



Companies and Intellectual  
Property Commission

a member of **the dtic** group

# Annual Submission of Information & Compliance Requirements of Annual Financial Statements using **iXBRL**

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# WEBINAR INTRODUCTION

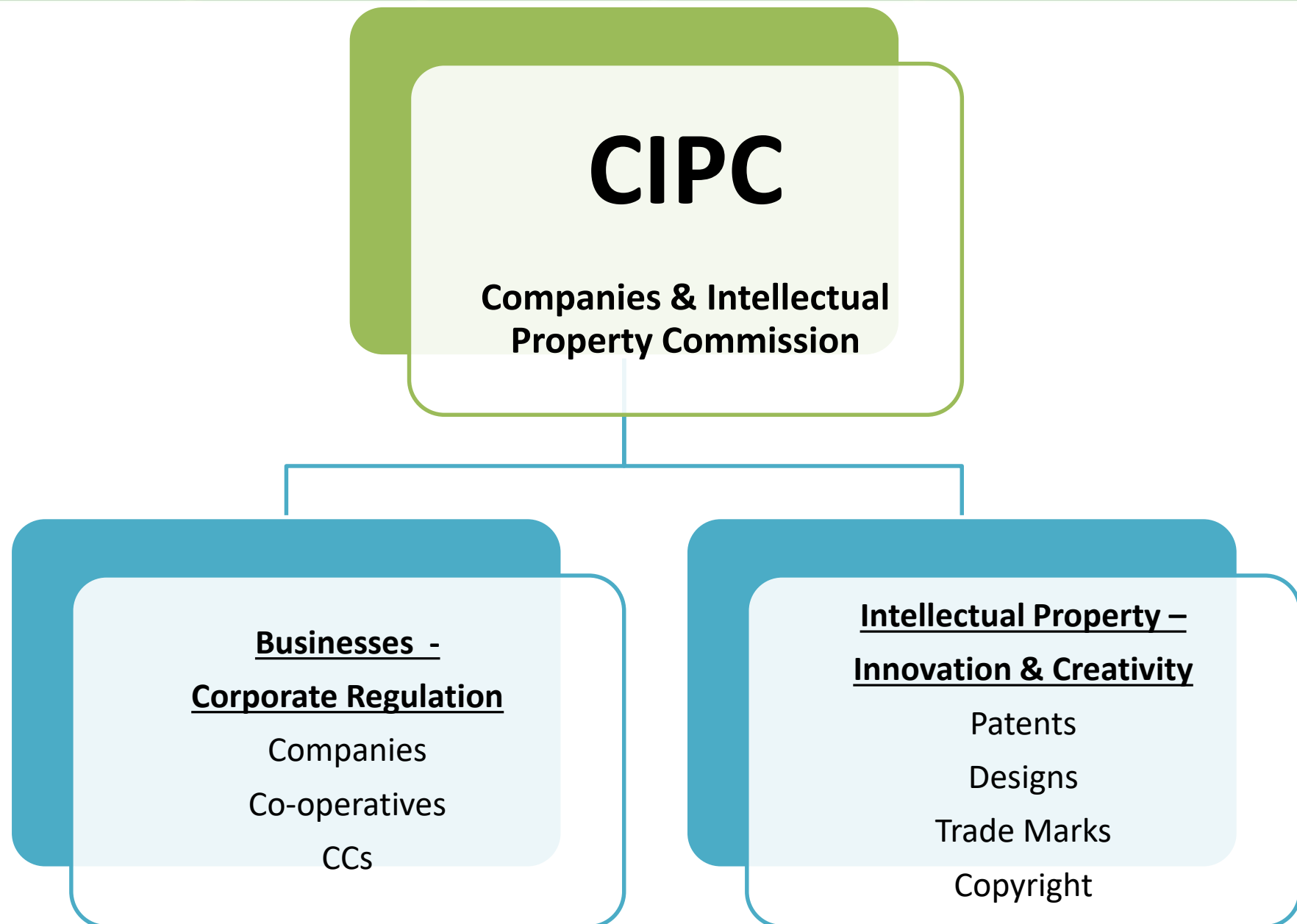
## ESTABLISHMENT OF CIPC

### **CIPC was brought into existence By the Companies Act, 2008**

In terms of Section 185(1) of the Companies Act, the Commission is established as a juristic person to function as an organ of state within the public administration, but as an institution outside the public service.

# WEBINAR INTRODUCTION

## CIPC OFFERINGS TO ENABLE SUSTAINABLE BUSINESSES



# CIPC OBJECTIVES

- Registration of Companies, Co-operatives and Intellectual Property rights and the maintenance thereof.

Maintenance includes matters such as:

- ✓ Changes of: Directors, Auditors, Addresses, Financial Year, Company Memorandum of Incorporation and Co-op Constitution,
  - ✓ *Annual Returns*
  - ✓ De-registrations
- Disclosure of information on its registers
- Enforcement of the relevant legislation
- Promotion of education & awareness of Company and Intellectual Property Law
- Licensing of business rescue practitioners
- Monitoring compliance with and contravention of financial reporting standards, and making recommendations thereto
- Report, research and advise the Minister on matters of national policy relating to company and intellectual property law.

# PURPOSE & FORMAT OF THE PRESENTATION

The Co-operatives Act, 2005 (“the Act”), has been amended by the Co-operatives Amendment Act, 2013 (“Amendment Act”). The Amendment Act has to be read with the Act. New Regulations and Principles of Good Governance replaced the previous Regulations. It is important that members and management of every co-operative study the Act, Regulations and the Principles of Good Governance. These are available on the CIPC website.

One of CIPC’s regulatory functions is to ensure compliance with the provisions of the Act. The purpose of this presentation is to provide information on Annual Submission of Information & Compliance Requirements of Annual Financial Statements using iXBRL, to assist co-operatives to comply to the Act. This presentation will focus on:

- Categories of Co-operatives
- Financial Reporting Framework
- Documents to be submitted
- Prescribed Annual Return Fees
  - Implementation date

**CATEGORIES OF CO-OPS,  
ANNUAL FEE PAYMENTS  
&  
ANNUAL SUBMISSION  
REQUIREMENTS**



# CATEGORIES OF CO-OPERATIVES

The Act make provision that Co-operatives are divided into categories A, B or C according to form (i.e. primary, secondary, tertiary or national apex) and in case of primary co-ops the size of co-operatives in terms of annual revenue (turnover). The Category determines amongst other matters the forms, fees and reports co-operative have to submit to CIPC annually.

## **Primary Co-ops**

### **Category A1**

Annual revenue of less than a R1 million

### **Category A2**

Annual revenue of R1 million or more, but less than R10 million

### **Category B**

Annual Revenue of R10 million or more, but less than R25 million

### **Category C**

Annual Revenue of R25 million or more

**All Secondary, Tertiary and the National Apex fall within Category C.**

# ANNUAL SUBMISSIONS & ANNUAL FEE PAYMENTS

## (SECTION 26A)

- Included in the Regulations are Annual Fee amounts payable to CIPC by different categories of co-ops.
- Fee amounts differ from the amounts paid annually by Companies and Close Corporations.
- Reference to **Annual Revenue** (turnover) means the gross value of the economic benefits received by a co-op as a result of its ordinary activities in a financial year.

# ANNUAL FEES

Remember to visit CIPC website regularly for Notices with new developments.

## Category A1: Primary (Very small co-op)

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
Less than R1 million	R50	R100

## Category A2: Primary

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
≥ R1 million but less than R10 million	R50	R100

## Category B: Primary

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
≥ R10 million but < R25 million	R450	R600

# ANNUAL FEES

## Category C: Primary

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
≥ R25 million	R3 000	R4 000

# ANNUAL FEES

(TO BE IMPLEMENT AT A LATER STAGE)

## Category C: Secondary, Tertiary and National Apex co-operatives

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
< R25 million	R450	R600
≥ R25 million	R3 000	R4 000

# RECORD KEEPING

- **A co-op must keep the following Records at its office:**
  - Accounting Records, which must include all business transactions with members and non-members.
  - Constitution and rules and amendments thereto
  - Minutes of General Meetings and Directors Meetings
  - If the co-op has a Supervisory Committee, keep Minutes of Meetings
  - List of Members
  - Register of Directors
  - Register of Directors' and Employees' Interest in contracts or undertakings
- **Accounting Records and Financial Statements** must be kept for 5 years or a longer period determined by the Minister.
- A co-op or director who fails to comply with record keeping requirements, is guilty of an offence.

# ANNUAL SUBMISSIONS: DOCUMENTATION REQUIREMENTS

Category	Forms	Financial Statements	Report	By whom should the forms, statements & reports be completed ?
Primary A1	Co-op 7 Co-op 8	Form Co-op15.1 (Income Statement & Balance Sheet)	Annual Report	Directors
Primary A2	Co-op 7 Co-op 8	Form Co-op 15.2	Annual Report	Directors
Primary B	Co-op 4 Co-op 7 Co-op 8	Independently Reviewed Financial Statements	Independent Reviewed Report	Independent Reviewer
Primary C	Co-op 4 Co-op 7 Co-op 8	Audited Financial Statements	Audited Report	Auditor
Secondary Tertiary Apex	Co-op 4 Co-op 7 Co-op 8	Audited Financial Statements	Audited Report	Auditor

# DEFINITIONS OF DIFFERENT REPORTS

Category A	Category B	Category C
<b>ANNUAL REPORT</b> A report by the Board of Directors containing <ul style="list-style-type: none"> <li>• Financial Statements (drafted by the Board),</li> <li>• a Social Report and</li> <li>• a Management Decisions Report.</li> </ul>	<b>INDEPENDENT REVIEWED REPORT</b> A report by an Independent Reviewer that examined and evaluated the Financial Statements, Social Report and Management Decision Report. An Independent Reviewer means an Accounting Officer in terms of the Close Corporations Act, a registered Auditor or member in good standing in terms of section 33 of Auditing Profession Act.	<b>AUDITED REPORT</b> A report by an Auditor after he has examined and evaluated the Financial Statements, Social Report and Management Decision Report.

## SOCIAL REPORT

A report that assesses the social impact and ethical performance of the co-op in relation to the stated vision, mission and goals stated in the constitution.

## MANAGEMENT DECISIONS REPORT

A report that assesses the co-op's compliance with all legal requirements and requirements in its constitution.

# ANNUAL SUBMISSIONS & iXBRL

- Some Co-operatives will in the near future be required to submit annual financial statements via the **iXBRL programme** on CIPC's website.
- We anticipate to launch the pilot filing project by **1 April 2022** and monitor how the system works and challenges experienced.

# SUBMISSION OF FINANCIAL STATEMENTS BY iXBRL

**To which Co-operatives will submission of Annual Financial Statements by iXBRL apply?**

- Only co-operatives that are required to be **Audited (i.e. Category C Primary, Secondary, Tertiary and National Apex)** will have to submit annual financial statements to the CIPC in electronic format via iXBRL format.
- iXBRL usage will be available for **Independently Reviewed** annual financial statements **(i.e. Category B Primary Co-ops)**, however, it shall not be mandatory.

# FINANCIAL COMPLIANCE IN THE DIGITAL ERA & iXBRL

- CIPC embraces international financial best practices and the impact of the use of iXBRL when submitting Annual Financial Statements online.
- **iXBRL** is an Inline eXtensible Business Reporting Language for electronic communication of business information which was developed to improve the communication of financial data online and is used in a number of countries.
- iXBRL simplifies how people use, share and analyse financial data. Its a computer language that will be required to transfer the audited Annual Financial Statements of Category C primary co-operatives, all secondary and tertiary co-operatives and the national apex co-operative to CIPC. iXBRL allows XBRL documents to be presented in a format that is readable by both computers and humans.

# FINANCIAL COMPLIANCE IN THE DIGITAL ERA & iXBRL

- Digital reporting in the iXBRL format assist businesses to file their Annual Financial Statements, while moving from paper or PDF reporting to a more structured format.
- For more information consult our website FAQs (see iXBRL programme). **Email queries:** [XBRL@cipc.co.za](mailto:XBRL@cipc.co.za)

# APPLICATION QUERIES

All Co-operative Queries to be logged via [www.cipc.co.za](http://www.cipc.co.za). Find the Query Resolution System (QRS) under “**Enquiries**”.

# CIPC NOTICES

**Remember to regularly visit the CIPC website to view Notices** with new developments and requirements, such as.



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# QUESTIONS & ANSWERS



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