



Companies and Intellectual
Property Commission

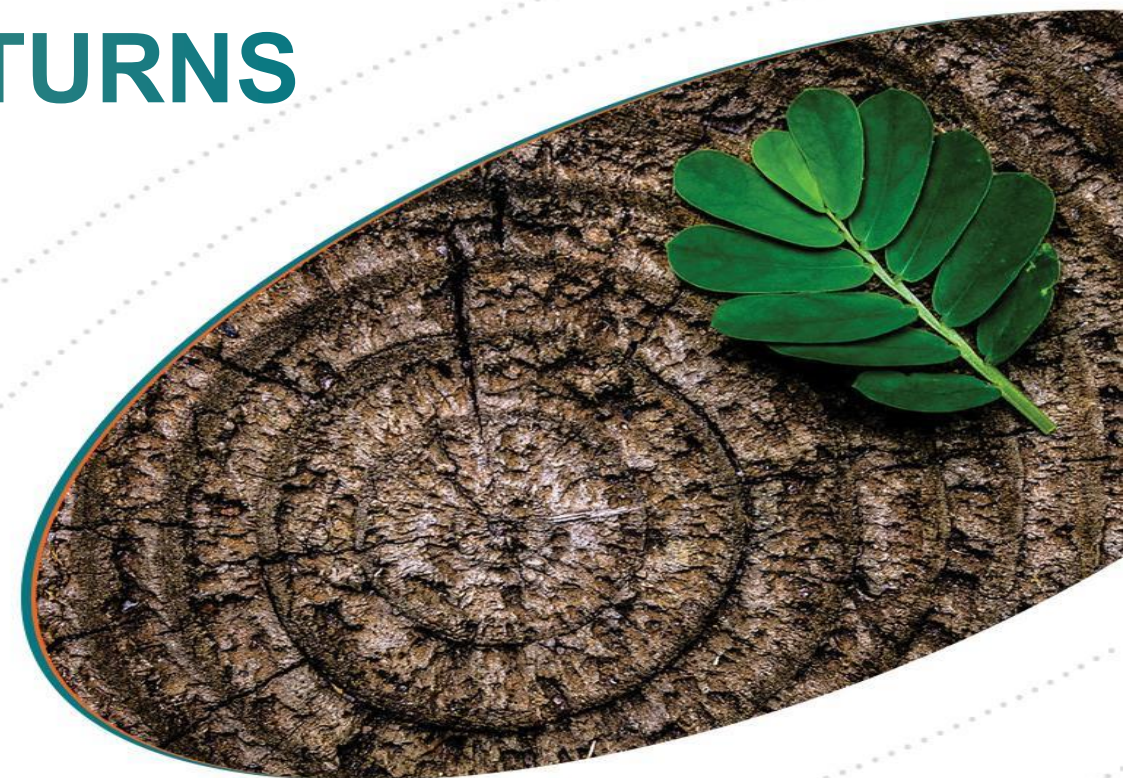
a member of **the dtic** group

WEBINAR

CHANGES ON ANNUAL RETURNS

(I) INCLUSION OF BENEFICIAL OWNERSHIP
(II) TURNOVER VALIDATION

4 DECEMBER 2023





WHAT IS ANNUAL RETURNS?

What is annual returns?



Think of Annual Returns as an annual renewal for your business to conduct business (*not a legal description*)

- Annual Returns is an annual filing of information with the CIPC to confirm the latest information of the company or close corporation (as at the date of filing)
 - Check: Corporate information e.g., directors, auditor, address, financial year end and company name is up to date
 - Check: Financial record keeping and financial information on companies and close corporations (AFS or FAS)
 - Check: Level of compliance with Companies Act
 - **Check: Who is beneficial owners**
 - Check: Operational information e.g., number of employees, active or dormant, main business activity and were conducting business

All the above to help CIPC to execute its various functions and objectives

What is Annual Returns?

- Refer to the following webinar:-
 - <https://www.youtube.com/watch?v=fUhE5QgBxWM>

Changes on Annual Returns

- As from 11 December 2023, two changes will be incorporated:-
 - (i) Beneficial Ownership Declaration
 - (ii) Validation of turnover with information filed on iXBRL
- It will be implemented in phases across the different channels on which AR can be filed
 - Starting with e-Services
- 1 April 2024 – mandatory on all channels



BENEFICIAL OWNERSHIP DECLARATION

What is Beneficial Ownership Declaration

- Refer to webinar on this topic
 - <https://www.youtube.com/watch?app=desktop&v=2Ts85NJ6nGU>
 - In short, it is the natural person who directly or indirectly through various means owns, directs or influences the affairs of a company, external company or close corporation
- (above is a simplification and should not be seen as the legal definition)

Objective of Beneficial Ownership Declaration

- Have a register of natural persons who own or exercise control over legal entities;
- To bring South Africa in line with international best practices
- To assist law enforcement with relevant information when it comes to their investigations of who the ultimate owners of an entity are and to hold such persons accountable; and
- To mitigate the risks identified in the national risk assessment where legal persons were identified as vehicles prone to abuse for money laundering and terror financing activities.

Objective of Beneficial Ownership Declaration

- Beneficial ownership has the following benefits for the country:
 1. The numerous benefits for our economy in knowing who owns whom will make our economy investor friendly, and the cost of capital to be reasonable.
 2. When there are contraventions of the country's laws, law enforcement agencies will be able to easily source information about real/beneficial owners of the relevant entities.

What documents do I need for Beneficial Ownership Declaration

- member / securities register;
- beneficial interest register (as applicable);
- certified ID / passport copies of filer and ALL beneficial owners; and
- mandate

Mandate

- CIPC needs to confirm that person submitting BO was mandated by the company, external company or close corporation in writing
- no specific template for the mandate itself but must contain minimum information

Content of the mandate

- May be in the form of a letter, a resolution or power of attorney,
- The mandate must be on a company / close corporation letterhead of the declaring entity;
- Must indicate the natural person (full name, surname and identity number) who must submit the declaration to the CIPC,
- Clearly state the extent of the mandate – to submit beneficial ownership declaration to the CIPC and for what period
- The indicated natural person MUST have a valid CIPC customer code
 - This code must be used during filing – cannot use another code
- Mandate must be accompanied by a certified ID copy of the filer;
- Must be signed by at least 50% +1 of the directors of the company (ordinary resolution requirements), and all of the members of a CC.

Securities / Member Register

- Every company and external company MUST keep a securities register (S 50 of the Companies Act) AT all times of issued securities, which may include beneficial interest holders and beneficial owners
 - NPC without members – submission of directors register AND beneficial ownership information
 - NPC with members – members register

Paid Annual Returns - 2013 / 169370 / 07

AR Year	Customer Code	Amount Paid	Tracking Number	Date Filed
2014	SWIFT	-150.00	9370769881	2022-08-10
2015	SWIFT	-150.00	9370769883	2022-08-10
2016	SWIFT	-150.00	9370769884	2022-08-10
2017	SWIFT	-150.00	9370769885	2022-08-10
2018	SWIFT	-150.00	9370769886	2022-08-10
2019	SWIFT	-150.00	9370769887	2022-08-10
2020	SWIFT	-150.00	9370769888	2022-08-10
2021	SWIFT	-150.00	9370769889	2022-08-10

Outstanding Annual Returns - 2013 / 169370 / 07

AR Year	AR Month	AR Non-Compliance Date	Turnover
2022	9	2022-11-10	<input type="text" value="0"/>
2023	9	2023-11-10	<input type="text" value="0"/>

Turnover amount(s) must be a whole number, no decimals.

CALCULATE OUTSTANDING AMOUNT



Filing of beneficial ownership declarations is compulsory for all companies and close corporations. Failure to adhere to the requirements may result in administrative sanctions and enforcement. If you wish to proceed with beneficial ownership filing, click NEXT. If you want to file at a later stage click IGNORE [NEXT>>](#).

Beneficial Ownership

Declaration Information

Declaration

I hereby declare that I am authorised to file the Beneficial Ownership Information on behalf of the entity. I confirm that the information furnished herein is true and accurate according to my knowledge. I am fully aware that enforcement action may be taken in terms of the Companies Act against the entity and individuals who are involved in deliberately providing false informati

By agreeing below, I confirm that the CIPC terms and conditions have been read and under and that any false statements, reckless conduct and non-compliance with the Companies 2008 may result in criminal action against me and penalties imposed.

☒ I Agree


CONTINUE

Search Application

Reference Number 



In progress Applications

DATE	REFERENCE	STATUS	TOTAL OWNERSHIP %	CUSTOMER	ENTERPRISE	FILE
24/03/2023	60000016837	BO PENDING REGISTRATIONS	0	790902	K2022700025	

Completed Applications

No applications available

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NEW

Associated Enterprise Listing

ENTERPRISE NO	TYPE	STATUS	COMPLIANT	FILE
2011/091321/23	CLOSE CORPORATION	IN BUSINESS	<div>✓</div>	<div>👆</div>
2020/500225/07	PRIVATE COMPANY	BUSINESS RESCUE	<div>✓</div>	<div>👆</div>
2020/500228/07	PRIVATE COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2021/453401/07	PRIVATE COMPANY	BUSINESS RESCUE	<div>✓</div>	<div>👆</div>
2022/052315/08	NON PROFIT COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2022/052316/08	NON PROFIT COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2022/052317/07	PRIVATE COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2022/700007/07	PRIVATE COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2022/700025/07	PRIVATE COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
2022/700054/08	NON PROFIT COMPANY	IN BUSINESS	<div>✗</div>	<div>👆</div>
			<div>1</div>	<div>2</div>

Enterprise Search

🔍



Company Details

Company Name: CAAAAAT

Owners Listing

Enterprise No	Reference No	Ownership %	Name	Surname	Status	ID Verified	Edit	REMOVE
K2022700025	60000016837	60	SECHUBANE	MASHILO	ACTIVE			

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NEW

CONTINUE

Enterprise Confirmation

You are about to file beneficial ownership application for an enterprise named **K2020500228**, which is registered with enterprise number **2021/1234567/07**. Use the continue button below to confirm that this is the enterprise you would like to file the beneficiary ownership for.

Number:

K2020500228

Name:

K2020500228

Type:

Private Company

Status:

In Business

Contact No:

0732137284

Contact Email:

SECHUBANEM@GMAIL.COM

Upload Mandate

Choose File

No file chosen

BACK

CONTINUE



Company Details

Company Name: CAAAAAT

Owners Listing

Enterprise No	Reference No	Ownership %	Name	Surname	Status	ID Verified	Edit	REMOVE
K2022700025	60000016837	60	SECHUBANE	MASHILO	ACTIVE			

BACK

NEW

CONTINUE

Beneficial Ownership Register

Enterprise Name:

G000000000D

Enterprise Number:

K2022052315

Total Declared Ownership %:

0

Select Company Type:

Select Company Type

Select Company Type

AFFECTED COMPANY

NON AFFECTED COMPANY WITH NO BENEFICIAL OWNERSHIP TO DECLARE

NON-AFFECTED COMPANY WITH BENEFICIAL OWNERSHIP

Beneficial Ownership Register

Enterprise Name:

K2020500228

Enterprise Number:

K2020500228

Total Declared Ownership %:

0

Select Company Type:

AFFECTED COMPANY

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CONTINUE

Beneficial Ownership

Supporting Document Information

[Home](#) > [Applicat](#)

Supporting Documentation Information

CREATED	NAME	DOCUMENT TYPE	REMOVE
No documents available			

BACK



UPLOAD DOCUMENTS

CONTINUE

Beneficial Ownership

Supporting Document Information

Supporting Documentation Information

CREATED	NAME	DOCUMENT TYPE	REMOVE
13/07/2023 15:17:46	ID Copy.pdf	CERTIFIED ID	
13/07/2023 15:18:17	Security Register.pdf	SECURITIES REGISTER	

BACK

UPLOAD DOCUMENTS

CONTINUE

Beneficial Ownership

Summary Information

Enterprise Information

ENTERPRISE NUMBER	ENTERPRISE NAME	TYPE	STATUS
K2020500228	K2020500228	Private Company	In Business

Ownership Information

DATE	Name	ID Number/Passport Number	ID Verified
No Ownership Information			

Document Information

Document Information

REFERENCE	CREATED	DOCUMENT TYPE
60000018171	13/07/2023 15:17:46	CERTIFIED ID
60000018171	13/07/2023 15:18:17	SECURITIES REGISTER

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SUBMIT

Beneficial Ownership

OTP Confirmation

OTP Confirmations

NUMBER	DATE	EXPIRE	FULLNAME	RECEPIENT TYPE	CONFIRMED
1871	13/jul/2023 15:20:22	13/jul/2023 15:20:22	SECHUBANE PETER MASHILO	FILER	<div></div>

RESEND OTPS

REFRESH

OTP CONFIRMATION RESULTS

Required: 1
Received: 0
Percentage: 0

APPLICATION INFORMATION

Reference: 60000018171
Submitted By: 790902
Submitted On: 13/JUL/2023 15:12:40
Status: BO PENDING REGISTRATIONS

Confirmation Validation

OWNER INFORMATION

Number:

1871

Name:

SECHUBANE PETER MASHILO

VERIFY INFORMATION

ID Number/Passport Number:

SMS OTP:

Email OTP:

CANCEL

VERIFY

OTP Confirmations

NUMBER	DATE	EXPIRE	FULLNAME	RECEPIENT TYPE	CONFIRMED
1872	13/jul/2023 15:41:50	13/jul/2023 15:41:50	SECHUBANE PETER MASHILO	FILER	<input checked="" type="checkbox"/>
1871	13/jul/2023 15:41:50	13/jul/2023 15:41:50	SECHUBANE PETER MASHILO	FILER	<input checked="" type="checkbox"/>

REFRESH

INFORMATION

The application confirmation is received and will be processed accordingly. No further action is required. Please check for email correspondence. Please click finish to be redirected to the page where you can download certificate.

FINISH

How to continue with Annual Return Filing

- Click on Annual Return service via any of the allowed channels

How to file Beneficial Ownership Declaration – Stand alone on e-Services





TURNOVER VALIDATION

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2019	SWIFT	-150.00	9370769887	2022-08-10
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How will the turnover be validated

- Turnover will be validated with the revenue value submitted when the latest AFS were filed via iXBRL
- iXBRL captures decimals, but AR does not
 - Ignore any values after the decimal point
- Therefore, will only be validated if AFS were filed
 - If FAS was filed, no validation
 - If FAS were filed, ensure that the correct turnover value on Annual Returns
 - Unnecessary requests for credit/debit notes
 - Criminal offense to submit false and incorrect information with the CIPC



WHY IS COMPLIANCE IMPORTANT

Why important for CIPC to have correct information

- CIPC is the custodian for all registered corporate entities in South Africa
 - CIPC is the source registry of the information
- Public and government uses CIPC information to make decisions
 - E.g., Government wants to know the size and status of the NPC sector, how many external companies are investing in South Africa, is a specific company compliant in order to do business with it (is it legitimate), who may contract on behalf of the company, where do I find the business to do business with it
 - Critical for CIPC to be up to date

Why important for CIPC to have correct information

- CIPC mandate to keep an up to date and effective register of all companies, close corporations and co-operatives
 - This also means that companies and close corporations who is not doing business should be removed from the register
 - Can always be re-instated if it had economic value at the time of final deregistration (Registration function)
 - Inactive companies and close corporations that has not been finally deregistered is at risk for being used for fraud, money laundering and terror financing
- Ensuring a reputable corporate environment by increasing compliance with the companies act, promoting a reputable and predictable business environment in South Africa, promoting investment etc.
 - (Regulatory function)

Why important for CIPC to have correct information

- CIPC information is also combined with various other sources by other private and government organizations
 - E.g.
 - Windeed – combines CIPC corporate and director information with immovable property
 - Banks – to determine the risk profile of companies and close corporations and to make sure they know with whom they are doing business
 - SARS – to know how many prospective corporate taxpayers there are
- CIPC information is used during civil and criminal investigations
- CIPC even uses its own data to take companies to court for noncompliance with the Act, director misconduct

Consequences of non-compliance with Annual Returns

- 2 + successive Annual Returns outstanding systematically placed in deregistration
 - Can still file
 - Deregistration status is a risk indicator that company, or close corporation may be coming to an end soon
 - Banks, service providers or customers may require the company, or close corporation to file Annual Returns for them to do business
- Continued noncompliance = final deregistration

CAUTION
OUTSTANDING
ANNUAL RETURN
DUE!!

Consequences of Deregistration



Company, or close corporation as a registered business ceases to exist

Looses benefits of being a registered business

- Perpetual existence
- Limited liability



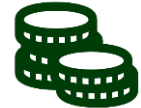
Directors can be held personally liable for all debt



Banks may freeze your bank account



Service providers may stop doing business with you



Creditors may refuse to pay

Until Re-instatement

Consequences of non-compliance with Beneficial Ownership

- CIPC will commence an investigation against the company and issue a compliance notice
- Once BO declaration is mandatory before filing AR, you will not be able to file AR and therefore will be finally deregistered
- Criminal offence to submit false or incorrect information to the CIPC

CAUTION
OUTSTANDING
ANNUAL RETURN
DUE!!



HOW TO FILE ANNUAL RETURNS

Step by Step Guide

- Step by step guide will be published shortly
- Refer to screens above
- For more information on Beneficial Ownership and Annual Returns refer to separate webinars



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THANK YOU