



Companies and Intellectual  
Property Commission

a member of the **dtic** group

# CO-OPERATIVE DIRECTOR CHANGES, FILING ANNUAL RETURNS & AUDITED ANNUAL FINANCIAL STATEMENTS USING XBRL

Date: 24 November 2022



# INTRODUCTION TO LEARN-i-BIZ

- The **LEARN-i-BIZ** is a short educational course aimed at assisting new and existing SMME company directors to gain knowledge of their duties and responsibilities as directors, and ensure compliance to governance requirements.
- The programme is free of charge and anyone who is interested can register on the CIPC website to access the course.
- One can follow the course in your own time and at your own pace.
- Persons that attended the course can obtain a certificate of attendance after completing the course. Please note it is not an accredited course.
- The course is available on our website ([www.cipc.co.za](http://www.cipc.co.za)), under **RESOURCES**.
- Enquiries can be sent to [elearning@cipc.co.za](mailto:elearning@cipc.co.za) or phone the CIPC Call Centre.



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# CO-OPERATIVE DIRECTOR CHANGES



# CO-OPERATIVE DIRECTORS

References during this presentation that refers to “the Act” means the Co-operatives Act 14 of 2005, as amended.

Section 32 – 39 of the Act refers to Governance of Co-operatives and bears reference to Directors and changes to Directors.



# 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, the Minutes of Supervisory Committee 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.

# MEMBERSHIP CHANGES

One must distinguish between when a co-operative Member withdraws his/her membership due to resignation, expulsion or death, and when there are changes to the Board of Directors.

**In cases where a Member's membership is withdrawn there is no need to submit a CO-OP2 form, unless the member was also a Director.**

It is important to note, CIPC only keeps record of the Founder Members details, to proof the original application to register the co-operative complied to the requirements of the Act. From incorporation, it is the responsibility of the co-operative to keep a **List of Members (register)** which is updated as new members join the co-op and existing members leave the co-op. The List of Members **must be kept at the registered office of the co-op** and **is proof of who are currently members of the co-op**, as well as, of members that have withdrawn their membership from the co-op.

**If a new member joins** the co-operative after the registration date, he/she is not a Founder Member, and **CIPC does not need to be informed.**

# BACKGROUND - CO-OPERATIVE DIRECTORS

- The Board of Directors is responsible for the management of the co-operative and is accountable to the members.
- The Board is appointed at the annual general meeting by the members. Only members may be appointed as executive Directors, and these directors have voting rights at Board meetings. Associate members may only be elected as non-executive Directors and do not have voting rights at Board meetings.
- In terms of section 32(4) of the Act, if a vacancy arises, the Board may by way of resolution appoint a Director for the remainder of the period, provided that the appointment is approved by members at the next general meeting.
- Members may dissolve the board by special resolution if members find justifiably good reasons that the board is not functional. The special resolution must be taken at a meeting convened by at least 25% of members, or if a supervisory committee exists by the supervisory committee.

# BACKGROUND - CO-OPERATIVE DIRECTORS

- The number of the Directors and period for which they are elected is stipulated in the co-operative constitution.
- In terms of section 39 of the Act, a Director is required to inform the co-op in writing of any change to his/her address. In return a co-op must notify CIPC in writing of:
  - the full names, address and ID number of each person appointed as a Director within 30 days of such appointment;
  - of any change of address of a Director, within 30 day of knowledge of the change;
  - after any Director has vacated office, within 30 day of such vacation; and
  - of the reason for the appointment or removal of a Director.

A co-op or Director that contravenes any of these provisions is guilty of an offence.





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# Step by Step Guide, CO-OP2 form & Supporting Documentation



# STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE

([www.cipc.co.za](http://www.cipc.co.za))



On homepage click on  
Resources, and thereafter on  
Step by Step Guides

ABOUT ▾ ENTERPRISE REGISTRATION ENTERPRISE MAINTENANCE INTELLECTUAL PROPERTY RESOURCES ▾ CONTACT ▾

# STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE

([www.cipc.co.za](http://www.cipc.co.za))

## STEP-BY-STEP GUIDES



General



New e-services



Companies and Close Corporations



Co-operative



Click on the plus sign

Disclosure



Explanatory Notes



# STEP BY STEP GUIDE AVAILABLE ON CIPC WEBSITE ([www.cipc.co.za](http://www.cipc.co.za))

- The following options for Co-op Guides are:

## Co-operative

- Step by step guide: New e-services primary Co-operative registration
- Step by step guide: New E-services for Secondary Co-operative
- Step by step guide: New E-services for Tertiary Co-operative
- Step guide for manual change of directors of Cooperatives



**Click on the Guide  
for assistance with  
the application**

# SUBMISSION OF CO-OP2 FORM & SUPPORTING DOCUMENTS

- The **form and supporting documents** must be emailed to:  
[Co-op2@cipc.co.za](mailto:Co-op2@cipc.co.za)
- **No fee** is payable for a CO-OP 2 application



# CO-OP2 FORM

The following information has to be completed:

- Customer Code as client reference.
- Name & Registration Number of the Co-op
- The name of the Director or Secretary or Manager or Officer who signed the CO-OP2 form and the form must be dated.
- **A letter of consent to the appointment of Director must be submitted** and the Director is required to state that, he/she is not disqualified to be a Director in terms of the Act or the constitution of the co-operative and that the Directors listed in the second table have not been re-appointed or have vacated their office for other reasons.

# CO-OP2 FORM CONTINUE

The following information has to be completed:

- All active and new Directors details must appear on form CO-OP 2. The details include:
  - Full Names, Surname, Identity number, Date of appointment, Home address, Postal address and demographics.
- The number of Directors must at all times be **within the minimum & maximum number** specified in the co-operative constitution.
- Clearly certified ID copies or Passport copies of all new and resigning Directors must be submitted.

# CERTIFICATION OF DOCUMENTS

- Certification of documents may not be older than 3 calendar months.
- Only one ID / Passport may appear on a single page. Both sides of SA ID Cards must be copied on the same page.
- Only valid issued Passports will be accepted.
- Asylum Seeker / Temporary Resident documents will not be accepted as valid confirmation of Identity.

# CERTIFICATION OF DOCUMENTS

The following information of the **Commissioner of Oath** must appear on the documents:

- Full names and Surname.
- Business Address
- Signature
- Date of certification
- Designation
- Police certified documents must also indicate the Police Officer's rank and rank number.

The information is required to ensure the Commissioner of Oath is traceable for accountability purposes.

# MINUTES OF MEETING

- **Minutes or resolutions** taken at the meeting have to clearly state either change of name/surname, change of postal address or home address, appointment, resignation, removal, death or end of term of Director.
- Minutes must be signed by the Chairperson present at the meeting and be certified a true copy.



# DECEASED DIRECTOR

- If a Director is deceased, **a death certificate** must be submitted. If a death certificate cannot be acquired from the family, the co-operative is required to apply for a copy at the Department of Home Affairs.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.

# VOLUNTARY RESIGNATION & CHANGE OF DIRECTOR INFORMATION

## VOLUNTARY RESIGNATION

- The Director must provide a signed letter of resignation and a certified ID copy.
- The name and the registration number of co-operative must appear on the letter.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.

## CHANGE TO DIRECTOR INFORMATION

- If the first names, surname, ID number, physical address or postal address of a Director has changed, the minutes must be specific about the changes.
- All the Director details on a CO-OP2 form must be the same as that on record with CIPC.
- The CIPC record will not be changed if the minutes are silent on the changes, even if the CO-OP2 form and CIPC records differ.

# REMOVAL OF DIRECTOR

- CIPC is no longer undertaking a verification process, hence the onus is on the co-operative to prove that the correct process of removal was followed.
- **Notice of the meeting** has to be circulated as a record date 14 business days before the meeting. It must reflect the following: Date of Notice of meeting, the Date of the meeting, Time, Place and general purpose of the meeting.
- **Reason(s) for removal** of a Director has to be stated in the minutes and on the CO-OP2 form.
- **Minutes or resolution** taken has to clearly state that it is an expulsion / removal of Director, as well as, proof that the Director that was removed, was afforded reasonable opportunity to make a presentation.
- On the CO-OP2 form the section regarding “DIRECTORS THAT HAVE VACATED OFFICE” must be completed.
- The resolution must be passed with a majority of Directors present at the meeting.

**CO-OPERATIVE**  
**ANNUAL RETURNS**  
**&**  
**XBRL**



# CATEGORIES OF CO-OPS

The Act make provision for a **Primary co-ops** to be categorised as **A, B or C**. All **Secondary & Tertiary** Co-ops, and the **National Apex Co-op** are Category **C**, but have their own Annual Fees.

The Categories are used to determine:

- **Members' Voting Rights**
- **Annual Fees (amounts specified in Regulations)**
- **Documents to be submitted to CIPC annually**

## VOTING RIGHTS

### Category A & B Primary Co-ops

One Member, One Vote.

### Category C Primary, all Secondary, Tertiary Co-ops and Apex [Section 3(3)-(4)]

The Constitution may provide in its constitution that some members have additional votes, if the co-op has 3 or more member.



# ANNUAL SUBMISSIONS & ANNUAL FEE PAYMENTS

## (SECTION 26A)

- The Regulations to the Act make provision for **Annual Fee amounts payable to CIPC** by different categories of co-ops. The Annual Fee payments is not related to SARS Tax Payments.
- **The planned implementation date for the Fees payments is 2 January 2023.**
- Fees amounts differ from the amounts paid by Companies and Close Corporations.
- Annual Fees are paid in terms of the amount of Annual Revenue the co-operative made during the previous financial year. 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.
- **The Fee due date is within 30 days of the registration anniversary date of the co-op.**

# ANNUAL FEES

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

ANNUAL REVENUE	Lodged within 30 days of due date	Lodged more than 30 days after due date
R0 to 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 to 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 to less than 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 or above	R3 000	R4 000

# ANNUAL FEES

## 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
Less than R25 million	R450	R600
R25 million or above	R3 000	R4 000

Annual Submissions: Documentation Requirements				
Category	Forms	Financial Statements	Report	Completed by
Primary A1	Co-op 7 Co-op 8	Co-op15.1	Annual Report	Directors
Primary A2	Co-op 7 Co-op 8	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 PRIMARY CO-OPS

### ANNUAL REPORT

1. A document **prepared by the Board** containing **Financial Statements (CO-OP15.1 / CO-OP 15.2)**, a **Social Report** and a **Management Decisions Report**.
2. **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.
3. **Management Decisions Report:** a report that assesses the co-op's compliance with all legal requirements and requirements in its constitution.

## CATEGORY B PRIMARY CO-OPS

### INDEPENDENT REVIEWED REPORT

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.

# DEFINITIONS OF DIFFERENT REPORTS

## CATEGORY C PRIMARY CO-OPS, SECONDARY CO-OPS, TERTIARY CO-OPS AND THE NATIONAL APEX CO-OPS

### AUDITED REPORT

A report by an **Auditor** after he has examined and evaluated the **Financial Statements, Social Report** and **Management Decision Report**.

# EMAIL ADDRESS FOR SUBMISSION

## EMAIL ADDRESS FOR SUBMISSION OF REPORTS & FORMS:

All the above-mentioned forms & reports must be emailed to [coopsfinancials@cipc.co.za](mailto:coopsfinancials@cipc.co.za)

# ANNUAL SUBMISSIONS & iXBRL

- Co-operatives that are required to be audited (**i.e. Category C Primary, Secondary, Tertiary and National Apex**) will in the near future be required to submit annual financial statements via the **iXBRL programme** on CIPC's website. iXBRL usage will be available for **Independently Reviewed** annual financial statements (**i.e. Category B Primary Co-ops**), however, it shall not be mandatory.
- The iXBRL pilot filing project kicked-off on **1 April 2022 and will be completed by 1 January 2023**. The project monitor how the system works and challenges experienced.
- **Compulsory filing is planned for 2 January 2023**.

# 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 is required to transfer the **audited Annual Financial Statements of Category C co-operatives** to CIPC. iXBRL allows XBRL documents to be presented in a format that is readable by both computers and humans.
- 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)

# QUERIES, FORMS & REPORTS

**CO-OPERATIVE QUERIES** can be logged via [www.cipc.co.za](http://www.cipc.co.za). Find the Query Resolution System (QRS) under “**Enquiries**”.

## **EMAIL APPLICATIONS AND REPORTS**

**CO-OP 2** (previously CR2) Director changes: [Co-op2@cipc.co.za](mailto:Co-op2@cipc.co.za)

**CO-OP 3** (previously CR3) & **CO-OP 4** (previously CR4) Change Business address & Appointment or Change of Auditor / Independent Reviewer: [Co-op3an4@cipc.co.za](mailto:Co-op3an4@cipc.co.za)

**ANNUAL REPORTS (incl.CO-OP15.1, CO-OP15.2) & FORMS (CO-OP 7, CO-OP 8):**

All the above-mentioned reports must be emailed to [coopsfinancials@cipc.co.za](mailto:coopsfinancials@cipc.co.za)

# CIPC NOTICES

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





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# QUESTIONS & ANSWERS





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# Thank you!