

2021/22 - 2025/26 SP & 2024/25 APP

Parliamentary Portfolio Committee on Trade, Industry and Competition

CIPC Commissioner, Adv. Rory Voller

04 September 2024



AGENDA



THE CIPC OPERATES IN AN ENVIRONMENT WHERE THE ADOPTION OF MODERN TECHNOLOGIES, ADHERENCE TO GLOBAL NORMS, AND THE ENACTMENT OF PROGRESSIVE LEGISLATIVE FRAMEWORKS IS CRUCIAL

Technological Innovations

The Covid-19 pandemic has accelerated the integration of new technologies into daily life, necessitating a shift in business models

As digital-savvy customers expect superior UX, organizations like the CIPC must adapt by upskilling employees to stay competitive

Global digitalization has increased connectivity and introduced blockchaindriven competitors, posing business continuity risks that require an integrated response

ESG Requirements

Increasing global concern around Climate
Change and environmental degradation,
particularly with regards to industry and
corporate contributions to Climate Change
have fueled the rapid emergence of
mandatory ESG reporting due to climate
change concerns

SA Grey Listing

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 and Counter Financing of Terror measures.

This assessment pinpointed significant challenges in accessing accurate beneficial ownership (BO) information, underscoring vulnerabilities in combating money laundering and terror financing.

Patent and Design Legislative Reform

South Africa's IP Policy in 2018 initiated critical Patent and Designs Legislative Reforms.

By 2021, the Patent and Designs Amendment Bills advanced to Cabinet, addressing the outdated Patent Act.

Key reforms include Substantive Search and Examination (SSE) to ensure patents comply with TRIPS Flexibilities, enhancing access to medicines and preventing unwarranted monopolies

Modernisation Strategy

CIPC continues to implement its modernisation strategy that also focuses on strengthening online service channels

This entails migration of CIPC processes to new modern platforms, as well as automation of all its processes, in order to minimise transacting times

The strategy aims to bridge the digital divide by offering Self-Service Centres, Partner Sites with staffed terminals

CIPC Taxonomy

The CIPC is in the process of incorporating an ESG Taxonomy into its existing Base Taxonomy, addressing the growing global and national demand for comprehensive ESG reporting

This integration, aligned with IFRS standards, will enhance transparency and accountability, necessitating updates to the IFRS Taxonomy for use by various reporting entities

Beneficial Ownership

In 2023, the CIPC established a comprehensive Beneficial Ownership (BO) Register and formed a dedicated review team to ensure accuracy and compliance of BO filings

New regulations implemented permitted upgrades to integrate with databases like

Home Affairs

The introduction of an API Gateway enabled real-time data queries by entities such as the Department of Justice

SSE Experiential Learning Programme

The CIPC has integrated the Experiential Learning Programme (ELP) with patent and design registrations, aligning with the IP Policy's Phase I

The Substantive Search and Examination (SSE) of patent applications, strengthening the patent system.

The SSE ELP trained 11 Patent Examiners and 20 interns, enhancing the CIPC's capacity to enforce IP laws

THERE ARE LEGISLATIVE FRAMEWORKS, POLICY DIRECTIVES, AND EXECUTIVE PRIORITIES THAT GUIDE THE CIPC'S STRATEGIC DIRECTION...

Mandate

Core Legislation

The CIPC is a Schedule 3A public entity established under the Companies Act (Act No.71 of 2008) from which it derives its primary mandate. The CIPC is responsible for the registration of Companies, Co-operatives, and Intellectual Property Rights, promotion and enforcement of compliance to the Companies Act



- South Africa Act No. 108 of 1996
- Companies Act, No 71 of 2008
- Close Corporations Act, No 69 of 1984
- The Constitution of the Republic of
 Co-operatives Amendment Act, No 6 of 2013
 - Patents Act, No 57 of 1978
 - Copyright Act, No 98 of 1978

Policy Mandate

National policies and legislation inform the CIPC's Strategic Plan and Annual Performance Plan



- National Development Plan (NDP) 2030
- Medium-Term Strategic Framework National Youth Policy
- IP Policy

- Industrial Action Plan
- Corporate Law Reform Policy
- Co-operatives Development Policy

Department of Trade, Industry and Competition

The Department of Trade, Industry and Competition is the executive authority that steers the strategic direction of the CIPC.



- dtic Strategic Plan
- dtic Minister's Commitments and 6 Women's Financial Inclusion point programme
- Strategy on the Promotion of Entrepreneurship and Small

- Enterprise
- Framework
- 45 Priorities

CIPC's Vision, Mission and Values



Vision

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



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



Values

- Passion for Service
- Integrity

Collaboration

Accountability

Empowerment

...ALIGNED WITH THE NATIONAL DEVELOPMENTAL OBJECTIVES SET OUT IN THE MTSF...

Developmental Objectives		CIPC's Contribution
	Modernize service processes in the public sector.	 A service delivery model responsive to customer (public) needs CIPC continues to invest in ICT assets to enhance service accessibility, automate processes for faster delivery, and collaborate with public and private entities to innovate integrated service solutions.
MTSF Priority 1: A capable, ethical, and developmental state	100% reduction of wasteful and fruitless expenditure in the public sector institutions.	Monitor expenditure and ensure that adherence to correct procedures
	Improve financial management capability by implementing the Integrated Financial Management System in the public sector	Implement Integrated Financial Management System when guidelines are received.
	Improve ease of doing business	CIPC will continue to invest in ICT assets to enhance service accessibility and automation, improving the ease of doing business and accelerating service delivery
MTSF Priority 2: Economic Transformation and Job Creation	Facilitate and support 200 000 functional small businesses and cooperatives	 Automation of cooperatives' registration and maintenance processes. Conduct education and awareness webinar events for small businesses and cooperatives on opportunities and compliance with relevant legislation. Conduct virtual media campaigns for CIPC services.
	Expand government spend on women, youth, and persons with disabilities through preferential procurement	CIPC to continue implementing preferential procurement from women, youth, and persons with disabilities

MTSF Priority 5: Spatial integration, human settlements, and local government

MTSF Priority 7: A better Africa

80% of international standards domesticated, to improve the conditions for all South Africans.

Profile and support enterprise development in townships through financial incentives and other non-financial forms of support.

 CIPC to continue to participate in international bodies such as WIPO, BRICS and Corporate Registrars Forum

• 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 webinar events and media campaigns

• The CIPC will be implementing a business ownership register as part of a recommendation by Transparency International

on Company and IP laws and related opportunities

and world

...POSITIONING THE CIPC AS A RELEVANT, MODERN AND CREDIBLE REGULATOR CONTRIBUTING TO SA'S ECONOMIC GROWTH & COMPETITIVENESS

-			Impact Statements	Outcomes
1		A world-class modern regulator	Building the required competencies and capabilities to become a <i>world-class modern regulator</i> that is fit-for-purpose, agile, adaptive, relevant, and ahead of the curve building the capacity of the state and reducing red tape and making a strategic contribution towards to industrial resilience and competitiveness	 Improved Organisational Competencies and Capabilities Enhanced and seamless customer experiences with CIPC services Improved State capacity to support business growth and investment Collaboration with businesses and other government entities based on mutual commitments
2		Ease of doing business in SA	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 S A, contributing to enterprise efficiency, growth, and sustainability, and build a foundation for increased exports and investments – local and foreign	and IP owners
3	~	Investor confidence in SA businesses and innovations	The CIPC will ensure implementation and compliance with Company and IP Laws to create a reputable, and conducive, reliable, and predictable Business Regulation and IP Protection environment in South Africa, contributing to investor confidence in SA businesses and innovations	 Improved State capacity for business and IP regulation and integrity Economic transformation through localisation Businesses and innovators supported, including reducing IP filing costs Improved IP regulation compliance and royalty distribution
4		Supported third-party decision-making	Support third party decision making by leveraging knowledge assets and networks, extracted maximum value for the CIPC and its customers	 Secure CIPC Data and Applications A controlled environment for information, with improved access control to CIPC systems by third parties Enhanced decision-making capabilities through access to comprehensive and timely shared data

THE CIPC IS DEDICATED TO ALIGNING ITS WORKFORCE WITH STRATEGIC GOALS, ADDRESSING STAFFING CHALLENGES, AND ENHANCING DIVERSITY...

Staff Complement



• The CIPC's organisational structure a provides for 640 approved posts of which 444 (69.4% occupancy rate) are filled as of 31 March 2024

Employment Equity



- The CIPC has met and exceeded Employment Equity Cabinet targets with 50% Women employed in Senior Management Service level
- However, the CIPC has fallen short of the EEC targets with respect to target if 2% Persons with Disabilities employed, where 1.6% Persons with Disabilities employed by the CIPC

Development of Skills and Capacity

The CIPC has recognises 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, interventions to capacitate and develop employees, and recruitment efforts were put in place as follows:



Development and Implementation of a Workplace Skills Plan

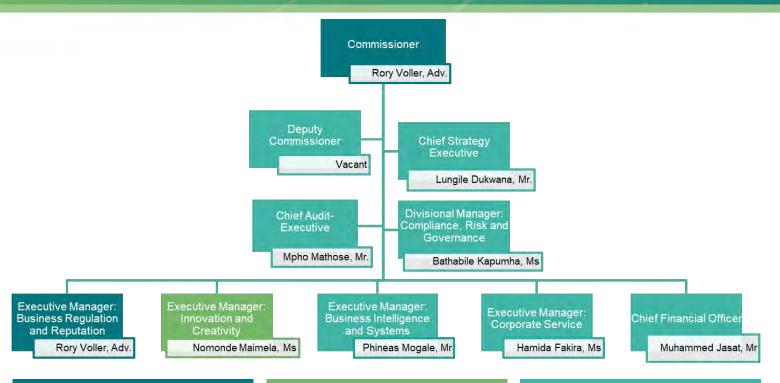


Establishment of Personal Development Plans for employees



Reskilling of employees aligned with CIPC Vision 2030 through the award of bursaries, short courses and e-learning certifications

...SUPPORTED BY ROBUST GOVERNANCE STRUCTURES THAT ENSURE ACCOUNTABILITY, TRANSPARENCY, AND ALIGNMENT WITH THE ORGANISATION'S OVERALL MISSION



PROGRAMME 1: SERVICE DELIVERY AND ACCESS

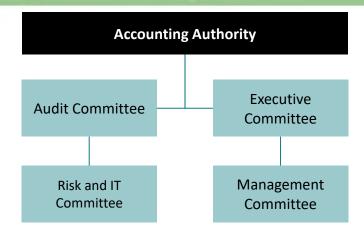
Programme 1 aims to bolster institutional capacity and responsiveness toward establishing the CIPC as a world-class modern regulator

PROGRAMME 2: INNOVATION AND CREATIVITY

Programme 2 aims to boost innovation and IP management by promoting patent creation, ensuring legal compliance and fostering a collaborative IP protection environment to enhance trade, industrial growth, and state efficacy

PROGRAMME 3: BUSINESS REGULATION & REPUTATION

Programme 3 aims to refine corporate governance through active engagement in legislative processes, educational initiatives enforcing compliance with the Companies Act, enhancing transparency with ESG standards and ensuring capital utilisation aligns with its intended purposes



Audit Committee

Ensuring compliance with financial regulations and governance obligations. This Committee remains thorough and rigorous in upholding sound financial controls and mitigating risks

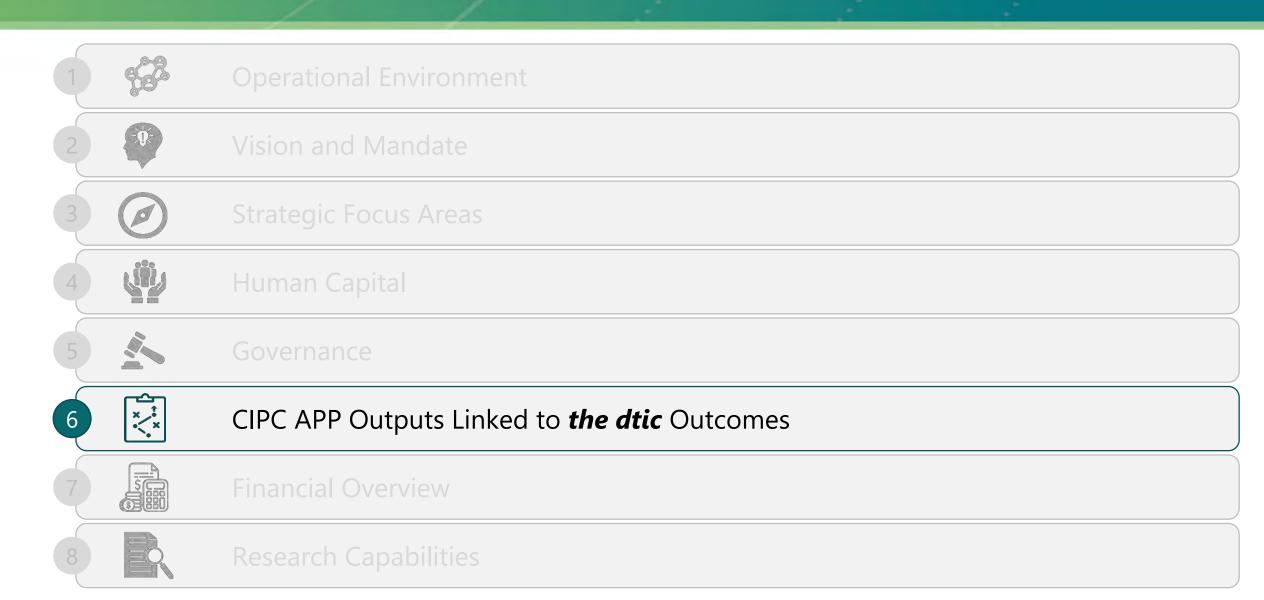
Risk and IT Committee

Sub-committee of the Audit Committee and oversees the implementation and management of risk and ICT activities

Executive and Management Committees

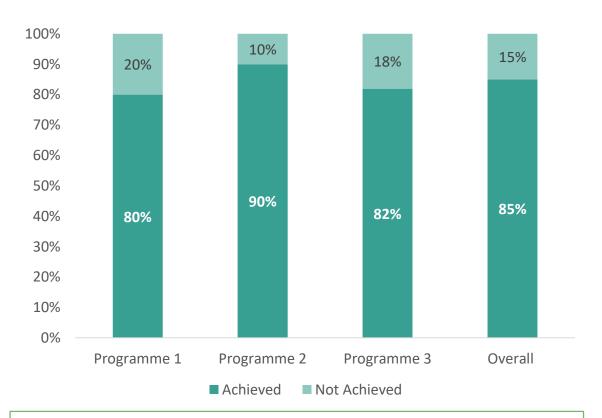
Support the committees of the CIPC by ensuring the effective implementation and oversight of strategic decisions, while maintaining accountability and, resource management

AGENDA



THE CIPC HAS MAINTAINED RELATIVELY HIGH PERFORMANCE, NOTWITHSTANDING A MARGINAL DECLINE IN PERFORMANCE IN FY2023/24

2023/24 Programmatic & Overall Performance



- During the 2023/24 Annual Review period, the CIPC achieved 85% (22 out of 26) of its APP KPI targets across its programmatic areas
- This represents a marginal 1% decline compared to 2022/23

Annual Overall Performance Comparison, 2019/20 – 2023/24



In efforts to improve its performance, the CIPC has implemented:

- Monthly monitoring of progress to the Commissioner on progress on planned initiatives towards achieving the set targets
- Implementation of integrated planning (budget, HR, risk & ICT)
- Emphasis on aligning PDAs to AOP, APP & SP

CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS - PROGRAMME 1

	dtic Focus Area	Related dtic Output	Outcome	Output	Performance Indicator / Measure	Audited Actual Performance			Estimate Performanc e / Baseline	Medi	Medium Term Targets	
		·				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
					Impact Statement #1: A world-o	lass modern	regulator					
•	Red tape and	Addresses red tape reduction and state capability	Improved Organisational	Skills and training plan developed and implemented	Percentage completion of training initiatives	New indicator	New indicator	New Indicator	New Indicator	50%	75%	95%
	state capability enhancement	enhancement, without clear alignment to any dtic output	Competencies and Capabilities	Clean audit achieved	Number of AGSA Audit outcome reports	Clean audit	Clean audit	Clean audit	Clean Audit	Clean audit	Clean audit	Clean audit
	Improving the capacity and responsivenes s of the state and social partnership	Addresses state capacity / responsiveness without clear alignment to any dtic output	Enhanced and seamless customer experiences with CIPC services	Implementation of Stakeholder and customer satisfaction report recommendations	Percentage average customer and stakeholder satisfaction	8 (equivalent to 80%)	Not measured	8 (equivalent to 80%)	Not measured	80%	80%	80%
	Shareholder Engagements & Impact	10 Business Forums hosted aimed at supporting increased FDI, exports and outward investment	Improved State capacity to support business growth and investment	Participation in business forums aimed at supporting increased FDI, exports and outward investment	Percentage of planned Business Forums participated in	New indicator	New indicator	New Indicator	New Indicator	80% of planned Business Forums participated in	80% of planned Business Forums participated in	80% of planned Business Forums participated in

CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS - PROGRAMME 1 (CONT.)

F	dtic Focus Area	Related dtic Output		Output Performance Indicator / Measure		Audited Actual Performance			Estimate Performanc e / Baseline	Medi	Medium Term Targets	
	1 0000 7 11 00	ans surpur				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
					mpact Statement #4: Supported th	ird party dec	cision makin	g				
*		Addresses crime but none of the specific dtic "Addressing Crime" outputs	A secure and controlled environment for data	CIPC Data Strategy developed	Number of drafts of the CIPC Data Strategy developed	New indicator	New indicator	New Indicator	New Indicator	1	-	-
*	Engagement	Relates to sharing data with strategic and social partners and other stakeholders but none of the specific dtic "Stakeholder Engagement and Impacts" outputs	information exchange	CIPC Data Sharing Policy developed	Number of data policies approved	New indicator	New indicator	New Indicator	New Indicator	1	-	-

CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS - PROGRAMME 2

	dtic	Related	Outcome	Output	Performance Indicator / Measure	Audited Actual Performance			Estimate Performanc e/Baseline	Medium Term Targets		
	Focus Area	dtic Output				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
			Impact Statement #1: A world-class modern regulator									
			Building state capacity to better regulate and ensure integrity of granted patent rights.		Number of non- binding work products issued per examiner in line with SSE Experiential Learning	New Indicator	24	24	24	24	24	24
					Number of SSE training initiatives	New Indicator	New Indicator	New Indicator	4	4	4	4
•	• Industrial Production	R40 billion in Black Industrialist output achieved			Number of new permanent jobs created through implementation of the ELP of the SSE Programme	New Indicator	New Indicator	New Indicator	20	0	20	0
					Number of new interns employed biennially through implementation of the ELP via the SSE Programme	New Indicator	New Indicator	New Indicator	20	0	20	0
•	→ Industrial	R40 billion in additional local output committed or achieved	Transform the economy through localisation through	Inventor Assistance	Number of IAP Review Committee meetings to screen applications	New Indicator	New Indicator	New Indicator	4	4	4	4
*	Production	(local procurement of goods and services, enforcing licensing requirements etc)	Il procurement of goods and rvices, enforcing licensing	Programme (IAP) implemented	Number of Annual Status Reports tracking the status of paired applications	New Indicator	New Indicator	New Indicator	1	1	1	1

CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS – PROGRAMME 2 (CONT.)

	dtic	Related	Outcome	Output	Performance Indicator / Measure	Audited Actual Performance			Estimate Performance/ Baseline	Medium Term Targets				
	Focus Area	dtic Output				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27		
				Impact Statement #3: Investor confidence in SA businesses and innovations										
*	Production and services enforcing compliance	Improved IP regulation	Compliance with Regulations by Accredited Collecting Societies	Number of Annual audit reports on promoting compliance with regulations by Collecting Societies conducted by the CIPC	New Indicator	New Indicator	New Indicator	1	1	1	1			
		and services, enforcing requirements of licensing requirements	compliance and royalty distribution	Efficient and Effective collection and distribution of royalties for the benefit of local musicians	Rm Royalties distributed by Collecting Societies to local musicians	New Indicator	New Indicator	New Indicator	R 100m	R 100m	R 100m	R 100m		
•	· Investment	R200 billion in investment pledges secured across the state (monitor compliance in terms of the Companies Act)	Enhanced State capability to combatting IP crimes	Increase IPR capacity within Law Enforcement Agencies 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	1	1		

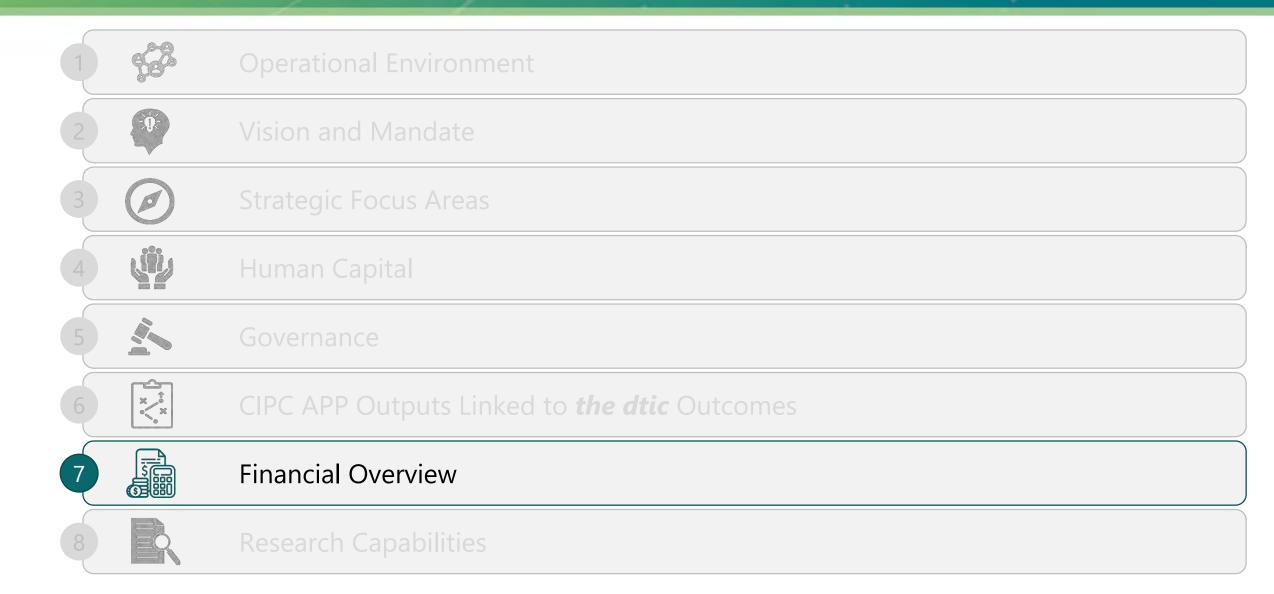
CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS - PROGRAMME 3

	dtic	Rela		Outcome	Output	Performance Indicator / Measure	Audited	Actual Perf	ormance	Estimate Performand Baseline	e/ Me	dium Term T	
	Focus Area	dtic O	output				2020/21	2021/22	2022/23	2023/24	2024/	25 2025/26	2026/27
						Impact statement #2: Ea	ase of doing	business					
*	Industrial Support Stakeholder Engagement and Impacts	R15 billion support programmes to enterprises in areas outside the 5 main metros	5 Conferences, summits, and international forums hosted (report on conferences, summits or International Forums that will be hosted)		Increased awareness of company laws, regulations, as well as CIPC services, processes, and channels	Corporate education and awareness events (virtual or physical) conducted by the CIPC, also in collaboration with partners	New Indicator	11	40	30	40	40	40
*		Addresses state respor issues, without specific out	c alignment to any dtic		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	New Indicator	New Indicator	New Indicator		Gap Analysis Report on	Incorporation of ESG Taxonomy in our Baseline IFRS Taxonomy	2025/26 CIPC

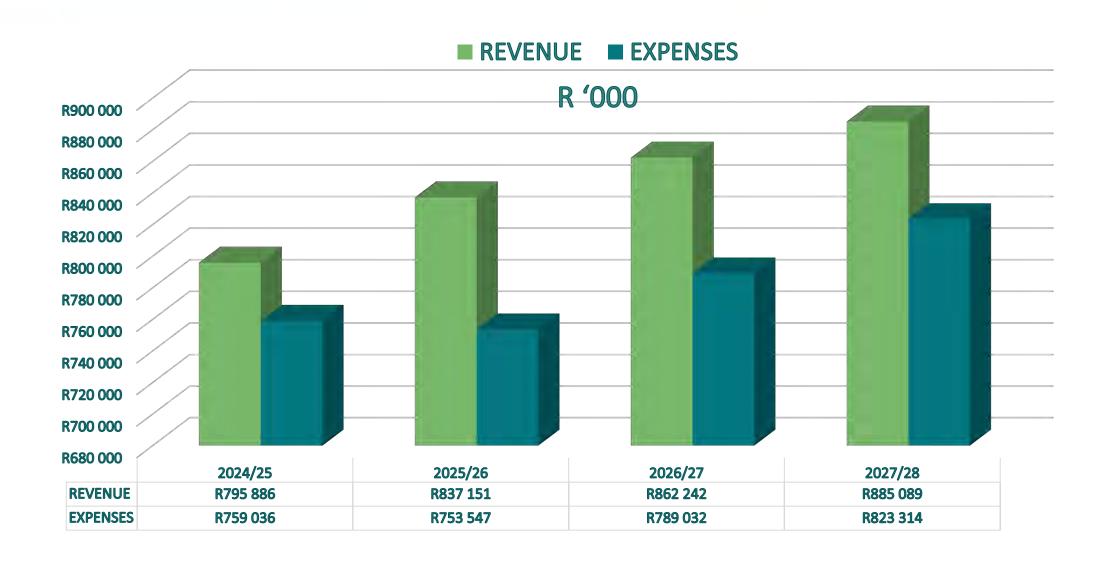
CIPC ALIGNMENT WITH THE DTIC GROUP OUTPUTS – PROGRAMME 3 (CONT.)

	dtic	Related	Outcome	Output Performance Indicator / Measure		Audited Actual Performance			Estimate Performance/B aseline	Med	Medium Term Targets	
	Focus Area	dtic Output				2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
			Impact Statement #3: Investor confidence in SA businesses and innovations									
*	Addressing crime	Addresses crime but none of the specific dtic "Addressing Crime" outputs		Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report	Number of Pro-Active Investigations in response to contraventions of the Companies Act No 71 of 2008 by Companies identified in the State Capture Report	New Indicator	New Indicator	New Indicator	3	6	6	6
*	Addressing crime	Addresses crime but none of the specific dtic "Addressing Crime" outputs	Reputable business regulation and investment environment	Targeted proactive pre- investigations	Number of targeted proactive pre- investigations	New Indicator	New Indicator	New Indicator	5	4	4	4
*	Investment	100 Investor facilitation and unblocking interventions provided		Quarterly Report on Tracked Capital Raised through IPO's to promote regular tracking of investments	Quarterly Prospectus Report which captures tracking of investments and their impact on society	New Indicator	New Indicator	New Indicator	New Indicator	monitoring and Annual	and Annual	

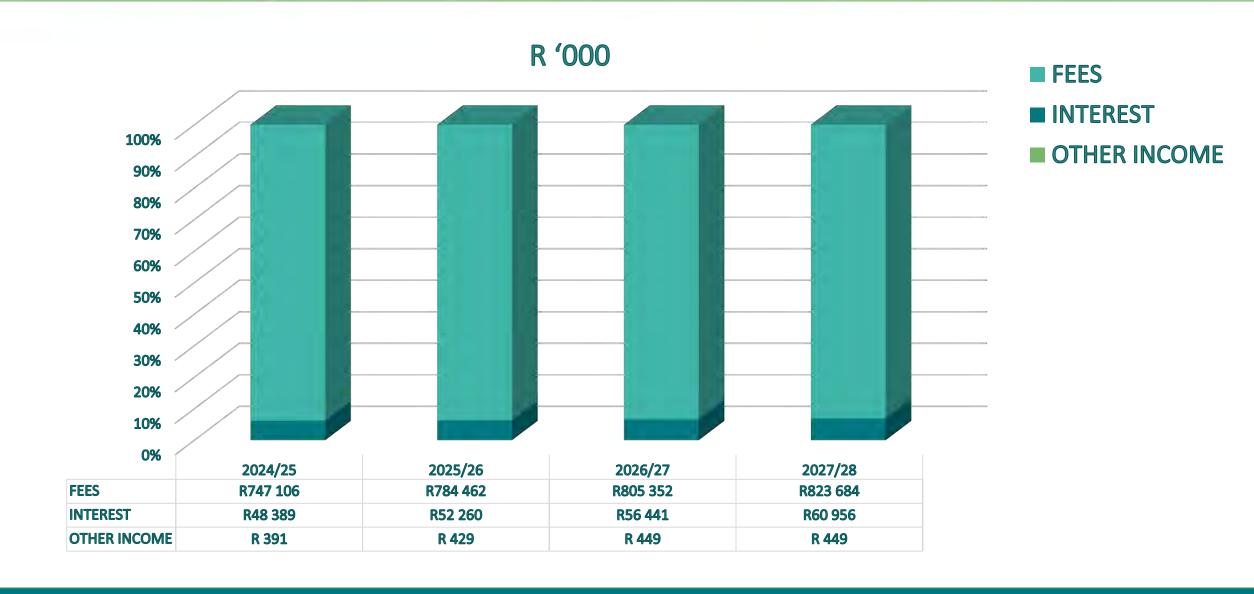
AGENDA



BUDGET OVERVIEW - 2024/25 TO 2027/28



REVENUE OVERVIEW – 2024/25 TO 2027/28



EXPENDITURE – 2024/25 TO 2027/28

Programme	Approved Budget	Medium Te	re Estimate	Average Increase	
	2024/25	2025/26	2026/27	2027/28	2025-2028
	R '000	R '000	R '000	R '000	%
Service Delivery and Access	623 670	611 858	638 524	666 487	2,3%
Innovation and Creativity	81 220	85 018	91 240	95 072	5,4%
Business Regulation and Reputation	54 146	56 671	59 268	61 755	4,5%
Total	759 036	753 547	789 032	823 314	2,8%

Economic Classification	Approved Budget	Medium Ter	Estimate	Average Increase	
	2024/25	2025/26	2026/27	2027/28	2025-2028
	R '000	R '000	R '000	R '000	%
Compensation of Employees	442 473	464 043	485 389	507 230	4,7%
Good and Services	288 582	261 523	275 663	288 101	0,2%
Depreciation	27 981	27 981	27 981	27 981	0,0%
Total	759 036	753 547	789 032	823 314	2,8%

• The Commission's annual expenditure is expected to increase at an average annual rate of 2.8%, from R 759m in 2024/25 to R 823m in 2027/28

 Goods and services spending is expected average R278m annually over the term, with an average increase of 0,2%.

 Depreciation expenditure is expected to remain constant over the medium term.

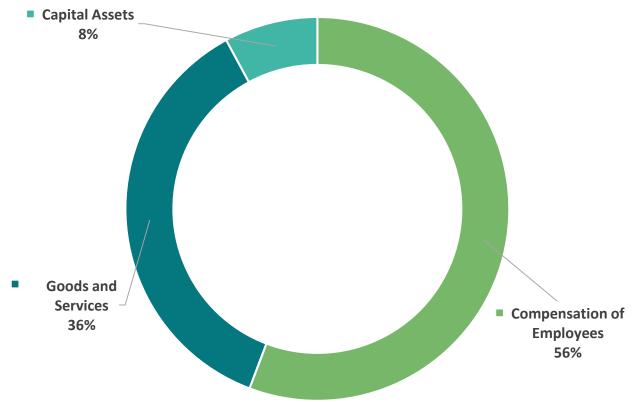
CAPITAL EXPENDITURE – 2024/25 TO 2027/28

Capital Expenditure	Approved Budget		Medium Term Expenditure Estimate			•		
	2024/25	2025/26	2026/27	2027/28	2025-2028			
	R '000	R '000	R '000	R '000	%			
Property, plant and equipment	45 045	37 338	38 923	40 544	-2,9%			
Intangible assets	17 500	31 140	32 573	34 039	29,0%			
Total	62 545	68 478	6,1%					

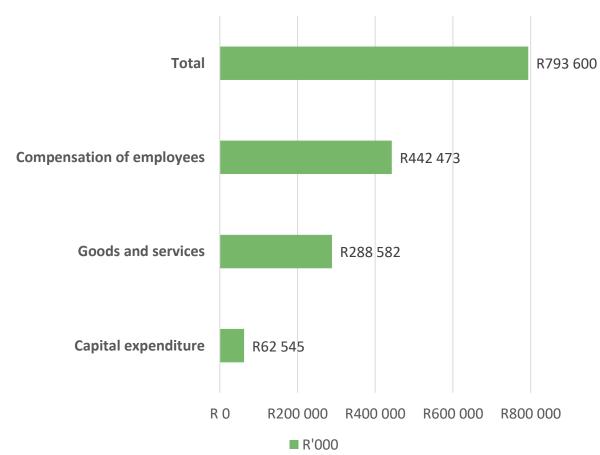
A total of R277 million is budgeted for investment in capital assets over the term.

2024/25 EXPENDITURE BUDGET BY CLASSIFICATION

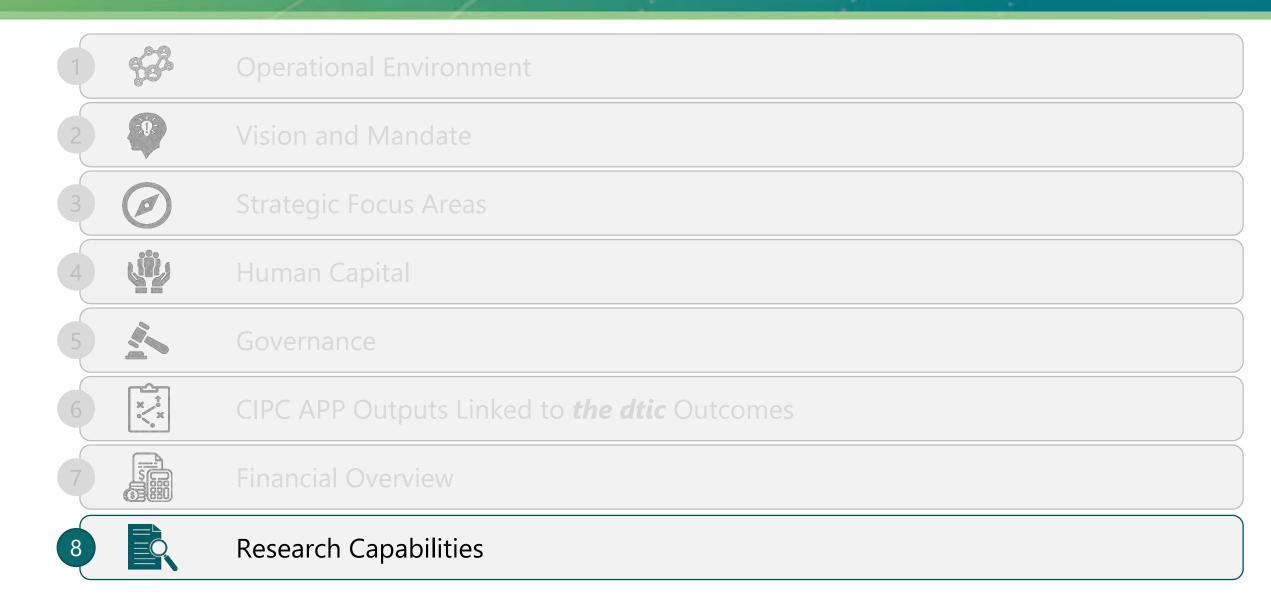




R VALUE OF 2024/25 EXPENDITURE BUDGET BY CLASSIFICATION



AGENDA



THE CIPC HAS STRATEGICALLY DEVELOPED ITS RESEARCH CAPABILITIES TO SUPPORT AND ENHANCE ITS MANDATE IN THE EVOLVING LANDSCAPE OF IP AND CORPORATE GOVERNANCE

Intellectual Property

- Currently, the CIPC has created task teams within the Patents and Design division, these teams focus on different aspects of development and functioning relevant to the division e.g., a search tool group and a patent regulations team
- Ongoing task team to keep abreast of the international landscape that will affect the office's assessment of patentability
- Activities such as journal club in order to keep current with the technology landscape aiding in the understanding of the technologies contained in the applications.
- Further having an understanding of the technologies and the trends of changes in the tech would assist in the agility of the organisation to assess or acquire the relevant skills based on these skill

Compliance Monitoring and Enforcement

- At present, the Compliance Monitoring and Enforcement unit has made significant strides in enhancing its research and data analytics capabilities.
- One of the key achievements has been the triangulation of financial data reported through XBRL with ESG indicators, providing a more comprehensive view of corporate performance, enabling more informed decision-making by capital allocators, including the IDC, PIC and DFIs
- A key point of focus in this regard is **harmonizing the financial and sustainability reporting value chain** to create a State-wide repository underpinned by XBRL for better interoperability
- Strategic Collaborations: Partnering with AfDB, ISSB, and IRBA to accelerate climate change initiatives and integrate financial and sustainability reporting

Innovation and Collaboration

- Internal Research: Identify bottlenecks, operational inefficiencies, and understand customer behavior on CIPC platforms to enhance user experience and optimise service delivery through consistent monitoring and assessment of transacting channels
- **Benchmarking**: Regular benchmarking of capabilities, competencies and innovations with regulators, other government entities and and industry leaders to ensure that our services remain competitive and effective
- Market Trends: Track and analyze shifts in the broader economic, technological, and regulatory landscapes to anticipate changes in the market and adjust CIPC's strategies accordingly

Insights gathered in this regard are used to improve the CIPC's operations and tailor targeted initiatives



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