



Companies and Intellectual
Property Commission

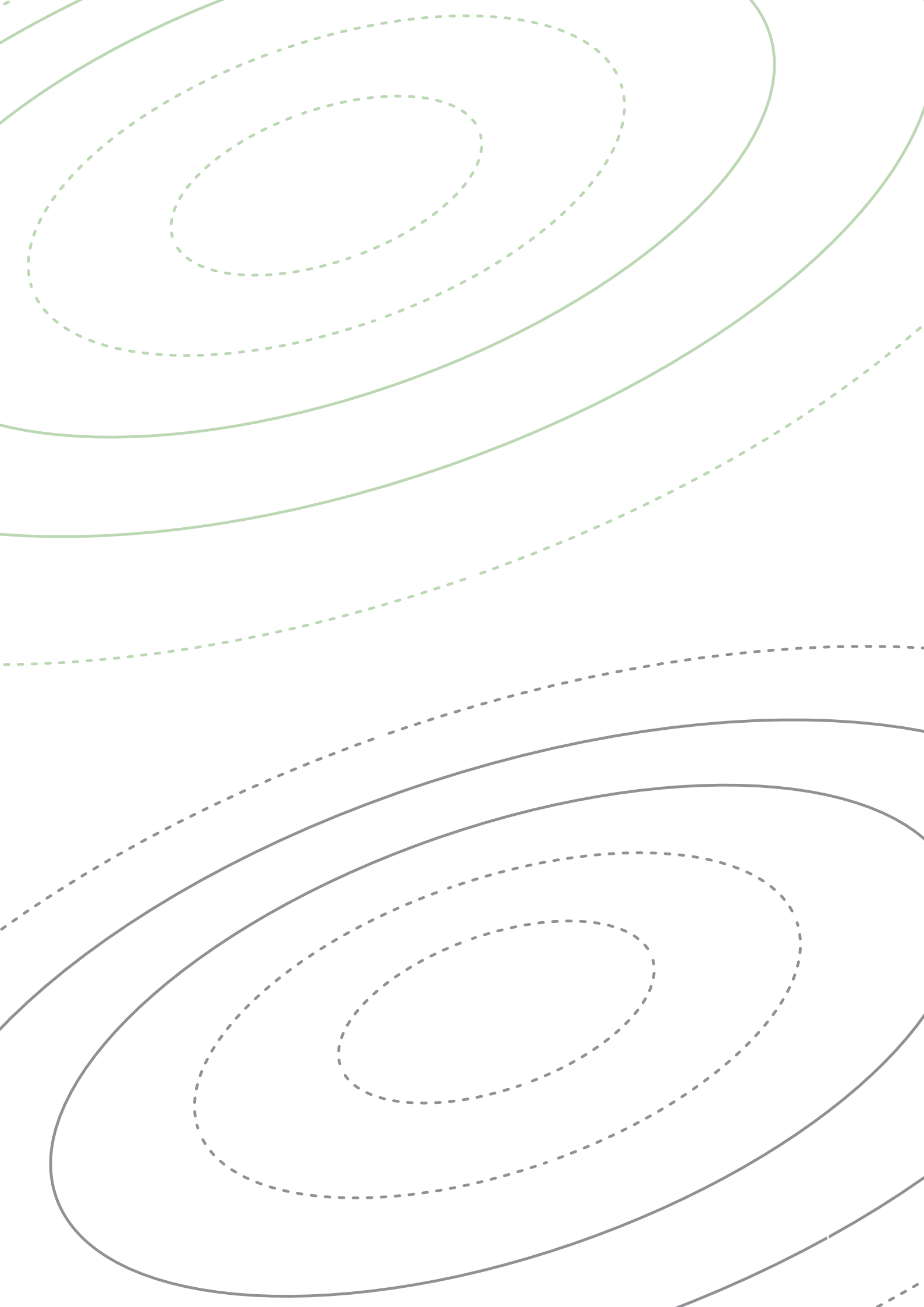
a member of **the dtic** group

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

STRATEGIC PLAN

2019/20 - 2023/24





PUBLIC ENTITY'S GENERAL INFORMATION

Registered name of the public entity

Companies and Intellectual Property Commission

Registration Numbers

Not applicable

Registered Office address

the dti campus (Block F - Entfufukweni)
77 Meintjies Street
Sunnyside
Pretoria

Postal Address

P.O. Box 429
Pretoria
0001

Contact telephone numbers

+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

Bankers Information

ABSA
PO Box 4210
Pretoria
0001

Company Secretary

The CIPC does not have a Company Secretary

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ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
AFS	Annual Financial Statements
AR	Annual Returns
AFS	Annual Financial Statements
BEE	Black Economic Empowerment
BR	Business Rescue
CA	Chartered Accountants
CC	Close Corporation
CIPC	Companies and Intellectual Property Commission
Co	Company
DB	Doing Business
DST	Department of Science and Technology
FSCA	Financial Sector Conduct Authority
GCI	Global Competitiveness Index
ICT	Information, Communication and Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IT	Information Technology
JSE	Johannesburg Stock Exchange
MOI	Memorandum of Incorporation
MP	Member of Parliament
NIS	National Innovation System
RIs	Reportable Irregularities
SCM	Supply Chain Management
SOE	State Owned Enterprises
SST	Self-service terminals
the dti	The Department of Trade and Industry
the dtic	The Department of Trade, Industry and Competition
WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language

EXECUTIVE AUTHORITY STATEMENT

The Public Finance Management Act requires that every public entity prepares a Strategic Plan setting out the overall strategy for the 5 year period covering the state's Medium-term Strategic Framework (MTSF). Every year, an Annual Performance Plan (APP) is prepared, which converts the overall strategy to key annual targets. These documents are then provided for approval to the Executive Authority and budgets are aligned to these plans.

The **Companies and Intellectual Property Commission (CIPC)** has prepared its **Strategic Plan 2019-2024**, which I now submit to Parliament, as required by the legislation.

This is the first **Strategic Plan** prepared in the 6th Administration by the **CIPC**. I have requested that all entity Strategic Plans and Annual Performance Plans be aligned to the MTSF, which incorporates the work to develop and implement National Sector Masterplans, as well as the trade reforms, investment and transformation work of the Department.

Once the revised MTSF has been signed off, we will review the Strategic Plan and Annual Performance Plan of the entity and align it accordingly. The Strategic Plan and Annual Performance Plan may further need to be aligned to Government's response to the COVID-19 pandemic, both during the period of the national disaster declared by President Ramaphosa, and thereafter as we adapt to the new economic reality. Should adjustments be made, a revised Plan will be submitted to Parliament.



Ebrahim Patel
Minister of Trade, Industry And Competition

Date: 2020/04/20

ACCOUNTING OFFICER STATEMENT

I present the 2019/20 – 2023/24 CIPC Strategic Plan that outlines how the CIPC as a regulator will continue to give effect to its mandate as derived from the shareholders compact with **the dtic** and the Companies Act, 2008 (as amended), by which it was established.

The CIPC's focus during this period is on giving effect to the fourth industrial revolution which not only has embedded in its nature the automation of repetitive tasks, but to enhance the work of the CIPC by giving more meaning to tasks. A greater regulatory role has been unfolding in recent years and it will continue to do so as processing work will consume less time and in-depth application of the corporate and IP legislation will form the basis of the work done by CIPC.

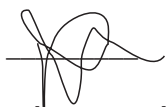
An opportunity exists for greater scrutiny of the compliance aspects of company registration and amendment services as well as additional services in the IP domains. Already the automated submission of financial statements through the introduction of eXtensible Business Reporting Language (XBRL), put CIPC in a position to exercise a greater role in surveillance of market conduct and the early detection of irregularities in terms of compliance with the Companies Act, 2008 (Act No. 71 of 2008). This role will further expand as additional phases of this functionality will be introduced.

Similarly, the organisation will focus on enhanced virtual education and awareness interventions as its observations of the customer interaction channels indicate a limited understanding of the legislative requirements of running and maintaining a business.

In the IP space, the focus is on enhanced systems to simplify interaction with the CIPC and to continue with the protection of IP rights. Substantive examination of patents remains a key priority and a group of people have been trained to perform this function once the legislative framework is in place.

Underpinning all these interventions is the objective of making it easier to do business in South Africa. Through collaboration with other organisations, continuing to invest in its technology and its people, the CIPC will live its value of passion for service by working towards South Africa becoming one of the nations considered to be the most accessible in starting a business without compromising the regulatory aspects that accompany the rights to owning a business.

We are confident that we will implement this plan as a committed team of people are aligned behind the organisational strategy.



Adv. Rory Voller
CIPC Commissioner

Date: 2020/02/26

ORGANISATIONAL STRUCTURE



Adv. Rory Voller
CIPC Commissioner



Vacant
Deputy Commissioner



Mr. Lungile Dukwana
Chief Strategy Executive



Mr. Mpho Mathose
Chief Audit Executive



Ms. Bathabile Kapumha
Divisional Manager: Compliance,
Risk and Governance



Adv. Rory Voller
Acting Executive Manager:
Business Regulation
and Reputation



Ms. Nomonde Maimela
Executive Manager:
Innovations
and Creativity



Mr. Andre Kritzinger
Executive Manager:
Business Intelligence
and Systems



Ms. Hamida Fakira
Executive Manager:
Corporate Services




Mr. Muhammed Jasat
Chief Financial
Officer

OFFICIAL SIGN-OFF


It is hereby certified that this Strategic Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Commissioner, Adv. Rory Voller.
- Takes into account all the relevant policies, legislation and other mandates for which the CIPC is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the CIPC will endeavour to achieve over the period 2019/20 – 2023/24

Programme 1: Service Delivery Access


Signature: 
Ms Hamida Fakira, Executive Manager:
Corporate Services

Date: 2020/02/26

Signature: 
Mr Andre Kritzing, Executive Manager:
Business Information Systems


Date: 2020/02/26

Programme 2: Innovation and Creativity

Signature: 
Ms Nomonde Maimela, Executive Manager:
Innovation and Creativity

Date: 2020/02/26

Programme 3: Business Regulation and Reputation

Signature: 
Adv. Rory Voller, Acting Executive Manager:
Business Regulation and Reputation

Date: 2020/02/26

Signature: 
Mr Muhammed Jasat, Chief Financial Officer

Date: 2020/02/26

Signature: 
Mr Lungile Dikwana, Chief Strategy Executive

Date: 2020/02/26

Signature: 
Adv. Rory Voller, Commissioner: CIPC
(Accounting Officer)

Date: 2020/02/26

Approved by:

Signature: 
Mr Ebrahim Patel, Minister of Trade, Industry
and Competition

Date: 2020/04/20

Part A: OUR MANDATE



1. Constitutional mandate

Chapter and Section	Provision
<i>Chapter 2: Bill of Rights</i>	
Access to information: Section 32.	<p>(1) Everyone has the right of access to—</p> <p>(a) any information held by the state; and</p> <p>(b) any information that is held by another person and that is required for the exercise or protection of any rights.</p> <p>(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.</p>
Just administrative action: Section 33	<p>(1) Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.</p> <p>(2) Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.</p> <p>(3) National legislation must be enacted to give effect to these rights, and must—</p> <p>Chapter 2: Bill of Rights 14</p> <p>(a) provide for the review of administrative action by a court or, where appropriate, an independent and impartial tribunal;</p> <p>(b) impose a duty on the state to give effect to the rights in subsections (1) and (2); and</p> <p>(c) promote an efficient administration.</p>

2. Legislative and policy mandates

2.1 Legislative mandates

The legislative mandate and objectives of the CIPC is provided in Section 186 and 187 of the Companies Act, 2008 (No. 71 of 2008). The table below provides a summary of all key legislation that the CIPC is mandated to implement.

Legislation	Mandate
Companies Act, No. 71 of 2008	<p>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.</p> <p>Enforce the Companies Act, 2008 to promote voluntary resolution of disputes arising this Act between companies and directors or shareholders as contemplated in Part C of Chapter 7, monitor the proper compliance with the Act, receiving or initiating complaints concerning alleged contravention of this Act, evaluating such complaints, and initiating investigations into complaints.</p>

Legislation	Mandate
Close Corporations Act, No. 69 of 1984	Maintain data, regulate governance of and disclosure by close corporations
Co-operatives Act, No. 14 of 2005	Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives
Co-operatives Amendment Act, No. 6 of 2013	The Co-operatives Amendment Act 6 of 2013 aims;to amend the Co-operatives Act, 2005, so as: to provide for the substitution and addition of certain definitions;to provide for associate membership of co-operatives;to provide for categories of primary co-operatives;to provide for the national apex co-operative;to provide for the annual submission of information to the registrar;to amend the accounting practices and requirements for cooperatives by providing for audit and independent review of co-operatives;to provide for the payment of fees by co-operatives for the amalgamation, division, conversion or transfer of co-operatives;to provide for the voluntary winding-up of co-operatives by special resolution;to provide for the registrar to apply for a declaratory order in respect of the liquidation process.
Share Block Control Act, No. 59 of 1980	Regulate conduct and disclosure by share block schemes
Consumer Protection Act, No. 68 of 2008	Register business names
Trade Marks Act, No. 194 of 1993	Register trade marks, maintain data, resolve disputes
Merchandise Marks Act, No. 17 of 1941 (Unauthorized Use of State Emblems Act, No. 37 of 1961)	Prevent and enforce the unauthorized use of state emblems
Patents Act, No. 57 of 1978	Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents
Designs Act, No. 195 of 1993	Register designs, maintain data, resolve disputes
Copyright Act, No. 98 of 1978	Provide non-binding advice to the public
Registration of Cinematography Films Act, No. 62 of 1977	Register films, maintain data
Performers Protection Act, No. 11 of 1967	Accredit Collecting Societies; regulate their governance, conduct and disclosure
Counterfeit Goods Act, No. 37 of 1997	Conduct and co-ordinate search and seizure operations, oversee depots

2.2 Policy mandates and strategies

Apart from the 15 pieces of legislation that the CIPC is responsible for administering, the CIPC also derives its policy mandate from the policies of its responsible department, the Department of Trade, Industry and Competition (**the dtic**). The key policies and strategies of **the dtic** relevant to the CIPC are as follows:

Table 1: Key policies and strategies of the dtic

the dtic policies relevant to CIPC	Summary of Policy
the dtic Medium Term Strategic Plan	To promote structural transformation, towards a dynamic industrial and globally competitive economy and to broaden participation in the economy to strengthen economic development.
Industrial Policy Action Plan 2018/19 – 2020/21 (IPAP)	To facilitate diversification by promoting increase value-addition per capita and intensification of South Africa's industrialization process.
Strategy on the Promotion of Entrepreneurship and Small Enterprise	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.
Corporate Law Reform Policy	To promote growth, employment, innovation, stability, good governance, confidence in the South African business environment, as well as increase international competitiveness.
Co-operatives Development Policy for South Africa	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 co-operatives.
Integrated Strategy for the Development and Promotion of Co-operatives	To grow all forms and types of co-operatives and the co-operatives movement, as well as increase its contribution to the country's GDP growth rate, economic transformation and social impact.

2.3 International Treaties and Agreements

South Africa is a member of various international treaties and agreements in a number of important areas of the economy; such as trade, development, environment and many more. The CIPC is responsible for ensuring compliance with South Africa's obligations in terms of these Treaties or Agreements for several of these, which are summarized in the table below:

Table 2: International Treaties and Agreements

Treaties and Agreements	Summary of Policy
Paris Convention for the Protection of Industrial Property	The Paris Convention, adopted in 1883, applies to industrial property in the widest sense, including: patents, trade marks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition. This international agreement was the first major step taken to help creators ensure that their intellectual works were protected in other countries. South Africa's accession to the Paris Convention was in October 1947.
Patent Co-operation Treaty	The Patent Co-operation treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva. South Africa's accession to the treaty was in December 1998.
Berne Convention for the Protection of Literary and Artistic Works	Adopted in 1886, deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters etc. with the means to control how their works are used, by whom, and on what terms. It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. South Africa's accession to the treaty was in October 1928.

Treaties and Agreements	Summary of Policy
Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure	Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process: microorganisms. All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. In practice, this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists.
TRIPs Agreement	The TRIPs Agreement is an international legal agreement between all the member nations of the World Trade Organization (WTO). It sets down minimum standards for the regulation by national governments of many forms of intellectual property (IP) as applied to nationals of other WTO member nations. It stems from the desire to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. South Africa deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 23 February 2016.

3. Institutional Policies and Strategies over the five year planning period

3.1 Distribution channels - Collaboration and strategic partnerships

The CIPC has a multi-channel strategy for distribution of its services, realised through collaboration and partnerships.

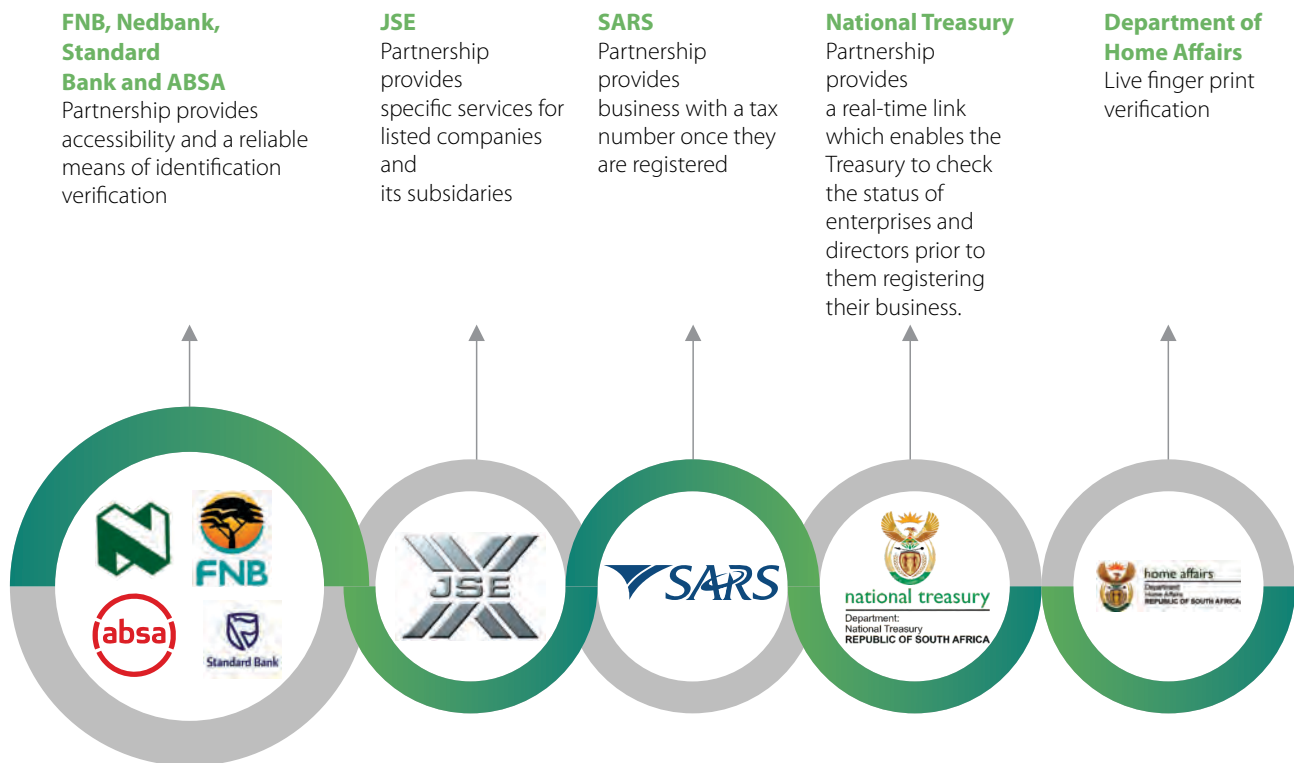
Multiple channels including e-Services (Website), CIPC Mobile App, Biz Portal, Self-Service Terminals, Self-Service Centres and Banks. This provides for ease in transacting and accessing the CIPC services throughout the country. From the start, the CIPC aimed to reduce regulatory burdens and indirect costs for customers, while simultaneously adding value to the customers' experience. This premise encouraged the CIPC to explore alternative access channels and partners. The partnership model has had a significantly positive impact on the turnaround times on registrations and has taken CIPC forward in pursuing its goal of creating a 'one stop' shop, with minimum touch points.

The company registrations are filed and processed through the bank channel, as well as offering a wide range of CIPC products and services including company registration, name reservation, payment integration and B-BBEE certificate application. Banks are specifically selected as they have an extensive branch network and online functionality which is internationally accessible, in addition to this, they provide a reliable identification verification.

In an attempt to differentiate its services for different target markets, the CIPC launched an office in partnership with the JSE. This office provides specific services for listed companies and its subsidiaries, i.e. director and company amendments, advisory services and real-time company registration services (through SST). In its efforts to continue providing value-added services, the CIPC also partnered with SARS to offer a tax number when an enterprise is registered.

The partnership between CIPC and the National Treasury provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering the business on the Central Supplier Database. This has resulted in entrepreneurs' deriving cost and time saving benefits as they now only have to register once on the Central Supplier Database, and not register with individual entities and departments.

Below are examples of CIPC partnerships:



3.2 Automation And Digitization

The CIPC has made drastic improvement in the level of automation and modernization of the organisation. Automation as led to the CIPC's registration systems being faster, more cost effective, enhanced data integrity, information security, registration system transparency and verification of business compliance. The CIPC has ventured into automation of their processes over the past five years, and have made significant strides in achieving automation targets with 24% of processes automated.

An ICT-led registration system is crucial for both the virtual and physical One-Stop-Shops. Physical shops can deliver services faster and more efficiently by using ICT for the back-office workflows. ICT can also play an essential role in developing integrated systems.

3.3 Third Party Model

Over the 2016/2017 financial year, CIPC introduced a new distribution model known as the Third-Party Model. This delivery model permits identified CIPC transactions using the Department of Home Affairs biometric authentication. While this distribution channel is new, it has made positive progress in becoming a key channel of access for the CIPC. In the short year since implementation, the third-party model has managed to register 530 third party partners, with approximately 108 partners currently active and have achieved approximately 4881 company registrations. The Third Party Model has been discontinued since 2019/20.

3.4 Standardised incorporation documents

The Companies Act, No. 71 of 2008, as amended, has since replaced the Memorandum and Articles of Association with a single MOI. Since the inception of the CIPC, the number of company registrations has been climbing annually. A contributing factor to the steady increase may be attributed to the introduction of the single, more user-friendly MOI. The new MOI has simplified the registration process for the CIPC's customers and thus made company registration a more accessible option.

Standard incorporation documents enable a number of key benefits, including:

- Enabling entrepreneurs to ensure legality without having to resort to notaries and lawyers;
- The cost of applying through a lawyer is eliminated;
- Decreases the cost burden for the commission as the processing of applications is more efficient;
- Easing the workload at the commissions or registries; and
- Assisting in preventing errors and expediting the registration time.

The move towards a single standardized incorporation document is one which the mature economies subscribe to, and is a principle which the CIPC has implemented.

3.5 Registration and administrative process

Company registration is an administrative matter, and not a judicial one. Involving courts in the registration process may take an entrepreneur, on average, 70% more time than if it were an administrative process. The CIPC is in alignment with this international practice as there is no requirement to register a company using the court system or a notary in South Africa. South Africa has always implemented the company registration process as an administrative process and not a legal process. It is, and always has been optional to involve a notary in the process and not a mandatory requirement by the Commission.

3.6 Financial Sustainability

The CIPC is funded purely by fees collected from registration services and annual returns. The CIPC have been able to maintain financial self-sustainability, however the future financial sustainability needs to be assessed given the role of the CIPC within government. Research has shown that a Government entity which is self-sustainable is one of the major keys in creating economic development and social value for the citizens of the country.

3.7 Capital Requirement for Start-Ups

Start-up capital is often very limited for SMEs, especially in developing nations such as South Africa, and the minimum capital requirement places constraints on the growth potential of businesses, and often time worsens the resource constraint. Essentially, the capital constraints undercut entrepreneurship in South Africa and globally.

The CIPC is aligned to the best practice of elimination of minimum capital requirements. This has the potential to foster formal economic participation by small and medium enterprises.

4. Relevant Court Rulings

Not applicable.

Part B: OUR STRATEGIC FOCUS



5. Vision

To be a reputable world class regulator of business entities and intellectual property

6. Mission

In partnership with others, we make it easy and attractive to do business in South Africa.

7. 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 recognize 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.

8. Situational Analysis

8.1 External Environment Analysis

8.1.1 Economic outlook

According to the October 2019 World Economic Outlook (WOE) update, the world economic growth was expected to be 3.0 percent and 3.4 percent in 2019 and 2020 respectively, its lowest since 2008-09, and 0.3 percent down from the April 2019 WOE. Growth for advanced economies was projected to be 1.7 percent in 2019 and 2020, and for emerging markets and developing economies, it was projected to be 3.9 percent in 2019, and 4.6 percent in 2020.

In the Sub-Saharan Africa region, growth is projected at 3.2 percent in 2019 and 3.6 percent in 2020. In addition to being impacted by global issues, the region grapples with weakening external demand, supply disruptions, elevated policy uncertainty, and rising public debt, and the resulting high interest on debt. Projections are worse for South Africa, with its growth projected at 0.7 percent in 2019 and 1.1 percent in 2020 and growth is expected to be even more subdued because of policy uncertainty, the impact of strike activity and the consequences of power load shedding, weak agricultural production and public debt increases. Public entities, and regulators in particular, such as the CIPC, are therefore required to be most effective in their enabling role in the economy. Furthermore, the South African official unemployment rate was 29 percent in the second quarter of 2019. South Africa has a high incidence of poverty as well as the highest GINI coefficient in the world highlighting the stark economic inequalities in the country.

8.1.2 Global Ranking

Although improved from 67th in 2018 to the 60th place in the 2019 Global Competitiveness Index (GCI) 4.0, South Africa remained at 82nd in both years in the 2019 Doing Business (DB) report. South Africa's ranking had improved from 69th in 2018 to the 55th place in 2019 in the institutions pillar, dropped from 56th to 60th in terms of business dynamism, and remained 46th in terms of innovation capability. Except for reducing regulation burden, which has drastically gone from bad 84th to worse 101st, the indicators showed that South Africa improved its competitiveness.

Global Competitiveness Index 4.0 South Africa Ranking		
Pillar/Component	2018 Ranking --/140 (Progress score)	2019 Ranking --/141 (Progress score)
Overall	67th (60.8)	60th (62.4)
Institution	69th (54)	55th (57.1)
• Public sector performance	(Median score 45) Country ranking not available	39th (59.3)
- Burden of government regulation	84th (37.4)	101st (36.6)
- Efficiency of legal framework in settling disputes	40th (42.3)	31st (59.3)
- E-Participation	38th (84.8)	38th (84.8)
• Future orientation of government	102nd, (36.5)	51st (59.0)
- Government ensuring policy stability	-	108th (38.6)
- Government's responsiveness to change	-	108th (38.6)
- Legal framework's adaptability to digital business models	-	108th (38.6)
- Government long term vision	-	78th (44.3)
• Property rights	-	67th (54.2)
- Property rights	97th (49.2)	89th (51.5)
- Intellectual property protection	60th (56.0)	46th (61.1)
• Corporate governance	-	26th (75.3)
- Strength of reporting and auditing standard	55th (64.6)	49th (67.5)
- Shareholder governance	56th (60.0)	37th (67.0)
Business dynamism	56th (61)	60th (69.1)
• Administrative requirements	-	82nd (67.3)
- Cost of starting a business	2nd (99.9)	4th (99.9)
- Time to start a business	128th (55.3)	129th (60.3)
- Insolvency regulatory framework	24th (78.1)	38th (71.9)
- Insolvency recovery rate	77th (37.0)	78th (37.1)
Innovation capability	46th (43.3)	46th (45.2)

Global Competitiveness Index 4.0 South Africa Ranking		
Pillar/Component	2018 Ranking --/140 (Progress score)	2019 Ranking --/141 (Progress score)
• Interaction and diversity	-	44th (46.0)
- International co-inventions	58th (9.9)	65th (8.4)
- Multi-stakeholder collaboration	-	39th (52.6)
• Research and development	-	44th (38.4)
- Patent applications	50th (26.6)	51st (25.6)
• Commercialisation	-	64th (57.1)
- Trade marks applications	58th (67.6)	73rd (67.0)

Doing Business Ranking		
Area/Indicator	2018 Ranking --/190 (Score 0 - 100)	2019 Ranking --/190 (Score 0 - 100)
Overall	82nd (64.89)	82nd (66.03)
Starting a business	136th (79.97)	134th (81.2)
Protecting minority investors	24th (70.0)	23rd (73.23)
Resolving insolvency	55th (57.9)	66th (54.49)

8.2 Internal Environment Analysis

8.2.1 Continuous improvements

The focus of the organisation is now more on its regulatory role. The investment made by the organisation over the past seven years in process improvements and emphasis on simplifying registration and related services in the companies and IP space, has started yielding results, therefore strengthen the regulatory role.

CIPC consistently registers companies within an average turnaround time of one day and co-operatives in two days. Related company maintenance services are equally efficient with most services being available through multiple channels.

The introduction of an electronic financial reporting language, eXtensible Business Reporting Language (XBRL), is an important achievement for the organisation and the country. The main purpose of this tool (which enables the electronic submission of financial statements), is to allow for greater transparency into corporate conduct as outlined in the Companies Act, 71 of 2008 (as amended). The market response to this technology has been positive with over 7500 eligible companies having submitted its financial statements since the launch of XBRL. This also resulted in CIPC introducing measures to encourage businesses to submit annual financial statements (AFS) and Financial Accountability Supplements (FAS) before filing annual returns. The latter is a measure to monitor economic activity and have a relevant updated registry.

8.2.2 Compliance and enforcement

In the enforcement environment CIPC has placed significant emphasis on the conduct of state-owned enterprises as well as listed entities to ensure greater compliance through governance. The necessary action is taken as and when required.

Complaints relating to Companies may be filed in writing with the Companies and Intellectual Property Commission (CIPC), upon receiving a complaint, the CIPC may resolve: (i) not to investigate, (ii) to refer it to the Companies Tribunal or Accredited Agency or other appropriate regulatory authority or (iii) to direct an investigator or inspector to investigate.

After receiving an investigation report the Commission may:

- (i) excuse a respondent,
- (ii) refer the complaint to the Companies Tribunal;
- (iii) issue a notice of non-referral to complainant, advising the complainant of any rights to seek a remedy in court;
- (iv) propose that the complainant and any affected person meet with the Commission or with the Tribunal, to resolve matter by consent order;
- (v) 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;
- (vi) refer the matter to the NPA, or other regulatory authority, if Commission alleges that a person has committed an offence in terms of this Act or any other legislation; or (vii) issue a compliance notice in terms of section 171.

8.2.3 International participation

The organisation plays an active role in a number of international forums related to corporate registers and in the Intellectual Property Space. To this end, CIPC serves on the executive of the Global Corporate Registers Forum and has been elected to serve on the International Trade Marks Association (INTA). It provides an opportunity for South Africa to make relevant input into the protection of IP rights, particularly of trade mark holders at an international stage.

In line with international best practice, and as a member of WIPO, CIPC is actively pursuing automating the IP regime using systems that are made available to WIPO members.

CIPC co-hosted the BRICS Examiner training in February 2019 where trainees for substantive examination of patents received further training. This was well received by all concerned. A focal point meeting was held in March 2019 in preparation for the BRICS Heads of IP meeting that was held in April 2019.

8.2.4 National collaboration

The Inter-Governmental Enforcement Committee's (IGEC) meeting was hosted by CIPC. The objective of the meeting was to discuss strategic approaches to IP rights enforcement in South Africa. A number of workshops and meetings were held with all the enforcement agencies on IP enforcement including copyright enforcement.

In 2018/19 reporting period, Cabinet approved the first phase of the draft IP Policy of the Republic of South Africa, which seeks to provide a national IP system that is cognisant of other government priorities and to provide a co-ordinated approach on IP matters by government departments and other organs of state. The IP Policy additionally aims to provide a balanced approach between preserving the rights of creators of IP on the one hand, and providing access to knowledge, technology transfer and safe affordable medicines for the benefit of all South Africans.

8.2.5 Substantive Search and Examination

One of the key policy instruments emanating from the IP Policy is the envisaged introduction of 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, twenty(20) patent searchers were recruited and trained as part of Phase one. Phase two (2) commenced in 2018/19 with the recruitment of thirty (30) interns to train on substantive examination of Patents.

8.2.6 Digitisation

Digitisation remains key for CIPC and in preparation for the Fourth (4th) Industrial Revolution. A mobile application was launched with basic services as the first phase. Similarly, work is continuing to ensure appropriate IT technology is procured as the organisation is embracing the opportunities of a digital society. The CIPC continued with the stabilisation of its IT systems through investment in improved IT infrastructure and this led to improved functionality and enhanced security. The organisation will continue to invest in modernising its infrastructure in the five-year strategic period.

8.2.7 Financial sustainability

For the period 01 April 2018 to 31 March 2019, a total revenue of R 508.4 million was generated from business activities related to submission of Annual Returns and registrations of companies, patents, designs and trademarks. Revenue generated from other income amounted to R 7.8 million. This is comprised mainly of recognition as revenue of customer deposit balances older than three years, amounting to R 6 million, and other sundry income. Interest of R 50.7 million was earned on the Corporation for Public Deposits (CPD) investment at the South Africa Reserve Bank (SARB) and other related accounts.

It is expected that the CIPC will generate sufficient revenue over the short-to medium-term to sustain its operational activities and to improve its efficiencies in rendering and maintaining quality services, as set out in the Companies Act, 2008 (No. 71 of 2008). If the CIPC is to remain financially sustainable, and to cover the annual cost increase in service delivery, annual adjustment of fees will be required. In this regard, National Treasury (NT) approved a fee increase for the CIPC. These increases will be implemented after due legal processes are completed. During the previous year, NT approved a five-year financial sustainability analysis which confirmed that funds will be available to achieve the future organisational objectives.

In May 2019, the entity transferred R 240 million accumulated surplus to NT, resulting in a substantial decrease in interest revenue. This will have an impact on revenue going forward and it is therefore necessary for the entity to implement fee increases to remain financially sustainable. The entity envisaged implementing these increases during 2019/20 financial year.

The 2019/20 - 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) for the CIPC was submitted to **the dtic** and NT, in accordance with the Public Finance Management Act (PFMA), 1999 (No. 1 of 1999). The main cost drivers for CIPC as a service organisation relate to employee remuneration, information technology services, office accommodation and service delivery enhancement projects. The remuneration of staff remains the most substantial expense, amounting to R 325 million (67%) of total operating expenditure in the 2018/2019 financial year.

As National Treasury has approved CIPC fee structure, this will make a significant contribution towards the long-term sustainability of the organisation. We are in the process of implementing the structure in the organisation. The digitisation of the organisation will assist in improving efficiencies, while addressing equitable allocation of human resources. Improvement in compliance with prescriptions for Annual Returns will be an added advantage for the organisation.

8.2.8 Organisation Design

In terms of aligning its workforce behind its strategy to become a relevant regulator in the future, the organisation is embarking on an organisational design process.

8.2.9 Organisational challenges

CIPC has limited capability to monitor the effects of modernisation. A number of interventions are put in place to address this. The ripple effect of modernisation is staff uncertainty in that their roles have changed and are continually changing as the organisation is preparing for a Fourth Industrial Revolution Organisation. The organisation is addressing these issues through a detailed organisational design process which commenced with extensive staff engagement sessions with all staff, organised labour and the Executive. Internal policies will be updated and where outstanding, drafted, once the organisational design process is completed.

Operational challenges in the business rescue space has resulted in CIPC seeking legal opinion from the State Attorney's Office which will give clarity on certain provisions of Chapter 6, Section 138 of the Companies Act.

CIPC is migrating the patent system to a system provided by WIPO to member organisations, and the migration of data has operational challenges which the organisation is mitigating. In this instance the current patent system service provider is uncooperative and CIPC is working with WIPO to address this issue.

CIPC invests significantly in the patent examiners and runs the risk of these highly qualified individuals being absorbed in the broader patent market.

The processes in trade marks, patents and design registration sections remains largely manual. There is an urgent need to automate all workflow processes to ensure an efficient and seamless operational system that supports implementation of substantial examination in patent applications. There is also a need to ensure examiners are provided with a conducive environment in which to work. The open plan office environment is not favourable for the type of work examiners will undertake, as they require a quiet environment where they can concentrate and focus on their work.

There has been low uptake of the use of Independent Review as a form of assurance, and the low levels of reporting by recognised Independent Review professionals/practitioners. All Accounting and Auditing Professional Bodies throughout the country were visited to explore ways to address these challenges. Webinar events will be organised to meet targeted audiences and address this challenge.

9. Alignment to the Medium Term Strategic Framework 2019-2024

MTSF Priority	MTSF Interventions	CIPC Outcome	CIPC Strategic Objective	CIPC Contribution to MTSF Priority
Priority 1: A capable, ethical and developmental state	Integrated Monitoring System for public sector accountability	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.	Adhere to compliance, governance, and reporting guidelines.
	Modernise service processes in the public sector.	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Strategic Objective 1.1: 24/7 access to all CIPC products and services. Strategic Objective 1.2: Timely delivery of all CIPC products and services.	CIPC will continue to invest in ICT assets <ul style="list-style-type: none"> To ensure multiple access channels to CIPC and other services promoting ease of doing business. To automate processes to improve speed at which CIPC and other services are delivered. To partner with government entities and private entities such as banks to innovate ways to provide easy access to CIPC and other integrated services.
	100% reduction of wasteful and fruitless expenditure in the public sector institutions.	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.	Monitor expenditure and ensure that adherence to correct procedures
	Improve financial management capability by implementing the Integrated Financial Management System in the public sector.	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.	Implement Integrated Financial Management System when guidelines are received.

MTSF Priority	MTSF Interventions	CIPC Outcome	CIPC Strategic Objective	CIPC Contribution to MTSF Priority and Outcomes
	Implement job competency framework for public sector by 2023 to build a professional public administration.	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Implement job competency framework when guidelines are received
Priority 2: Economic Transformation and Job Creation	Improve ease of doing business	Outcome 1: Reduced administrative compliance burden for companies and IP owners	<p>Strategic Objective 1.1: 24/7 access to all CIPC products and services.</p> <p>Strategic Objective 1.2: Timely delivery of all CIPC products and services.</p>	<p>CIPC will continue to invest in ICT assets</p> <ul style="list-style-type: none"> To ensure multiple access channels to CIPC and other services promoting ease of doing business. To automate processes to improve speed at which CIPC and other services are delivered. To partner with government entities and private entities such as banks to innovate ways to provide easy access to CIPC and other integrated services.
	Facilitate and support 200 000 functional small businesses and cooperatives by 2024.	Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa	Strategic Objective 2.1: Increased knowledge and awareness on Company and IP Laws.	<p>Automation of co-operatives registration and maintenance processes.</p> <p>Conduct education and awareness events for small business and cooperatives on opportunities and compliance with relevant legislation.</p> <p>Conduct media campaigns and exhibitions of CIPC services.</p>

MTSF Priority	MTSF Interventions	CIPC Outcome	CIPC Strategic Objective	CIPC Contribution to MTSF Priority and Outcomes
	Create 275 000 jobs per year through Job Summit Commitments, Operation Phakisa and other public sector employment programmes.	Outcome 1: Reduced administrative compliance burden for companies and IP owners Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa	Strategic Objective 1.1: 24/7 access to all CIPC products and services. Strategic Objective 1.2: Timely delivery of all CIPC products and services. Strategic Objective 2.1: Increased knowledge and awareness on Company and IP Laws.	Through reduction of an administrative burden and building a reputable business regulation and IP protection environment in SA, CIPC will indirectly contribute enterprise efficiencies and credibility resulting in sustainable and profitable business contributing job creation.
	Implement Presidential comprehensive youth employment interventions that absorb 1 million youth in NEET in employment by 2024.	Outcome 1: Reduced administrative compliance burden for companies and IP owners Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa	Strategic Objective 1.1: 24/7 access to all CIPC products and services. Strategic Objective 1.2: Timely delivery of all CIPC products and services. Strategic Objective 2.1: Increased knowledge and awareness on Company and IP Laws. Strategic Objective 2.2: Improved compliance with the Company and IP Laws	Through reduction of an administrative burden and building a reputable business regulation and IP protection environment in SA, CIPC will indirectly contribute enterprise efficiencies and credibility resulting in sustainable and profitable business contributing job creation.
	Expand government spend on women, youth and persons with disabilities through preferential procurement	Outcome 1: Reduced administrative compliance burden for companies and IP owners	Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.	CIPC to continue implementing preferential procurement from women, youth and persons with disabilities
Priority 3: Education, skills	N/A	N/A	N/A	N/A

MTSF Priority	MTSF Interventions	CIPC Outcome	CIPC Strategic Objective	CIPC Contribution to MTSF Priority and Outcomes
Priority 4: Consolidating the social wage through reliable and quality basic services	N/A	N/A	N/A	N/A
Priority 5: Spatial integration, human settlements and local government	Profile and support enterprise development in townships through financial incentives and other non-financial forms of support.	<p>Outcome 1: Reduced administrative compliance burden for companies and IP owners</p> <p>Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa</p>	<p>Strategic Objective 1.1: 24/7 access to all CIPC products and services.</p> <p>Strategic Objective 1.2: Timely delivery of all CIPC products and services.</p> <p>Strategic Objective 2.1: Increased knowledge and awareness on Company and IP Laws.</p> <p>Strategic Objective 2.2: Improved compliance with the Company and IP Laws</p>	To provide non-financial forms of support for enterprise development through easy and quick access to the CIPC services, as well as conducting education and awareness events, media campaigns, and exhibition on Company and IP laws and related opportunities.
Priority 6: Social cohesion and safe communities	N/A	N/A	N/A	N/A
Priority 7: A better Africa and world	80% of international standards domesticated, to improve the conditions for all South Africans.	<p>Outcome 1: Reduced administrative compliance burden for companies and IP owners</p> <p>Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa</p>	Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.	CIPC to continue to participate in international bodies such as WIPO, BRICS and Corporate Registrars Forum.

Part C: MEASURING OUR PERFORMANCE



10. Institutional Performance Information

10.1 Measuring the Impact

Impact statement (Outcome 1)

To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property to reduce the administrative compliance burden for companies and IP owners.

Impact statement (Outcome 2)

CIPC will ensure implementation and compliance with Company and IP Laws to create a reputable Business Regulation and IP Protection environment in South Africa.

10.2 Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five year target
Outcome1: Reduced administrative compliance burden for companies and IP owners	Time it takes to transact with the CIPC	<p>Channels and available products and services:</p> <p>Self-service centres 08:00 – 15:30 Company Registration, Annual Returns, Tax Number application, BEE certificate</p> <p>Call Centre 08:00 – 16:00 CIPC queries related to all products and services</p> <p>Partners 08:00 – 15:30 Company Registration</p> <p>Third Parties 08:00 – 15:30 Company Registration (discontinued)</p> <p>E-mail 24/7 Queries, Lodgements</p> <p>USSD 24/7 Queries related to company registrations and amendments (discontinued)</p>	Key capabilities for 24/7 access to all key CIPC products and services developed.

Outcome	Outcome Indicator	Baseline	Five year target
Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa	Key capabilities for compliance, monitoring and enforcement	XBRL Compliance monitoring and enforcement activities conducted throughout the country also in partnerships with professional associations and enforcement agencies.	Key compliance monitoring and enforcement capabilities developed.

10.3 Explanation of Planned Performance over the Five Year Planning Period

The following key issues must be covered in the narrative:

a) The contribution of outcomes towards the achievement of the NDP Five-Year Implementation Plan, the Monitoring Framework for the NDP Five Year Implementation Plan, the mandate of the institution and priorities of women, children and people with disabilities, provincial priorities (where applicable).

Outcome 1:

CIPC will develop and implement solutions that will reduce time our customers spend engaging in CIPC related activities, reducing their administrative compliance burden so that **"businesses and IP owners can focus on the business of doing business and creating IP"**. This will encourage entrepreneurship, enterprise development, and enterprise efficiency thus contributing to investment, competitiveness and employment creation.

Outcome 2:

Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, improved competitiveness with industrial development and employment creation.

b) The rationale for the choice of the outcome indicators relevant to the respective outcomes

Outcome Indicator 1 (Time taken to transact with CIPC):

This measure shows the extent of the compliance burden to the CIPC customers. The longer it takes to transact indicate that the customers are more burden by compliance activities.

Outcome Indicator 2 (Confidence in business regulation and IP protection environment):

This measure shows the extent to which CIPC regulatory efforts are successful. Higher confidence level indicates that SA business and IP protection environment is regulated well.

c) Explanation of enablers to achieve the five-year targets.

As indicated in previous sections, CIPC is investing in ICT to capture automation gains of increased speed in transacting with the CIPC, including compliance activities such as filling Annual Financial Statements and Annual Returns.

d) Explanation of the outcomes contribution to the achievement of the impact. **See (a) above.**

Outcome	Outcome Indicator	Baseline	Five year target
Outcome1: Reduced administrative compliance burden for companies and IP owners	Time it takes to transact with the CIPC	<p>Channels and available products and services:</p> <p>Self-service centres 08:00 – 15:30 Company Registration, Annual Returns, Tax Number application, BEE certificate</p> <p>Call Centre 08:00 – 16:00 CIPC queries related to all products and services</p> <p>Partners 08:00 – 15:30 Company Registration</p> <p>Third Parties 08:00 – 15:30 Company Registration (discontinued)</p> <p>E-mail 24/7 Queries, Lodgements</p> <p>USSD 24/7 Queries related to company registrations and amendments (discontinued)</p> <p>Website 24/7 Customer Registration, Name Search, Name Reservation, Company Registration</p> <p>CIPC Mobile App 24/7 Customer Registration, Password Reset, Name Reservation, Company Registration, Annual Returns</p> <p>Bizportal 24/7 Customer Registration, Name Reservation, Company Registration, Compensation Fund Registration, UIF, SARS Registration</p>	

11. Key risks

Outcome	Key Risks	Risk mitigation
Outcome 1: Reduced administrative compliance burden for companies and IP owners	Inadequate availability and accessibility of service channels	Improve availability and accessibility of service channels through system enhancement, and introduction of multiple channels.
Outcome 1: A reputable Business Regulation and IP Protection environment in South Africa	In effective and inefficient enforcement.	Collaboration with other enforcement agencies
		Implement additional training of law enforcement agencies on IP enforcement
		To provide formal inputs for legislative review to (the dtic)

Part D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)



12. Technical Indicator Descriptions

Indicator Title	Key capabilities 24/7 access
Definition	Key capabilities include: <ul style="list-style-type: none"> • ICT infrastructure, systems, and application • Capacity and skills • Channels
Source/collection of data	Management reports
Method of calculation/Assessment	Assess the appropriateness of infrastructure, system and applications; capacity and skills; as well as channels for 24/7 access to CIPC data, information and other services.
Assumption	Funding available. Timely execution of plans.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Reporting cycle	Annual
Desired performance	Key capabilities appropriate for 24/7 access
Indicator responsibility	The Executive Committee

Indicator Title	Key compliance monitoring and enforcement capabilities developed
Definition	Key capabilities include: <ul style="list-style-type: none"> • ICT infrastructure, systems, and applications including case management • Capacity and skills • Channels
Source/collection of data	Management reports
Method of calculation/Assessment	Assess the appropriateness of infrastructure, systems and applications; capacity and skills; as well as channels for compliance monitoring and enforcement.
Assumption	Funding available. Timely execution of plans.
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact area: N/A
Reporting cycle	Annual
Desired performance	Key capabilities appropriate for compliance monitoring and enforcement
Indicator responsibility	The Executive Committee



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