



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

COMPLIANCE CHECKLIST REPORT

DATE: 22 AUGUST 2023

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1. INTRODUCTION

- 1.1 The Companies and Intellectual Property Commission (CIPC) is a juristic person and organ of state established in terms of section 185(1) of the Companies Act 71 of 2008 (as amended) (Companies Act).
- 1.2 The CIPC has a statutory responsibility in terms of section 187(2) (b) to monitor proper compliance with the Companies Act.
- 1.3 Towards achieving this mandate, the CIPC developed, tested and formally implemented in 2020 an Electronic Compliance Checklist Service on its E - Services and BizPortal websites (Compliance Checklist).
- 1.4 This report provides an overview of the levels of non-compliance based on the Compliance Checklist information submitted by companies.

2. HOW DOES THE COMPLIANCE CHECKLIST WORK

- 2.1 The Compliance Checklist is a web based application designed for directors of specific categories of companies, i.e. Incorporated – Inc. (21); Proprietary Limited – (Pty) Ltd (07); Limited – Ltd (06); State Owned Company – SOC (30) and Non Profit Company – NPC (08) to declare the compliance status of the company for a predetermined compliance period, known as a Compliance Year.
- 2.2 The Compliance Checklist is a free standalone service. The director(s) of the entity remain(s) accountable for accurately completing the Compliance Checklist for the designated compliance period.
- 2.3 The Compliance Checklist can be accessed by logging on to the CIPC's E- Services or BizPortal websites (www.cipc.co.za), clicking on Business Maintenance and then on the Compliance Checklist icon.
- 2.4 The director of the specific category of company, i.e. Incorporated – Inc. (21); Proprietary Limited – (Pty) Ltd (07); Limited – Ltd (06); State Owned Company – SOC (30) or Non Profit Company – NPC (08) would first need to confirm if the company's annual financial statements are audited or independently reviewed.

SCENARIO ONE

- 2.5 If one has confirmed that the company's annual financial statements are neither audited nor independently reviewed, one will not be required to complete the Compliance Checklist.
- 2.6 An automatic CIPC generated email message will be sent to all active directors of the company and to the person who submitted this information confirming this.

SCENARIO TWO

- 2.7 If one has confirmed that the company's annual financial statements are either audited or independently reviewed, one must complete the Compliance Checklist.

- 2.8 The sections that constitute the Compliance Checklist are:

Section 4 – Solvency and liquidity test.

Section 15 – Memorandum of Incorporation, shareholder agreements and rules of company.

Section 26 – Access to company records.

Section 27 – Financial year of company.

Section 28 – Accounting records.

Section 29 – Financial statements.

Section 30 – Annual financial statements.

Section 32 – Use of company name and registration number.

Section 33 – Annual return.

Section 44 – Financial assistance for subscription of securities.

Section 45 – Loans or other financial assistance to directors.

Section 50 – Securities register and numbering.

Section 61 – Shareholders meetings.

Section 66 – Board, directors and prescribed officers.

Section 69 – Ineligibility and disqualification of persons to be director or prescribed officer.

Section 70 – Vacancies on board.

Section 71 – Removal of directors.

Section 86 – Mandatory appointment of company secretary.

Section 90 – Appointment of auditor.

Section 92 – Rotation of auditors.

Section 94 – Audit committees.

Regulation 21 – Registered office of company.

Regulation 43 – Social and Ethics committee.

Schedule 1 – Provisions concerning Non –Profit Companies.

- 2.9 The sections listed in 2.8 above form the common areas of non –compliance that the CIPC has identified since the inception of the Companies Act in May 2011.
- 2.10 The Compliance Checklist must be answered on a Not Applicable; Yes or No basis and contains a comment box for each question, should a company wish to explain the specific answer given.
- 2.11 Upon submitting the Compliance Checklist, an automatic CIPC generated email message will be sent to all active directors of the company and to the person who submitted the Compliance Checklist confirming the information sent on behalf of the company.
- 2.12 Reference to Compliance Year in the Compliance Checklist is aligned to the **anniversary date** of a company's incorporation. If for example, the company's date of incorporation (anniversary date) is 5 May, the **2021 Compliance Year** will run from 5 May 2021 until 4 May 2022. The 2021 Compliance Checklist must therefore, be submitted by a company to the CIPC within 30 business days **after** the anniversary of the company's date of incorporation.
- 2.13 As the Compliance Checklist became mandatory from 05 March 2020 (as it was in a test phase to the market between September 2019 – December 2019), it has been designed to default to two preceding years and will automatically default as each year is completed.
- 2.14 Therefore, in 2020, the Compliance Year defaulted to 2018 and 2019; in 2021, the Compliance Year defaulted to 2019 and 2020; in 2022, the Compliance Year defaulted to 2020 and 2021 and in 2023, the Compliance Year will default to 2021 and 2022 etc.

3. OVERVIEW OF THE COMPLIANCE CHECKLIST DATA AND REASONS FOR NON-COMPLIANCE

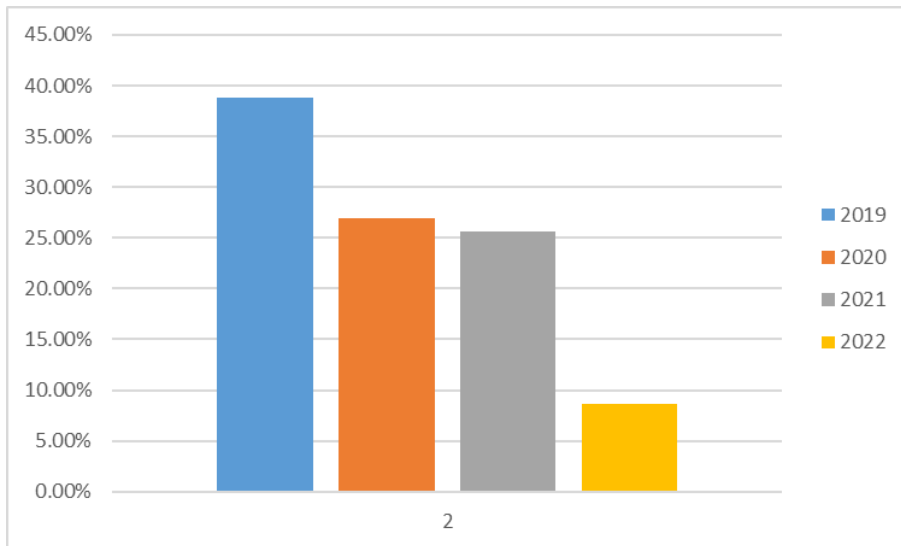
3.1 An overview of the levels of non - compliance is provided based on the Compliance Checklist information submitted by companies for the compliance years 2019; 2020; 2021 and 2022 ending March 2023. The information is expressed as a percentage breakdown and in graph format per section with specific focus on the reasons for non-compliance.

3.2 In the Row Label Tables below a “no” response given by a company to a specific section in the Compliance Checklist is reflected as 2.

3.3 Section 4 – Solvency and liquidity test

3.3.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 38.6% in 2019 to 25.62% in 2021.

Years ComplQuest1	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	38.76%	26.95%	25.62%	8.68%	100.00%



3.3.2 Companies did not comply with section 4 for the 2019 – 2022 Compliance Year Period for the following reasons:

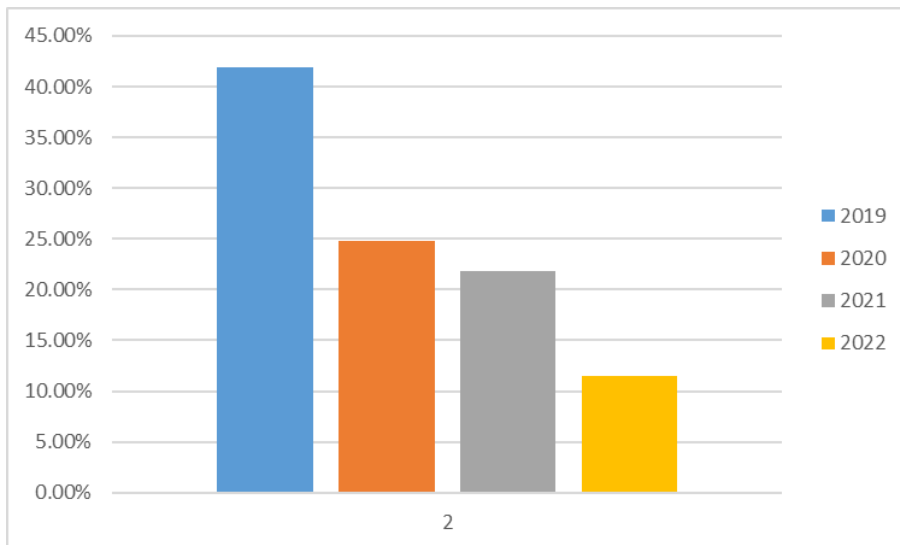
- The assets of the entities do not equal or exceed the liabilities of the entities.
- Entities provided financial assistance during the Compliance Year and there is no evidence that the solvency and liquidity test was performed.
- Year-end cash flows were low.
- Foreign liabilities and a weak currency.
- Entities were in a net liability position due to goodwill and intangibles being impaired during the Compliance Year.
- Short term assets are less than short term liabilities.
- Entities were not able pay its debts due to accumulated losses.

- Outlay of costs for new projects.
- Entities balance sheets are insolvent, i.e. total assets exceeds total liabilities.
- The assets and liabilities were held at cost value.
- Certain entities are still early stage start-ups and rely on loans from shareholders and associated companies. Certain debts are outstanding to associated companies. In the first year of operational scaling, income streams were being developed and seed capital still has to be repaid.

3.4 Section 15 – Memorandum of Incorporation, shareholder agreements and rules of company

3.4.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 41.89% in 2019 to 21.88% in 2021.

Years ComplQuest2	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	41.89%	24.75%	21.88%	11.49%	100.00%



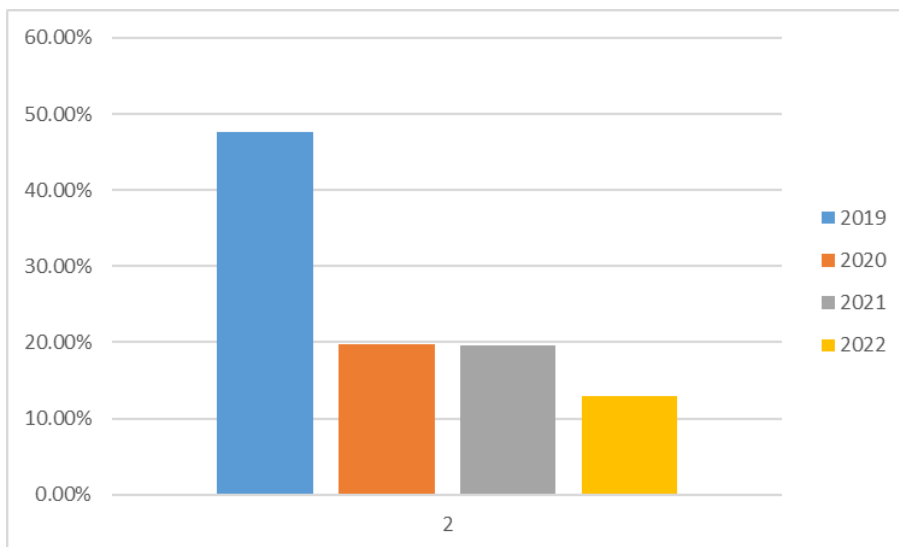
3.4.2 Companies did not comply with section 15 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Entities still have Articles of Association and Memorandum of Association in place and have not yet converted to the Memorandum of Incorporation.
- The MOI amendments are in the process of being updated.
- As per the entities MOI share buyback transactions required shareholder approval which were not obtained during the Compliance year.

3.5 Section 26 – Access to company records

3.5.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 47.64% in 2019 to 19.56% in 2021.

Years ComplQuest3	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	47.64%	19.79%	19.56%	13.00%	100.00%



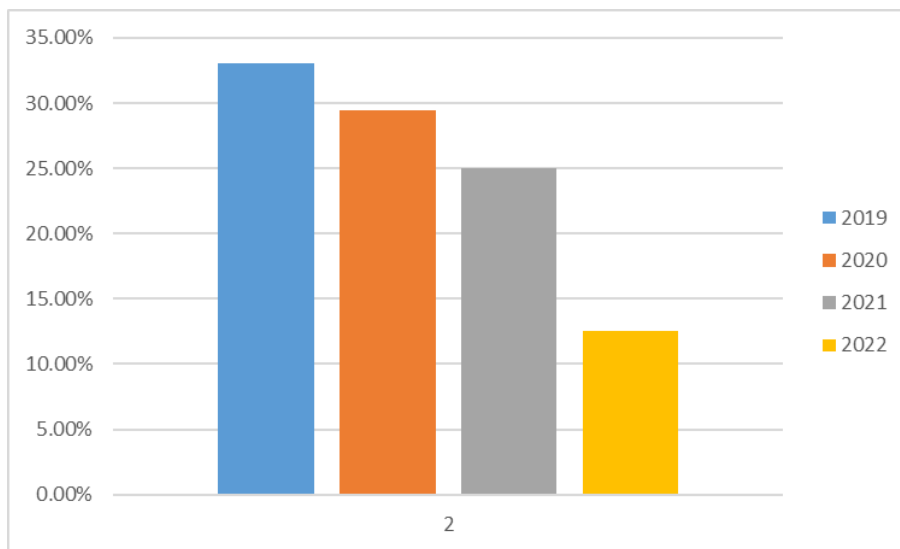
3.5.2 Companies did not comply with section 26 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Lack of knowledge of the Companies Act requirements.

3.6 Section 27 – Financial year of company

3.6.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 33.04% in 2019 to 25.02% in 2021.

Years ComplQuest4	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	33.04%	29.41%	25.02%	12.53%	100.00%



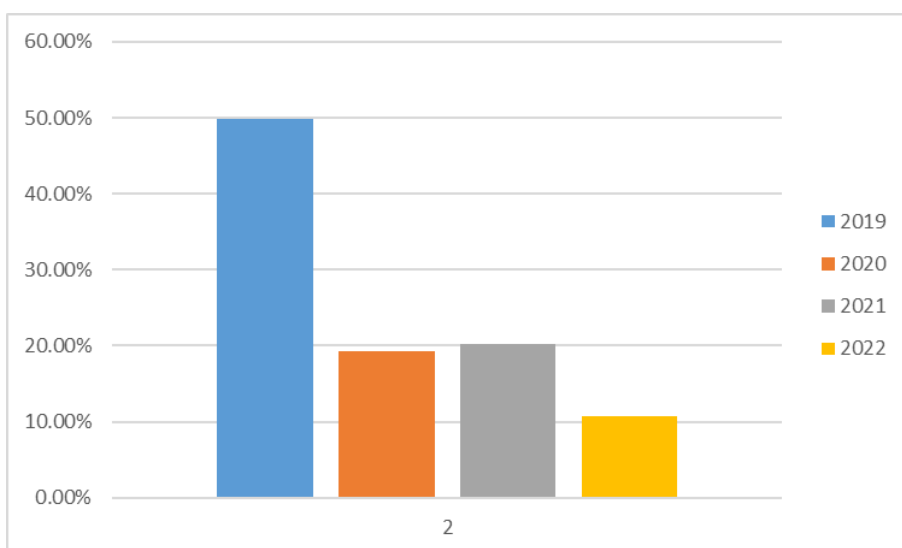
3.6.2 Companies did not comply with section 27 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Lack of knowledge of the Companies Act requirements.

3.7 Section 28 – Accounting records

3.7.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 49.89% in 2019 to 20.15% in 2021.

Years ComplQuest5	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	49.89%	19.30%	20.15%	10.66%	100.00%



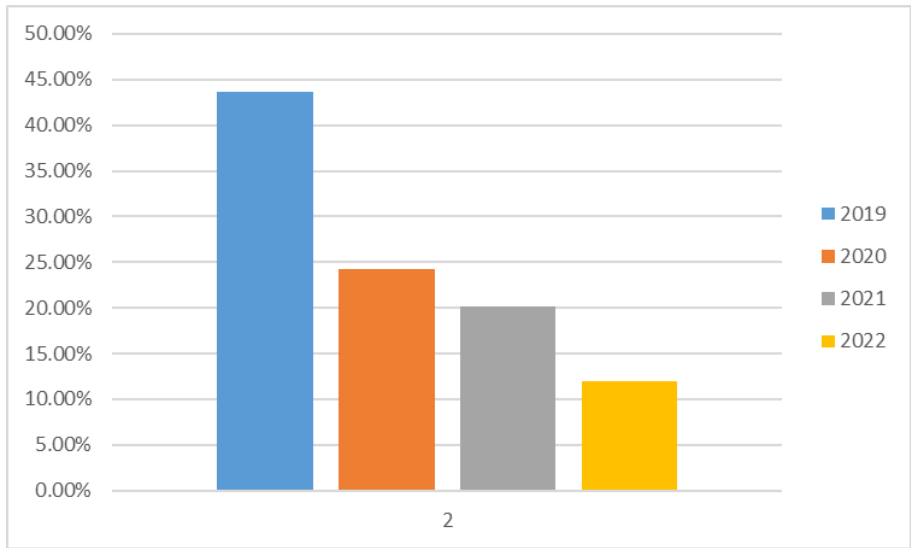
3.7.2 Companies did not comply with section 28 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Section 28(2) was not complied with as the records were not kept at, or accessible from, the registered office of the company.
- Accounting records are not up to date.
- Cash records were not accurate.
- No accounting records received from previous managing agent.
- No accounting records prepared.
- Entities do not have formal accounting records other than bank statements.

3.8 Section 29 – Financial statements

3.8.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 43.64% in 2019 to 20.16% in 2021.

Years ComplQuest6	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	43.64%	24.22%	20.16%	11.99%	100.00%



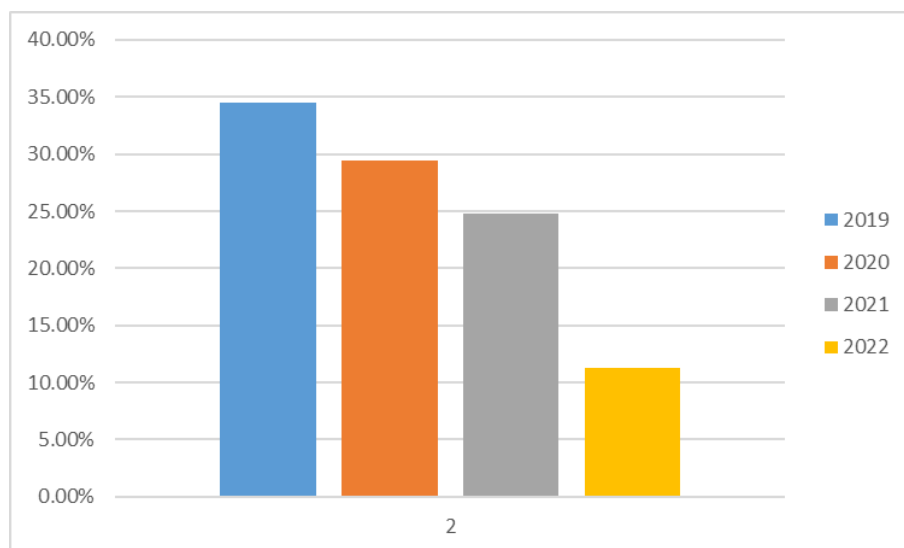
3.8.2 Companies did not comply with section 29 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Entities provided financial statements or a summary thereof that did not include a notice indicating whether they were audited, independently reviewed or compiled, and/or by whom they were prepared by.
- The published date was not presented on the first page of the financial statements.
- Financial statements have never been compiled.
- No indication on the first page of how to obtain a copy of the financial statements.

3.9 Section 30 – Annual financial statements

3.9.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 34.55% in 2019 to 24.80% in 2021.

Years ComplQuest7	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	34.55%	29.39%	24.80%	11.26%	100.00%



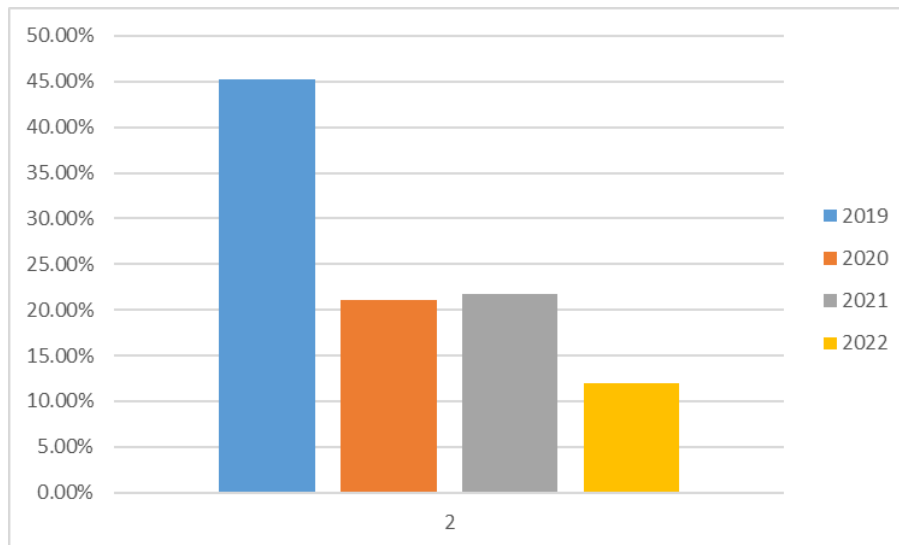
3.9.2 Companies did not comply with section 30 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Annual financial statements were not prepared within six months after year end due to outstanding/ insufficient information/ client had financial difficulties so could not pay for AFS/ delay from previous year having knock-on effect to current year/ the directors were unable to obtain fair values of property, plant and equipment timeously/ the restatement of the AFS/ communication issue between client and auditor/ there was a Shareholder Certificate issue/ the auditors were awaiting on the signed life of a mine.
- Entities did not prepare consolidated financial statements and, therefore, audit opinions were withheld for non-compliance with IFRS for SME or received adverse auditor opinions.
- The AFS were compiled but the PI Score of the Company calculated indicated that the AFS must be Independently Reviewed or Audited or vice versa.
- As a result of the liquidity risks, additional work needed to be done and letters of support needed to be obtained from the holding company.
- The auditors were waiting for transaction documents in order to complete the AFS.
- Noncompliance with section 30(3) (c); (d); 30 (4); (6).
- The remuneration of each director is not set out separately, but is showing in total.
- Due to a misunderstanding of who out of the two auditing firms appointed were carrying out the Independent Review there was a delay in the financial statements review.
- No Board remuneration application.
- The auditors had to carry out further checks and the delays were caused by the additional work they had to do to ensure all disclosures were adequate.

3.10 Section 32 – Use of company name and registration number

3.10.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 45.23% in 2019 to 21.79% in 2021.

Years ComplQuest8	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	45.23%	21.03%	21.79%	11.95%	100.00%



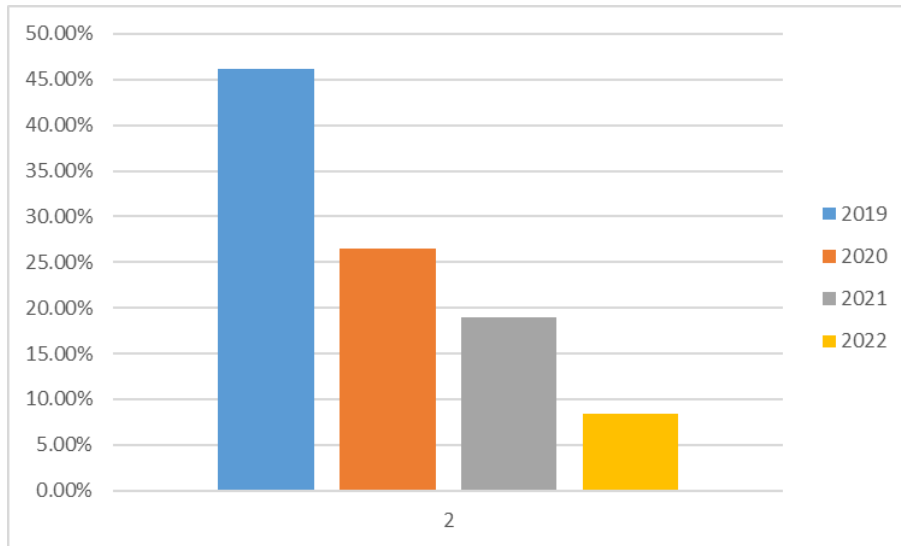
3.10.2 Companies did not comply with section 32 for the 2019 – 2022 Compliance Year Period for the following reasons:

- The full name and registration number were not used on all official company documentation.
- Intercompany invoices did not quote the company registration number.
- The Company registration number was not included as part of the company’s internal transfer pricing invoices.
- Not all Supplier invoices have the Company registration number.

3.11 Section 33 – Annual return

3.11.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 46.22% in 2019 to 18.94% in 2021.

Years ComplQuest9	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	46.22%	26.43%	18.94%	8.40%	100.00%



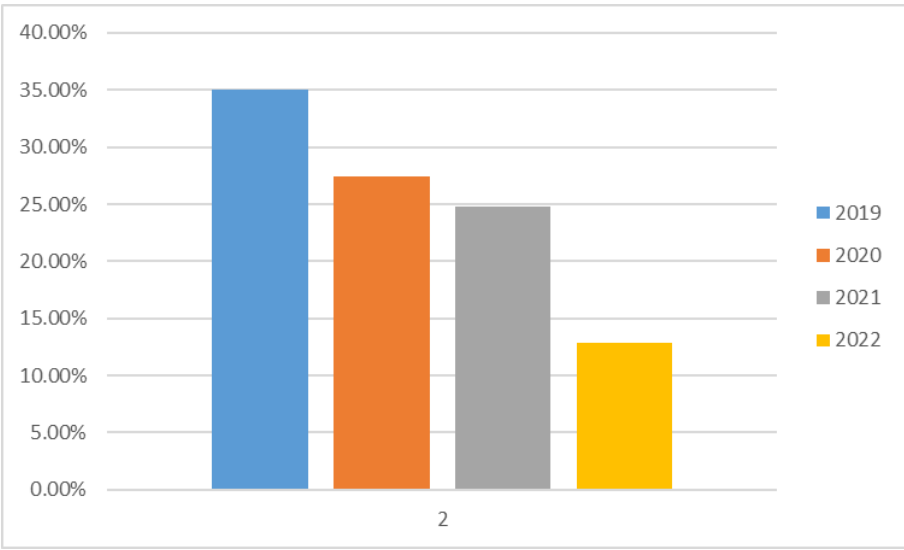
3.11.2 Companies did not comply with section 33 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Administrative error caused annual return not to be filed.
- Clients still to transfer funds for filing of return.
- Missed in error.
- Annual return could not be submitted in time as third party was awaiting signed annual financial statements.
- Due to change in company secretary, annual return filing was submitted late.
- The annual return was not filed timeously by third party.
- Client was unaware that third party had not paid the annual return fee.
- Previous accountants had failed to alert the company to the payment requirement.
- Company Secretary did not attend to the annual return payment and this was and only discovered when company changed services providers.
- Client paid on time, the accountants failed to submit on time.

3.12 Section 44 – Financial assistance for subscription of securities

3.12.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 34.98% in 2019 to 24.75% in 2021.

Years ComplQuest10	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	34.98%	27.43%	24.75%	12.84%	100.00%



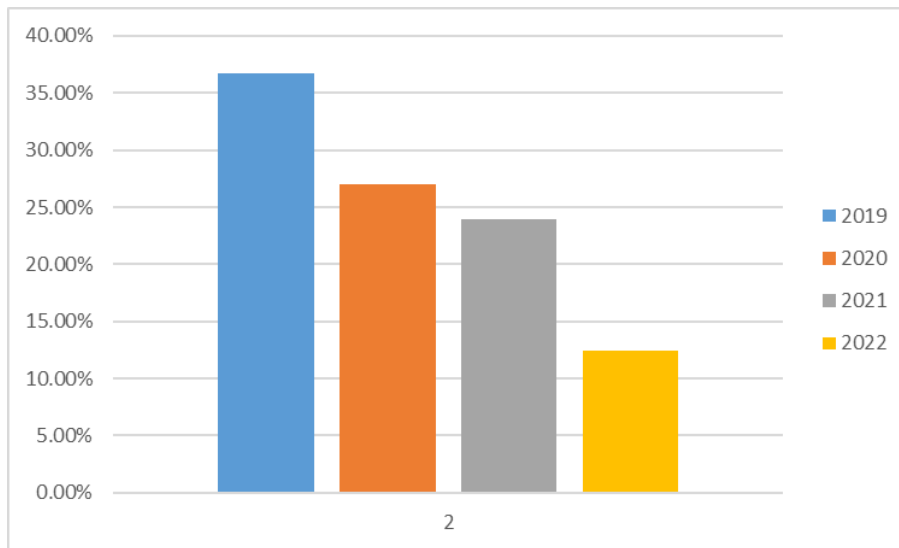
3.12.2 Companies did not comply with section 44 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Financial assistance provided however no solvency and liquidity test undertaken.

3.13 Section 45 – Loans or other financial assistance to directors

3.13.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 36.67% in 2019 to 23.90% in 2022.

Years ComplQuest11	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	36.67%	27.02%	23.90%	12.41%	100.00%



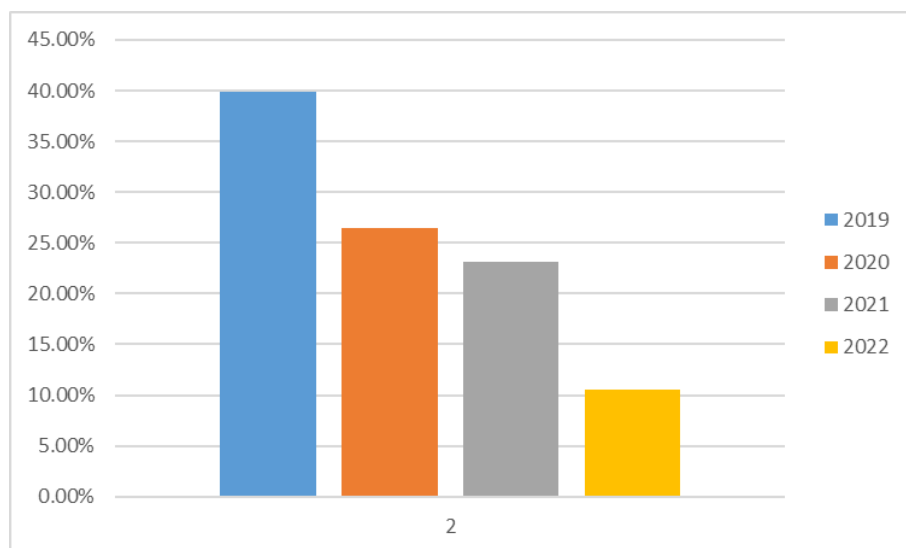
3.13.2 Companies did not comply with section 45 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Company provided financial assistance and there is no supporting documents on the company file.
- Directors did not apply the solvency and liquidity test before offering financial aid/loan to another director
- Loan with the shareholder - financial assistance resolutions obtained after the fact.
- No signed resolutions on file for the approval of financial assistance to related parties.
- Financial assistance provided however shareholder and board resolutions not on file.
- Financial assistance provided however shareholder and board resolutions not signed prior.
- No notice given to trade union.
- Financial assistance provided to the shareholder of the company in the form of a loan - no resolutions on file to approve such assistance.
- Special resolution not adopted prior to financial assistance provided.
- The entity granted a loan to a shareholder whilst the entity was not solvent or liquid.
- A loan to a related party was provided without shareholder approval.
- Money was loaned and there is no special resolution on file adopted within the 2 years prior to the financial assistance given.
- No Liquidity test were done before or after the advancement of these loans.

3.14 Section 50 – Securities register and numbering

3.14.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 39.84% in 2019 to 23.18% in 2021.

Years ComplQuest12	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	39.84%	26.43%	23.18%	10.55%	100.00%



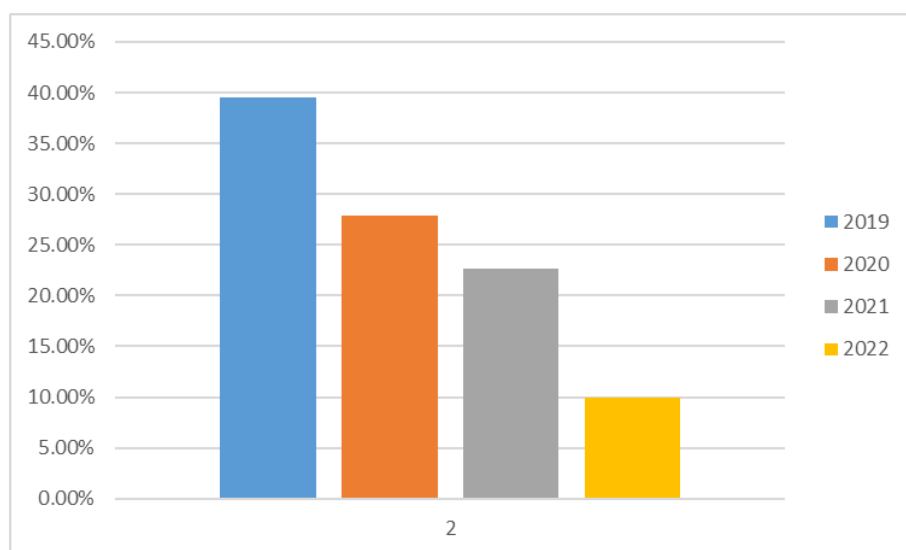
3.14.2 Companies did not comply with section 50 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Lack of acknowledge and/or misinterpretation of the Companies Act requirements as to the type of company that needs to adhere to this section, responses received include: Non-Profit company - not required to keep a securities register; Not applicable to profit companies and only applicable for public companies.
- Securities register lost/misplaced.
- Share Register not captured as supporting documents have been misplaced.
- Shareholding has changed but the Share Register is not updated.
- The Company did not maintain a register of its issued shares.
- The company does not have any securities.

3.15 Section 61 – Shareholders meetings

3.15.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 39.51% in 2019 to 22.69% in 2021.

Years ComplQuest13	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	39.51%	27.83%	22.69%	9.96%	100.00%



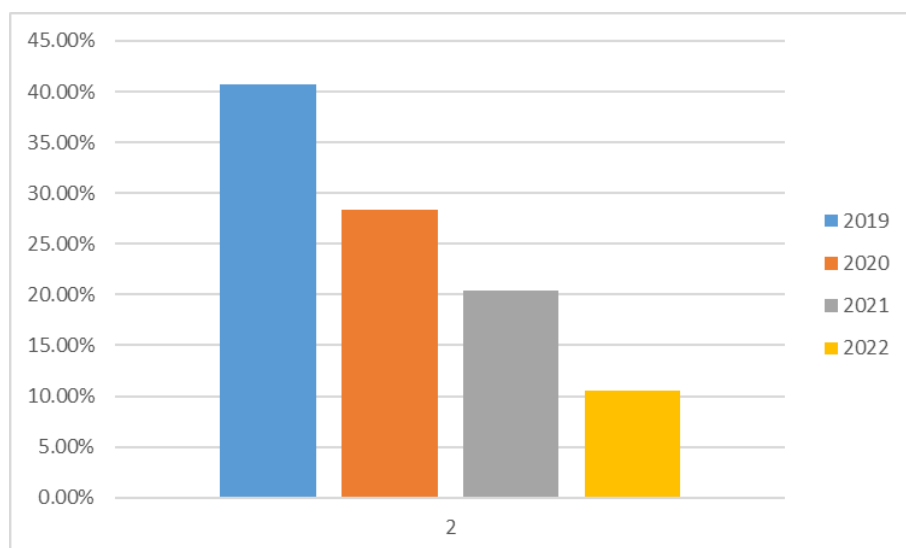
3.15.2 Companies did not comply with section 61 for the 2019 – 2022 Compliance Year Period for the following reasons:

- AGM not held within the prescribed period as detailed in the Memorandum of Association/ MOI.
- AGM was delayed due to AFS being outstanding.
- 2021 AGM minutes not on file.
- AGM Minutes for 2019 were not signed off.
- NO AGM Minutes available.
- NO AGM resolutions.

3.16 Section 66 – Board, directors and prescribed officers

3.16.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 40.74% in 2019 to 20.41% in 2021.

Years ComplQuest14	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	40.74%	28.34%	20.41%	10.51%	100.00%



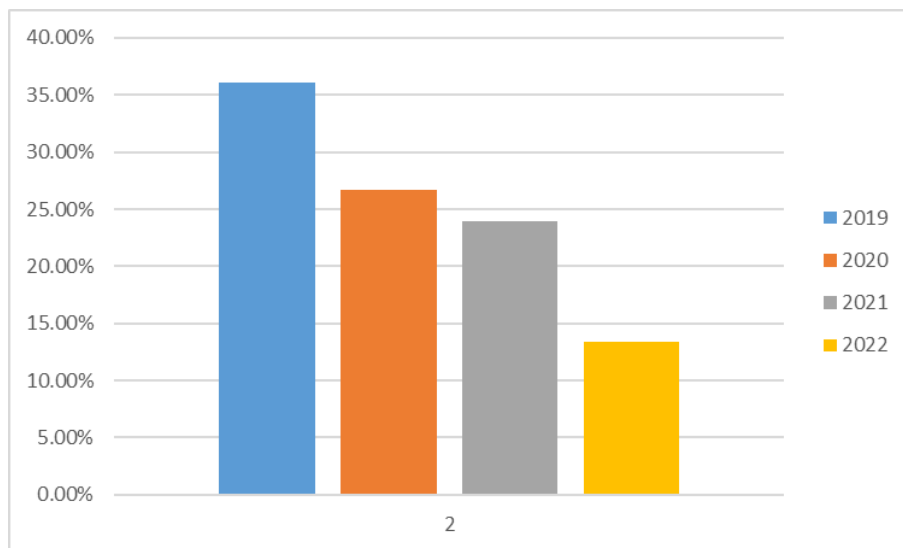
3.16.2 Companies did not comply with section 66 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Additional remuneration paid in excess of the special resolution.
- Consent form for individual to act as director not on file and emoluments paid to director and prescribed officer not approved by special resolution.
- Public officer consent form not on file.
- Directors’ remuneration paid exceeded amount approved on special resolution.
- Remuneration paid to Directors of group companies was not approved by special resolution.
- Minimum number of directors per the MOI was not maintained.
- No resolution on file regarding the appointment of director.

3.17 Section 69 – Ineligibility and disqualification of persons to be director or prescribed officer

3.17.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 36.04% in 2019 to 23.90% in 2021.

Years ComplQuest15	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	36.04%	26.67%	23.90%	13.38%	100.00%



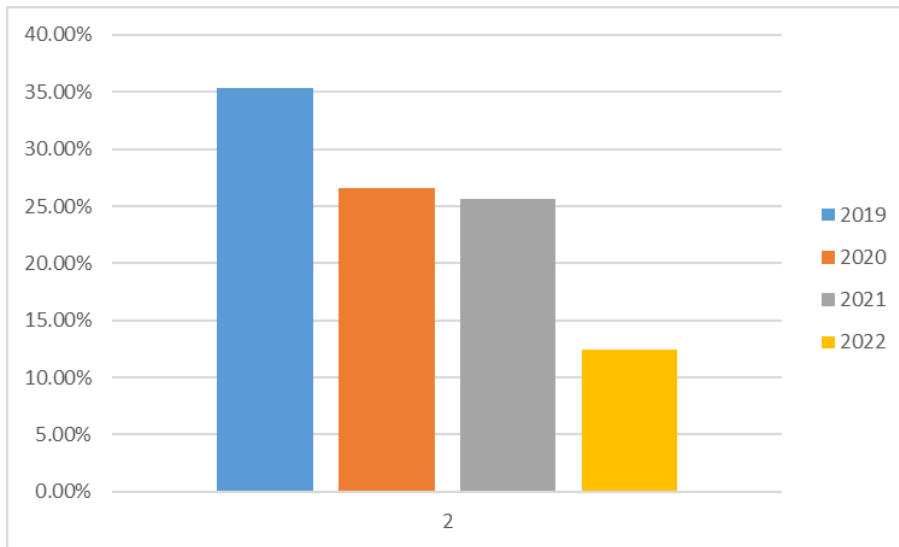
3.17.2 Companies did not comply with section 69 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Director did not declare that he was an unrehabilitated insolvent; removed from an office of trust on the grounds of misconduct involving dishonesty.
- Lack of proper checks and verification prior to appointment.

3.18 Section 70 – Vacancies on board

3.18.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 35.32% in 2019 to 25.65% in 2021.

Years ComplQuest16	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	35.32%	26.59%	25.65%	12.44%	100.00%



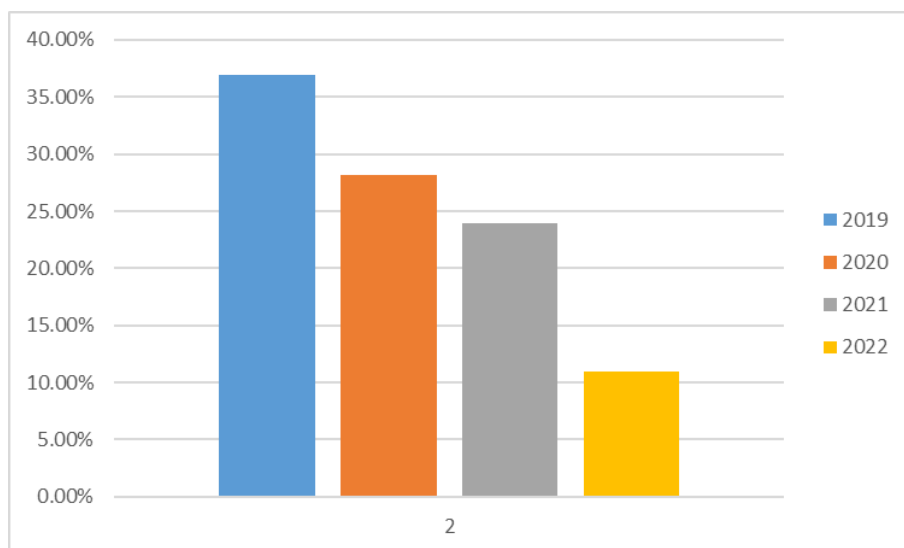
3.18.2 Companies did not comply with section 70 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Section 70(6) - Notice not filed within 10 business days after person becomes or ceases to be a director of the company.

3.19 Section 71 – Removal of directors

3.19.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 36.89% in 2019 to 23.96% in 2021.

Years ComplQuest17	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	36.89%	28.20%	23.96%	10.94%	100.00%



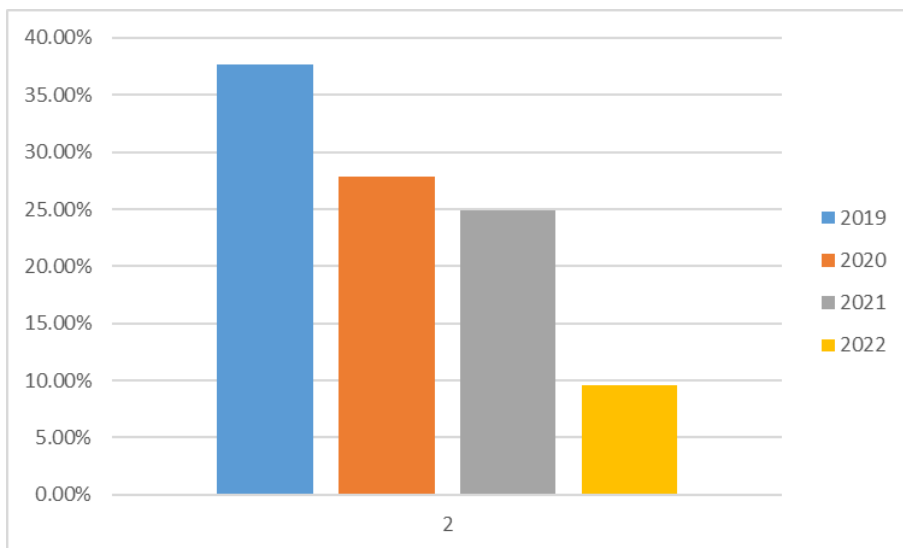
3.19.2 Companies did not comply with section 71 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Section 71 (2) (a) and (b) - Director not given proper notice of meeting and the resolution and not afforded a reasonable opportunity to make a presentation in person or through a representative to the meeting before a resolution is put to a vote to remove the director.

3.20 Section 86 – Mandatory appointment of company secretary

3.20.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 37.70% in 2019 to 24.90% in 2021.

Years ComplQuest18	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	37.70%	27.83%	24.90%	9.58%	100.00%



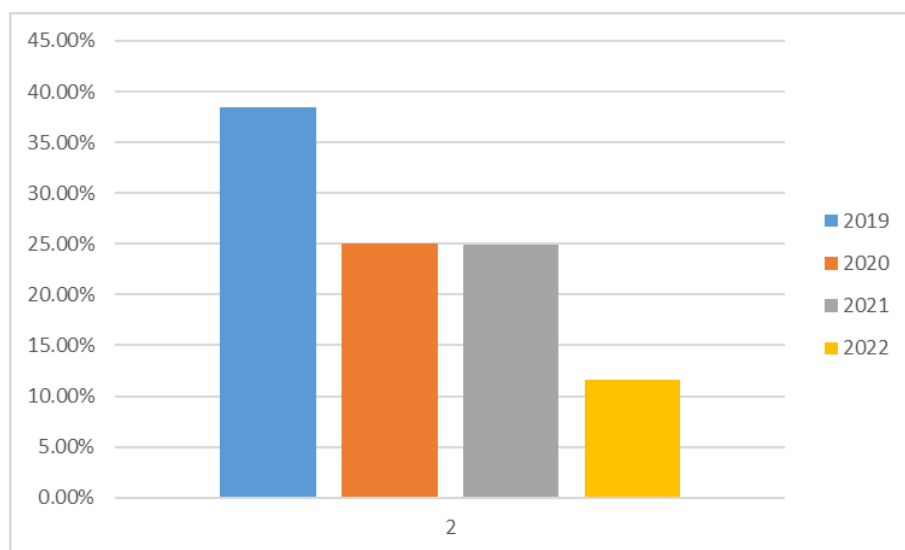
3.20.2 Companies did not comply with section 86 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Vacancy was not filled by the board within 60 business days.
- Form CoR44 was never completed and or submitted to the CIPC.

3.21 Section 90 – Appointment of auditor

3.21.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 38.42% in 2019 to 24.95% in 2021.

Years ComplQuest19	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	38.42%	25.03%	24.95%	11.60%	100.00%



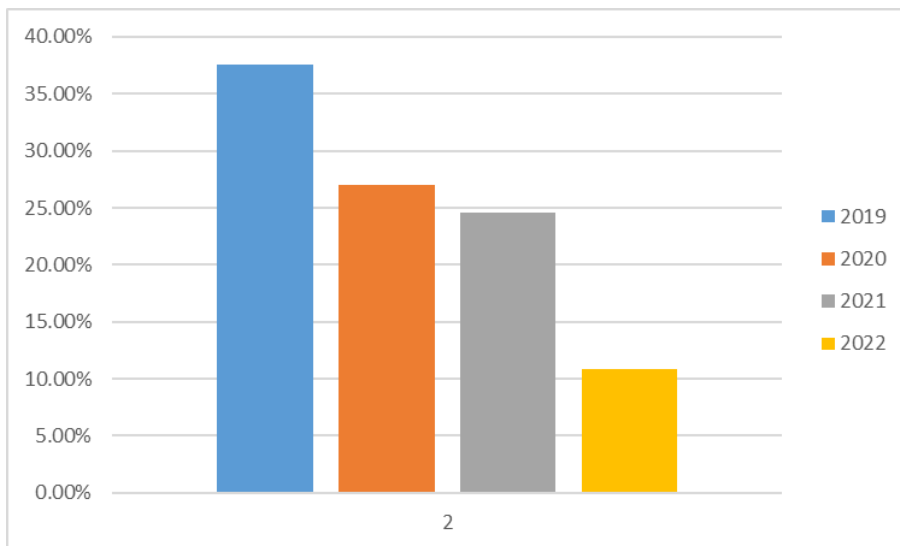
3.21.2 Companies did not comply with section 90 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Form CoR 44 was not submitted to the CIPC - Audit partner has been appointed/removed but records not updated by companies with CIPC.
- No documents pertaining to auditor appointment on file.
- The appointed auditor has been a director, officer or related person of the company in the last 5 years. The appointed auditor has been an employee or consultant involved with the financials of the company for more than 1 year.
- The company is audited but the auditor appointment was not discussed at the AGM.
- There are no minutes of the Annual General Meeting on file therefore there is no evidence of an Auditor being appointed.

3.22 Section 92 – Rotation of auditors

3.22.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 37.60% in 2019 to 24.53% in 2021.

Years ComplQuest20	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	37.60%	26.98%	24.53%	10.89%	100.00%



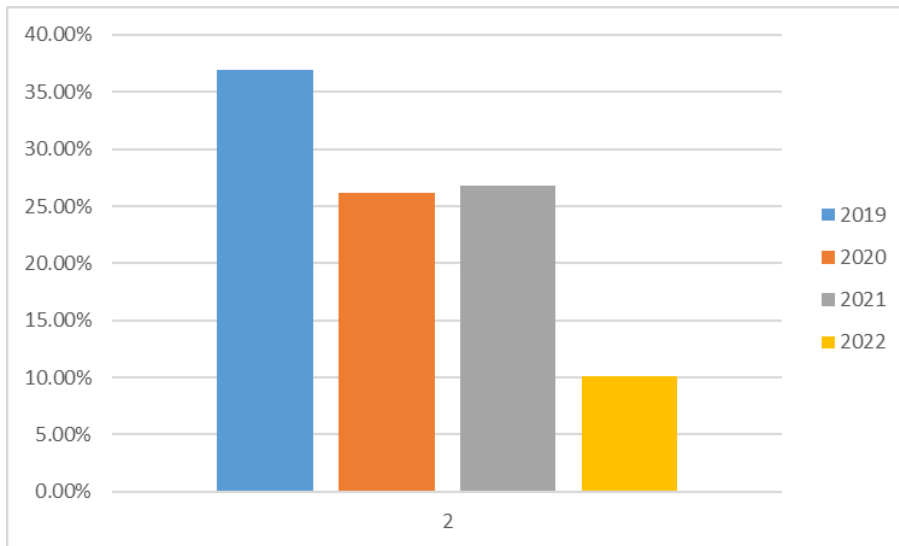
3.22.2 Companies did not comply with section 92 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Section 92(1) and 92(2) - Designated individuals are serving as auditors beyond the stipulated timeframes.
- No evidence on file of auditor rotation being done.

3.23 Section 94 – Audit committees

3.23.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 36.91% in 2019 to 26.81% in 2021.

Years ComplQuest21	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	36.91%	26.19%	26.81%	10.10%	100.00%



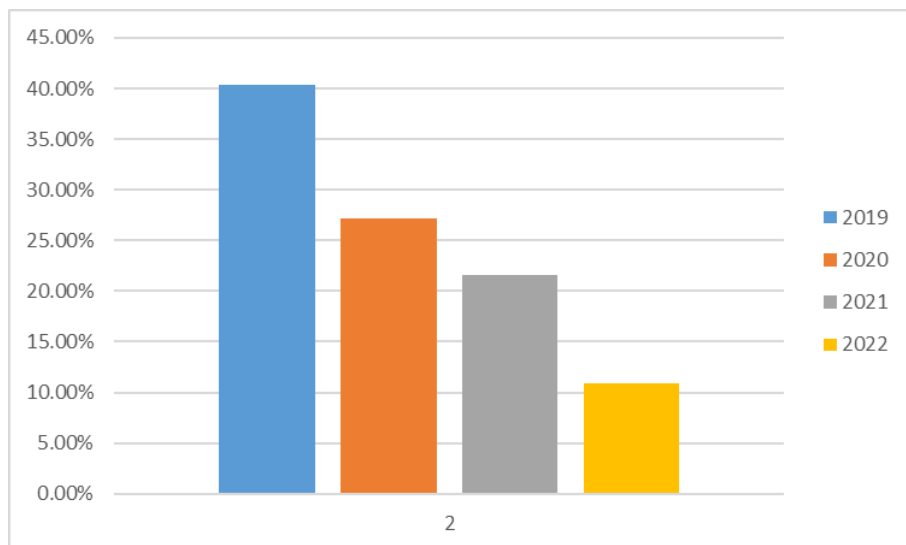
3.23.2 Companies did not comply with section 94 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Section 94(4) (b) – Audit Committee Composition was incorrect.
- Section 94 (7) (g) - The audit committee did not deal with any concerns and/or complaints it received relating to the accounting, auditing and/or financial controls of the company.

3.24 Regulation 21 – Registered office of company

3.24.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 40.37% in 2019 to 21.62% in 2021.

Years ComplQuest22	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	40.37%	27.17%	21.62%	10.84%	100.00%



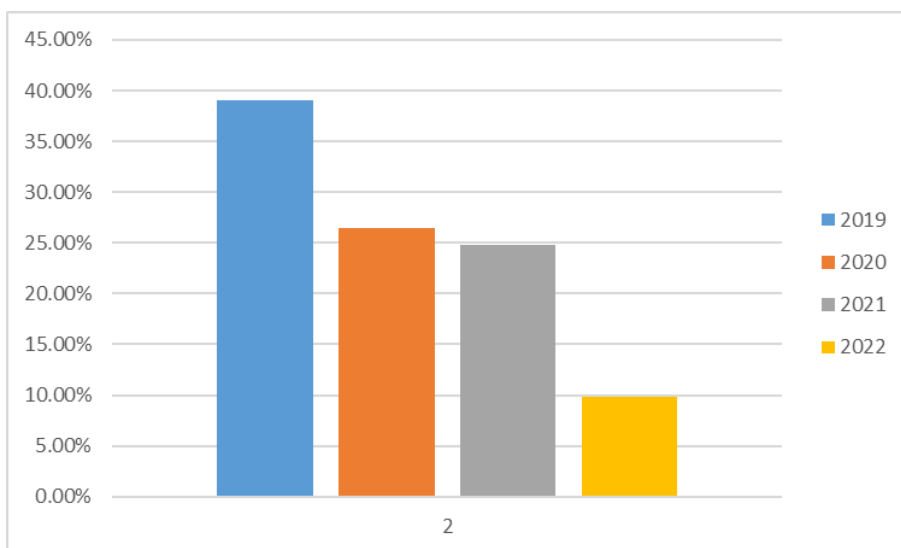
3.24.2 Companies did not comply with regulation 21 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Registered address changed but the CIPC was not notified within prescribed time frame.
- Registered office changed without having the required Board resolution on file.
- The registered address per entities Financial Statements and the Form CoR 21.1 are different.

3.25 Regulation 43 – Social and Ethics committee

3.25.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 39.01% in 2019 to 24.80% in 2021.

Years ComplQuest23	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	39.01%	26.42%	24.80%	9.77%	100.00%



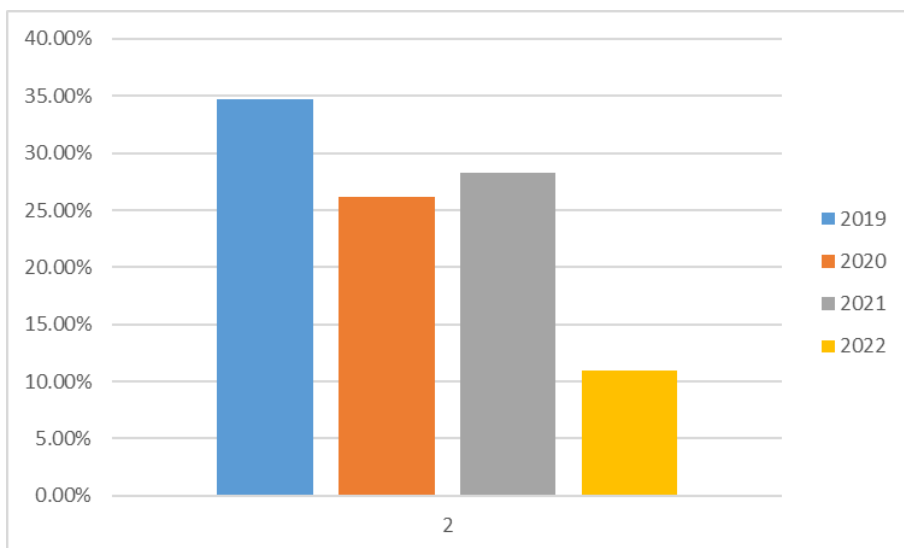
3.25.2 Companies did not comply with regulation 43 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Regulation 43(4) was contravened.
- Social and Ethics Committees appointed but no formal meetings were held.
- Not all functions were properly monitored in terms of Regulation 43(5).

3.26 Schedule 1 – Provisions concerning Non –Profit Companies

3.26.1 The data indicates a gradual improvement in compliance with the percentage of “no” declining from 34.71% in 2019 to 28.23% in 2021.

Years ComplQuest24	Years				Grand Total
Row Labels	2019	2020	2021	2022	
2	34.71%	26.16%	28.23%	10.90%	100.00%



3.26.2 Companies did not comply with Schedule 1 for the 2019 – 2022 Compliance Year Period for the following reasons:

- Schedule 1, item (2) (a) - Nonprofit entities not applying all of its assets and income, however derived, to advance its stated objects as set out in its MOI.
- Schedule 1, item (5) (3) - Providing loans to secure debts or obligations and providing direct and indirect financial assistance to a director of the company or of a related or inter related company or to a person related to such a director which falls outside the exceptions as per Schedule 1, item (5) (4).

4. CONCLUSION

4.1 The Compliance Checklist Data indicates a year on year improvement in the levels of compliance and the Report aims to:

- 4.1.1 Serve as a knowledge tool for directors in guiding them with regard to their responsibilities in terms of the Companies Act.
- 4.1.2 Allow for third parties who provide company secretarial services to have a more focused engagement with their clients (i.e. directors) on the statutory obligations thus saving time and scarce resources and ensuring accurate up to date filings are made to the CIPC.
- 4.1.3 Strengthen the corporate governance of these entities and thereby assist in growing the economy.

4.2 The reasons given for non-compliance requires interventions and the CIPC will:

- 4.2.1 Follow up to ensure that the companies who have undertaken to rectify the areas of non-compliance as outlined in the Report have honoured their commitments.
- 4.2.2 Engage with external stakeholders including the Companies Tribunal and the Independent Regulatory Board for Auditors in areas relating to auditor appointment and rotation and social and ethics committees.
- 4.2.3 Provide corporate education in areas including but not limited to section 26 – Access to company records; section 27 - financial year of company and section 50 – Share registers and numbering.

4.3 As an added measure of monitoring proper compliance, the CIPC will cross reference the Compliance Checklist data for the 2019 – end March 2023 period in which entities have confirmed that they have complied, in areas relating to:

- 4.3.1 Section 30 Annual Financial Statements with the CIPC's iXBRL portal.
- 4.3.2 Section 33 Annual Returns with the CIPC Annual Returns Unit.
- 4.3.3 Section 50 Securities register and numbering with the CIPC's Beneficial Ownership Register Unit.