the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5446

Mr S S Zibi (Rise Mzansi) to ask the Minister of Trade, Industry and Competition:

(1) What (a) total number and (b) percentage of (i) non-profit companies, (ii) public companies and (iii) private companies registered with the Companies and Intellectual Property Commission (CIPC) have not complied with the requirement to report their beneficial ownership information;

(2) What interventions and/or potential penalties (a) have been and (b) will be utilised to ensure that companies comply with the beneficial ownership disclosure requirements;

(3) What processes does the CIPC follow in reviewing the legitimacy of the reported beneficial ownership information;

(4) Whether the CIPC has experienced any hurdles, including capacity constraints, in implementing the new beneficial ownership disclosure requirements; if not, what is the position in this regard; if so, what is his department's approach to addressing these hurdles;

(5) Whether the beneficial ownership register will be made available to the public; if not, why not; if so, what are the relevant details including timelines? NW6095E

REPLY:

The Companies and Intellectual Property Commission has advised me as follows:

1) (a) and (b) (i), (ii) & (iii)

The Total Number of active entities on the Companies and Intellectual Property Commission (CIPC) register is 2 868 124 as at, 22 September 2025.

Below is a response to Beneficial Ownership (BO) filing compliance landscape of the three entity types, viz. -

Description	NPC	Public Companies	Private Companies
Active	95068	1369	2 297 242
Compliant (Filed BO)	35731	1203	1 139 011
% Compliant	37.59%	87.87%	49.58%

Non-Compliant	59327	166	1 158 231

2) (a) Proactive investigation of entities whose filings are confirmed as technically and materially defective as well as those who are not BO compliant, and acting on requests by Law Enforcement. Requests for entities who failed to declare BO, 208 Compliance Notices were issued since 01 April 2023, 139 Disclosure Certificates were endorsed, Hard-Stop mechanism which prevents filing of Annual Returns until BO compliance is satisfied, Referral of Matter for Administrative Fines by Courts through the State Attorney, Referral of Matter to the National Prosecuting Authority, 1.5 million BO Compliance reminder messages were sent to directors and companies directly; and
(b) triangulation of BO data with SARS to identify entities who comply with SARS and not with CIPC.

3) The CIPC applies a risk-based approach and does random sampling of Beneficial Ownership filings as it can be impractical to review every filing due to the size of the population of active entities which is over 2.8 million entities expected to file annually. However, the BO filing system has an inbuilt capability (as part of the onboarding process) to assess the legibility of persons who can be added to the BO register, viz. -
    a. ID numbers of citizens are validated against the Department of Home Affairs database,
    b. Passport details of foreign nationals undergo a foreigner assurance verification process,
    c. Checks against targeted financial sanctions list published online on the FIC website,
    d. Checks against the Delinquent Directors Register hosted by CIPC,
    e. Checks against the STRATE Repository for JSE Companies/ Stock Exchange Listed Companies and their subsidiaries; and

The CIPC also conducts boardroom visits / virtual inspections to ascertain validity of information submitted to CIPC with documents at source, to date 64 inspections conducted. Overall, the filers of BO information are required to accept and make a declaration on the first page before they make any filing, the consequences of failure to furnish true and accurate information as prescribed in Section 214 of the Companies Act.

4) Internally, CIPC has not experienced any hurdles in implementing the BO Disclosure Requirements, a BO Review Team and a BO Enforcement Team were set up, as part of segregation of duties. The teams have been immersed in the various orientation, awareness and training interventions through webinars and physical sessions with various experts from Open Ownership and from within CIPC from resources who have been working on the Financial Action Task Force (FATF) project since 2019. Externally there was initial low compliance, resulting in low coverage. However, CIPC ensured that the public and targeted stakeholders receive training

from CIPC to ensure that everyone can interact with the BO System in terms of filing and in terms of accessing relevant information as part of their investigation work. Step by Step Guides, Frequently Asked Questions, Customer Contact Centre, Social Media Interactions, Webinar Sessions. CIPC also introduced a hard-stop mechanism to ensure that entities who file annual returns are directed to first file BO declarations before they can finalise an annual return filing.

5) The Beneficial Ownership (BO) Register is currently only available to Law Enforcement Agencies and Competent Authorities that is, Hawks, South African Police Services, National Prosecuting Authority, Special Investigative Unit, State Security Agency, Financial Intelligence Centre, South African Revenue Services, South African Reserve Bank, Financial Sector Conduct Authority, Association of Certified Fraud Examiners, all Banks.

   The decision to keep the contents of the BO Register confidential is informed by the need to first achieve full coverage of entities that need to file as required by law as a way of reassuring filers about the significance of making full and complete disclosures and the security with which their information will be kept safe. CIPC is a member of the Interdepartmental Committee on the FATF project, of which **the dtic** is also a member, the Industrial Development Corporation are charged with advising Cabinet on the country position on certain decisions which have a policy impact. Making the BO Register public will certainly be one of the considerations, once full coverage is achieved.

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