



Companies and Intellectual  
Property Commission

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# CO-OPERATIVES AMENDMENT ACT, 2013, FORMS & FEES

14 OCTOBER 2020



# PURPOSE & FORMAT OF THE PRESENTATION

The Co-operatives Act, 2005, has been amended by the Co-operatives Amendment Act, 2013. The amended Regulations for the Co-operatives Act was published on 18 April 2019.

The purpose of this presentation is to give basic information of some of the changes brought about by the amendment.

This presentation only deals with matters that is related to CIPC processes and functions.

The presentation is divided into two parts:

- New Forms & Fees in terms of the Act
  - Changes in terms of the Act

# NEW FORMS & FEES



# CUSTOMER REGISTRATION

To do transactions with CIPC prescribed fees have to be paid for services.

A reference code, known as a Customer Code is required when payment of fees is done into the CIPC banking account.

Before applying for a service, the fee must have been deposited into the CIPC bank account and the customer code must have been used as a reference.

# REGISTRATION FEES & FORMS

**Schedule 1 of Regulations prescribe the fees for services**

A few of these fees are:

- New Registration fee reduced from R215 to **R175**, that is:
  - **R50** name reservation and is compulsory (apply online through CIPC e-Service)
  - **R125** Registration fee
- Divisions           **R125.00**
- Conversions       **R125.00**
- Transfers           **R125.00**

# CO-OPERATIVE REGISTRATION APPLICATION

## Registration can be done either by:

- Submitting an application by **email** OR
- An application can be done **online electronically**.

## Application submitted by email:

- **Required Forms & Documents**

1. COOP1 (CR1)
2. Constitution
3. Certified ID copies (not older than three months)
4. Name Reservation confirmation (CoR 9.4)

*Note: Form CR4/CR8 no longer required at registration*

# CO-OPERATIVE REGISTRATION ONLINE APPLICATION

Co-op registration is now available electronically on the CIPC website. Find “new e-Services under “Online Transacting” on the CIPC website.

If an application is done on “***new e-Services***”, both **Name Reservation and Co-op Registration** must be done one *new e-Services*.

To start using *new e-Services*, do customer registration using your email address as User Name. Thereafter the Name Reservation and Co-op Registration can be done. Payment is done by bank card.

Customers who are registered with CIPC can use their ID number to retrieve and migrate their information to the new e-Services portal.



# ANNUAL SUBMISSIONS

## (SECTION 26A)

- The Minister published the Co-operatives Administrative Regulations on 18 April 2019 in the Gazette (under GN R593 in GG42408).
- This included the form, manner & time period for the annual submission of information to CIPC and annual fees payable to CIPC by different categories of co-ops. The fees will be implemented at a later stage.



# ANNUAL FEES

(TO BE IMPLEMENT AT A LATER STAGE)

## CATEGORY A1 PRIMARY

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
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Less than R1 million	R50	R100
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## CATEGORY A2 PRIMARY

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
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R1 million but less than R10 million	R50	R100
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## CATEGORY B PRIMARY

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

(TO BE IMPLEMENT AT A LATER STAGE)

## 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)

SECONDARY, TERTIARY AND NATIONAL APEX (CATEGORY C)		
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

# ANNUAL RETURN DOCUMENTS TO BE SUBMITTED

- **Category A1 Primary Forms**

Co-op 7, Co-op 8 and Co-op 15.1 (completed by Board)

- **Category A2 Primary Forms**

Co-op 7, Co-op 8 and Co-op 15.2 (completed by Board)

# ANNUAL RETURN DOCUMENTS

- **Category B Primary Forms**

Co-op 7, Co-op 8

Co-op 4 Particulars of appointed Independent Reviewer

Financial Reporting Framework:

- ❖ International Financial Reporting Standards for SMEs: Provided the co-op meets the scoping requirements.
- ❖ If the co-op does *not* meet the scoping requirements then form Co-op 15.2 OR financial framework as determined by co-op provided the reporting framework complies with the requirements for financial statements as defined in the Act.

# ANNUAL RETURNS DOCUMENTS

- **Category C Primary Forms**

Co-op 7, Co-op 8

Co-op 4 Particulars of appointed Auditor

Financial Reporting Framework:

- ❖ International Financial Reporting Standards for SMEs: Provided the co-op meets the scoping requirements.
- ❖ If the co-op does *not* meet the scoping requirements then form Co-op 15.2 OR financial framework as determined by co-op provided the reporting framework complies with the requirements for financial statements as defined in the Act.

# ANNUAL RETURNS DOCUMENTS

- **Secondary, Tertiary and National Apex**

Co-op 7, Co-op 8

Co-op 4 Particulars of appointed Auditor

Financial Reporting Framework:

- ❖ International Financial Reporting Standards for SMEs: Provided the co-op meets the scoping requirements.
- ❖ If the co-op does *not* meet the scoping requirements then form Co-op 15.2 OR financial framework as determined by co-op provided the reporting framework complies with the requirements for financial statements as defined in the Act.



## SCHEDULE 2 - CO-OP FORMS INDEX

- **Co-op 1** Application Form for the registration of primary, secondary, tertiary or national apex co-operative
- **Co-op 2** Return relating to directors
- **Co-op 3** Notice of addresses and contact particulars of co-operative & changes thereof
- **Co-op 4** Notice of appointment of Auditor / Independent Reviewer & consent to act as, or resignation by and removal of Auditor / Independent Reviewer
- **Co-op 5** Application for reservation of name or translated form or shortened form of name (**use CIPC e-Services to reserve name**)

## SCHEDULE 2 - CO-OP FORMS INDEX

### Co-op 6 – Special resolution:

- **Co-op 6.1** Special Resolution: Amendment to Constitution
- **Co-op 6.2** Special Resolution : Amalgamation
- **Co-op 6.3** Special Resolution : Division
- **Co-op 6.4** Special Resolution: Conversion to another Juristic person
- **Co-op 6.5** Special Resolution :Transfer
- **Co-op 6.6** Special Resolution: Judicial Management

# SCHEDULE 2 - CO-OP FORMS INDEX

- **Co-op 7** Annual submission to registrar of financial reports and statements
- **Co-op 8** Annual submission to registrar (section 26A) (Annual Return)
- **Co-op 9** Notice of change of financial year of co-operative
- **Co-op 10** Special resolution for voluntary winding up

# SCHEDULE 3 - CO-OP FORMS INDEX

- **Co-op 11** Certificate of registration of co-operative
- **Co-op 12** Certificate of change of name
- **Co-op 13** Certificate of change of name upon directive of registrar
- **Co-op 14** Application for inspection of documents
- **Co-op 15.1** Annual Return for Category **A1** Primary
- **Co-op 15.2** Annual Return for Category **A2** Primary

# ENQUIRIES & APPLICATIONS

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

## **Send Co-operatives Applications to:**

- Applications not mentioned hereunder send to [\*\*Cooperativesonline@cipc.co.za\*\*](mailto:Cooperativesonline@cipc.co.za)
- **Co-op 2 (CR2)** Director changes [\*\*Co-op2@cipc.co.za\*\*](mailto:Co-op2@cipc.co.za)
- **Co-op6 (CR6)** special resolution [\*\*Co-op6@cipc.co.za\*\*](mailto:Co-op6@cipc.co.za)
- **Co-op 3 (CR3) & Co-op 4 (CR4)** change business address & appointment/change of auditor [\*\*Co-op3an4@cipc.co.za\*\*](mailto:Co-op3an4@cipc.co.za)

# **CO-OPERATIVE AMENDMENTS ACT, 2013**

**THE ACT WAS IMPLEMENTED FROM  
1 APRIL 2019**



# MAIN AIMS OF THE AMENDMENTS ACT

- Provide for distinction between different sizes (categories) of Primary co-ops in order make compliance less costly.
- Different requirements (accounting, auditing and review) for annual submissions for the different categories of co-ops.
- Make provision for one National Apex Co-op
- Provide for Associate Members
- New Definitions added include:
  - Definition of Registrar (new meaning is Commissioner of CIPC)
  - Definition for Social Co-operative . A **Social Co-operative** is a co-op that engages in the provisions of social services to its members, such as care for the elderly, children or the sick.



# TRANSITIONAL PROVISION FOR EXISTING CO-OPS

## Transitional Provisions (Section 97)

- Any Co-ops registered in terms of Co-ops Act, 1981, must amend its constitutions to be in line with Co-ops Act, 2013 within 2 years.
- The amended constitution must be submitted to CIPC for registration. Non-compliance hereto will result in a co-op being considered to be deregistered.

# TRANSITIONAL PROVISION FOR EXISTING CO-OPS

## Transitional Provisions (Section 97)

- The Registrar must then (a) issue a certificate to state the constitution complies with the Act, or (b) issue an instruction to specifying the non-compliance, the period allowed for correction thereof, and the consequences of non-compliance.

# TRANSITIONAL PROVISION FOR EXISTING CO-OPS

## Existing Tertiary Co-op Name With Apex In Name

**Tertiary Co-operatives** that are already registered and have the word “**Apex**” in their name had to be corrected by the Registrar at commencement of the new Act and was replaced with Tertiary.

# CONSTITUTIONAL REQUIREMENTS

In terms of section 14 there are minimum requirements that *must* be included in all constitutions, and others *may* be included. For instance a constitution *must* make provision for:

- Whether the co-op does transactions with members only (**closed co-op**) or whether it does transactions with members and non-members (**open co-op**).
- **Voting rights** must be stipulated. If it is a Category C Primary, Secondary, Tertiary or National Apex it *may* make provision for members to have more than one vote, in line with section 3.
- A reasonable **term of office for Directors** and whether they may be re-appointed.

# CONSTITUTIONAL REQUIREMENTS

- If a want to have a **Supervisory Committee**, the constitution *must* make provision therefore.
- Provide for the manner in which an Indivisible Reserve may be used.

# SUPERVISORY COMMITTEE

- Committee members must be elected at the AGM.
- Must consist of members that are *not* directors.
- Minutes must be kept of their meetings.
- The Supervisory Committee is responsible to supervise the Board and represent the interest of the members.
- Must call a special meeting, if reasonably reliable information indicates that an act or omission by the Board may impact negatively on the co-op or members. Within 7 days of special meeting inform Tribunal, Board and affected members of decision and reasons for decision. If not done, a member may report the matter to the Tribunal for investigation.
- Members may dissolve the Board at a special meeting called by the Supervisory Committee.

# RESERVES

## Regulation 18:

- Indivisible Reserves and other Reserves must be recorded separately in the financial records of the co-op.
- Reserves must only be used in a manner and for purposes as contemplated in the constitution.
- The purposes for which the Indivisible Reserves may be used include to sustain the co-op during periods of financial crisis, finance capital expenditure and finance training and capacity building.



# ASSOCIATE MEMBERS

- A co-op may have **Associate Members**, given the constitution must make provision therefore.
- They may support and benefit from the co-op.
- Such membership is only valid for 12 months, but can be renewed or converted into full membership thereafter subject to members' approval.
- Associate Members can be appointed as **Non-Executive Directors**, but **do not have voting rights** at any Meetings.

# MINIMUM MEMBERSHIP

## Primary Co-op

- 5 Natural Persons OR
- 2 Juristic Persons OR
- Combination of any 5 persons

## Secondary Co-op

2 or more Operational Primary co-ops

## Tertiary Co-op

- 2 or more Operational Secondary co-ops

# MINIMUM MEMBERSHIP

## National Apex

- 3 Operational Sectoral Tertiary Co-ops that operate nationally, and 5 Operational Multi-sectoral Tertiary Co-ops that operates on a provincial, district or local level.
- **“Operational”** means a co-op that has held its annual general meeting & has submitted its annual report, audited report or independent reviewed report to CIPC in the last financial year.

# VOTING RIGHTS

- **Category A & B Primary Co-ops**

One Member, One Vote

- **Category C Primary, all Secondary, Tertiary Co-ops and Apex**

Constitution may provide for additional votes if:

- **3 members**, of total voting rights a member may have a maximum of 40%
- **= 4 members**, max. 30% per member
- **= 5 members**, max. 25% per member
- **> 5 members**, max. 17% per member

# CATEGORIES OF CO-OPS

Act make provision for Categories A, B and C Primary co-ops

Category A1 : Very small Primary co-ops

Annual Revenue < R1 Million

Category A2 : Small Primary co-ops

Annual Revenue < R10 Million

Category B: Small to medium Primary co-ops

Annual Revenue  $\geq$  R10 Million but < R25 Million

Category C: Medium to large Primary co-ops and all Secondary co-ops, Tertiary co-ops and the National Apex co-op

Annual Revenue  $\geq$  R25 Million

# DETERMINATION OF CATEGORIES

- **Annual Revenue** means the gross value of the economic benefits received by a co-op as a result of its ordinary activities in a financial year.
- **Projected Annual Revenue** means an estimate of the gross value of the economic benefits that are likely to be received by a newly registered co-op.

# FINANCIAL STATEMENTS & RECORD KEEPING

- **Financial Statements** means statements drafted by the Board for a particular financial period. It includes:
  - Balance Sheet
  - Income Statement
  - Statement of changes to membership shares
  - Cash Flow Statement
  - Notes, comprising of a summary of accounting policies and other explanatory notes.



# FINANCIAL STATEMENTS & RECORD KEEPING

- **Accounting Records** must include all business transactions with members and non-members, in order to calculate the patronage proportion. 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 TO CIPC

**Reports that must be submitted to CIPC annually:**

- **Category A1 & A2 Primary co-ops:** an **Annual Report**. The report does not have to be audited or independently reviewed. It must be signed by the directors of the co-op.
- **Category B Primary co-op:** an **Independent Reviewed Report** each financial year.
- **Category C Primary co-op, Secondary co-ops, Tertiary Co-ops and the National Apex co-op:** an **Audited Report**.

# DEFINITIONS OF DIFFERENT REPORTS

- **Annual Report (Category A primary co-op):**

A document prepared by the Board containing **Financial Statements (drafted by the Board)**, a **Social Report** and a **Management Decisions Report**.

- **Social Report:** a report by the Board 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 by the Board that assesses the co-op's compliance with all legal requirements and requirements in its constitution.

# DEFINITION OF DIFFERENT REPORTS

- **Independent Reviewed Report (Category B primary co-op):**  
A report by an Independent Reviewer that examined and evaluated the financial statement, social report and management decision report. An **Independent Reviewer** means an Accounting Officer in terms of the CC Act, a registered Auditor or member in good standing in terms of section 33 of Auditing Profession Act
- **Audited Report (Category C Primary co-op, Secondary co-ops, Tertiary Co-ops and the National Apex co-op):** A report by an Auditor after he has examined and evaluated the financial statements, social report and management decision report.

# ANNUAL GENERAL MEETING (AGM)

- A co-op must circulate the audited report, independent review report or the annual report to all its members at least 14 days before the Annual General Meeting.
- The AGM must discuss the reports in order to take resolutions on the future conduct of the business of the co-op.
- The Chairperson must accept the reports & sign acceptance and implement the resolutions taken.

# AGM Continue

- **The Board must within 15 days submit a copy of the reports to CIPC, accompanied by the outcome of the AGM discussions and consideration thereof to CIPC.**
- If the AGM resolves to delay the submission to CIPC, the chairperson must notify CIPC within 15 days of the resolution of the reasons for the delay and the action it will take to address the situation.

# ANNUAL GENERAL MEETING

- CIPC must consider the report and if necessary:
  - Request further information from the co-op;
  - Refer the report to the Agency to assist the co-op;
  - Facilitate co-op principle compliance.



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# THANK YOU

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