



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

**MEDIA STATEMENT 9 OF 2016  
05 SEPTEMBER 2016**

**CIPC SURVEILLANCE SWEEP NETS LISTED PUBLIC COMPANIES CONTRAVENING THE COMPANIES ACT NO. 71 OF 2008 (AS AMENDED)**

In a surveillance sweep the CIPC has identified more than 15 listed companies that were under disclosing or not disclosing the proper annual turnover values and therefore were not paying the correct annual return fees to the CIPC. Section 187 (2) (b) of the Companies Act, No. 71 of 2008 (as amended) (“the Companies Act”) empowers the Companies and Intellectual Property Commission (“CIPC”) to “*monitor proper compliance with this Act*”.

Section 223 of the Companies Act read with Regulation 164 (4) of the Companies Regulations, 2011 clearly sets out what constitutes turnover for a company and a holding company and the method required to calculate turnover for the purpose of determining the correct annual return fee to be paid to the CIPC. Further, Section 33 of the Companies Act read with Regulation 30 deals with the filing of annual returns by a company and annual turnover is referred to in table CR 2B – Commission Fee Schedule of the Companies Regulation 2011.

The act of knowingly providing false or misleading information to the CIPC is an offence in terms of Sections 214 (1) and 215 (2) (e) of the Companies Act. In the case of a contravention of Section 214 (1) of the Companies Act, a person upon conviction is liable to a fine or to imprisonment for a period not exceeding 10 years, or to both a fine and imprisonment. In the case of a contravention of Section 215 (2) (e) of the Companies Act, a person upon conviction is liable to a fine or to imprisonment for a period not exceeding 12 months, or to both a fine and imprisonment.

The companies implicated in the surveillance operation, have undertaken to remedy the transgression. The CIPC views this breach of the Companies Act as material, and therefore has requested that these companies inform the market by issuing a SENS. Failure to do so will result in the CIPC publishing the names of these companies on the CIPC website.

*Ends*

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