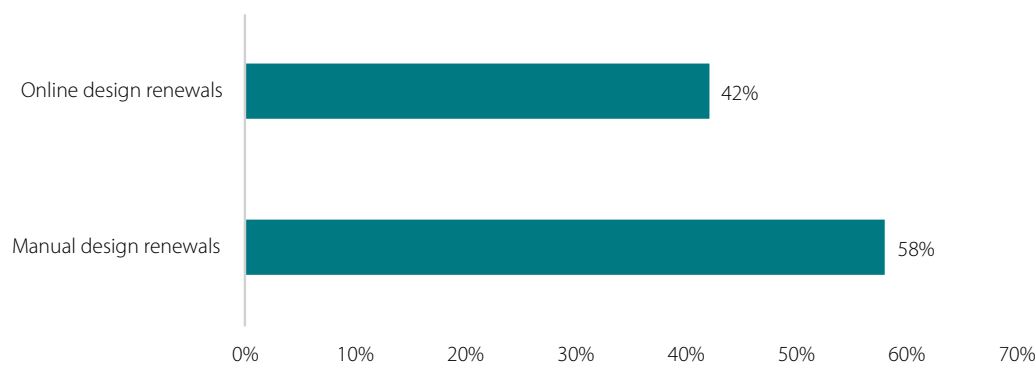
Figure 11: Design Registrations and Renewals demonstrates the trends in design registrations and renewals over the past five years. Design Registrations were relatively high before Covid-19, with 8,916 registrations in 2019/20. However, there was a noticeable decline during the pandemic, dropping to 8,522 in 2020/21, 8,712 in 2021/22, and 8,512 in 2022/23. The most recent data for 2023/24 indicates a further decline, with the number of registrations falling to 7,108.

On the other hand, Design Renewals have shown a steady decline over the same period. Renewals started at 1,741 in 2019/20, decreased to 1,391 in 2020/21, and continued to decrease to 1,365 in 2021/22, and slightly increased to 1,544 in 2022/23. The latest data for 2023/24 shows a further decrease to 1,275. This indicates a gradual decline in the interest or need for design renewals over the past five years.

Figure 11: Design Registrations and Renewals



In 2023/24, the CIPC issued 1 275 Design Registration certificates, of which one-hundred percent (100%) were processed within set service delivery standard turnaround times of forty-four (44) days from the date of publication at an average turnaround time of nine (9) days.

Figure 12: Manual vs Online Design Renewals

In 2022/23, the CIPC processed 8 512 Design Renewals, which is slightly less than the number processed in 2021/22 (8 712). Ninety-seven percent (97%) of Design Renewals were processed within the set service delivery standard turnaround time of two (2) working days at an average turnaround time of two (2) working days.

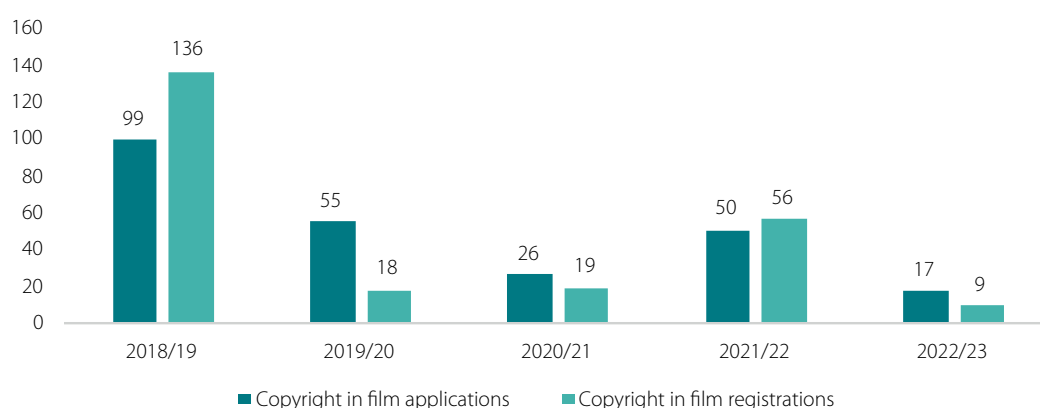
Further, 4 922 Design Renewals were processed manually. Of these, ninety-five percent (95%) were processed within the set service delivery standard turnaround time at an average turnaround time of 3 days.

Furthermore, 3 590 Design Renewals were processed electronically (online). Of these, ninety-eight percent (98%) were processed within the set service delivery standard turnaround time at an average turnaround time of 2 days.

COPYRIGHT IN FILM

Copyright in Film Applications

Copyright in Film applications have fluctuated over the past five years as shown in **Figure 13 Copyright in Film Applications and Registrations**. However, overall, over the period in question, Copyright in Film Applications have been declining. In both instances, the same is true for Copyright in Film Registrations.

Figure 13: Copyright in Film Applications and Registrations

Only seventeen (17) Copyright in Film Applications were filed in 2022/23, as opposed to fifty (50) in 2021/22. However, one-hundred percent (100%) of Copyright in Film Applications were processed within the published service delivery standard turnaround time of two (2) working days at an average turnaround time of two (2) working days.

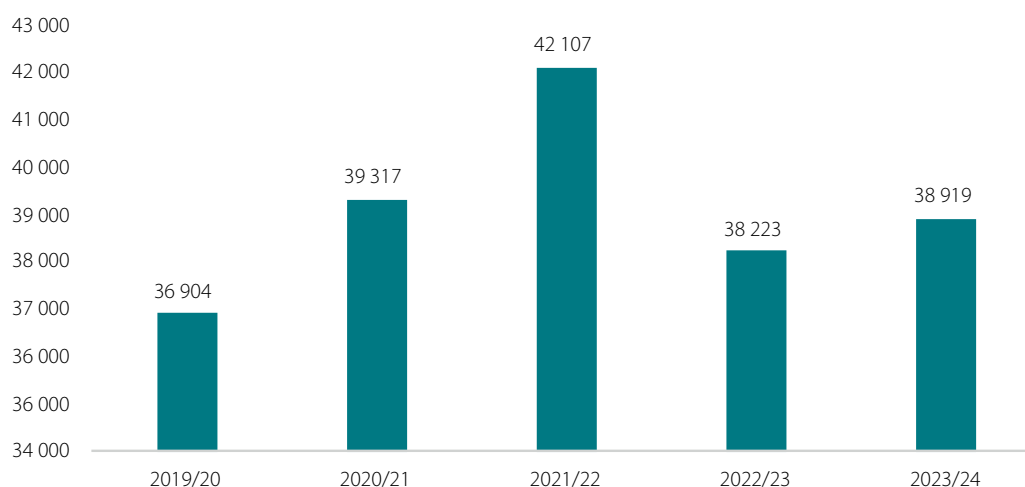
Further, the CIPC issued nine (9) Copyright in Film Registration certificates in 2022/23, of which one-hundred percent (100%) were processed within the published service delivery standard turnaround time of twenty-two (22) days from the date of publication, at an average turnaround time of two (2) days.

TRADE MARKS

Trade Mark Applications

Trade Mark applications have been fluctuating over the past five years, as depicted in **Figure 14: Trade Mark Applications**.

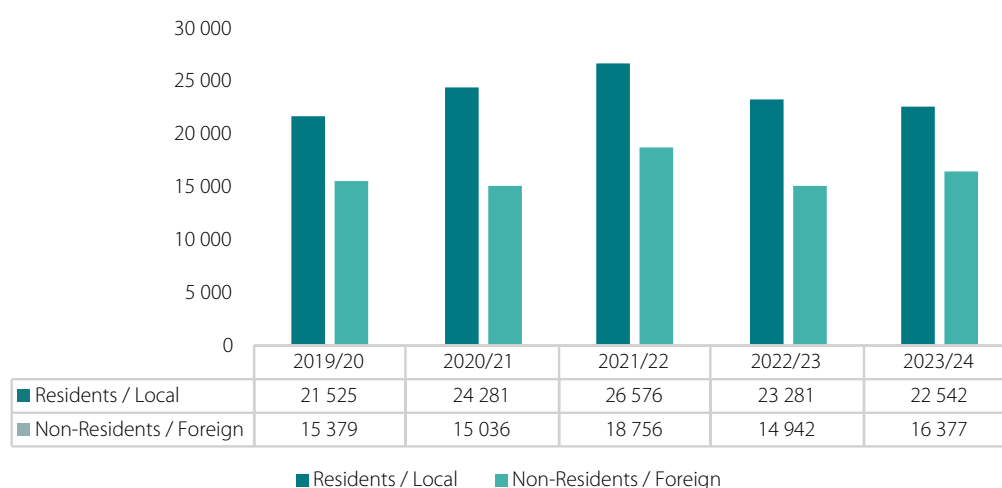
Figure 14: Trade Mark Applications



In 2023/24, 38 919 Trade Mark Applications were filed, representing a slight increase compared to 38 223 in 2022/23. Ninety-three percent (93%) of Trade Mark Applications were processed within the published service delivery standard turnaround time of three (3) working days. However the number of trade mark applications failed to reach the heights of the period 2021/22 where there was 42, 107 applications.

Figure 15: Trade Mark Applications: Residents vs Non-Residents shows a decrease in Trade Mark Applications for South African residents and a slight increase for non-residents in 2023/24 compared to 2022/23. There has been a significant decrease of trade mark applications since 2021/22. However, the number of applications is quite consistent with those achieved between 2019/20 and 2021/22.

Figure 15: Trade Mark Applications: Residents vs Non-Residents



South African residents filed 23 281 Trade Mark Applications in 2022/23, whereas non-South African residents filed 14 942 applications. **Figure 16 Trade Mark Applications: Residents vs Non-Residents, Percentage Comparison** shows that over a five year period there has been a relatively stable distribution of Trade Mark application between the resident and non-resident with a ratio between two categories of 58% to 42% for 2023/24.

Figure 16: Trade Mark Applications: Residents vs Non-Residents, % Comparison

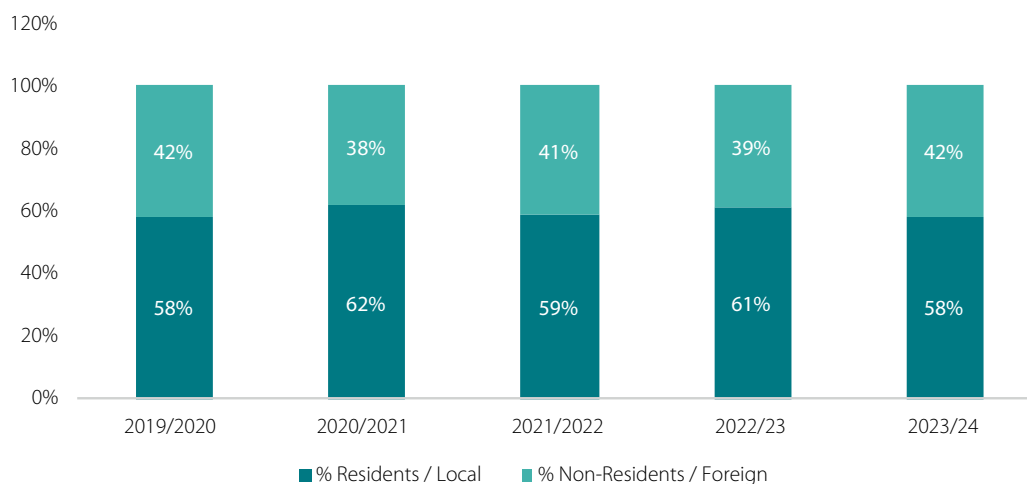
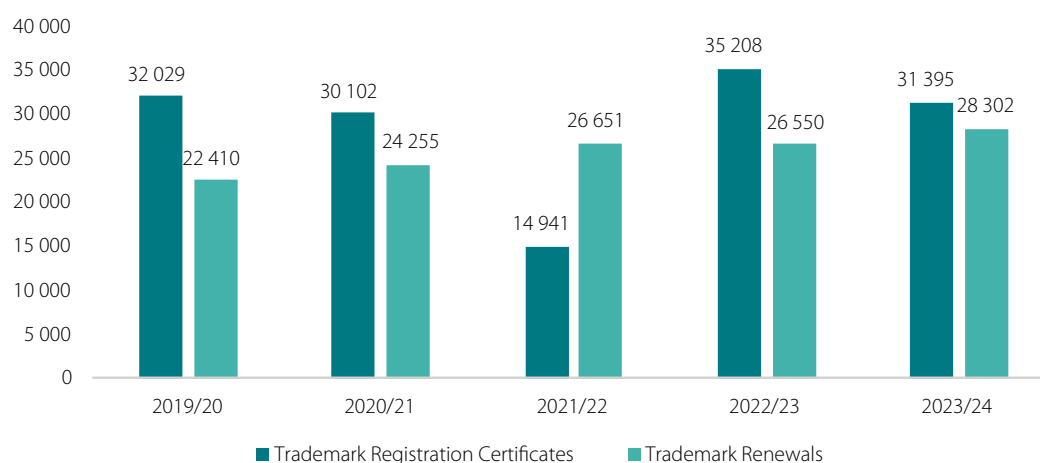


Figure 17 Trade Mark Registration Certificates and Renewals shows the volume of Trade Mark Registration certificates issued in the past five years. There was a decreasing trend from 2020/21 to 2021/22. However, there was a substantial uptick in 2022/23, yet in 2023/24 there was a marginal decrease.

Figure 17: Trade Mark Registration Certificates and Renewals



In 2023/24, 31 395 Trade Mark Registration certificates were issued, a significant decrease from the amount issued in 2022/23 (35 208). Eighty-nine percent (89%) of Trade Mark registration certificates were issued within the published service delivery standard turnaround time of 180 working days, at an average turnaround time of 180 working days.

Trade Mark Official Actions Issued

Figure 18: Trade Mark Official Actions

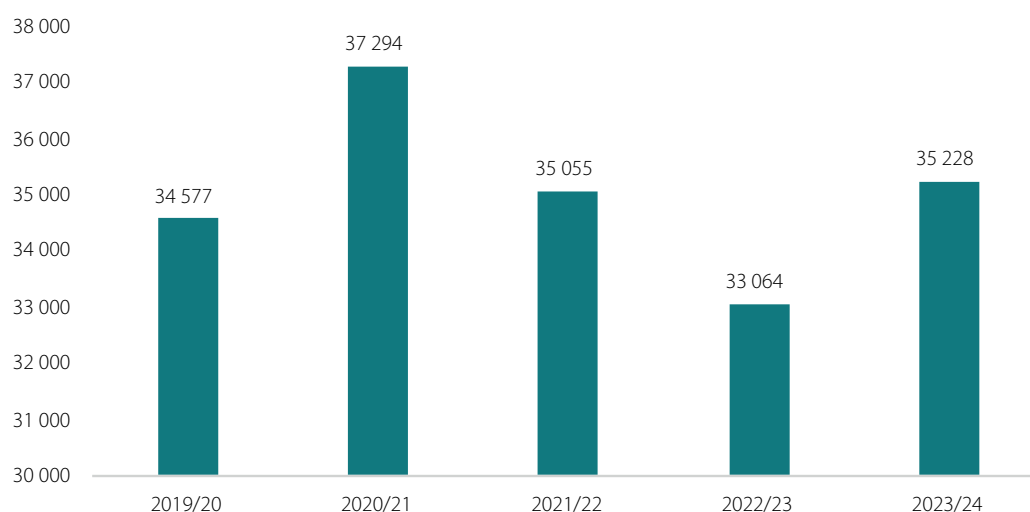


Figure 18 Trade Mark Official Actions above shows that the number of Trade Mark Official Actions issued in 2023/24 stood at 35, 228 of these, Ninety-six percent (96%) were processed within the appropriate service delivery standard turnaround time of 365 (12 months) working days. There was a number of Trade Mark Official Actions issued in 2022/23 was dramatically less than in 2021/22 (35 055), however in 2023/24 there was an intense increase compared to 2022/23. Nevertheless trade mark action could not reach the height of 2020/21 with 37,294 trade mark action.

COMPANY REGISTRATIONS AND CLOSE CORPORATIONS

Name Reservations

There has been a generally increasing trend with regards to the number of company name reservations over the past five years as depicted in **Figure 19: Name Reservations and Company Registrations** below.

Figure 19: Name Reservations and Company Registrations



In 2022/23, 467 823 company name reservations were processed compared to 570 907 in 2021/22. Ninety-four percent (94%) of company name reservations were processed within the published service delivery standard turnaround time of two (2) working days, at an average turnaround time of one (1) working day.

Company Registrations

There has been a fluctuating trend in terms of company registrations over the past five years, as depicted in **Figure. 21: Name Reservations and Company Registrations** above.

Company registrations declined in 2022/23 (404 095) compared to 2021/22 (469 983), similar to what transpired between 2020/21 and 2021/22. Ninety-five percent (95%) of company registrations were processed within the published service delivery standard turnaround time of two (2) working days, at an average turnaround time of one (1) working day.

Company De-registrations

Voluntary de-registrations increased dramatically in 2022/23 from the previous year. The main reason may have been the closing down of businesses due to difficult economic circumstances in South Africa. Some businesses closed down, others converted to sole proprietors (which have fewer regulatory and compliance obligations), while others entered into merger agreements.

Economic conditions in South Africa have indeed worsened due to the persistent energy crisis and the conflict in Ukraine, which has impacted global trade amongst other things. Thus, the number of voluntary de-registrations increased dramatically to 647 853 in 2022/23, as depicted in **Table B. 4: Company and Close Corporation De-registrations** below.

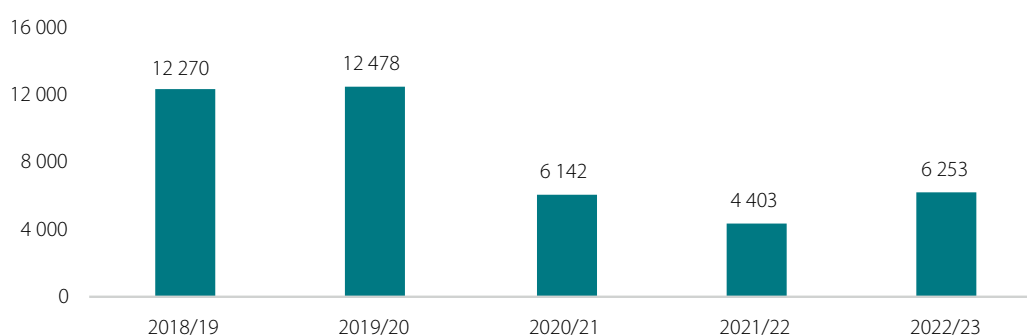
Table 4: Company and Close Corporation De-registrations

	2018/19	2019/20	2020/21	2021/22	2022/23
Company and Close Corporation Annual Return Final De-registration	0	0	170 617	0	647 853

Co-operative Registrations

From a relatively stable base in 2018/19 and 2019/20, a downward trend in co-operative registration numbers followed between 2019/20 and 2021/22, as depicted in **Figure 20: Co-operative Registrations**. However, there was a marked increase in co-operative registrations in 2022/23 compared to the previous year; yet this number failed to reach the highs of the period between 2018/19 and 2019/20.

Figure 20: Co-operative Registrations



Between 2018/19 to 2019/20, **the dtic** and the Department of Small Business Development implemented programmes focusing on co-operatives, including those on sourcing co-operatives. This resulted in exceptionally high co-operative registration numbers during that period. Co-operative registration numbers have since stabilised to otherwise normal or expected levels in 2022/23.

Further, in 2022/23, one-hundred percent (100%) of co-operative registrations were processed within the published service delivery standard turnaround time of three (3) working days at an average turnaround time of one (1) working day.

Business Rescue

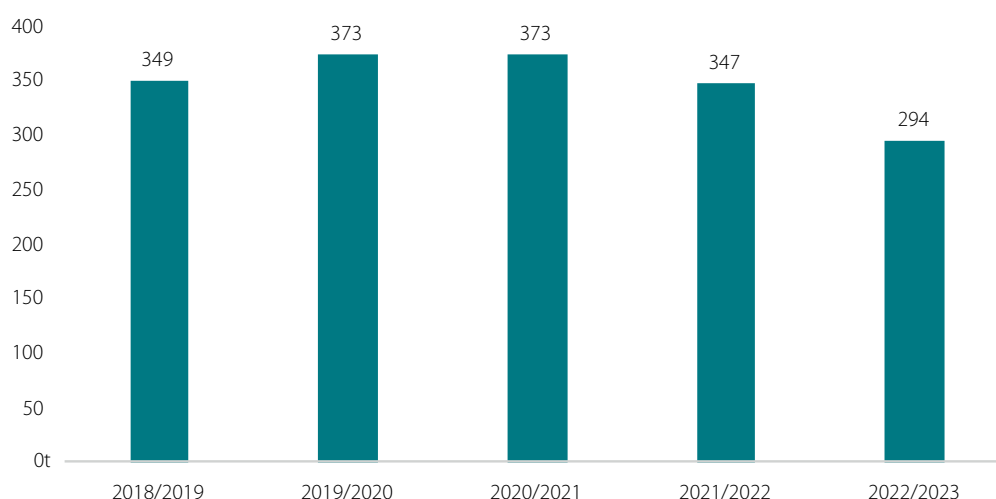
Table 5: Status of Business Rescue Proceedings

Financial Year	Active	Liquidation	Nullity	Set aside	Substantial	Termination	Grand Total
2011-2012	50	58	111	2	85	77	383
2012-2013	109	67	28	5	109	122	440
2013-2014	115	73	21	6	105	89	409
2014-2015	114	73	26	4	101	95	413
2015-2016	142	74	24		88	153	481
2016-2017	104	56	17	3	79	116	375
2017-2018	126	41	22	2	66	105	362
2018-2019	132	38	32	5	61	81	349
2019-2020	159	39	15	4	84	72	373
2020-2021	178	35	6	2	98	54	373
2021-2022	211	23	9		46	58	347
2022-2023	249	8	3		14	20	294
2023-2024	82	23	0	0	64	64	232
Grand Total	1 689	585	314	33	936	1 042	4 599

There has been a declining trend of business rescue over the last five year since 2021/20, Between 2019/20 to 2020/21 the number of business rescue proceedings were 373 .

However, there was a marginal decline from a period of 2021/22 to 2023/24, this suggests that not only are fewer business rescue proceedings being instituted per annum - which is also the case for the preceding five-year period - but also that fewer proceedings reach the point of finalisation within a year, resulting in a potential backlog of business rescue proceeding cases.

Figure 21: Business Rescue Proceedings Commenced



1.1.2 Compliance and enforcement

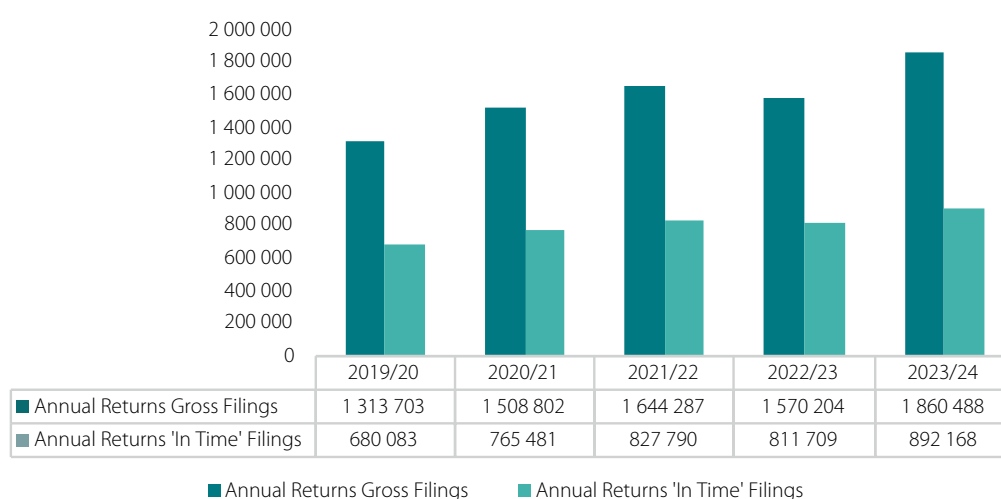
Annual Returns

As depicted in **Table 6: Annual Returns Filings** below, Annual Return 'in time filings' increased by 80 459 filings (or 10%) compared to 2023/24.

Table 6: Annual Returns Filings

CIPC Services	2019/20	2020/21	2021/22	2022/23	2023/24
Annual Returns Gross Filings	1 313 703	1 508 802	1 644 287	1 570 204	1 860 488
Annual Returns 'in time' Filings	680 083	765 481	827 790	811 709	892 168

Figure 22: Annual Return Gross Filing vs 'In Time' Filings



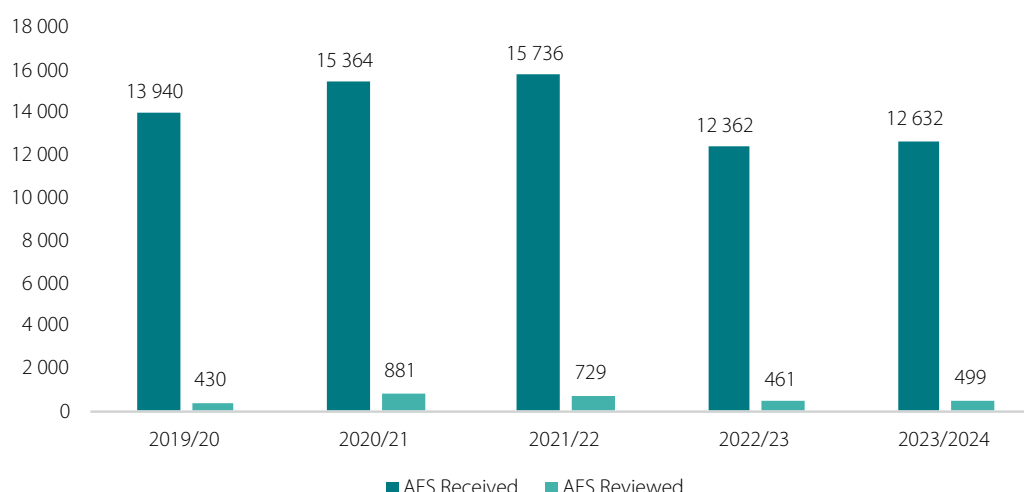
The increase in annual return filings can be attributed to the Annual Return Deregistration process introduced in Quarter 3. This initiative led to a rise in reinstatement applications and annual return filings. To support this effort, an Education and Awareness Campaign was conducted from mid-July 2023 to January 2024, targeting small business owners with personalised notifications, formal notices, webinars, tutorials, podcasts, social media outreach, and stakeholder engagement.

Annual Financial Statements

Table 7: Annual Financial Statements and **Figure 23: Annual Financial Statements Received and Reviewed** depict the volume of Annual Financial Statements filed and reviewed between 2019/20 and 2023/24.

Table 7: Annual Financial Statements

	2019/20	2020/21	2021/22	2022/23	2023/24
AFS Received	13 940	15 364	15 736	12 362	12 632
AFS Reviewed	430	881	729	461	499

Figure 23: Annual Financial Statements Received and Reviewed

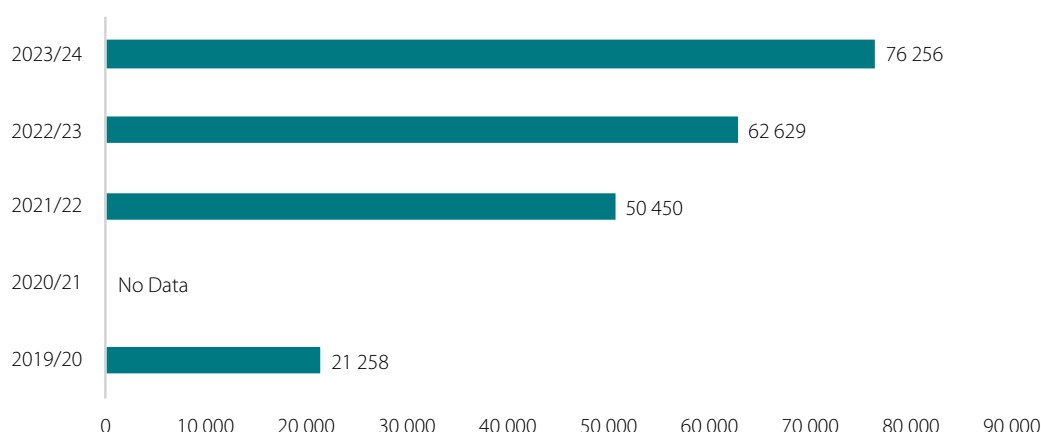
The volumes received, although fluctuating, demonstrate compliance by industry to our requirements for filing of Annual Financial Statements, as well as the commitment by reviewers to monitor compliance of Annual Financial Statements with IFRS and the Companies Act.

XBRL Taxonomy Developments

In 2022/23, the CIPC continued to monitor compliance and disclosure according to the provisions of the Companies Act, 2008 (Act No. 71 of 2008). The focus of the XBRL programme was two-fold, namely: (1) to stay abreast of latest developments in terms of accounting standards (by starting work on the CIPC taxonomy to incorporate the latest release of IFRS) and (2) to extend the CIPC's reach in terms of digital regulation, by launching a pilot project for co-operatives to start using XBRL.

As at 31 March 2024, the following filing statistics were observed:

- Total number of filings since implementation of XBRL = 76 256
- Total number of unique filings since implementation of XBRL = 29 007
- Total number of filings for March 2024 = 1039
- IFRS-Full filings since implementation of XBRL = 38 438
- IFRS-SME filings since implementation of XBRL = 37 732
- GRAP filings since pilot implementation of GRAP = 82
- Co-operative filings since pilot implementation of Co-ops = 13

Figure 24: XBRL Filings Comparison, 2019/20-2023/24

Reported Irregularities

Table 8: Reportable Irregularities, 2023/24

	Q1	Q2	Q3	Q4
Opening Balance	329	339	360	391
Cases Received	23	44	41	29
Closed Cases	13	23	10	21
Closing Balance	339	360	391	399

Figure 25: Reportable Irregularities, Five-year Trend Analysis

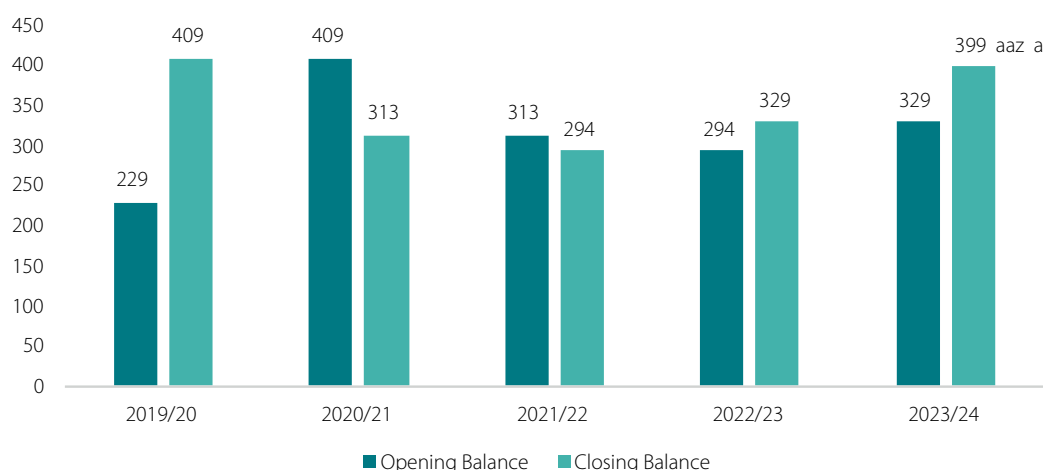
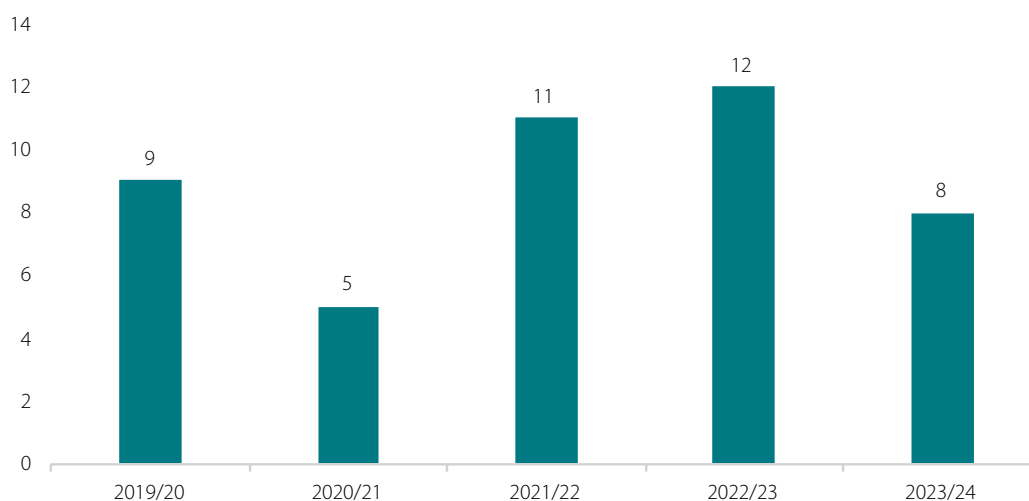


Table 9: High Profile Companies under Investigation

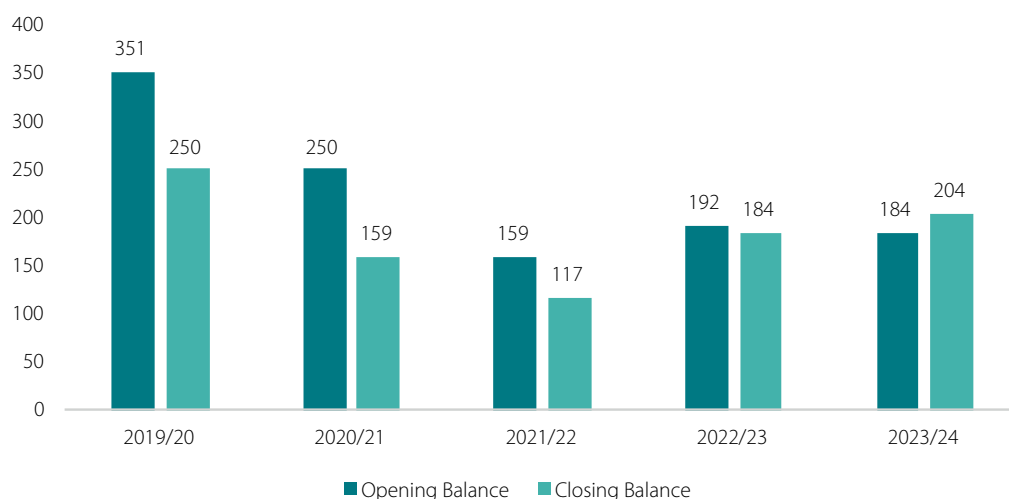
High Impact Cases
2023/24
Nova PropGrow Group Limited (Compliance Notice Issued) (Contested at the Companies Tribunal)
GUD Holdings (High Court ruled in CIPC favour)(Company appealing the judgment)
SE1 Empowerment (Liquidation Order granted in CIPC favour) (Delinquency order being appealed by CIPC)
Young Women's Business Network (YWBN) (Compliance Notice by CIPC contested at the Companies Tribunal)
Communicare NPC (Companies Act Non-Compliance still under Investigation)
JM Aviation (Linked to State Capture – matter being pursued through State Attorney – Counsel Appointed)
Homix (Linked to State Capture – matter being pursued through State Attorney – Counsel Appointed)
Mr Mitesh Mahanlal Patel Delinquency case being pursued through State Attorney – Counsel Appointed)
2022/23
Nova PropGrow Group Limited (Compliance Notice Stages)
GUD Holdings (Tribunal decision taken on review at High Court)
Nova PropGrow Group Limited (being defended in the Tribunal, process initiated in the Courts)
GUD Holdings (Matter being pursued through courts officially, affidavits submitted)
SE1 Empowerment (Liquidation proceedings being pursued through court, sat on 05 October)
Nutritional Holdings Ltd
Solidarity Fund NPC
Ayo Technology Solutions Ltd
Outsourced Risk and Compliance Assessment (Pty) Ltd
GUD Holdings (Hearing held on the matter, judgment was reserved)
SE1 Empowerment (Court hearing on the delinquency request heard on 24 April 2023)
Eskom Holdings SOC Ltd (Inaccurate financial statements reported, matter being escalated to the Board)

High Impact Cases
2021/22
South African Post Office SOC
Communicare NPC
Denel SOC
Attacq Ltd
Cipla Medpro South Africa
Medpro Pharmaceutica
Nova Propgrow Group Holdings
Young Women's Business Network (YWBN)
Eureka Beperk
Agiltee Pty Ltd
GUD Holdings Pty Ltd
2020/21
Pembury Lifestyle Group Limited (Reportable Irregularity)
JD Properties (AFS Filings)
Ainsley Holdings Limited (AFS Filings)
Steinhoff (AFS Filings)
Communicare NPC (Companies Act Non-Compliance)
2019/2020
*Specific Case Related Data Unavailable
2018/2019
*Specific Case Related Data Unavailable

Figure 26: Comparison of High Impact / High Profile Cases



For the current reporting period 2023/24 only eight(8) high profile cases were investigated this indicates a drop from the twelve (12) high profile cases that were investigated in the year 2022/23. Interestingly, the number of high-impact, high-profile cases was slightly increasing each year since 2020/21 up until 2023/24 where the number decreased.

Figure 27: Independent Review: Regulation 29, Year-on-year Comparison

The number of Independent Review: Regulation 29 cases has steadily declined over the years, to 117 cases at the end of 2021/22. However, there has been a marginal uptick in 2022/23.

Further, Cold Case matters have been reduced from 22 at the start of 2022/23, to 9 at the close of the period. Moreover, over the past five years, Cold Case Matters have been fluctuating until noticeable declines were observed at the close of 2021/22 (6) and 2022/23 (9). This indicates that Cold Case matters are being resolved, one way or another, at a quicker rate.

Table 10: Cold Case Matters

Administrative Fine	Q1	Q2	Q3	Q4
Opening Balance	22	9	9	9
Order Granted	4	-	-	-
Settlement Order/Offer	2	-	-	-
Opposed	4	3	3	3
Removed from the List	4	-	-	-
Currently in Court/Set Down	5	2	2	2
Closing Balance	9	9	9	9

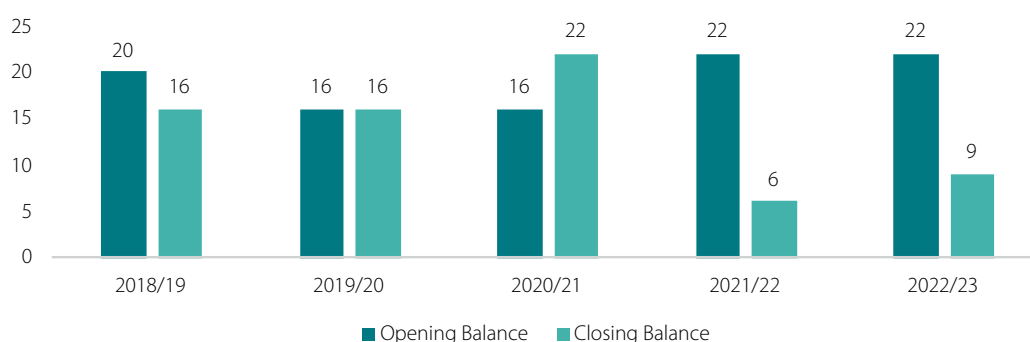
Figure 28: Comparison of Cold Case Matters

Table 11: Prospectuses below, depicts the breakdown of Prospectuses lodged during the 2023/24 review period.

Table 11: Prospectuses in 2023/24

Company Name	Prospectus	Final Prospectus	Current Status
2023/24			
Blackbrick Gardens EP 33 LTD		Final	Registered
Gogetta LTD		Final	Registered
ERIDANUS LIMITED		Final	Registered
PEGASUS UA LIMITED		Final	Registered
ERIDANUS LIMITED	Draft	Pending	Pending
AKARU EP32 LIMITED		Final	Registered
ROOKLYN VOLLEY EP 30 LIMITED			
AE EXPLORATION HOLDINGS (PTY) LTD		Final	Registered
NBGD LIMITED		Final	Registered
ROYAL BHEJANE (RF) LTD		Final	Registered
WESTBROOK YIELD PLUS PLC		Final	Registered
FYNBOS TWO EP31 LIMITED		Final	Registered
RENCCELL II LIMITED	Draft	Pending	Pending
NBGD LIMITED		Final	Registered
BERLINA PROPERTY INVESTMENT LIMITED	Draft	Pending	Pending
SEAHORSE EP34 LIMITED		Final	Registered
OPTIMAL INVESTMENT GROWTH BASKET LIMITED 2		Final	Registered
40ONL EP36 LIMITED		Final	Registered
APEX CAPITAL PARTNERS LIMITED	Draft	Pending	Pending
ROYAL BHEJANE (RF) LTD			
GOGETTA LIMITED	Draft	Pending	Pending
SEAHORSE EP34 LIMITED		Final	Registered
MILLENIAL EP35 LIMITED		Pending	Pending
EQVEST LIMITED		Pending	Pending
THE PEOPLES FUND LIMITED		Pending	Pending
GOGETTA LIMITED		Final	Registered
Millenial EP35 LIMITED		Final	Registered
EQVEST LIMITED		Final	Registered
Lallybroch EP37 LIMITED		Final	Registered
POWERFLEET INC	Draft	Pending	Pending
GOGETTA LIMITED		Final	Registered
WESTBROOK YIELD PLUS PLC		Final	Registered
LALLYBROCH EP37 LIMITED		Final	Registered
POWERFLEET INC		Final	Registered
BB BEDFORDVIEW EP38 LIMITED	Draft	Pending	Pending
Mos Uitreiker LIMITED		Final	Registered
The Peoples Fund LIMITED		Final	Registered
China Seas Baskert LIMITED	Draft	Pending	Pending
Cylo Cybin Holdings LIMITED		Final	Registered
Mos Uitreiker LIMITED		Final	Registered
China Seas Baskert LIMITED		Final	Registered
Industrial Parks EP39 LIMITED		Final	Registered
Westbrooke Yield Plus PLC		Final	Registered
2022/23			
Silverleaf Investments Limited		Final	Registered

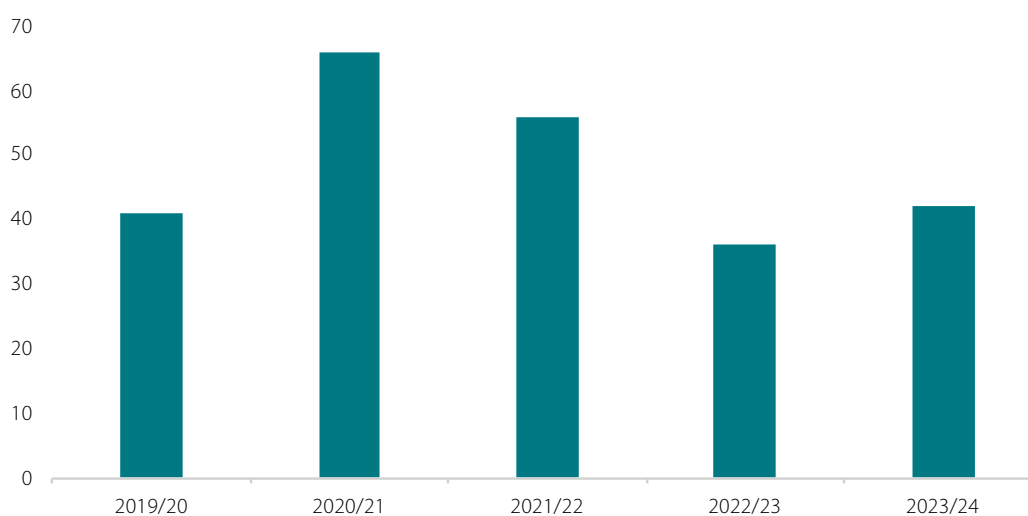
Company Name	Prospectus	Final Prospectus	Current Status
HP House EP20 Limited		Final	Registered
Saxon Square EP20 Limited		Final	Registered
Raltech Limited		Final	Registered
Capital on Bath EP 19 Limited		Final	Registered
Carrington EP18 Limited		Final	Registered
Crowdprop (RF) Limited		Final	Registered
Westbrooke Rhythm Growth Opportunities Fund Plc	Draft		Pending
Cilo Cybin Holdings Limited	Draft		Pending
Labcorp Limited	Draft		Pending
Bb Sandton Two EP 21 Limited		Final	Registered
Lighthouse Properties PLC			
Hp House EP 20 Limited		Final	Registered
Fynbos EP 22 Limited		Final	Registered
Old Mutual Bula Tsela Retail Scheme Limited		Final	Registered
Altvest Capital Limited	Draft		Pending
The Duke EP 23 Limited		Final	Registered
Go Getta Limited		Final	Registered
Asia Pacific Basket Limited	Draft		Pending
One on Anne EP 24 Limited		Final	Registered
The One EP 29 Limited		Final	Registered
Senwes Limited		Final	Registered
K2022827815 (South Africa) Limited No 33 of 2022	Draft		Pending
The Edge EP 28 Limited		Final	Registered
Sunside Acquisitions Limited	Draft		Pending
Go Getta Limited		Final	Registered
K2022827815 (South Africa) Limited No 33 of 2022		Final	Registered
Sunside Acquisitions Limited		Final	Registered
Go Getta Limited		Final	Registered
Magni Resources Limited	Draft		Awaiting Final
Brittanica Opportunities Limited		Final	Registered
The Edge EP 28 Limited		Final	Registered
Brooklyn Volley EP 30 Limited		Final	Registered
Pegasus Limited	Draft		Awaiting Final
The One EP 29 Limited		Final	Registered
Sunside Acquisitions Limited	Draft		Awaiting Final
2021/22			
Kalon Venture Partners Fund II	April	Registered	Registered
Polo Fields EP 7	April	Registered	Registered
Destinata Capital	April	Registered	Registered
Gaia Venture Capital	April	Registered	Registered
Euphoric Capital	April	Pending	Pending
Northam Platinum Holdings	April	Registered	Registered
Anuva Private Equity	April	Registered	Registered
Exchange Lofts EP 6	May	Registered	Registered
Ap Global Investments	May	Registered	Registered
Ap Global Investments	May	Registered	Registered
Optomise Ventures	May	Registered	Registered
Ora Capital	May	Registered	Registered

Company Name	Prospectus	Final Prospectus	Current Status
Westbrooke Stac 2021	May	Registered	Registered
Westbrook Aria 2022	May	Registered	Registered
Decentral Energy Capital	May	Registered	Registered
Eridanus VC 1	May	Pending	Pending
12 Cape	May	Registered	Registered
Groundstone Capital	May	Pending	Pending
International Titans Basket	May	Pending	Pending
Olive Venture Capital	May	Registered	Registered
Exponential Venture Capital	June	Registered	Registered
Monroe EP 8	June	Registered	Registered
Perseus VC 1	June	Pending	Pending
Hasanaat Capital	June	Registered	Registered
Capitale Student Housing Fund	June	Pending	Pending
Delta VC 1	June	Registered	Registered
Jaltech Digital Asset Holdings Limited (RF)	Final	Registered	Registered
Westbrooke Yield Plus PLC 2-3-1	Final	Registered	Registered
Ballito Groves EP 10 Limited	Supplement	Registered	Registered
Athena Education (IOM) PLC 2-3-1	Final	Registered	Registered
Monroe EP 8 Limited	Supplement	Registered	Registered
Sea Point Four 11	Draft	Pending	Pending Final
Crowdprop	Draft	Pending	Pending Final
Crowdprop (RF) Limited No 55 Of 2021	Final	Pending	Pending
Bailey EP 12 Limited No 56 of 2021	Final	Registered	Registered
Destinata Equity Fund Limited No 57 of 2021	Final	Registered	Registered
Sea Point Four EP 11 Limited No 54 of 2021	Final	Registered	Registered
Brait Malta Limited 18308 GBC No 58 of 2021	Final	Registered	Registered
The Reid EP 13 Limited No 59 of 2021	Final	Registered	Registered
Rencell II Limited No 60 of 2021	Final	Registered	Registered
Infinity Invest Limited No 61 of 2021	Draft	Final Pending	Pending
Sa Khadinang Limited No 62 of 2021	Draft	Final Pending	Pending
Areit Prop Limited No 63 of 2021	Draft	Final Pending	Pending
Sunside Acquisitions Limited No 64 of 2021	Draft	Final Pending	Pending
Rockefeller 2 EP 15 Limited No 65 of 2021	Final	Registered	Registered
Ballito Hills EP 16 Limited No 66 of 2021	Final	Registered	Registered
Crowdprop (RF) Limited No 55 of 2021	Final	Pending	Pending
Infinity Invest Limited No 61 of 2021	Draft	Final Pending	Pending
Sa Khadinang Limited No 62 of 2021	Draft	Final Pending	Pending
Areit Prop Limited No 63 of 2021	Final	Registered	Registered
Sunside Acquisitions Limited No 64 of 2021	Final	Registered	Registered
Media Mill EP 17 Limited	Final	Registered	Registered
Eridanus VC 1 Limited	Final	Pending	Pending
East Asian Growth Basket Limited	Final	Pending	Pending
Raltech Limited	Final	Pending	Pending
Westbrooke Yield Plus PLC	Final	Pending	Pending
2020/21			
Destinata Capital Limited	May	Registered	Registered
China Seas Basket	May	Registered	Registered

Company Name	Prospectus	Final Prospectus	Current Status
Business Venture Investments	May	Pending	Pending
Blackbrickep 1	June	Registered	Registered
Rockefeller EP 1	June	Registered	Registered
Fritzgerald EP 1	June	Registered	Registered
Greenreef EP 1	June	Registered	Registered
Olive VCC	June	Registered	Registered
Blackbrick EP 1	July	Registered	Registered
Reockefeller EP 1	July	Registered	Registered
Fritzgerald Ep1	July	Registered	Registered
Greenreef EP 1	July	Registered	Registered
Olive VCC	July	Registered	Registered
Illovo Stack Retail 1	August	Registered	Registered
Mdluli Safari Lodge	August	Registered	Registered
Blyde EP 2	August	Registered	Registered
Vega VC 1	August	Pending	Pending
Greenpark EP 3	September	Pending	Pending
Advanced Investment Holdings	September	Pending	Pending
Greenpark EP 3	October	Registered	Registered
Advanced Investment Holdings	October	Registered	Registered
Destinata Capital Limited	October	Registered	Registered
Infinity Anchor Fund	November	Registered	Registered
Zimbali Capital	November	Registered	Registered
Mdluli Safari Lodge	November	Pending	Pending
Sunstone Capital	November	Registered	Registered
Hasanaat Capital	November	Registered	Registered
Euphoric Capital	November	Registered	Registered
AP Global	November	Registered	Registered
Aurik Capital	November	Registered	Registered
Big Sky Fund	November	Registered	Registered
Big Sky Fund	November	Registered	Registered
Optonmise Ventures	December	Pending	Pending
Olive Venture Capital	December	Registered	Registered
Delta	December	Pending	Pending
Decentral Capital	December	Registered	Registered
Westbrooke 2021	December	Registered	Registered
Exponential Capital	December	Pending	Pending
Westbrooke 2021	December	Registered	Registered
Gaia Venture Capital	December	Registered	Registered
Aeex South Arica	December	Registered	Registered
Bright VCC	December	Registered	Registered
Kalon Partner Fund II	December	Pending	Pending
Karooooo	January	Registered	Registered
Eridanus VC 1	January	Registered	Registered
Nesa Holdings	January	Registered	Registered
Silverleaf Investments	January	Registered	Registered
Westbrook Stac 2021	January	Registered	Registered
Rencell	February	Registered	Registered

Company Name	Prospectus	Final Prospectus	Current Status
Ora Capital	February	Registered	Registered
Anuva Private Equity	February	Registered	Registered
Blackbrick CT EP 4	February	Registered	Registered
Perseus VC 1	February	Registered	Registered
Pegasus UA Ltd	February	Registered	Registered
Cryptique Ltd	February	Registered	Registered
Leaf 12 J Fund RF	March	Registered	Registered
Sab Zenzele Kabili	March	Registered	Registered
Seven On Main EP 5	March	Registered	Registered
Infinity Anchor Fund	March	Registered	Registered
Vega VC 1	March	Registered	Registered
Aeex South Africa	March	Registered	Registered
Mdluli Safari Lodge	March	Pending	Pending
Rencell	March	Pending	Pending
Silverleaf Investment	March	Pending	Pending
Sa Khadinang	March	Pending	Pending
Sunstone Capital	March	Pending	Pending
2019/20			
*No Case Specific Data Available			

Figure 29: Comparison of the Number of Prospectuses Lodged, 2019/20 – 2023/24



Further, as per **Figure 29: Comparison of the Number of Prospectuses Lodged** above, the number of Prospectuses lodged has fallen from a high of 66 in 2020/21 to 36 in 2022/23. However, this number still appears relatively consistent compared to the numbers achieved in the years prior to Covid-19.

Corporate Governance, Surveillance and Enforcement

Table 11: Statistics for Cases is a summary of the statistics of cases per quarter during 2022/23, while **Table 12 Case Register and Allegations**, below, is a summary of cases and allegations over the same period.

Table 12: Statistics for Cases

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Cases Received	178	290	451	248	325	1492
Cases Escalated	65	177	273	86	57	658
Cases Closed	82	57	27	143	180	489
Cases Pending	31	56	151	19	88	345

Figure 30: Annual Comparison of Statistics for Cases depicts an annual comparison between 2019/20 and 2023/24 of case statistics. It shows that the number of cases received has increased between 2018/19 and 2021/22 before dropping significantly in 2022/23, however, number of cases seems to be increasing.

Figure 30: Annual Comparison of Statistics for Cases

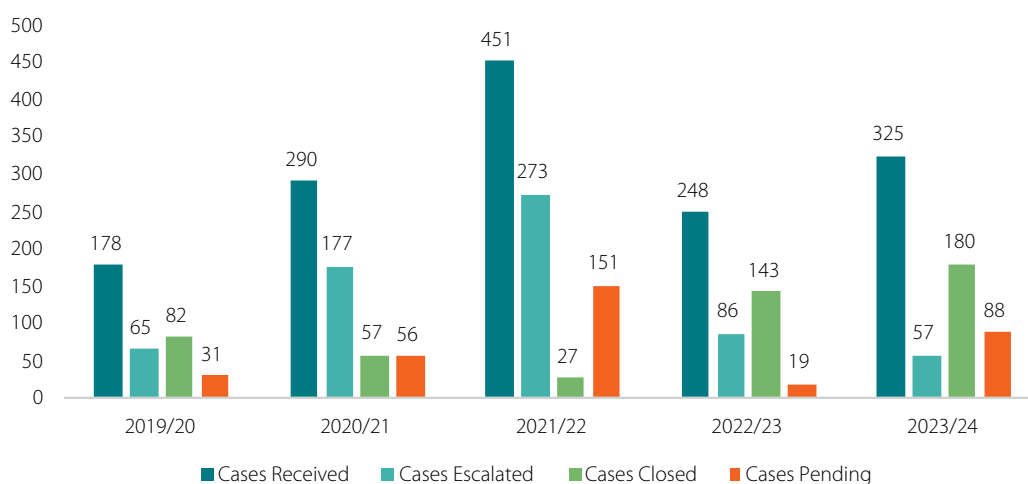
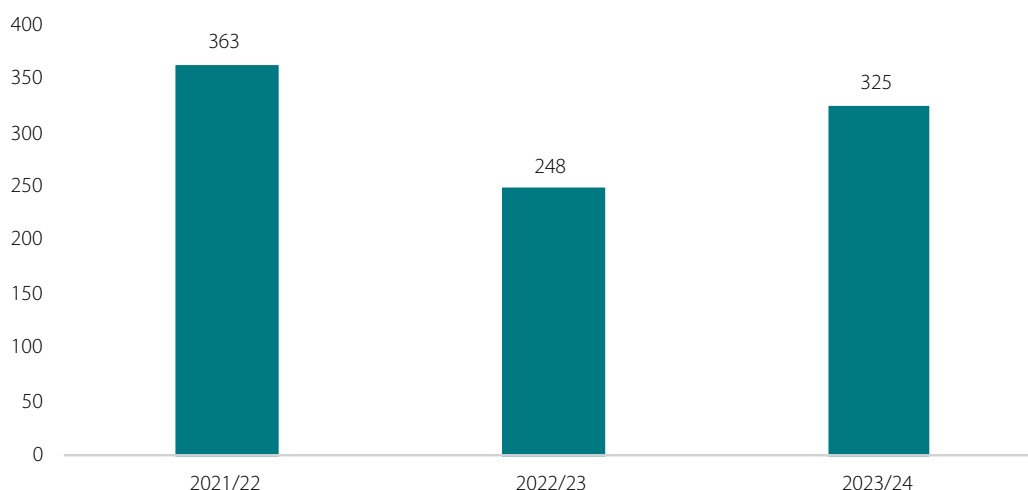


Table 13: Case Register and Allegations, 2021/22 – 2023/24

Type of Contravention	Number
2023/24	
Sec 71 Unauthorized removal of director	60
Sec 70(6) Resigned as director but still appears on company records	55
Sec 76 Directors misconduct	41
Sec 66 Unauthorized appointment of director	31
Unauthorized changes of a member	22
Sec 26 Access to company records	21
Sec 22 Reckless trading	13
Company records not updated	12
Sec 30 Financial Statements not prepared	12
Directors disputes	11
Shareholders rights	11
Sec 15 Inconsistent with the MOI	10
Sec 215 False information filed	9
Coops mismanagement	4
Sec 214 False financial statements	2

Type of Contravention	Number
Company registered without knowledge	2
Sec 85 Company Secretary not appointed	2
Sec 69 Disqualified director appointed	2
Sec 45 Financial Assistance	2
Sec 50- No securities Register	1
Sec 23 - Use and publication of company names	1
Sec 61 Shareholders meeting not held	1
Total	325
2022/23	
Director's misconduct	49
Unauthorised removal of director	47
Resigned as director but still appears on company records	34
Access to company records	32
Unauthorised appointment of director	30
Unauthorised changes of a member	15
False information filed	8
Reckless trading	8
Financial Statements not prepared	3
Shareholders' rights	2
False financial statements	2
Company records not updated	2
False company records	2
Special resolution not filed	1
Company registered without knowledge	1
Deceased member not removed	1
Company deregistered but reinstated without consent	1
Shares unlawfully sold	1
Falsification of Financial statements	1
Contravention of Section 11	1
Share Certificate not issued	1
Non-disclosure of disqualified director	1
Shareholders meeting not held	1
Incomplete Accounting Records	1
Inconsistent with the MOI	1
Total	246
2021/22	
Vacant on Board/ Resignation of directors S70, S70 (6) and Removal of directors S71 including process issues in terms of CoR39, director amendments	76
Home owners Association, NPO	14
MOI dispute among directors	28
Failure to hold AGM	16
S26 Disclosure of company documents	24
Breach of contract dispute	66
Liquidation matter	45
S160 (2) (b) Name dispute/correct address/	31
Directors and Auditors details not a true reflection of company records	59
BEE Requirement	4
Total	363

Figure 31: Case Register and Allegations Annual Comparison

As can be observed in the **Table 13: Case Register and Allegations** above, director's misconduct, unauthorised removal of a director, resignation as director but still appears on company records, unauthorised access to company records and unauthorised appointment of a director, constituted the most common types of alleged contraventions in 2023/24.

Between 2023/24 and 2022/23, the number of cases and allegations has increased significantly, as can be observed in **Figure 31: Case Register and Allegations Annual Comparison** above.

1.1.3 Client Engagement

Table 14: Call Centre, QRS, Facebook and Twitter below depicts traffic in terms of customer contact channel activity over the past five years.

Table 14: Call Centre, QRS, Facebook and Twitter, Annual Comparison

Platform	Description	2019/20	2020/21	2021/22	2022/23	2023/24
Call Centre	Calls Received	356 803	No Data	No Data	118 049 ³⁰	269,988
	Calls Answered	199 932	134 912	118 796	145 404 ³¹	160,642
	Calls Answered %	56%	Not determinable	Not determinable	Not determinable	63%
Query Resolution System	Queries Received	95 105	122 629	170 895	177 679	128,951 ³²
	Queries Closed	94 915	119 304	168 058	170 204	124,373 ³³
	Queries Closed within 10 Days	100%	97%	98%	92%	94 ³⁴ %
Facebook	Queries Received	7 090	81 902	59 836	35 918	47,523
	Queries Resolved	1 932	68 331	56 246	30 809	41,495
	Queries Resolved (%)	27%	83%	94%	84%	88%
Twitter	Queries Received	7 300	41 587	20 170	11 885	8,011
	Queries Resolved	1 249	13 527	17 750	8 911	6,865
	Queries Resolved (%)	17%	33%	88%	70%	85%

³¹ Number represents calls received only during Quarter 3 and Quarter 4.

³² Number represents all calls received during the year.

³³ Number represents queries received only during Quarter 1, Quarter 2, and Quarter 3.

³⁴ Number represents queries closed only during Quarter 1, Quarter 2, and Quarter 3.

³⁵ Number represents percentage of queries closed within 10 days only during Quarters 1 - 3.

The call centre has improved with engaging clients via calls answered with improvement in percentages of answered calls. In 2023/24, the CIPC Call Centre received 269,988 calls, representing a call received to answered ratio of 63%. This number is comparatively more when compared to the numbers achieved in 2020/21 (134 912) and 2022/23 (118 049).

In the first three quarters of FY2023/24, via the Query Resolution System (QRS), the CIPC received 128,951 queries, of which 124,373 were closed, representing a 92% ratio of queries received to queries closed. Moreover, 94% of queries were resolved within the set service delivery standard of 10 days, with an average turnaround time of five days. It is important to note that as discussed above, the QRS was deactivated in Quarter 4 as a security measure following the data breach. For this reason, QRS data is not available in for Quarter 4.

The CIPC continued to leverage its social media platforms to address queries, receiving 47,523 queries via Facebook, of which 41,495 (or 88%) were resolved. Moreover, 89% of queries were resolved within the set service delivery standard of 24 hours.

Finally, the CIPC received 8,011 queries via X (formerly, Twitter), of which 6,865 (or 85%) were resolved. Moreover, 96% of queries were resolved within the set service delivery standard of 24 hours.

Table 15: Self-service Centres (Pretoria, Johannesburg, and Cape Town) Traffic shows service centre activity volumes between 2018/19 and 2022/23.**Table 15:** Self-service Centres (Pretoria, Johannesburg and Cape Town) Traffic

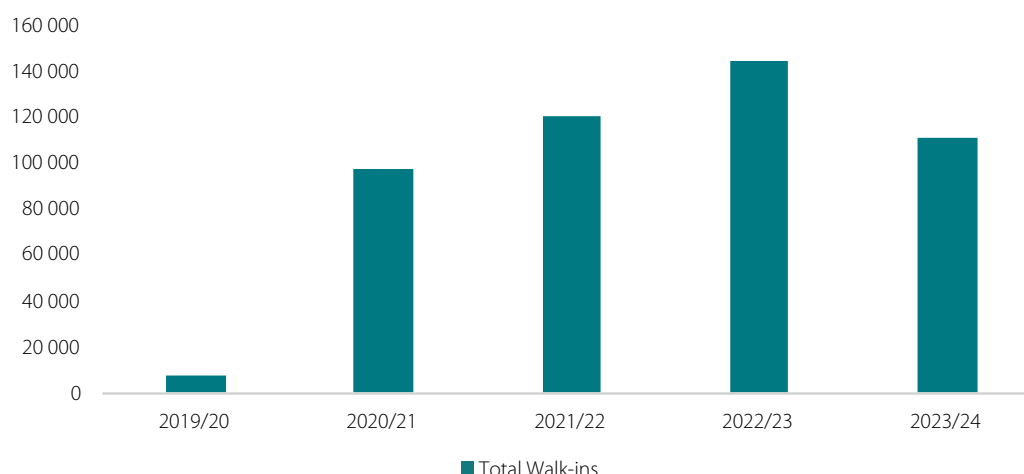
SSC	2019/20				2020/21				2021/22				2022/23				2023/24			
	PTA	JHB	CT	Total	PTA	JHB	CT	Total	PTA	JHB	CT	Total	PTA	JHB	CT	Total	PTA	JHB	CT	Total
Company Registrations	346	681	194	1 221	346	681	194	1 221	346	681	194	1 221	346	681	194	1 221	1814	4,026	2375	8215
Create Customer Codes	309	403	194	906	309	403	194	906	309	403	194	906	309	403	194	906	2,033	3,496	2119	7648
Re-Set Password	343	89	234	666	343	89	234	666	343	89	234	666	343	89	234	666	3,669	3,433	4366	11468
Name Reservations	27	443	97	567	27	443	97	567	27	443	97	567	27	443	97	567	388	1,260	1581	3229
Annual Returns	635	549	235	1 419	635	549	235	1 419	635	549	235	1 419	635	549	235	1 419	8,378	10,191	4328	22897
IP	212	48	5	265	212	48	5	265	212	48	5	265	212	48	5	265	1,249	1,827	431	3507
Director Amendments	149	32	21	202	149	32	21	202	149	32	21	202	149	32	21	202	1,025	2,413	590	4028
Member Amendments	0	2	2	4	0	2	2	4	0	2	2	4	0	2	2	4	48	331	109	488
Auditor & Accounting Officers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	201	0	201
Company & CC Address	80	21	11	112	80	21	11	112	80	21	11	112	80	21	11	112	314	568	215	1097
Cert & Disc	627	0	172	799	627	0	172	799	627	0	172	799	627	0	172	799	2604	3,220	3548	9372
Ent Enquiry	253	45	43	341	253	45	43	341	253	45	43	341	253	45	43	341	4617	5,058	4117	13792
Name Change	41	28	6	75	41	28	6	75	41	28	6	75	41	28	6	75	213	734	180	1127
Name Transfer	0	0	4	4	0	0	4	4	0	0	4	4	0	0	4	4	3	241	1625	244
Customer Transactions	98	0	0	98	98	0	0	98	98	0	0	98	98	0	0	98	2809	595	903	4307
General / Other	40	735	351	1 126	40	735	351	1 126	40	735	351	1 126	40	735	351	1 126	4765	5,004	5748	15517
Total Walk-ins	3 167	3 058	1 569	7 794	3 167	3 058	1 569	7 794	3 167	3 058	1 569	7 794	3 167	3 058	1 569	7 794	35227	42,997	33126	111350

There was a significant increase in the number of company registrations, Annual Return filings and company name changes processed at the CIPC's self-service centres in Pretoria, Johannesburg, and Cape Town in 2023/24, compared to 2022/23.

Ultimately, the overall number of walk-ins at CIPC self-service centres in Pretoria, Johannesburg and Cape Town rose to 11 350 in 2023/24 from 7 794 in 2022/23. This number is noticeably higher than the number recorded during 2019/20 and 2020/21 financial year.

This picture is represented in **Figure 32: CIPC Self-service Centres (PTA, JHB, CT) Total Walk-ins** below.

Figure 32: CIPC Self-service Centres (PTA, JHB, CT) Total Walk-ins



1.1.4 Disclosure

Despite facing significant challenges, the disclosure team has demonstrated resilience and dedication in managing their workload effectively. The hybrid workplace policy, necessitated by the nature of their work, has not hindered their ability to process disclosure requests.

Table 16: Paper-based Disclosure Production Statistics shows a substantial number of disclosure requests received and completed each quarter. The team managed to handle a high volume of requests, with the first three quarters seeing over 4,000 completed requests each, and even in the fourth quarter, where the number dropped to 2,449, the team maintained commendable productivity. The billing transactions processed also indicate a steady workflow, with notable peaks in the second and third quarters. Escalated tickets resolved by managers fluctuated but showed a significant increase in the fourth quarter, highlighting the team's responsiveness to more complex issues.

Table 16: Paper-based Disclosure Production Statistics

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Disclosure Request Received	3333	4386	3898	2449
Disclosure Request Completed	4123	4524	4172	3302
Disclosure Transaction Billed	2933	3478	3017	2005
Escalated tickets resolved by Managers	8	5	12	30

Table 17: State Department - Disclosure Billing Statistics reveals the effort to manage outstanding requests. The number of disclosure requests received remained relatively consistent from 2021 to 2022, with a notable spike in 2022. In 2023, there was a significant decrease in the number of requests received, dropping to 2,724. Despite this reduction, the team managed to complete 3,719 requests in 2023, maintaining their efficiency and demonstrating an ability to clear backlogs from previous years. The outstanding requests carried over to the following year were significantly reduced in 2023, indicating an improvement in handling and closing out pending cases.

Table 17: State Department – Disclosure Billing Statistics

	2021 ³⁵	2022 ³⁶	2023 ³⁷
Disclosure Requests Received	8 309	8 698	2 724
Outstanding Requests (carried over to following year)	1 953	2 363	530
Requests Completed	4 577	7 671	3 719

Table 18: Disclosure Query Resolution provides insight into the team's efficiency in handling queries within the set turnaround time (TAT). The percentage of tickets closed within TAT was consistently around 90%, except for a dip in the fourth quarter where it fell to 80%. Nonetheless, the average TAT remained within acceptable limits, fluctuating between 5.6 and 10 days, indicating that the team managed to keep delays to a minimum despite the high volume of queries.

Table 18: Disclosure Query Resolution

	Closed within TAT	Closed outside TAT	Total tickets closed for the Quarter	%Inside TAT	% outside TAT	Average TAT
Q1	3018	519	3567	87%	13%	8.1 days
Q2	4386	4	4382	97%	3	6.5 days
Q3	3898	526	4127	98%	2%	5 days
Q4	3586	331	3302	80%	20%	10 days
Average	14 888	1 380	15 378	90.25%	10%	8 days

While the disclosure team and the State Department unit faced resource constraints and operational challenges, their performance in managing disclosure requests and query resolutions has been commendable. The efficiency in processing requests and resolving queries, coupled with the ability to handle an increased workload, underscores their commitment to maintaining service delivery standards. The continuous operation of the mailroom without any backlog further attests to the smooth running of their processes, even amidst resource constraints.

1.1.5 CIPC Services and Channels

Reduced turnaround times and improved customer and stakeholder satisfaction are as a result, largely, of the CIPC's strategies and programmes regarding Modernisation; Client Engagement; Innovation and Collaboration; Education and Awareness; Voluntary Compliance and Enforcement.

Table 19: CIPC Channels and Services Offered depicts CIPC channels and services offered.

Table 19: CIPC Channels and Services Offered

Services/Channels	E-service Website	SSCs and Partner Sites (SSTs)	Banks (FNB, Nedbank, ABSA)	BIZPORTAL
Integrated Services (SARS, UIF, Compensation Fund, Bank Account, BBBEE Cert)	No	Yes – BBBEE certificate	Yes – company registration and business bank account	Yes
Patent Applications	Yes	No	No	No
Design Applications	Yes	No	No	No
Copyright in Film	Yes	No	No	No
Trade Mark Applications	Yes	No	No	No
Name Reservations	Yes	Yes	Yes	Yes
Company Registrations	Yes	Yes	Private company registration only	Yes
Co-operative Registrations	No	No	No	No
Domain Name Registrations	Yes	No	No	Yes

³⁶ Calendar Year

³⁷ Calendar Year

³⁸ Calendar Year

Services/Channels	E-service Website	SSCs and Partner Sites (SSTs)	Banks (FNB, Nedbank, ABSA)	BIZPORTAL
Director Amendments	Yes	Yes	No	No
Member Amendments	Yes	Yes	No	No
Auditor Changes	Yes	No	No	No
Name Changes	Yes	Yes	No	Yes
Address Changes	Yes	Yes	No	Yes
Financial Year End Changes	Yes	No	No	No
Enterprise Enquiry	Yes	Yes	No	No
Disclosures	Yes	Yes	No	No
BBBEE Certificates	Yes	Yes	Yes – only Nedbank	Yes
Disclosures - MOI Documents	Yes	Yes	No	No
Disclosures - Approved Names	Yes	Yes	No	No
Queries	No	No	No	No
Information Access	Yes	Yes	Yes	Yes
Annual Returns Filing	Yes	Yes	No	Yes
AFS Filing	Yes – XBRL portal	No	No	No
Name Transfer	Yes	Yes		
Beneficial Ownership Filing	Yes	No	No	No
Foreigner Assurance	Yes	Yes	No	No
Disqualified Directors Register	Yes	Yes	No	No
Compliance Checklist	Yes	Yes	No	No

Table 20: Partner Sites depicts CIPC partner sites where self-service terminals (SSTs) are currently located.

Table 20: Partner sites

Province	Partner
Gauteng	City of Johannesburg Metropolitan Municipality represented by its Executive Director: Economic Development Department
Gauteng	Transnet Enterprise Development Hub
North-West	North-West Development Corporation
North-West	Orbit TVET College in Rustenburg
KwaZulu-Natal	Trade and Investment KwaZulu-Natal
KwaZulu-Natal	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs
Free State	Free State Development Corporation
Western Cape	West Coast Business Development Centre
Northern Cape	Northern Cape Department of Economic Development and Tourism
Limpopo	Limpopo Economic Development Agency
Mpumalanga	Mpumalanga Department of Economic development and Tourism

The CIPC's multi-channel strategy is geared towards availing customers of CIPC products and services on a 24/7 basis. **Table 21: Channels and Services Available 24/7** depicts CIPC channels and services that are available to customers on a 24/7 basis, as of the 31st of March 2023.

Table 21: Channels and Services Available 24/7

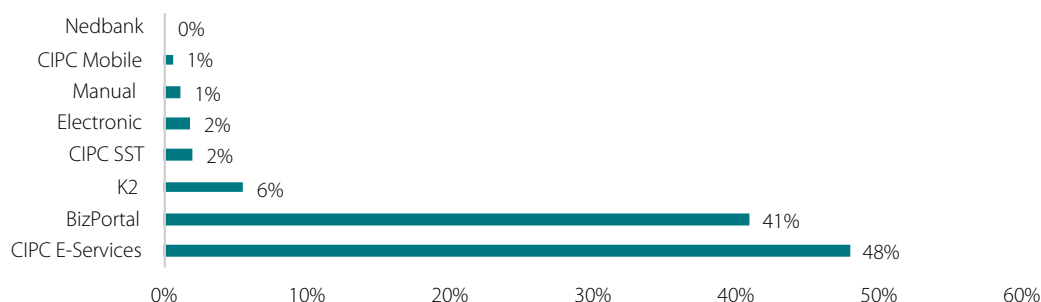
Channels available 24/7	Services available 24/7 per channel
1. CIPC Website	<ul style="list-style-type: none"> • Company registration • Company name reservation • Company and close corporation address changes Company and close corporation financial year end changes • Company name change • Company shares change • Annual Returns • Domain name registrations • BB-BEE certificate • XBRL Filing • Director amendment • Member amendment • Name transfer • Disclosure certificate • Auditor changes • Enterprise enquiry • MOI documents
2. CIPC Mobile App	<ul style="list-style-type: none"> • Company registration • Company name reservation • Annual Returns • BB-BEE certificate • Booking • Disclosure Certificates • Shopping Cart
3. BizPortal & Banks	<ul style="list-style-type: none"> • Company Registration • Company name reservation • Domain Name Registrations • BB-BEE certificate • Company and close corporation address changes • Company name change • Company and Close Corporation Annual Returns • SARS Service • Compensation Fund • UIF Registration

Channels available 24/7	Services available 24/7 per channel
4. SSTs (8hrs Monday to Friday)	<ul style="list-style-type: none"> • Company Registration • Company name Reservation • Company and close corporation address changes • BBBEE Certificates • Annual Returns • Amend Company Director Details • Amend CC Member Details • Certificates and Disclosures • Enterprise Enquiry • Name Changes • Customer Transactions • Name Transfer • Domain Registration • Beneficial Ownership Filing • Compliance Checklist
5. Emails	<ul style="list-style-type: none"> • Electronic Filing (Prospectus, Independent Review and Reportable Irregularity) • Company registration • Company-associated name reservation MOI Changes • Close corporation to company conversions • External company registrations • Merger and amalgamations • MOI Amendments • Company location of company record changes. • Voluntary deregistration • Voluntary and court order liquidations • Business Rescue Proceedings, Status reports, Substantial Implementations, Terminations and court orders relating to business rescue. • Company and close corporation reinstatements • Corporate Legal Filing – all corporate legal matters and enquiries.
6. Beneficial Ownership Disclosure	• Stand-alone Application for Enquiries by LEAs
7. K2 Workflow	• Finance Invoicing System
8. API Gateway	• Real-time access to companies and co-operative information

Channel Utilisation

Figure 33: Channel Utilisation – Company Registration Applications depicts the utilisation of CIPC channels for company registration applications

Figure 33: Channel Utilisation – Company Registration Applications



2.2 Organisational Environment

2.2.1 Governance and Compliance

Policies

Table 22: Status of Policies as of 31 March 2024

Division	No of Policies	Due For Review	Up to Date	In Progress	New Policies
HR	16	11	1	1	3
BISG	10	6	3	1	0
Finance	9	9	0	0	0
Facilities and Security	4	4	0	0	0
Client Engagement	1	1	0	0	0
GRC	7	7	0	0	0
Strategy	4	2	0	2	0
Total	51	40	4	4	3

2.2.2 Anti-corruption

This section provides information and progress statistics on fraud and corruption-related complaints. It further outlines channels through which complaints were received and gives a summary of the nature of allegations received in 2023/24, as well as in previous years.

Allegations Received

Table 23: Number of Allegations Received

Opening Balance	Adjustment	Adjusted Opening Balance	Calls Logged	Feedback Requests Additional Info	Resolved	Balance
Quarter 1						
171	107	64	49	(2)	(15)	96
Quarter 2						
96	0	96	72	(2)	(81)	85
Quarter 3						
85	-	85	47	(6)	(78)	48
Quarter 4						
48	-	48	77	(4)	(82)	39

The opening balance at the beginning of 2023/24 was adjusted downward after taking into consideration factors which influence the likelihood of resolution of a complaint. Some of the factors considered included:

- Long outstanding complaints - (more than 6 months) with no progress and/or without contact from the complainant.
- Lack of information – no information has been received from the complainant for more than two months.
- Unavailability - complainants no longer reachable.

The adjustment ensures that only necessary resources are employed towards the resolution of complaints in an adequate and efficient manner.

There has been a notable improvement in resolving complaints during the period under review, attributed to the allocation of a dedicated resource to handle complaints. The strategy involves optimising resource utilisation and holding regular engagements to discuss case progress and address challenges. However, the inability to anticipate incoming volumes and the complexity of allegations remain issues in the investigation process.

The hybrid model for resource allocation in complaint handling and investigation is being enhanced. This includes utilising both internal and external resources and initiatives such as staff secondment from other divisions and appointing interns. This strategy has yielded the following benefits:

- Decreased backlog
- Fewer feedback requests
- Increased response rate to requests for evidence from affected parties
- Faster implementation of recommended actions from investigations

Status of Open Cases

Table 24: Status of Open Cases

	Total	Under Investigation	Pending Investigation
Quarter 1	96	(21)	75
Quarter 2	85	(44)	41
Quarter 3	48	(24)	24
Quarter 4	39	(14)	25

The total number of open cases during the 2023/24 period decreases significantly between Quarter 1 and Quarter 2 while, simultaneously, the number of pending investigations rose between Quarter 1 and Quarter 2 as well. Complaints were recorded at different stages of the complaint resolution process. Furthermore, based on internal assessments and analysis, some of the matters under investigation were referred to external service providers for investigation. There is clearly a backlog of investigations which requires urgent attention if feedback requests are to be minimised.

Reporting Channels

The hotline appears to constitute the preferred channel of reporting, presumably because it provides an option for anonymity. Internally, the utilisation of the hotline has been useful in that it has provided an adequate audit trail of all complaints received. Such controls help build trust and confidence in the system.

Table 25: Fraud and Corruption Reporting Channels

Channel		Received Cases				
		Q1	Q2	Q3	Q4	Total
1	Hotline	32	60	41	72	205
2	Emails	17	12	6	5	40
Total		49	17	47	73	186

Nature of Cases

Table 26: Nature of Fraud and Corruption Cases, Annual and 2023/24 Quarterly Comparison

Nature of Cases		2020/21		2021/22		2022/23		2023/24	
		No	%	No	%	No	%	No	%
1	Fraudulent removal or addition of directors	111	30%	118	41%	65	27%	80	32%
2	Misuse of client's accounts	22	6%	6	2%	12	5%	8	3%
3	Essential services certificates complaints	42	11%	1	0%	0	0%	0	0%
4	Fraudulent use of customer details to register a company	0	0%	0	0%	75	31%	64	25%
5	Implicating CIPC employees	7	2%	4	1%	1	0%	2	1%
6	Other: general category	76	20%	77	27%	61	25%	40	16%
7	Other: Feedback request/ additional information	114	31%	84	29%	30	12%	19	8%
Total		372	100%	290	100%	244	100%	251	100%

In 2023/24, the majority of cases related to fraudulent use of customer details to register a company and fraudulent removal or addition of directors. Based on the analysis conducted, the change of contact details precedes the actual removal of directors in most instances.

Fraudulent/unauthorised director changes are often lodged by third parties claiming to be associated with the CIPC. In the financial year under review, the CIPC has implemented a new Director Amendments process that aims to curb fraudulent director changes through the use of one-time-pins (OTPs) to verify the identities of directors. This new process adds a layer of security, ensuring that only verified individuals can make amendments to directorial information. It is anticipated that this added layer of security will significantly decrease the trend in the fraudulent removal and addition of directors.

Emerging Risk - Investigations

During the course of some of the above-mentioned investigations, it emerged that there seems to be a coordinated effort on behalf of an unnamed syndicate to fraudulently remove directors and/or make changes to entities on the CIPC register. The intention behind these changes is to process fraudulent transactions in other states and on behalf of private entities which rely on CIPC generated documents. By employing a collaborative approach, the CIPC continues to put additional controls in place to limit the chances of such threats or risks resulting in material effects.

Annual Case Statistics

Table 27: Annual Case Statistics

Cases	2021/22	2022/23	2023/24
Opening balance	41	95	171
Received	290	244	Not Available at the time of Reporting
Feedback request and/or additional information submission	89	(30)	(14)
Actual Cases	201	214	Not Available at the time of Reporting
Resolved	(106)	(138)	(256)
Resolved Internally	81	123	Not Available at the time of Reporting
Resolved Externally	25	15	
Pending cases:	136	171	39
Channels			
Hotline	265	200	205
Emails	25	44	40

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