



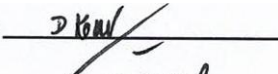

Companies and Intellectual  
Property Commission

a member of **the dtic** group

## **CIPC FOURTH QUARTER PERFORMANCE REPORT**

**2021/22**

## Approval of the Report

Endorsement Support by the Audit Committee	
I hereby support the endorsement of the report	
Sign	: <u></u>
Name	: <u>D KONAR</u>
Rank	: <u>CHAIR : AUDIT</u>
Date	: <u>29 APRIL 2022</u>
Endorsement by the Accountin Authori	
I hereby endorse the report	
Signature:	<u></u>
Name	: <u>Adv Rory W. Voller</u>
Rank	: <u>Commissioner</u>
Date	: <u>29 April 2022</u>

**\* For the purpose of this Report:**

**Accounting Officer** means the person responsible for the daily operations of the entity, e.g. CEO

**Accounting Authority** means a person representing a body that provides oversight on the entity, e.g. Board/Tribunal Chairperson and/or Minister's direct Reportee e.g. Commissioner/ CEO

## Acronyms

Abbreviation	Description
AFS	Annual Financial Statements
APP	Annual Performance Plan
BISG	Business Intelligent Services Group
CCRD	Consumer Corporate Regulation Division
CGSE	Corporate Governance Surveillance and Enforcement
CIPC	Companies and Intellectual Property Commission
EPMO	Enterprise Project Management Office
EPO	European Patent Office
FAS	Financial Accountability Supplements
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAS	Industrial Property Automation System
JPO	Japanese Patent Office
MoU	Memorandum of Understanding
PEB	Patent Examination Board
QRS	Query Resolution System
SAPS	South African Police Service
SARS	South African Revenue Service
SDS	Service Delivery Standards
SMME	Small, Medium and Micro Enterprises
SSC	Self Service Centre
SSC	Shared Service Centre
SSE	Substantive Search and Examination
SST	Self Service Terminal
TAT	Turnaround time
<b>the dtic</b>	the Department of Trade, Industry and Competition
WIPO	World Intellectual Property Organization
WTO	World Trade Organisation
WSSS	WIPO Summer School South Africa
XBRL	eXtensible Business Reporting Language

Table of contents

Acronyms .....3

Table of contents .....4

List of Tables .....6

List of Figures .....7

1. Introduction .....8

2. Situational Analysis.....9

    2.1 Service Delivery Environment .....9

        2.1.1 Service Delivery.....9

        2.1.2 Legal, Policy Support, and Outreach .....31

        2.1.3 Compliance Monitoring and Enforcement .....35

        2.1.4 Education and Awareness .....69

        2.1.5 Customer contact: Call Centre, QRS, and Social Media etc. ....71

        2.1.6 Disclosure .....76

        2.1.7 Channels.....77

    2.2 Organizational Environment .....83

        2.2.1 Governance and Compliance .....83

        2.2.2 Frameworks/Strategies .....87

        2.2.3 Appointments, Resignations, Retirements, Terminations.....87

        2.2.4 Discontinued activities / activities to be discontinued.....88

        2.2.5 New or proposed activities .....88

        2.2.6 Facilities and Security .....88

        2.2.7 Other matters .....88

    2.3 New Policy and Legislative Changes .....88

3. Executive Summary .....90

    3.1 Key Highlights .....90

        A. Progress towards Impact Statements, Outcome and Outputs – Programme 1: Service Delivery and Access .....90

        B. Progress towards Impact Statements, Outcome and Outputs – Programme 2: Innovation and Creativity Promotion.....90

        C. Progress towards Impact Statements, Outcome and Outputs – Programme 3: Business Regulation and Reputation .....91

    3.2 Report on Joint Indicators .....92

    3.3 Media analysis/campaign/strategies .....97

    3.4 Investigations/Anticorruption cases .....104

    3.5 Industrial/Labour relations issues .....111

<b>3.5 New challenges and risks identified in the quarter</b> .....	112
<b>4. Performance against the APP</b> .....	114
<b>4.1 Progress made against unachieved targets in the previous quarter</b> .....	114
<b>4.1.1 Programme 1: Service Delivery and Access</b> .....	114
<b>4.1.2 Programme 2: Innovation &amp; Creativity Promotion</b> .....	119
<b>4.2 Progress made against current quarterly milestones</b> .....	121
<b>4.2.1 Programme 1: Service Delivery and Access</b> .....	122
<b>4.2.2 Programme 2: Innovation &amp; Creativity Promotion</b> .....	128
<b>4.2.3 Programme 3: Business Regulation and Reputation</b> .....	134
<b>5. Risk Management Report - Annexure C</b> .....	1
<b>6. Audit Report - Annexure D</b> .....	16
<b>6.1 Progress against Internal Audit Finding Matrix &amp; Progress against AG/External Audit Finding Matrix</b> .....	16
<b>6.2 Progress made regarding Combined Assurance Plan</b> .....	19
<b>7. Financial Report</b> .....	20
<b>8. PFMA and TR compliance checklist - Annexure F</b> .....	21

## List of Tables

Table 1: Key Services – Volumes, Average TAT and SDS .....	9
Table 2: Annual Returns Filing – Quarter 1 .....	36
Table 3: Annual Returns Filing – Quarter 2 .....	36
Table 4: Annual Returns Filing – Year Comparison .....	37
Table 5: Annual Returns Filing – Yearly Comparison .....	38
Table 6: Business Rescue Statistics .....	40
Table 7: Business Rescue Statistics .....	41
Table 8: Business Rescue Statistics – Monthly Breakdown .....	41
Table 9: Status of BR Proceedings .....	43
Table 10: Business Rescue Statistics: 2011 - 2022.....	44
Table 11: Status of Business Rescue Proceedings – 2011 – 2022.....	45
Table 12: Status of Business Rescue Proceedings – April – March 2022.....	46
Table 13: Annual Financial Statements .....	47
Table 14: Reportable Irregularities 2020/21 .....	49
Table 15: High Profile Companies under Investigation.....	50
Table 16: Independent Review: Regulation 29.....	51
Table 17: Cold Case Matters.....	51
Table 18: Prospectus .....	52
Table 19: Statistics for cases.....	55
Table 20: Case Register & Allegations.....	56
Table 21: Case Register & Allegations.....	57
Table 22: Customer Contact: Call centre, QRS, and Social Media .....	72
Table 23: Self Service Centers’ (Pretoria, Johannesburg and Cape Town) Traffic – Quarter 1 & 2 .....	74
Table 24: Self Service Centers’ (Pretoria, Johannesburg and Cape Town) Traffic – Quarter 3 & 4 .....	75
Table 25: Paper Based Disclosure Production Stats .....	76
Table 26: State Department – Disclosure Billing Statistics.....	77
Table 27: Disclosure Query Resolution .....	77
Table 28: CIPC Channels and services offered .....	78
Table 29: Partner sites.....	78
Table 30: Channels and Services Available 24/7.....	79
Table 31: Progress Report on Migration to New E-services .....	82
Table 32: Status of Policies as at 30 September 2021.....	83
Table 33: Status of Compliance – Declaration of Interest.....	84
Table 34: Status of Policies as at 31 December 2021 .....	85
Table 35: Status of Compliance – Declaration of Interest.....	85
Table 36: Status of Policies as at 31 March 2022 .....	86
Table 37: Status of Compliance – Declaration of Interest.....	86
Table 38: Appointments, Resignations, Retirements and Terminations.....	87
Table 39: Quarter 2 Media Coverage Overview .....	100
Table 40: Quarter 3 Media Coverage Overview .....	102
Table 41: Quarter 4 Media Coverage Overview .....	103
Table 42: Number of allegations received .....	104
Table 43: Status of Open Cases .....	106
Table 44: Reporting Channels.....	107
Table 45: Reporting Channels.....	107
Table 46: Reporting Channels.....	108
Table 47: Nature of Cases.....	108

Table 48: Annual Case Statistics .....	110
Table 49: Labour Relations Issues .....	111

## List of Figures

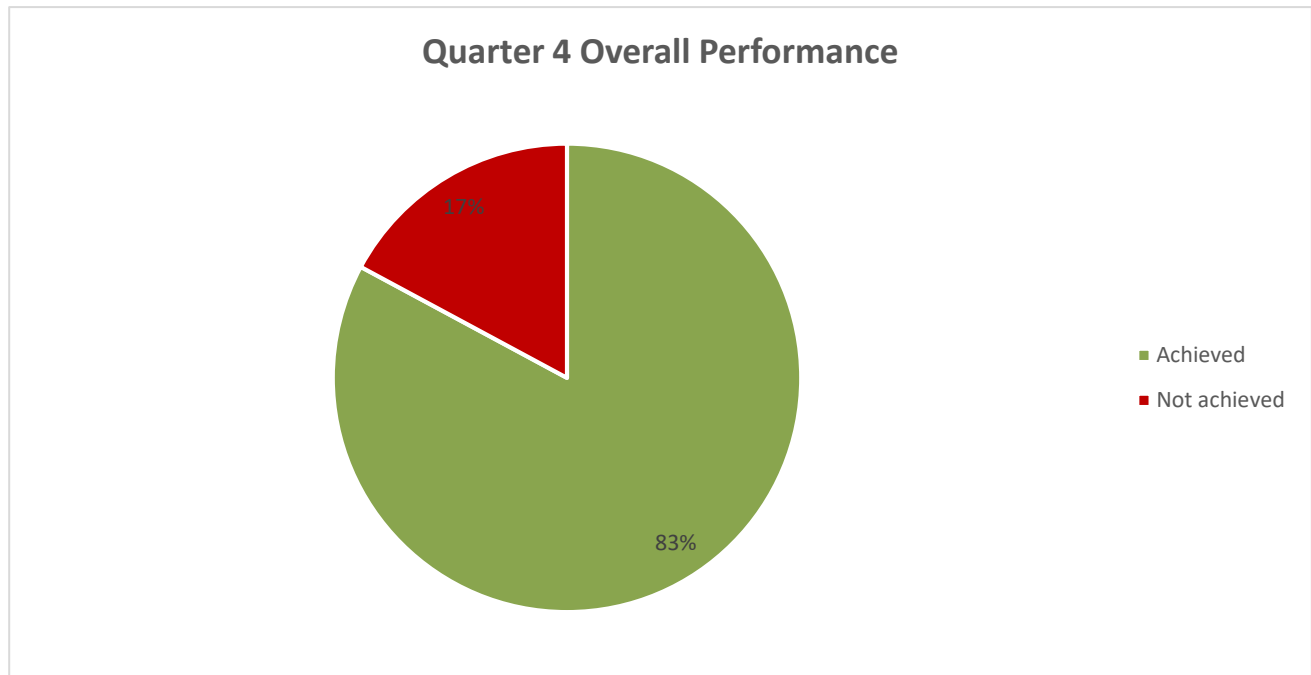
Figure 1: Overall KPI Performance .....	8
Figure 2: Programme Performance .....	9
Figure 3: Channel Utilisation – Company Registration.....	24
Figure 4: Annual Returns Filing Comparison – April to September 2021 .....	37
Figure 5: Annual Returns Filing – Month Comparison April to December 2021 .....	38
Figure 6: Annual Returns Gross Filing – Monthly Comparison.....	39
Figure 7: Annual Returns In-time Filing – Monthly Comparison .....	39
Figure 8: Status of Business Rescue Proceedings Specifications – 2021-22.....	40
Figure 9: Status of Business Rescue Proceedings Specifications – 2021-22.....	42
Figure 10: Volume of Business Rescue Proceedings - April to September 2021.....	42
Figure 11: Status of Business Rescue Proceedings Specification.....	43
Figure 12: Volume of Business Rescue Proceedings – April to December 2021.....	44
Figure 13: Status of Business Rescue Proceedings Specification.....	45
Figure 14: Volume of Business Rescue Proceedings – April 2021 – March 2022.....	46

## 1. Introduction

The purpose of this report is to outline the Companies and Intellectual Property Commission's (CIPC's) 2021/22 fourth quarter performance against its plans and targets, outlined in its Annual Performance Plan (APP) for the 2021/22 reporting period.

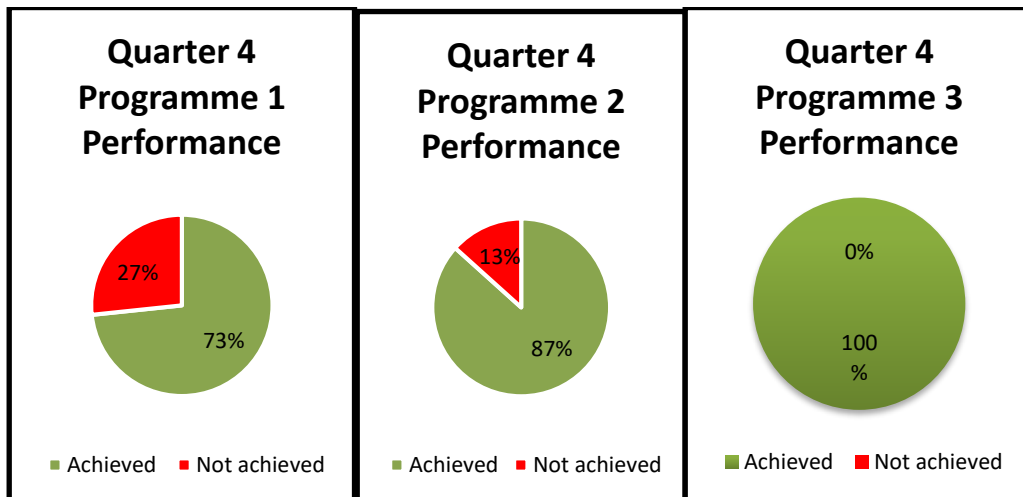
For the 2021/22 Quarter 4, 29 (83%) of the 35 quarterly targets were achieved.

**Figure 1: Overall KPI Performance**



For Programme 1, 11 (73%) all out of the 15 quarterly targets were achieved, for Programme 2, 13 (87%) of the 15 quarterly targets were achieved and for Programme 3, all of the quarterly targets were achieved.

Figure 2: Programme Performance



## 2. Situational Analysis

The situational analysis shows the impact of the external (service delivery environment) and internal (organizational environment) context on the CIPC services during the period under review.

### 2.1 Service Delivery Environment

The section present the demand for the CIPC services and discuss how this affected the CIPC.

#### 2.1.1 Service Delivery

**Table 1** shows the performance in key services in volume, average TAT, and percentage of transactions processed within the set SDS. Each of the key services are discussed thereafter.

Table 1: Key Services – Volumes, Average TAT and SDS

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Patents applications</b>	Number	2 363	2 822	3 543	3 732
	ATAT	2 days	2 days	2 days	2 days
	SDS (2 working days)	98%	98%	94%	96%
<b>Patents registration certificates</b>	Number	1 185	1 022	1214	324
	ATAT	24 days	13 days	22 days	16 days
	SDS (44 working days)	91%	100%	100%	100%
<b>Designs applications</b>	Number	407	436	357	344
	ATAT	2 days	2 days	2 days	2 days
	SDS (2 working days)	98%	90%	84 %	97 %
<b>Designs registration certificates</b>	Number	369	250	321	325
	ATAT	37.85	17 days	13	11 days
	SDS (44 working days)	50%	100%	100%	100%
	Number	1	26	3	22

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Copyright in film applications</b>	ATAT	8 days	Less than 1 day (8 hours)	1 day	1 day
	SDS (1 working day)	0%	100%	100%	100%
<b>Copyright in film registrations</b>	Number	1	Not applicable as there were no advertised applications	3	2
	ATAT	66 days	N/A	1 day	27 days
	SDS (22 working days)	0%	N/A	100%	100%
<b>Trade marks applications</b>	Number	10 504	10 774	9 803	11 057
	ATAT	2	2	2	3
	SDS (3 working days)	90%	97%	90%	97%
<b>Trade marks registrations</b>	Number	6 099	1 358	987	2 430
	ATAT	Not available	256	Not available	164
	SDS (66 + 66 working days)	Not available	89%	0	0
<b>Name reservations</b>	Number	111 833	131 006	106 505	123 231
	ATAT	1 day	2 days	1 day	1 day
	SDS	99%	89%	96%	91%
<b>Companies Registrations</b>	Number	117 799	115 951	110 024	126 209
	ATAT	1 day	1 day	1.32	1 day
	SDS	97%	4%	97%	94%
<b>Co-operatives Registrations</b>	Number	1 149	1 535	1 271	1 719
	ATAT	2 days	1 day	1 day	1 day
	SDS (3 days)	91%	100%	100%	100%
<b>Director Amendments</b>	Number	43 067 (Electronic) 1 012 (Manual)	40 926 (Electronic) 1 045 (Manual)	37415 (Electronic) 1160 (Manual)	41 995 (Electronic) 1 007 (Manual)
	ATAT	3 days (Electronic) 3 days (Manual)	3 days (Electronic) 3 days (Manual)	2 days (Electronic) 2 days (Manual)	1 day (Electronic) 2 days (Manual)
	SDS	75%	96,5%	97% (Electronic) 99% (Manual)	99% 99%
<b>Member Amendments</b>	Number	4 887 (Electronic) 2 495 (Manual)	4 436 (Electronic) 2 311 (Manual)	3982 (Electronic) 2245 (Manual)	4535 (Electronic) 2119 (Manual)
	ATAT	2 days (Electronic) 1 day (Manual)	1 days (Electronic) 2 day (Manual)	1 day (Electronic) 2 days (Manual)	1 day (Electronic) 2 days (Manual)
	SDS	92% (Electronic) 99% (Manual)	92% (Electronic) 95% (Manual)	99% (Electronic) 98% (Manual)	99% (Electronic) 99% (Manual)

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Company Name Changes</b>	Number	14 977	14 250	12 123	16316
	ATAT	1 day	1 day	1 day	1 day
	SDS	100%	100%	100%	100%
<b>Company Financial Year End Changes</b>	Number	1 187		1291	1651
	ATAT	1 day	1 day	1 day	1 day
	SDS	100%	100%	100%	100%
<b>Query Resolution</b>	Number closed	37 092	43 287	38 223	49 456
	ATAT	5	5	5	4
	SDS	89%	93%	91%	95%
<b>Facebook</b>	Queries received	20 137	22 688	18 485	19 572
	Queries closed	19 734	21 661	16 893	17 619
	ATAT	1 day	1 day	1 day	1 day
	SDS (24 hours)	98%	97%	97%	92%
<b>Twitter</b>	Queries received	7 471	7 073	4 098	3 875
	Queries closed	7 321	6 937	3 228	3 088
	ATAT	1 day	1 day	1 day	1 day
	SDS (24 hours)	98%	98%	97%	94%

**Legend**

	<b>Under 90% - SDS Performance Target</b>
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**(i) Patents and Designs**

**Quarter 1**

**Applications**

The CIPC satisfactorily maintained and complied with the external SDS set for processing both patents and designs applications, despite the COVID-19 pandemic conditions in the 2021/22 Quarter 1. This is due to the high number of applications filed through the automated processes. Further, this shows that telecommuting as a strategy to mitigate challenges posed by the COVID-19 pandemic, is working.

The CIPC received 2 363 patents applications and 407 designs application during the 2021/22 Quarter 1. This is significantly higher than patent applications received in the same quarter last year (2075 applications were received in Quarter 1 of 2020/21), and slightly higher compared to last quarter (2020/21 Quarter 4 wherein 2254 applications were received) despite the COVID-19 pandemic conditions. As for design applications the number of applications received i.e. 407 is lower than those received in the same quarter last year (510 applications were received in quarter 1 of 2020/21), and higher compared to last quarter (2020/21 Quarter 4 – 350 design applications received). It would seem that the COVID-19 pandemic had negative effect to design applications.

The average turnaround time for patent applications was two (2) working days. Ninety-eight percent (98%) of transactions were processed within the set external SDS of two days (2). Two percent (2%) processed outside the SDS is attributed to manual applications and queries related thereto.

The average turnaround time for designs applications was two (2) working days. Ninety-eight percent (98%) of the applications were processed within the SDS of two (2) working days. The 2% processed outside the SDS is also attributed to the manual application queries.

**Registrations**

During 2021/22 Quarter 1, the CIPC issued 1 185 patents and 47 designs registration certificates, 91% of patent registration certificates and 50% of designs registration certificates were processed within the set SDS of 44 days at an average turnaround times of 24 days and 38 days respectively.

**Renewals**

During 2021/22 Quarter 1, the CIPC processed 1 868 designs renewals, and 87 % designs renewals were processed within the set external SDS of two (2) working days at an average turnaround times two (2) working days.

## Quarter 2

### Applications

The CIPC satisfactorily maintained and complied with the external SDS set for processing both patents and designs applications, despite the COVID-19 pandemic conditions in the 2021/22 Quarter 2.

The CIPC received 2 822 patents applications and 436 designs application in Quarter 2. This is significantly higher than patent applications received in the same quarter last year (2070 applications were received in Quarter 2 of 2020/21) despite the COVID-19 pandemic conditions. Furthermore 436 design applications were received in Quarter 2; this is significantly higher than the number of applications received in Quarter 2 of 2020/21 i.e. 391.

The average turnaround time for patent applications was two (2) working days. Ninety-eight percent (98%) of transactions were processed within the set external SDS of two days (2). Two percent (2%) processed outside the SDS is attributed to manual applications and queries related thereto. The average turnaround time for designs applications was two (2) working days. Ninety percent (90%) of the applications were processed within the SDS of two (2) working days. The 10% processed outside the SDS is also attributed to the manual application queries.

### Registrations

During 2021/22 Quarter 2, the CIPC issued 1 022 patents and 436 designs registration certificates, 100% of both patent and designs registration certificates were processed within the set SDS of 44 days after publication on the Patents Journal at an average turnaround times of 13 days and 17 days respectively.

### Renewals

During 2021/22 Quarter 2, the CIPC processed 2 184 designs renewals, and 61% designs renewals were processed within the set external SDS of two (2) working days at an average turnaround times two (2) working days. 10 792 Patent renewal applications were processed in Quarter 2.

## Quarter 3

### Applications

The CIPC satisfactorily maintained and complied with the external SDS set for processing both patents and designs applications, despite the continual COVID-19 pandemic conditions in the 2021/22 Quarter 3.

The CIPC received 3 543 patents applications and 357 designs application in Quarter 3. This is significantly higher than patent applications received in the same quarter last year (2 046 applications were received in Quarter 3 of 2020/21) despite the COVID-19 pandemic conditions. Furthermore 357 design applications were received in Quarter 3; this is also higher than the number of applications received in Quarter 3 of 2020/21 i.e. 350.

The average turnaround time for patent applications was two (2) working days. Ninety-four percent (94%) of transactions were processed within the set external SDS of two days (2). The average turnaround time for

designs applications was two (2) working days. Eighty four (84%) of the applications were processed within the SDS of two (2) working days.

### Registrations

During 2021/22 Quarter 3, the CIPC issued 1 214 patents and 221 designs registration certificates, 100% of both patent and designs registration certificates were processed within the set SDS of 44 days after publication on the Patents Journal at an average turnaround times of 22 days and 13 days respectively.

### Renewals

During 2021/22 Quarter 3, the CIPC processed 1 997 designs renewals, and 61% designs renewals were processed within the set external SDS of two (2) working days at an average turnaround times three (3) working days. 11 358 Patent renewal applications were processed in Quarter 3.

## **Quarter 4**

### Applications

The CIPC satisfactorily maintained and complied with the external SDS set for processing both patents and designs applications, despite the continual COVID-19 pandemic conditions in the 2021/22 Quarter 4.

The CIPC received 3 732 patents applications in Quarter 4. This is significantly higher than patent applications received in the same quarter last year (2 254 applications were received in Quarter 4 of 2020/21) despite the COVID-19 pandemic conditions. Furthermore 344 designs application were received and processed in Quarter 4, in the same period i.e. Quarter 4 of 2020/21 350 applications were received and processed.

The average turnaround time for patent applications was two (2) working days. Ninety-six percent (96%) of transactions were processed within the set external SDS of two days (2). The average turnaround time for designs applications was two (2) working days; ninety-seven percent (97%) of the applications were processed within the SDS of two (2) working days.

### Registrations

During 2021/22 Quarter 4, the CIPC issued 324 patents and 325 designs registration certificates, 100% of both patent and designs registration certificates were processed within the set SDS of 44 days after publication on the Patents Journal at an average turnaround times of 16 days for patent certificates and 11 days for design certificates

### Renewals

During 2021/22 Quarter 4, the CIPC processed 2 410 designs renewals, and 85% designs renewals were processed within the set external SDS of two (2) working days at an average turnaround times two (2) working days. 12 185 Patent renewal applications were processed in Quarter 4.

The dominant stakeholders are currently still using the manual renewals processing which poses a challenge. Of the 2 410 design renewals that were processed in Quarter 4, 35% (865) were filed and processed electronically and complied to the 2 day Service Delivery Standards at 92%, whereas of the 65% (1554) of renewal applications that lodged manually; 82% were within the set SDS at an average Turn Around Time of 3 days. Similarly, of the 12 185 patent renewals that were processed in Quarter 4; 33% (4 031) were filed and processed electronically and exceeded the 90% turn around time as 92% were processed within 2 days. However, the 67% (8094) patent renewals that were lodged manually; 43 % were processed within the 2 day turn around time as their average turn around time was 3 days.

**(ii) Copyright in film**

**Quarter 1**

**Applications**

Three (3) copyright in film applications were filed this quarter.

Although only three applications were received, other 10 filed applications were rejected as they did not comply with the formalities. The Copyright unit held online sessions with applicants whose applications did not comply to explain the requirements for filing of copyright in cinematograph films.

Service Delivery Standards were met in processing all the accepted applications.

**Registrations**

Three (03) copyright in film registration certificates were issued during 2021/22 Quarter 3 after expiry of one month. The registrations were issued within Service Delivery Standards.

**Quarter 2**

**Applications**

Twenty-six (26) film applications were received and all were processed within hours to meet the set SDS of two (2) working days.

**Registrations**

During the period under review, no copyright in film registrations certificates were issued.

**Quarter 3**

**Applications**

Three (03) cinematograph films applications were filed and accepted. Although only three were accepted other 10 applications were rejected as they did not comply with formalities. The Copyright unit held online sessions with the applicants to educate them on the requirements to be met for film applications to be accepted.

**Registrations**

One (1) registration in cinematograph films was issued during Quarter 3 after expiry of one month period. The registrations were issued within Service Delivery standards.

## Quarter 4

### Applications

During this reporting period the Copyright unit received (22) twenty two cinematograph film applications from one law firm. Prior filing of the applications, the unit held a meeting with the attorney for the applicants to introduce the necessary compliance requirements which must be met when applying for film registration. All the applications were processed within a turn around time of a day. The Ptolemy report tool serves as evidence of the receipt of these applications.

### Registrations

Two (02) cinematograph film registrations were issued in this reporting period after the expiry of the opposition period of one month. Service delivery standard for the issuance of registration certificate was fully met.

### *(iii) Trade marks*

## Quarter 1

### Applications

The CIPC received 10 504 trade marks application during 2021/22 Quarter 1. This is higher than trade marks applications received in the same quarter last year (2020/21 Quarter 1 – 8 111), and higher compared to last quarter (2020/21 Quarter 4 – 9 917). The average turnaround time for trade marks applications was two (2) working days. Ninety percent (90%) of transactions were processed within the set external SDS of three (3) working days.

### Special searches

The CIPC received and processed 248 special searches during 2021/22 Quarter 1.

### Registration certificates

The CIPC issued 6 099 trade marks registration certificates during 2021/22 Quarter 1.

### Renewals

The CIPC processed 6 842 trade marks renewals during 2021/22 Quarter 1. This is higher than trade marks applications received in the same quarter last year (2020/21 Quarter 1 – 6 757), and higher compared to last quarter (2020/21 Quarter 4 – 6 397). The average turnaround time for processing trade mark renewals was 2 working days. Ninety percent (90%) of transactions were processed within the set external SDS of three (3) working days.

## Quarter 2

### Applications

#### **1. Allocate official application numbers within 3 working days of applications having been received**

July:

3,839 new applications processed

105 processed outside SDS

97,2% compliance

August:

3,419 new applications processed

136 processed outside SDS

96% compliance

September:

3,516 new applications received

65 processed outside SDS

97,1% compliance

### Special searches

The CIPC received and processed 198 special searches during 2021/22 Quarter 2.

### Registration certificates

#### **Issue trade mark registration certificates within 66 days from expiry of statutory 3-month opposition period**

July:

629 certificates issued

42 issued outside SDS

93.3% compliance

August:

693 certificates issued

74 issued outside SDS

89,3% compliance

September:

36 certificates issued

27 issued outside SDS

25% compliance

### Renewals

#### **Process renewal applications within 3 working days of receipt of the renewal**

July:

1,819 renewals processed

37 processed outside SDS  
97,9% compliance

August:  
1,916 renewals processed  
26 processed outside SDS  
98,6% compliance

September:  
1,796 renewals processed  
31 processed outside SDS  
98,2% compliance

### **Quarter 3**

#### **Applications**

##### **1. Allocate official application numbers within 3 working days of applications having been received**

###### **October:**

3,323 new applications processed  
129 processed outside SDS  
96,1% compliance

###### November:

3,567 new applications processed  
155 processed outside SDS  
95,6% compliance

###### December:

2,913 new applications received  
85 processed outside SDS  
97% compliance

#### **Registration certificates**

##### **Issue trade mark registration certificates within 66 days from expiry of statutory 3-month opposition period**

###### October:

533 certificates issued  
All issued outside SDS  
0% compliance

###### November:

51 certificates issued  
All issued outside SDS  
0% compliance

###### December:

403 certificates issued  
All issued outside SDS  
0% compliance

## Renewals

### **Process renewal applications within 3 working days of receipt of the renewal**

October:

1,927 renewals processed  
55 processed outside SDS  
97,1% compliance

November:

1,774 renewals processed  
38 processed outside SDS  
97,8% compliance

December:

1,939 renewals processed  
47 processed outside SDS  
97,5% compliance

## Quarter 4

### **Applications**

#### **Allocate official application numbers within 3 working days of applications having been received**

**October:**

January:

2,952 new applications processed  
81 processed outside SDS  
97,16,% compliance

February:

4,110 new applications processed  
126 processed outside SDS  
96,85% compliance

March:

3,995 new applications received  
151 processed outside SDS  
96,53% compliance

### **Registration certificates**

Issue trade mark registration certificates within 66 days from expiry of statutory 3-month opposition period (66 days + 66 days)

January:

481 certificates issued  
All issued outside SDS  
0% compliance

February:

831 certificates issued  
All issued outside SDS  
0% compliance

March:

1,118 certificates issued

All issued outside SDS  
0% compliance

### **Renewals**

Process renewal applications within 3 working days of receipt of the renewal

#### **January:**

2,600 renewals processed  
63 processed outside SDS  
97,5% compliance

#### **February:**

2,587 renewals processed  
143 processed outside SDS  
94,4% compliance

#### **March:**

2,714 renewals processed  
87 processed outside SDS  
96,7% compliance

### **Official actions**

Issue official actions 12 months from date of application

#### **January:**

2,401 official actions issued  
1 issued outside SDS  
99,9% compliance

#### **February:**

3,721 official actions issued  
13 issued outside SDS  
99,65% compliance

#### **March:**

2,742 official actions issued  
4 issued outside SDS  
99,85% compliance

## ***(iv) Companies and Close Corporations (CCs)***

### **Quarter 1**

Compared with 2020/21 Quarter 1, most of the listed business processes indicates an increase in filings in 2021/22 Quarter 1. The main reason for the indicated increase is that during 2020/21 Quarter 1, the country (South Africa) was under National Lockdown Level 5 (April 2020) when only fully automated CIPC business processes were active. During this period, only essential service businesses were allowed to conduct business and the focus was therefore on conducting business affairs and not administration with regulators.

New company registrations (including company name reservations) and voluntary deregistration increased dramatically. The main reason for the increase in voluntary deregistration may be the closing down of businesses due to the current economic circumstances. Some businesses closed down, others converted to sole proprietors

that has less regulatory and compliance obligations, or merged. The phenomenon of ‘survivalist registrations’ may have also contributed to the increase for new company registrations. Because economic conditions are worsening, and therefore economic recovery will take time, this increase is likely to continue.

Although some areas (such as CCs to companies conversions, external company registration, and location of company records) did not reach its target of 90% of the transactions processed within the set external SDS, their average turnaround times (TAT) was within the set SDS because so many filings being well within SDS. Poor performance in meeting SDS in some areas is because of teething problems (such as system crashes, application failures, correct set-up of equipment) with the implementation of the telecommuting strategy, and many staff taking accumulated leave days from the previous financial year before these are forfeited at the end of June 2021. As the CIPC staff gets stable with telecommuting the SDS and the average TAT will improve.

The CIPC registered 117 799 new companies during 2021/22 Quarter 1. This is slightly higher than the number of companies registered in the same quarter last year (106 332 companies were registered in Quarter 1 of 2020/21), and slightly lower compared to last quarter (2020/21 Quarter 4 wherein 132 487 companies were registered).

## Quarter 2

Quarter 2 delivered mixed results in the achievement of Average Turnaround Times and Service delivery percentage due to the internal application and infrastructure availability challenges in August 2021 and September 2021. Since different processes were impacted in different ways, it is difficult to establish whether changes were due to such challenges or external environmental factors like the unrests in the country.

Overall, the achievements are as below:

- Approved Company Names Weighted Average: 1 day
- New Company Registrations Weighted Average: 1 day

**Following services are fully automated and filing occurs instantaneously upon payment (if payment is required):**

- Company and CC Annual Returns;
- Company Automated Name Changes;
- Company Automated Share Changes;
- Company and CC Financial Year End Changes;
- Company and CC Address Changes;
- New company registrations (short standard private company and short standard npc without members) via BizPortal, Banks, Self Service Terminal and Mobile App.
- Following e-mail services average TAT is less than 5 working days:
  - MOI Amendment - JSE;
  - MOI Amendments - email;
  - Location of company records;
  - Company and CC Voluntary deregistration (not final deregistration since such takes approximately 4 months);
  - Company and CC Liquidations;
  - Company and CC Re-instatements;

- Company and CC Commencement of Business Rescue Proceedings

### **Quarter 3**

Quarter 3 continued to delivered mixed results in the achievement of Average Turnaround Times and Service delivery but the few underperforming areas continued to show improvement. More stability on internal application and infrastructure were experienced.

Interesting to note that there is a continued decrease in the volume of new company registrations compared with the previous reporting periods for quarter 2 and quarter 3 of the current financial year with an accumulated decrease compared with the previous financial year but an increase with the accumulated period for financial year 2019-2022.

Overall, the achievements are as below:

- Approved Company Names Weighted Average: 1 day
- New Company Registrations Weighted Average: 1 day

**Following services are fully automated and filing occurs instantaneously upon payment (if payment is required):**

- Company and CC Annual Returns;
- Company Automated Name Changes;
- Company Automated Share Changes;
- Company and CC Financial Year End Changes;
- Company and CC Address Changes;
- New company registrations (short standard private company and short standard npc without members) via BizPortal, Banks, Self Service Terminal and Mobile App.
- Following e-mail services average TAT is less than 5 working days:
- MOI Amendment - JSE;
- MOI Amendments - email;
- Location of company records;
- Company and CC Voluntary deregistration (not final deregistration since such takes approximately 4 months);
- Company and CC Liquidations;
- Company and CC Re-instatements;
- Company and CC Commencement of Business Rescue Proceedings

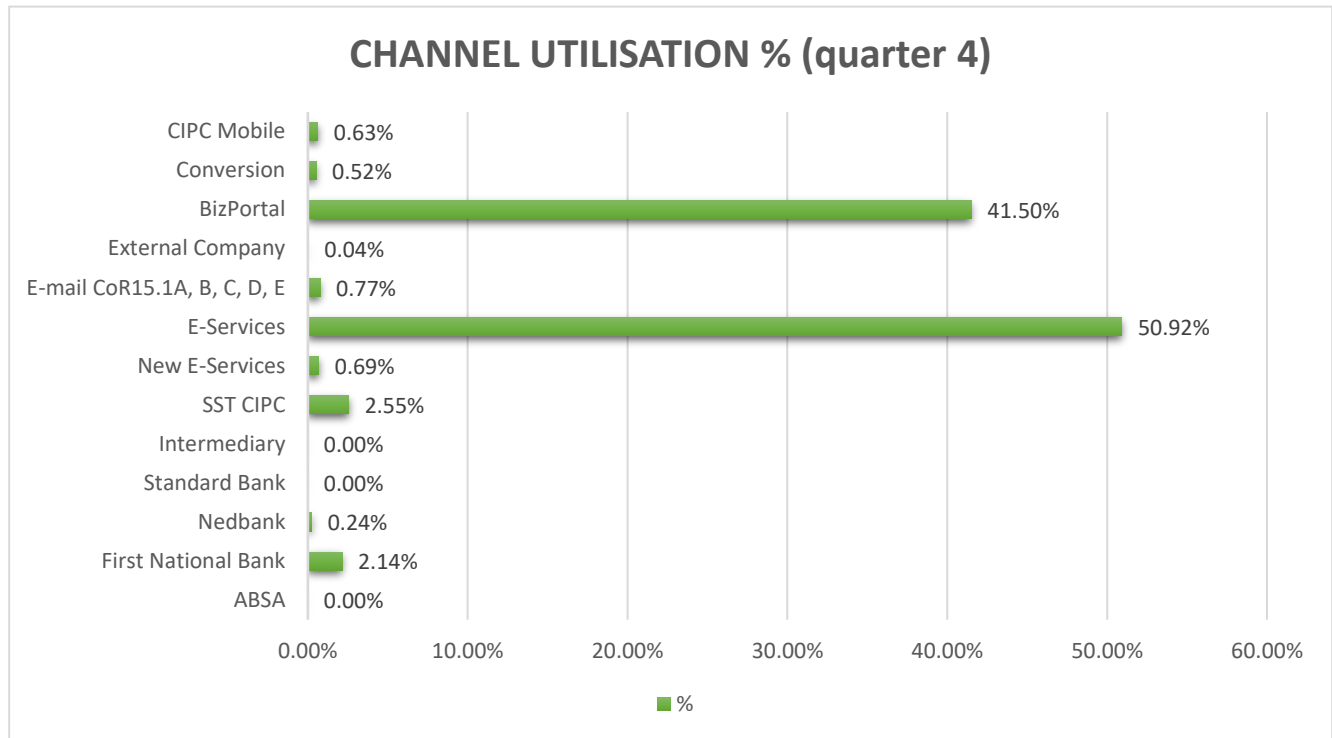
### **Quarter 4**

Quarter 4 continued to delivered mixed results in the achievement of Average Turnaround Times and Service delivery but the few underperforming areas continued to show improvement. The backlog on voluntary deregistrations were resolved during quarter 4 although the system continues to “skip” referrals for final deregistration. The challenges and urgent maintenance of the Name Reservation system end February 2022, negatively impacted on the delivery of both the service standard and average turnaround time for name reservations and new company registrations.

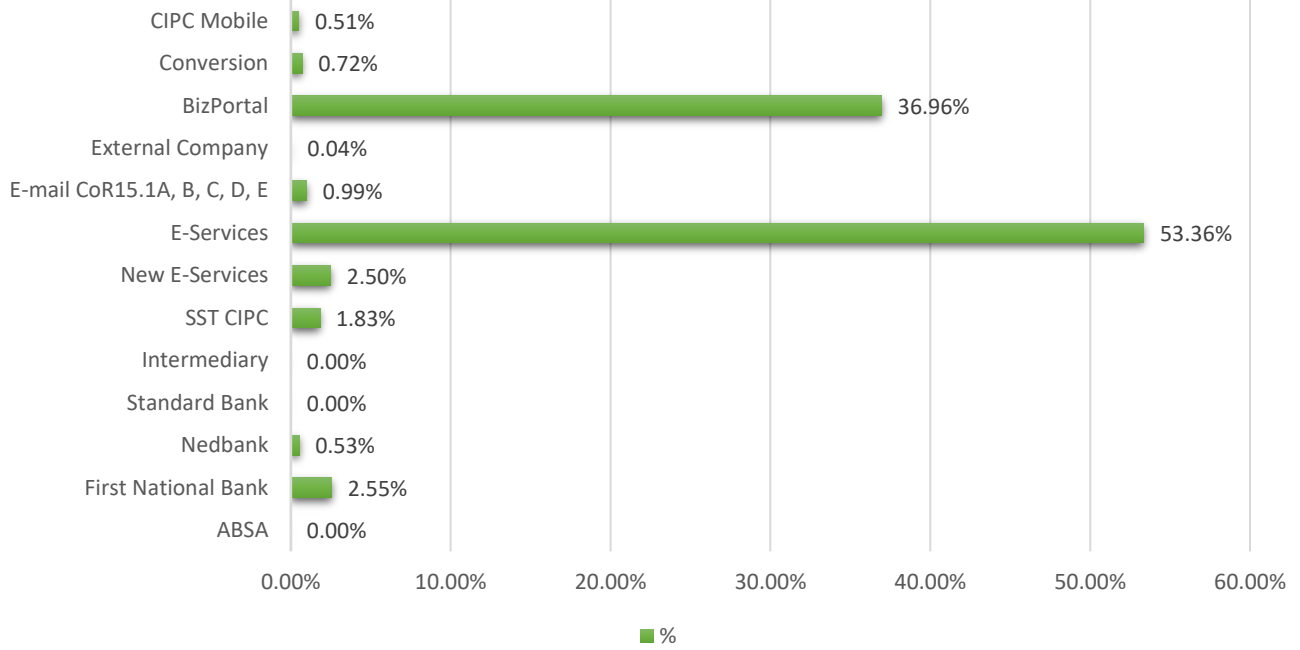
The trend as noted during quarter 1, 2 and 3 regarding a decrease in the volume of new company registrations with the 2020-2021 financial year but an increase compared to the 2019-2020 financial year.

On new company registrations customer preference of channel is shifting towards fully automated especially to BizPortal.

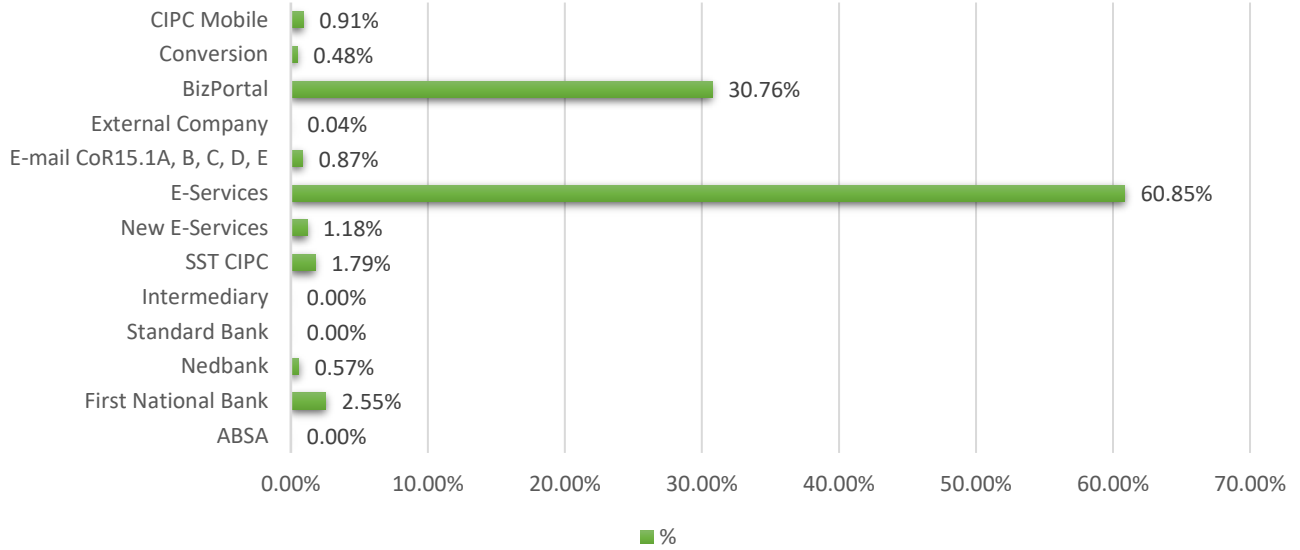
**Figure 3: Channel Utilisation – Company Registration**

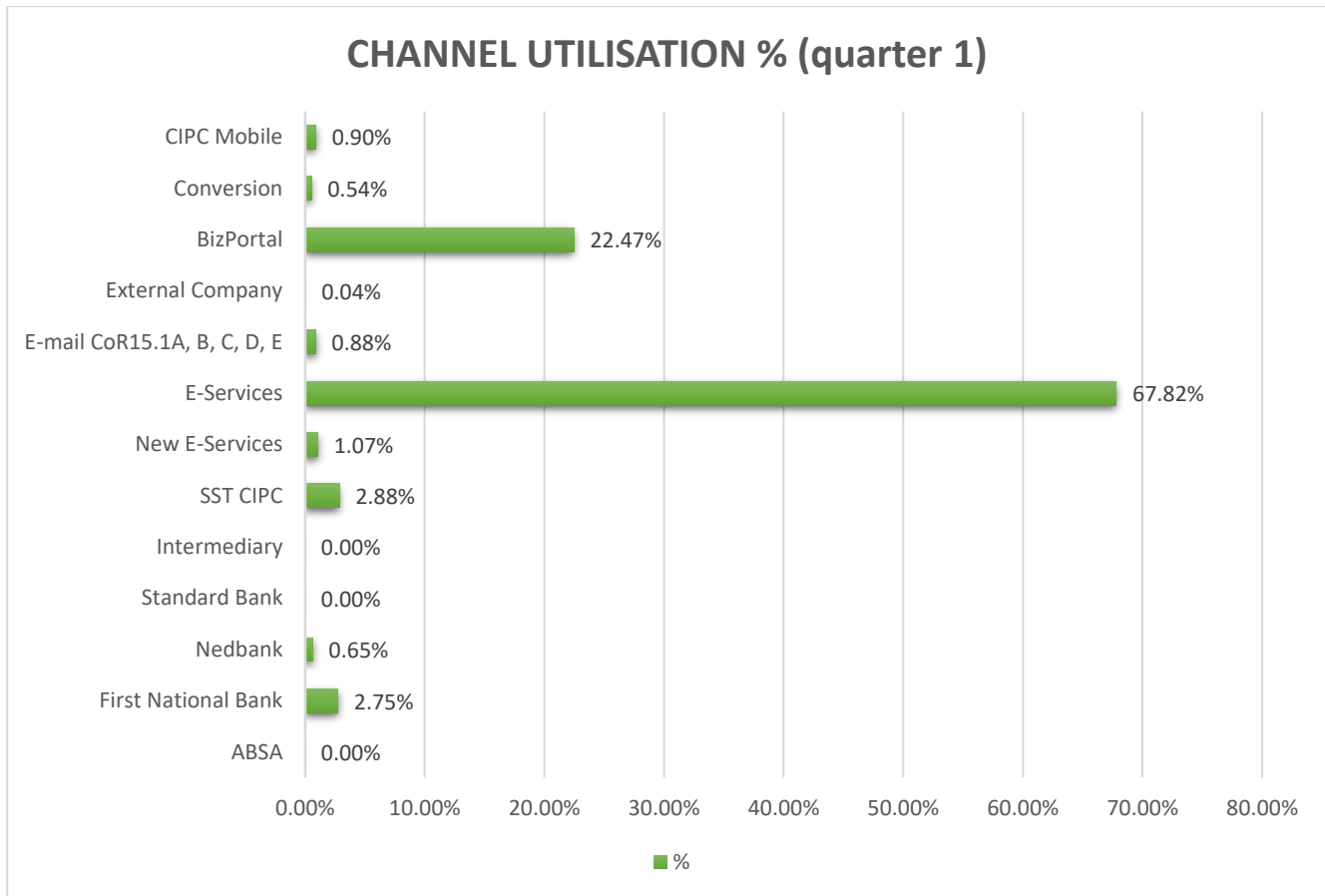


### CHANNEL UTILISATION % (quarter 3)



### CHANNEL UTILISATION % (quarter 2)





Overall, the achievements are as below:

- Approved Company Names Weighted Average: 1 day
- New Company Registrations Weighted Average: 1 day

**Following services are fully automated and filing occurs instantaneously upon payment (if payment is required):**

- Company and CC Annual Returns;
- Company Automated Name Changes;
- Company Automated Share Changes;
- Company and CC Financial Year End Changes;
- Company and CC Address Changes;
- New company registrations (short standard private company and short standard npc without members) via BizPortal, Banks, Self Service Terminal and Mobile App.

Following e-mail services average TAT is less than 5 working days for quarter 4:

- Company Registration – email;
- Conversion from close corporation to company;
- External company registration;
- MOI Amendment - JSE;
- MOI Amendments - email;
- Location of company records;
- Company and CC Liquidations;

- Company and CC Re-instatements;
- Company and CC Commencement of Business Rescue Proceedings

**(v) Co-operatives**

**Quarter 1**

The impact of the COVID-19 pandemic on the co-operatives volumes and processing of the applications has been minimized through automation of processes and telecommuting. As a result we have reduced the turnaround times, maintaining the set external SDS to an average of 1 day.

The volumes have been more or less the same around +/- 1000 applications. Government incentives drive on cooperatives might have affected negatively the volumes of applications received because since the COVID-19 pandemic, government is currently prioritizing providing support to the existing enterprises, which had to close because of the lockdown restrictions, not the new and upcoming cooperatives. This may explain the why there is no increase in new co-operatives registration volumes. In addition, many co-operatives activities are in abeyance to reduce the spread of the COVID-19 pandemic.

**Registrations**

During 2021/22 Quarter 1, the CIPC registered 1023 primary co-operatives via K2 and 126 Secondary co-ops using legacy systems of which we processed 91% within the set external SDS of three (3) working days, at an average of two (2) working days. This is significantly higher than co-operatives registered in the same quarter last year (643), and significantly lower than in last quarter (2020/21 Quarter 4), which was 1 372. It is worth noting that there were more than 6 000 co-operatives applications initiated but abandoned by clients, others cancelled.

**Conversions**

During 2021/22 Quarter 1, the CIPC received five (5) applications for conversions of which only three (3) met the requirements and therefore approved. We processed 99% of the three (3) within the set external SDS of seven (7) working days.

**Amalgamations**

There were no applications received for amalgamations.

## Quarter 2

### Registrations

We have registered 1 533 Primary Co-operatives within the average of one (1) day turnaround time, which increased by 480 applications from the previous quarter. The K2 system has greatly improved the processing efficiency. The rolling out other phases of K2 such as amendments, reporting etc. is greatly anticipated as it will result in efficiency improvements in these areas.

### Conversions

We received six (6) applications for conversions and only two (2) complied and were processed.

### Amalgamations

There were no amalgamations processed.

## Quarter 3

### Registrations

The division registered 1 269 Co-operatives within the average of one (1) day turnaround time, which decreased by 264 compared to the previous quarter. The decrease is due to the high number of public holidays during quarter three. User testing of Secondary and Tertiary Co-operatives New eservices (K2) platform was finalized. Co-operative director amendments business rules were documented. Notice 52 of 2021 was published detailing requirements for filing of annual reports by Co-operatives.

### Conversions

Six (6) conversion applications were received. Three approval letters were issued and only two were registered via new eservices internally. The new eservices (K2) conversion system still on testing phase.

### Amalgamations

There were no amalgamations processed.

## Quarter 4

### **Co-operative New Registrations**

The division registered 1719 Co-operatives within the average of one (1) day turnaround time, which has increase by 450 compared to the previous quarter. The increase is due to customers getting use of the K2 registration portal. 432 tickets resolved on QRS.

### **Conversion**

Five (5) conversion applications were received. Two approval letters were issued and only three were rejected due to non-compliance. User testing of Conversion on New eservices (K2) platform still ongoing.

### **Amalgamations**

There were no amalgamations processed.

**(vi) Directors, Members and Practitioners (DMP)**

**Quarter 1**

**CoR39's**

During 2021/22 Quarter 1, the COVID-19 pandemic and Eskom load shedding impacted performance in the DMP area. Three (3) staff members had to isolate as they had been exposed to people who had tested positive to COVID-19. Eskom load shedding affected performance, because a majority of staff telecommute and therefore could not perform their duties whenever there was load shedding in their residential areas. However, the target of processing 90% of transactions within the set external SDS was met, except for *Electronical changes of directors* of which we processed only 75% within the set SDS.

The COVID-19 pandemic and Eskom load-shedding did not however impact the demand for DMP services (volumes) mainly because the DMP processes are automated, do not therefore need anyone to physically visit the office.

In addition to focusing on meeting the set SDS, the CIPC's focus is on maintaining quality standards. To achieve this, the use of third parties ('agents') to file amendments is discouraged, so that the CIPC eliminate filing of falsified information.

**CK2's**

With regards to Membership changes it is prudent to note upfront that Eservice applications received may include things that fall within the Companies and Close Corporations Unit because the form cannot be separated. We processed 4888 applications and 98% of them were processed within SDS whereas when it comes to manual applications we processed 2496 of which 85% was done within the SDS.

The period under review, we closed the office on numerous occasions due to Covid-19 cases as well as systems interruptions these affected all the DMP applications.

**CoR44's**

1474 manual applications were processed; 98% percent of these applications were done within the SDS.

**Business Rescue Practitioners**

Since the implementation of the K2 system, it has been easy to monitor the applications received and the processing is done within a day because of that. We had received a number of applications through Companies Tribunal in order to review our decisions with regards to classification of Business Rescue Practitioners when issuing licenses however, we have not lost any thus far as our decisions have either been upheld by the CT or the "Applicants" withdrew based on our replying affidavits.

## **Quarter 2**

System challenges were experienced during the period under review, affecting productivity. We were however able to process all transactions within the set external service delivery standards. Automation of processes has resulted in improved turnaround times, e.g. change of directors registered within 24 hours.

We are focusing more on compliance, as a result, we have identified 912 Close Corporations (CCs) operating without Accounting Officers, as prescribed by the law. Letters were prepared to notify the CC's to remedy the situation and we will monitor the situation if the CC's concerned do not remedy the situation then we will escalate the matter for compliance notices to be issued.

## **Quarter 3**

During the period under review, the target of 90% of transactions within the set external SDS was met for all applications.

System challenges were less, with few days on which VPN problems were experienced. The office was closed for 3 days for decontamination and 1 team member self-isolated for 6 days. Production was not affected by the decontamination and self-isolation because the team continued to work from home.

Due to the complaints received from companies regarding the appointment and/or resignation of auditors, a notice was published and the system was changed to allow only the current directors or the company secretary of the company to file electronic change of auditors via the eservices platform.

## **Quarter 4**

The SDS were all met during the period under review though we encountered system challenges. These were reported to ICT and same was escalated to the office of the Commissioner and no solution as yet was given for some but the unit came with work around.

There was a noticeable increase in volumes for director changes in Q4 of 2021/22 compared to Q4 of 2020/21 whereas there was a decrease in member changes for the same period.

## **(vii) Query Resolutions**

### **Quarter 1**

During 2021/22 Quarter 1, the CIPC received 38 561 queries through the query resolution system (QRS). We closed 37 092 queries, including those lodged in previous quarters. Of the closed queries, we closed 89% within the set external SDS of ten (10) working days, at an average TAT of five (5) working days.

### **Quarter 2**

The number of queries received during Quarter 2 increased significantly to 45 585 in comparison to Quarter 1. The tickets closed during this quarter increased to 43 287. The percentage of tickets closed within the required SDS increased to 93% due to interventions like a meeting with the Management Committee (MANCO) to create awareness and address issues. The average TAT of closing tickets were 5 working days.

### **Quarter 3**

CIPC received 36 393 queries via the Query resolution system and closed 38 223 tickets during this quarter. We exceeded the target, and closed 91% of tickets within the required SDS. The average TAT of closing tickets stayed the same at 5 working days.

### **Quarter 4**

CIPC received a significantly higher number of queries via QRS than any of the other quarters, namely 50 356 enquiries. A total of 49 456 tickets were closed during Q4. The percentage of tickets closed within the required turnaround time increased to 95%. The relevant units performed very well and managed to reduce the average TAT of closing tickets to 4 working days.

## **2.1.2 Legal, Policy Support, and Outreach**

### ***(i) IP Policy and Outreach***

#### **Quarter 1**

##### **Train of Trainer (ToT) Programme**

The project ended off last financial year with the initiation of training for a pool of trainers. Over twenty-eight (28) individuals had indicated their interest and were then directed to complete the DL101 course, which was to end in June 2021 (2021/22 Quarter 1). To date, three (3) of the private candidates had successfully completed the course and the CIPC is awaiting the results from the majority of the group being the SEDA practitioners.

##### **IP for SMME**

During 2021/22 Quarter 1, the partnership with the Swiss Governments on IP for SMME project continued, and further included the South African Institute of IP Law (SAIPL) and Technology Innovation Agency (TIA).

Engagements centered around understanding the scope of the project and agreeing on the approach for the implementation of the pre-determined deliverables on the IP SMME project.

### IP BRICS

Engagements began during this quarter in preparation for the HIPO (Heads of IP offices) Annual Meeting (which will take place around 26 August 2021).

### **Quarter 2**

#### Train of Trainer (ToT) Programme

On the Train of Trainer (ToT) Programme, one of the three (3) candidates has enrolled for the Summer School Programme, which allows them to complete DL450 as a prerequisite for the training accreditation.

#### IP for SMMEs

Engagements with the SWISS team (SSAIP project) continued resulting in an agreement on incorporating aspects of the IP for SMME project. The intervention for this year will be the development of a web based IP stakeholder map. To grow the pool of potential trainers (and increase IP awareness overall), engagements with TIA is in progress.

#### CIPC participates in the 13th BRICS Heads of IP Offices Meeting

On 26 August 2021, the CIPC participated in the 13th BRICS Heads of Intellectual Property (IP) Offices (HIPO) Meeting was hosted virtually by India. As an IP regulator in South Africa, the CIPC participates in the BRICS IP group, represented by the CIPC Commissioner and other IP senior managers. The IP work stream focuses on leveraging the BRICS HIPO strategic partnerships to advance IP policy goals; harmonising the IP environment, and supporting the overall BRICS objectives. Key decisions focussed on effective use of IP (IP for poverty alleviation) and effective use of digital technology.

With the CIPC currently enhancing their IT systems in addressing the challenges of the fourth industrial revolution and improving customer services, the review of the Patent Act, 1978 in conjunction with the implementation of Phase II of the National IP Policy, is well positioned to contribute to the growth of our nation's development.

### **Quarter 3**

#### Train the Trainer Programme (ToT)

The one candidate completed the DL450 course and was thus eligible to attend the WIPO-SA Summer School. The completion of the DL101 and DL240 courses was a prerequisite. Consideration will be made to including him in the ToT session through the Swiss SSAIP project to complete his accreditation as a CIPC trainer. The response from SEDA was unfavourable insofar as the ToT part is concerned. However SEDA practitioners benefitted largely from the general IP education and awareness sessions that were held.

In an effort to increase the pool of the trainers, the unit had engagements with TIA that has 28 technology stations nationally. TIA management has supported and committed to collaborate in engaging their personnel at the technology stations for both general education and awareness on IP as well as advance their staff to the ToT programme. A programme of action was developed and is currently being considered by TIA for implementation.

#### IP for SMME

The programme activities falling within the IP for SMME project were agreed upon by the SSAIP project team. Preparations are underway for implementation with the stakeholder mapping exercise being the first deliverable. Through the IP BRICS forum, the CIPC is initiating a project titled "IP and Women in the SMME sector". A survey questionnaire was distributed to the BRICS members and their responses due end January 2022 will inform the way forward.

#### IP BRICS

Following the successful engagements at the IP BRICS HIPO meeting, the annual training programme was agreed upon and implemented. Ten CIPC examiners attended the training which was held on 6 to 10 December 2021. The record of discussion of the HIPO meeting was also finalized. Focal Point coordinators were engaged with several activities relating to project proposals. As indicated earlier, CIPC initiated a project on IP and Women in the SMME sector. A report on the IP BRICS programme was also finalized per EXCO request. An article on the IP BRICS was submitted for the CIPC newsletter. To highlight our organization's IP activities, an article relating to IP enforcement was submitted for publication on the IP BRICS website.

### **Quarter 4**

#### Train the Trainer Programme (ToT)

Engagements with TIA (The Innovation Agency) is still in pursuit. Due to delays on their side, a meeting will be scheduled to revise and update the parties to this partnership. CIPC completed a programme of action and is to be considered by TIA for implementation.

#### IP for SMME

The programme activities falling within the IP for SMME project were agreed upon by the SSAIP project team. Much progress has been achieved in the stakeholder mapping exercise. A consultant group was secured to prepare and assist in this implementation. Through the IP BRICS forum, the "IP and Women in the SMME sector" will further be pursued. Some of the BRICS members had responded thus far.

#### IP BRICS

The chair has since been taken by CNIPA – China in this round. The previous chair had finalized its responsibilities by among others completion of the close out report, the final minutes and the hand over to CNIPA. CNIPA is currently in engagements with the members for the finalization of all logistical issues relating to their matters

falling under their leadership. Among others engagements among focal points continue with discussions including the projects.

***(iii) Corporate Legal and Policy Support***

**Quarter 1**

Acute monitoring of timeframes concerning response to subpoenas, implementation of court orders, and representation of the CIPC in court or at Companies Tribunal, is of the utmost importance. Strict adherence to such timelines was observed during 2021/22 Quarter 1.

The COVID-19 pandemic that the world is experiencing currently has continued to affect the country negatively. Concerning enforcement procedures, social distancing and rules about gatherings and interpersonal interaction has resulted in a decline of the CIPC representation at court and/or the Companies Tribunal. As a mitigating factor, however, many institutions such as the High Court (Pretoria) has implemented virtual representation, and the CIPC is able to give evidence, attend court proceedings and represent the CIPC in legal matters virtually.

**Quarter 2**

The first two (2) quarters of the current financial year saw the development and approval of a number of policies, which effects the way CIPC functions. Representing the CIPC in specific forums, such as Companies Tribunal and High Courts are on track and reaction to subpoena's and strict timelines have been optimum.

The most significant process / project undertaken during this time is the Implementation of the CIPC POPIA Compliance Framework. Significant work has been done in ensuring that the CIPC is 100% compliant in terms of the Protection of Personal Information Act requirements. The process is ongoing.

### **Quarter 3**

In quarter 3 the Corporate Legal division focus was primarily on implementation of the POPIA compliance plan. Risk Impact Assessment surveys throughout the whole of the organization was conducted to gather information regarding the processing and disclosure of personal information. An information inventory was drafted and submitted to EXCO taking into account the types of personal information of customers (external) as well as CIPC (internal) information that is processed, stored and disclosed. Website terms & conditions updated to include POPIA requirements, as well as separate Privacy Policy link established on the CIPC website, which stipulates the applicability of the POPIA requirements to the functions of the CIPC. Implementation process is ongoing.

### **Quarter 4**

Quarter 4 saw the finalization of the POPIA Implementation project with the "roll-over" of only 3 aspects to the next financial year, namely-

1. Building general consent into all platforms;
2. Masking of confidential personal information on all CIPC platforms; and
3. Training (internal & external) on POPIA requirements.

PAIA manual has been updated with the POPIA requirements (as prescribed by the POPI Act) and published on the CIPC website. POPIA Compliance Framework (as annual compliance monitoring tool) has been drafted and finalized.

CIPC's legal footprint came all the more to the fore in this quarter, with the deficiencies experienced in State Attorneys assistance and turnaround times. The Corporate Legal division has started preliminary planning of the requirements and applicability of an "in-house legal" division (5 year plan), in order for the CIPC to be able to represented in the Companies Tribunal, High Court and other forums. This process is subject to the finalization of the Organizational Design.

### **2.1.3 Compliance Monitoring and Enforcement**

#### ***Annual Returns***

### **Quarter1**

The gross and in time filing rate of annual returns continued to increase regardless of the current economic and pandemic circumstances. This may be a result of combined efforts from several CIPC units (Corporate Education and Voluntary Compliance Unit, IP Education and Awareness Unit, IP Policy Support and Outreach, Corporate Enforcement and Surveillance Unit, and Corporate Compliance and Voluntary Disclosure) to increase awareness on compliance requirements such as annual returns filings. These activities include SMME engagement, webinars, investigations, and boardroom visits.

**Table 2: Annual Returns Filing – Quarter 1**

Description	06	07	08	10	12	21	23	30	Total
Total Filed @ June 2020	177	66775	2371	192	9	1427	34873	9	105833
Total Due @ June 2020	462	352834	11471	447	12	3948	95022	38	464234
Compliance Rate @ June 2020	38%	19%	21%	43%	75%	36%	37%	24%	23%
Total Filed @ June 2021	189	83556	3032	220	9	1685	37399	16	126106
Total Due @ June 2021	426	302331	9933	418	13	3829	85425	38	402413
Compliance Rate @ June 2021	44%	28%	31%	53%	69%	44%	44%	42%	31%

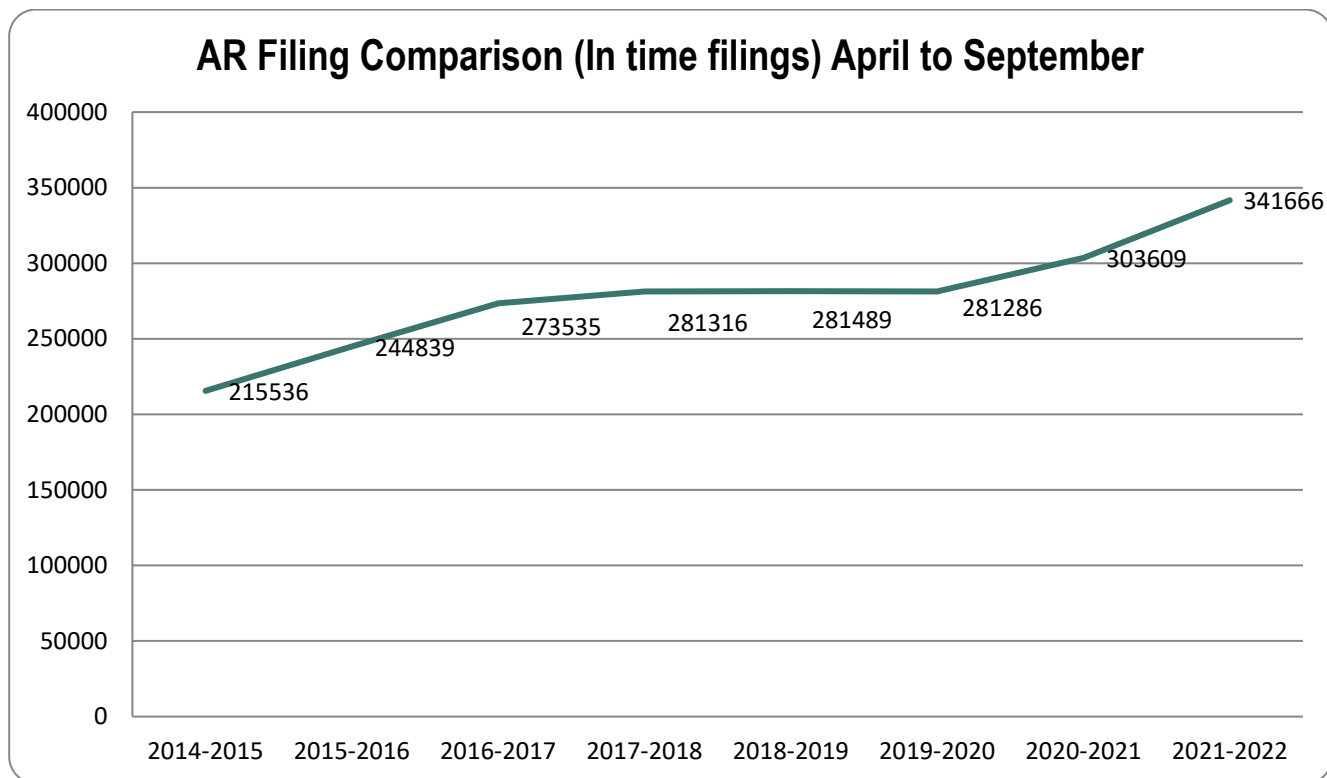
**Quarter 2**

The Level 4 and 5 National Lockdown in the 2020/21 Quarter 1, affected the volume of new company registrations negatively. However, during the Quarter 2 of the 2020/21, the volume subsequently picked up under Adjusted Lockdown Level 4 and then stabilised during quarter 3. This spike in new company registrations in Quarter 2 of 2020/2 therefore increased the volume of companies and close corporations with an active status, whom needs to file Annual Returns. There was also an increase of in time filings but such increase was not sufficient to maintain the compliance rate (expressed as %) and subsequently it decreased.

**Table 3: Annual Returns Filing – Quarter 2**

Description	06	07	08	10	12	21	23	30	Total
Total Filed @ September 2020	546	203028	6565	511	15	3928	89001	15	303609
Total Due @ September 2020	946	663748	21839	855	29	7712	176535	73	871737
Compliance Rate @ September 2020	58%	31%	30%	60%	52%	51%	50%	21%	35%
Total Filed @ September 2021	549	238898	8275	523	18	4488	88897	18	341666
Total Due @ September 2021	1035	920504	32344	987	37	9687	198345	91	1163030
Compliance Rate @ September 2021	53%	26%	26%	53%	49%	46%	45%	20%	29%

Figure 4: Annual Returns Filing Comparison – April to September 2021



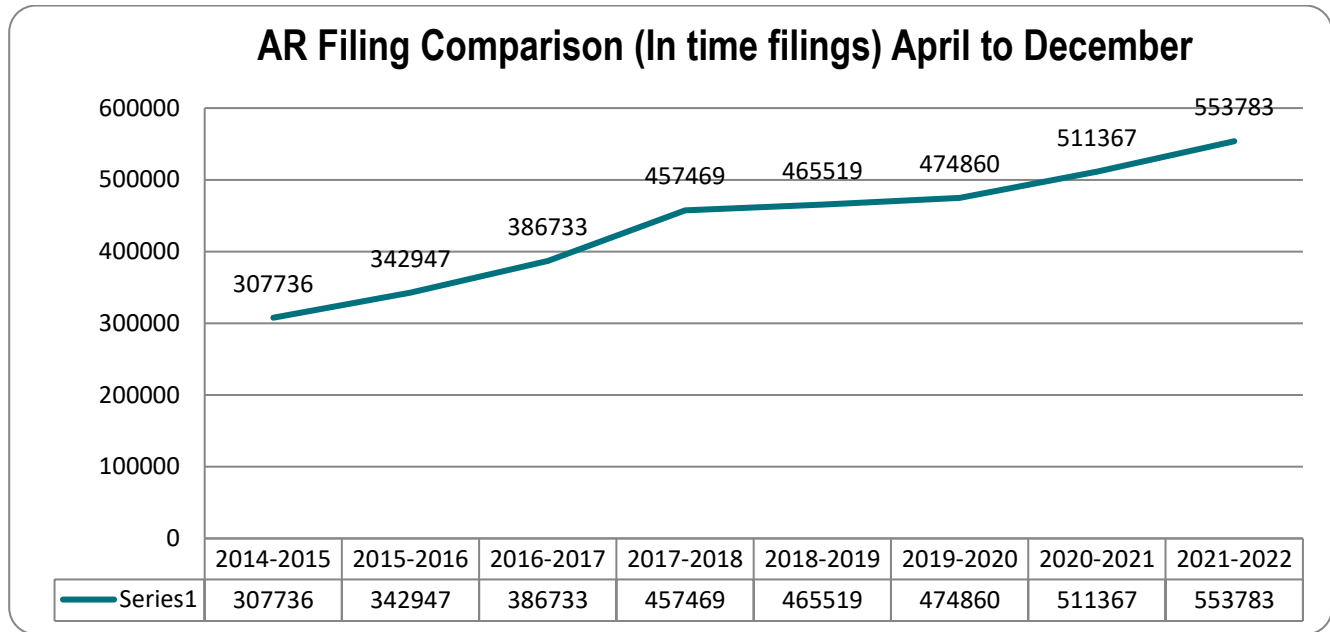
**Quarter 3**

As indicated under quarter 2, a drastic increase in new company registrations were experienced during the previous financial year which resulted in more new companies becoming due for filing of annual returns during the current financial year. Regardless of the drastic increase in volume of new companies becoming due for filing annual returns for the first time, the total compliance rate for in time filings were stable compared with the previous financial year, and the trend in the increase in the volume of in time filings and the percentage of in time filings continued.

Table 4: Annual Returns Filing – Year Comparison

Description	06	07	08	10	12	21	23	30	Total
Total Filed @ December 2020	936	350716	11158	788	27	6485	141230	27	511367
Total Due @ December 2020	1384	998733	34517	1238	41	11357	259064	108	1306442
Compliance Rate @ December 2020	68%	35%	32%	64%	66%	57%	55%	25%	39%
Total Filed @ December 2021	874	395421	13617	785	28	7117	135913	28	553783
Total Due @ December 2021	1272	1130138	39654	1204	41	12032	234659	111	1419111
Compliance Rate @ December 2021	69%	35%	34%	65%	68%	59%	58%	25%	39%

Figure 5: Annual Returns Filing – Month Comparison April to December 2021



#### Quarter 4

Unfortunately the stable compliance rate could not be maintained during quarter 4 and the accumulative compliance rate decreased by 2% compared with the previous financial year. It is interesting to note that there was 12,4% more active companies and close corporations due for annual return filing compared with the 2020-2021 financial year. The in time filing rate also increased by 7.5% compared with the previous financial year and the gross filing rate by 9%.

Table 5: Annual Returns Filing – Yearly Comparison

Description	06	07	08	10	12	21	23	30	Total
Total Filed @ March 2021	1296	535138	16669	1143	36	9596	201567	36	765481
Total Due @ March 2021	1705	1289960	42272	1578	52	14853	314238	130	1664788
Compliance Rate @ March 2021	76%	41%	39%	72%	69%	65%	64%	28%	46%
Total Filed @ March 2022	1131	603272	19795	1161	46	10398	191941	46	827790
Total Due @ March 2022	1606	1526826	53013	1603	52	16485	300836	131	1900552
Compliance Rate @ March 2022	70%	40%	37%	72%	88%	63%	64%	35%	44%

Due	06	07	08	10	12	21	23	30	Total
Total Due @ March 2022	1606	1526826	53013	1603	52	16485	300836	131	1900552
Total Due @ March 2021	1705	1289960	42272	1578	52	14853	314238	130	1664788
Total Due @ March 2020	1964	1109302	32235	1535	50	12353	364922	130	1522491
Difference	-99	236866	10741	25	0	1632	-13402	1	235764

Filed	06	07	08	10	12	21	23	30	Total
Total Filed @ March 2022	1131	603272	19795	1161	46	10398	191941	46	827790
Total Filed @ March 2021	1296	535138	16669	1143	36	9596	201567	36	765481
Total Filed @ March 2020	1291	450088	13958	1077	36	8367	205230	36	680083
Difference	-165	68134	3126	18	10	802	-9626	10	62309

Figure 6: Annual Returns Gross Filing – Monthly Comparison

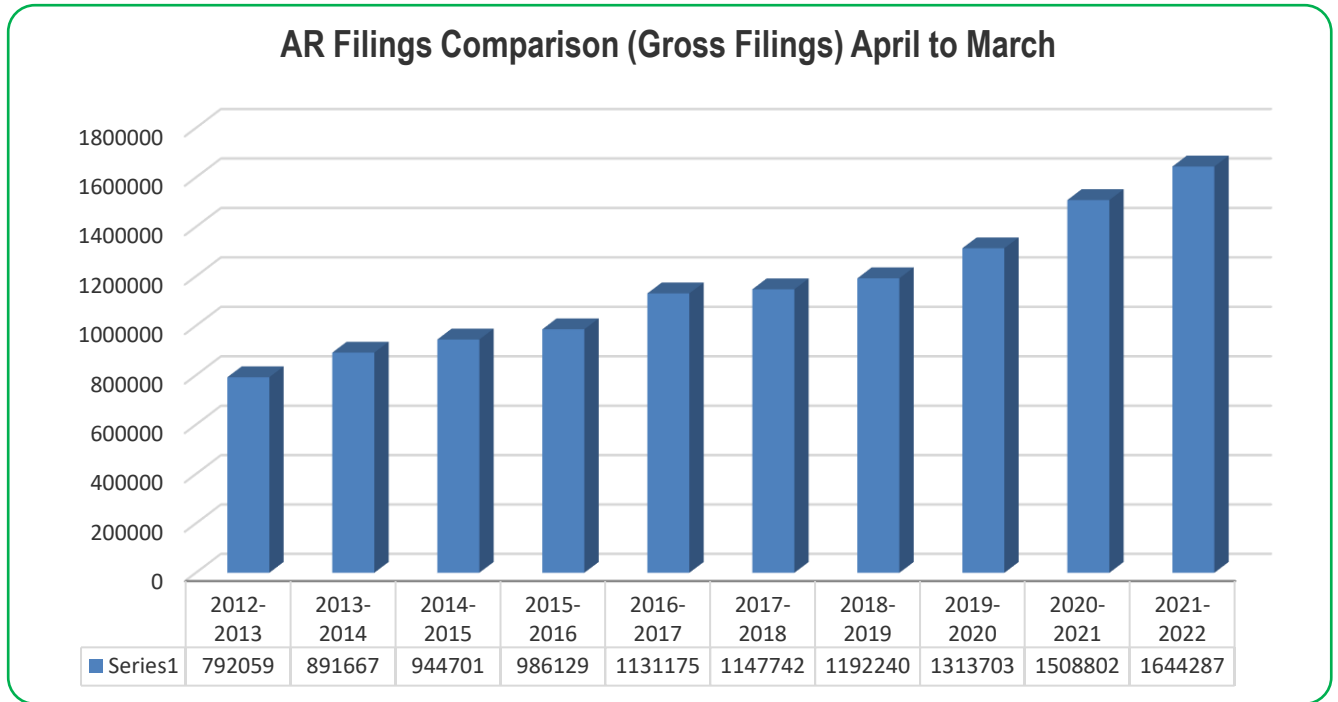
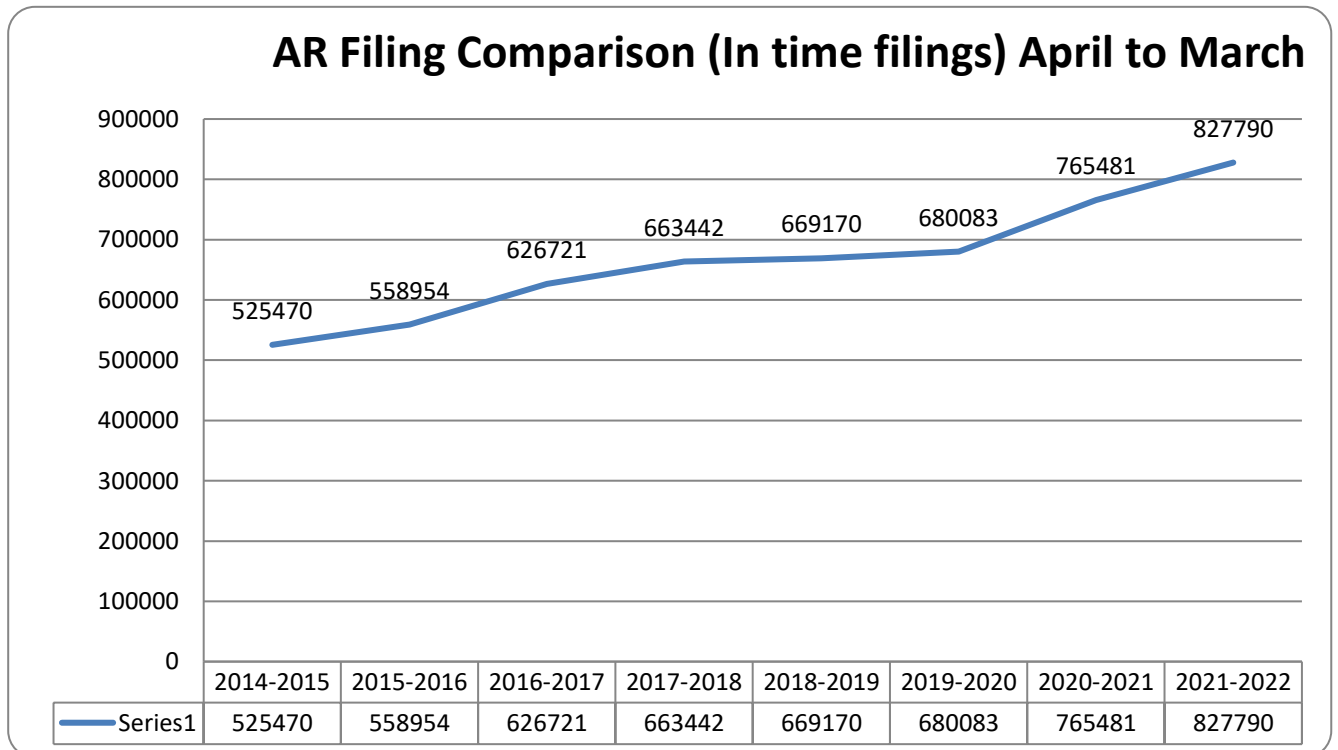


Figure 7: Annual Returns In-time Filing – Monthly Comparison



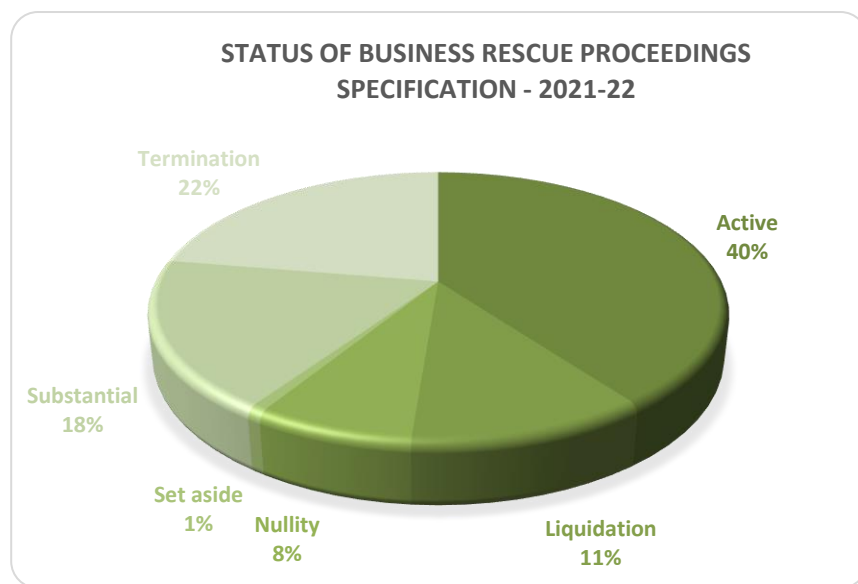
**Business Rescue**

**Quarter 1**

**Table 6: Business Rescue Statistics**

Count of Status of BR Proceedings	Status											
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Grand Total
<b>Status of Proceedings</b>												
<b>Active</b>	52	117	118	124	147	126	149	174	224	311	66	1608
<b>Liquidation</b>	58	64	70	73	73	49	32	19	17	5		460
<b>Nullity</b>	111	28	21	26	24	17	22	32	15	4	7	307
<b>Set aside</b>	2	5	6	4		2	2	5	2	1		29
<b>Substantial</b>	83	108	105	97	87	71	57	46	56	18		728
<b>Termination</b>	77	118	89	89	150	110	100	73	59	34	4	903
<b>Grand Total</b>	<b>383</b>	<b>440</b>	<b>409</b>	<b>413</b>	<b>481</b>	<b>375</b>	<b>362</b>	<b>349</b>	<b>373</b>	<b>373</b>	<b>77</b>	<b>4035</b>

**Figure 8: Status of Business Rescue Proceedings Specifications – 2021-22**



**Quarter 2**

There is a clear increase in the volume of the new business rescue proceedings matters for quarter 2 (106 matters) compared with the comparative period of 2020-2021 (96). All these matters are being received via the new automated Business Rescue Proceedings service via the CIPC New E-Services platform.

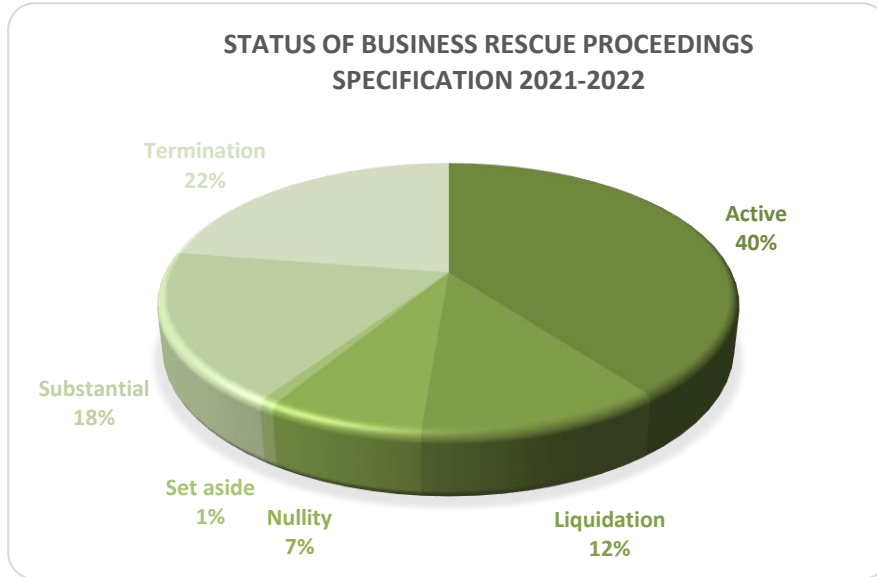
**Table 7: Business Rescue Statistics**

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Grand Total
<b>Status of Proceedings</b>												
Active	52	116	117	122	146	123	145	165	214	287	158	1645
Liquidation	58	65	70	73	73	49	33	24	21	8	4	478
Nullity	111	28	21	26	24	17	22	32	15	4	7	307
Set aside	2	5	6	4		3	2	5	2	2		31
Substantial	83	108	105	97	88	73	59	47	59	27	1	747
Termination	77	118	90	91	150	110	101	76	62	45	13	933
<b>Grand Total</b>	<b>383</b>	<b>440</b>	<b>409</b>	<b>413</b>	<b>481</b>	<b>375</b>	<b>362</b>	<b>349</b>	<b>373</b>	<b>373</b>	<b>183</b>	<b>4141</b>

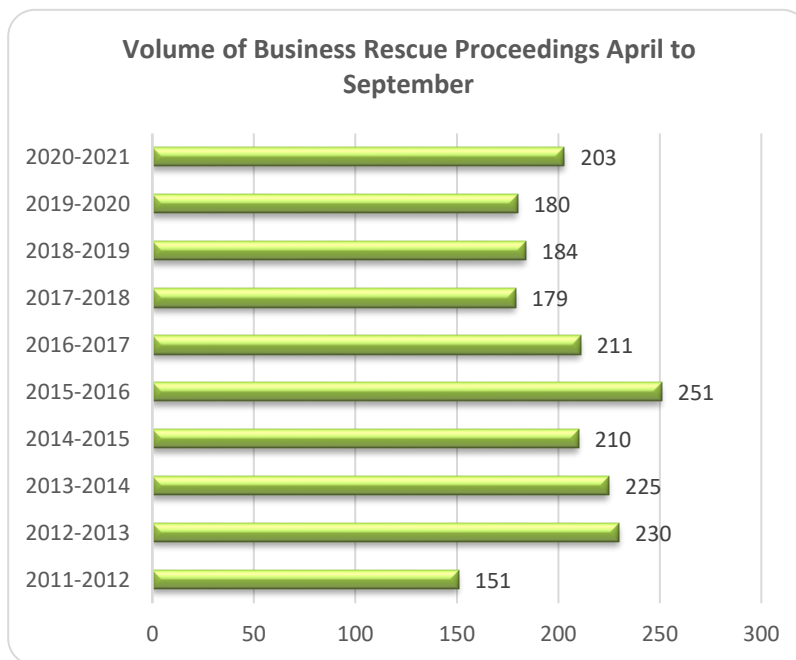
**Table 8: Business Rescue Statistics – Monthly Breakdown**

Count of Month	Column Labels												Grand Total
	Year/Month	April	May	June	July	August	September	October	November	December	January	February	
2011-2012	2	7	27	16	33	66	21	35	48	60	39	29	383
2012-2013	32	44	23	21	57	53	46	49	18	18	37	42	440
2013-2014	31	44	34	43	44	29	47	28	9	36	34	30	409
2014-2015	23	34	33	31	54	35	43	34	25	28	24	49	413
2015-2016	40	32	22	67	55	35	57	51	16	20	47	39	481
2016-2017	27	40	35	39	41	29	33	33	21	19	28	30	375
2017-2018	16	27	42	26	33	35	32	46	19	25	31	30	362
2018-2019	18	41	27	39	29	30	22	18	20	26	48	31	349
2019-2020	28	26	33	35	27	31	36	29	11	26	47	44	373
2020-2021	18	59	30	44	16	36	30	33	14	30	30	33	373
2021-2022	20	38	18	18	37	51	1						183
<b>Grand Total</b>	<b>255</b>	<b>392</b>	<b>324</b>	<b>379</b>	<b>426</b>	<b>430</b>	<b>368</b>	<b>356</b>	<b>201</b>	<b>288</b>	<b>365</b>	<b>357</b>	<b>4141</b>

**Figure 9: Status of Business Rescue Proceedings Specifications – 2021-22**



**Figure 10: Volume of Business Rescue Proceedings - April to September 2021**



**Quarter 3**

The increase in volume of new business rescue proceedings matters decreased during quarter 3 compared with the comparative period of 2020-2021. All these matters are being received via the new automated Business Rescue Proceedings service via the CIPC New E-Services platform.

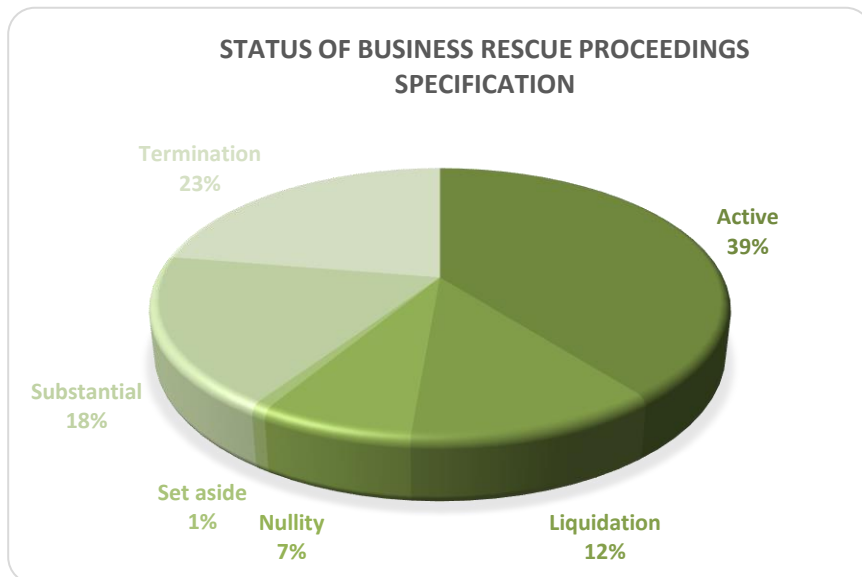
The efficiency with which new business rescue proceedings matters are processed increased although it has not yet reached the 90% SDS target. This is mainly due to the new functionality that applications are referred back for “rework” to the customer instead of the previous approach of outright rejecting applications. The reworking

of new business rescue applications increase the TAT from date of receipt of a new application until the date it is finally or successfully processed. It is projected that this will improve as customers and practitioners improves the quality of the content of the applications submitted to CIPC.

**Table 9: Status of BR Proceedings**

Count of Status of BR Proceedings	Status											Grand Total
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
Active	52	115	117	122	146	121	138	154	204	274	218	1661
Liquidation	58	65	70	73	73	49	36	32	24	14	9	503
Nullity	111	28	21	26	24	17	22	32	15	4	8	308
Set aside	2	5	6	4		3	2	5	3	2		32
Substantial	83	108	105	97	88	74	60	50	64	34	2	765
Termination	77	119	90	91	150	111	104	76	63	45	19	945
<b>Grand Total</b>	<b>383</b>	<b>440</b>	<b>409</b>	<b>413</b>	<b>481</b>	<b>375</b>	<b>362</b>	<b>349</b>	<b>373</b>	<b>373</b>	<b>256</b>	<b>4214</b>

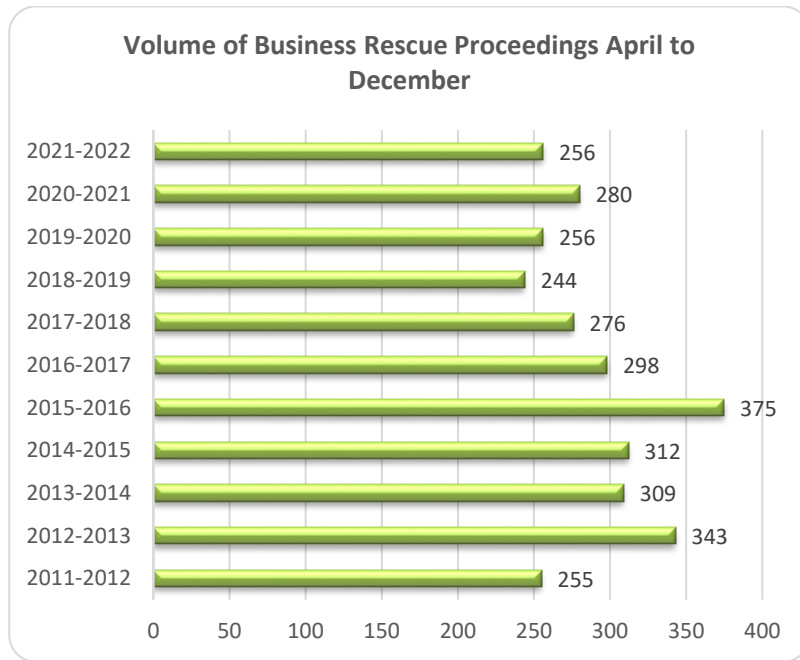
**Figure 11: Status of Business Rescue Proceedings Specification**



**Table 10: Business Rescue Statistics: 2011 - 2022**

Year/Month														Grand
	April	May	June	July	August	September	October	November	December	January	February	March	Total	
2011-2012	2	7	27	16	33	66	21	35	48	60	39	29	383	
2012-2013	32	44	23	21	57	53	46	49	18	18	37	42	440	
2013-2014	31	44	34	43	44	29	47	28	9	36	34	30	409	
2014-2015	23	34	33	31	54	35	43	34	25	28	24	49	413	
2015-2016	40	32	22	67	55	35	57	51	16	20	47	39	481	
2016-2017	27	40	35	39	41	29	33	33	21	19	28	30	375	
2017-2018	16	27	42	26	33	35	32	46	19	25	31	30	362	
2018-2019	18	41	27	39	29	30	22	18	20	26	48	31	349	
2019-2020	28	26	33	35	27	31	36	29	11	26	47	44	373	
2020-2021	18	59	30	44	16	36	30	33	14	30	30	33	373	
2021-2022	20	38	18	18	37	51	31	33	10				256	
<b>Grand Total</b>	<b>255</b>	<b>392</b>	<b>324</b>	<b>379</b>	<b>426</b>	<b>430</b>	<b>398</b>	<b>389</b>	<b>211</b>	<b>288</b>	<b>365</b>	<b>357</b>	<b>4214</b>	

**Figure 12: Volume of Business Rescue Proceedings – April to December 2021**



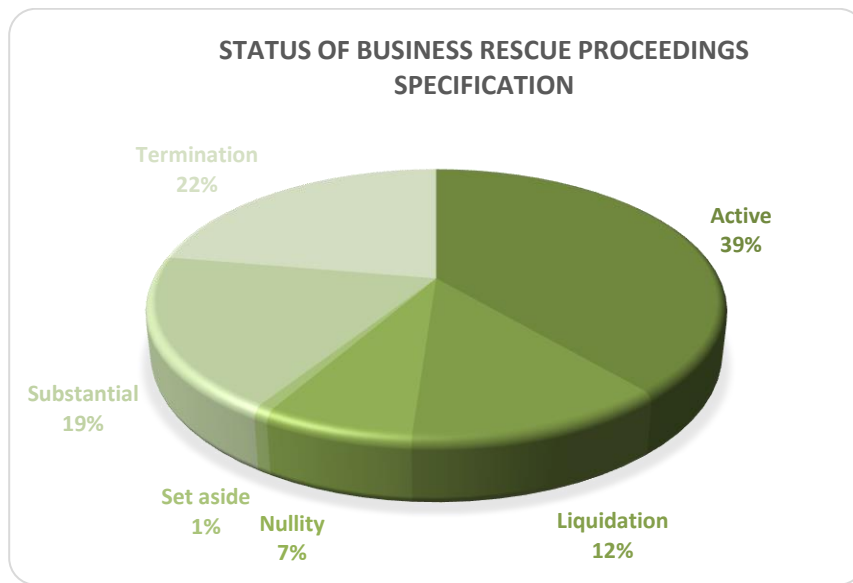
**Quarter 4**

**The decrease in the volume of new business rescue applications as noted in the previous quarters continued.**

**Table 11: Status of Business Rescue Proceedings – 2011 – 2022**

Count of Status of BR Proceedings	Status											Grand Total
	2011- +2012	2012- +2013	2013- +2014	2014- +2015	2015- +2016	2016- +2017	2017- +2018	2018- +2019	2019- +2020	2020- +2021	2021- +2022	
Active	50	113	115	116	146	118	134	145	191	244	296	1668
Liquidation	58	65	73	73	73	50	39	37	30	26	9	533
Nullity	111	28	21	26	24	17	22	32	15	6	8	310
Set aside	2	5	6	4		3	2	5	3	2		32
Substantial	85	109	105	101	88	75	61	52	70	47	8	801
Termination	77	120	89	93	150	112	104	78	64	48	26	961
<b>Grand Total</b>	<b>383</b>	<b>440</b>	<b>409</b>	<b>413</b>	<b>481</b>	<b>375</b>	<b>362</b>	<b>349</b>	<b>373</b>	<b>373</b>	<b>347</b>	<b>4305</b>

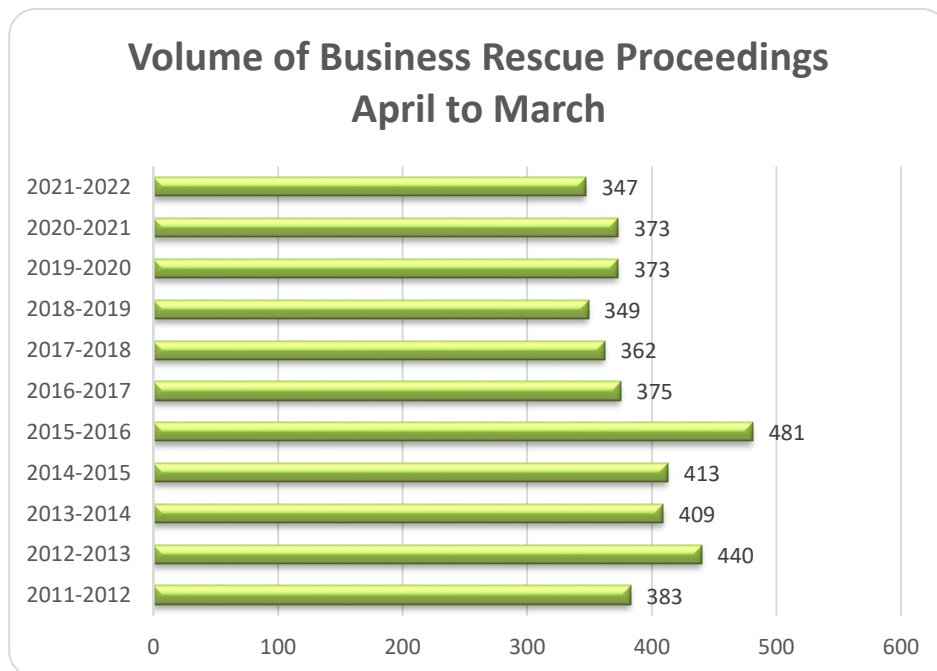
**Figure 13: Status of Business Rescue Proceedings Specification**



**Table 12: Status of Business Rescue Proceedings – April – March 2022**

Year/Month	April	May	June	July	August	September	October	November	December	January	February	March	Grand Total
2011-2012	2	7	27	16	33	66	21	35	48	60	39	29	383
2012-2013	32	44	23	21	57	53	46	49	18	18	37	42	440
2013-2014	31	44	34	43	44	29	47	28	9	36	34	30	409
2014-2015	23	34	33	31	54	35	43	34	25	28	24	49	413
2015-2016	40	32	22	67	55	35	57	51	16	20	47	39	481
2016-2017	27	40	35	39	41	29	33	33	21	19	28	30	375
2017-2018	16	27	42	26	33	35	32	46	19	25	31	30	362
2018-2019	18	41	27	39	29	30	22	18	20	26	48	31	349
2019-2020	28	26	33	35	27	31	36	29	11	26	47	44	373
2020-2021	18	59	30	44	16	36	30	33	14	30	30	33	373
2021-2022	20	38	18	18	37	51	32	33	10	22	21	47	347
<b>Grand Total</b>	<b>255</b>	<b>392</b>	<b>324</b>	<b>379</b>	<b>426</b>	<b>430</b>	<b>399</b>	<b>389</b>	<b>211</b>	<b>310</b>	<b>386</b>	<b>404</b>	<b>4305</b>

**Figure 14: Volume of Business Rescue Proceedings – April 2021 – March 2022**



## Corporate Compliance and Disclosure Regulation

### Quarter 1

During 2021/22 Quarter 1, the CIPC continued to monitor compliance and disclosure according to the provisions of the Companies Act, 2008 (Act No. 71 of 2008).

#### Reportable Irregularities (RI) arising from Independent Review of Financial Statements

There is a slight decrease in terms of closed cases in this regard and this is due to incomplete contact information on the submitted reports. Investigators make all efforts to follow through on the RI's relating to Independently Reviewed Annual Financial Statements (AFS).

**Table 13: Annual Financial Statements**

Statistics	Description
<b>Quarter 1</b>	
4059	Annual Financial statements received
199	Annual financial statements reviewed
0	Pro-active investigations
<b>Quarter 2</b>	
4286	Annual Financial statements received
180	Annual financial statements reviewed
179	Pro-active investigations
<b>Quarter 3</b>	
3684	Annual Financial statements received
162	Annual financial statements reviewed
0	Pro-active investigations
<b>Quarter 4</b>	
<b>3707</b>	Annual Financial statements received
<b>179</b>	Annual financial statements reviewed
<b>227*</b>	Pro-active investigations
<b>415 061</b>	Financial Accountability Supplements

*\*Public companies that had not filed AFS in the 2021/22 financial year*

### Quarter 1

The volumes received demonstrates compliance by industry to our requirements for filing of AFS and the commitment by the reviewers to monitor compliance of AFS with IFRS and Companies Act.

The COVID-19 pandemic did have an impact on the volumes, many companies have not yet had their financial statements audited, that affects filing volumes. LSSA raised objections against our issuance of a notice demanding inclusion of Section 4 statements in the AFS of companies as well as objections to the filing of AFS by "Incorporated" Companies.

A formal meeting with Law Society of South Africa (LSSA) was held to deal with their objections; one on Section 4 of the Companies Act, 2008, was not approved by the CIPC, the one on AFS Filings by incorporated companies, the CIPC committed to make further follow up to review the notice.

### XBRL Taxonomy Developments

The CIPC, through a representative, participated in a meeting with the International Taxonomy Consultative Group. Four matters were discussed, i.e.:

- (i) Request for Information Third Agenda Consultation
- (ii) Digital reporting implications for the Exposure Draft Disclosure Requirements in IFRS Standards—A Pilot Approach
- (iii) IFRS Taxonomy content—tagging implicitly reported concepts
- (iv) IFRS Taxonomy content—tagging comparative information reported in accordance with a superseded IFRS Standard

None of the above agenda items affects the CIPC XBRL taxonomy in the short or medium term.

### **Quarter 2**

Taxonomy rollout for 2021 as planned for 01 October was successfully rolled out for GRAP Reporting entities and IFRS Standards as published on 31 March 2021. Communique was published internally and externally to all our stakeholders about the progress of XBRL in CIPC as it was celebrating three (3) year anniversary on 01 July 2021. CFO Enterprises and SAICA published formal articles from CIPC on the current developments and progress CIPC is making regarding its XBRL Project.

As on 30 September 2021, the following filing statistics were observed:

- Total number of filings since implementation of XBRL = 43 458
- Total number of unique filings since inception of XBRL = 23 624
- Total number of filings for Q2 = 4 289

### **Quarter 3**

Focus was given on integrating Co-Operatives to be able to lodge annual financial statements using XBRL in April 2022 starting with a pilot project. Stakeholder change management interventions and social media messaging were implemented and two articles on XBRL were published to increase awareness as well.

As on 23 December 2021, the following filing statistics were observed:

- Total number of filings since implementation of XBRL = 46 994
- Total number of unique filings since inception of XBRL = 24 327
- Total number of filings for Q3 = 3 697
-

### Quarter 4

During Q4 of 2021/22 the main focus of the XBRL Programme was to extend the CIPCs strategy of digitization as tool for “smart regulation” through the incorporation of Co-operatives under the XBRL umbrella for the first time. A project to update the XBRL taxonomy, to familiarize and train staff from the Co-operatives unit, and to communicate details about the pilot project to relevant Co-operative entities, has been undertaken. The deliverables of the project for Q4 have all been met on time and the pilot project was successfully launched on 1 April 2022. The pilot will run for 6 months until 1 October 2022 when filing of Annual Financial Statements by Co-operatives becomes mandatory.

As on 31 March 2022, the following filing statistics were observed:

- Total number of filings since implementation of XBRL = 50 450
- Total number of unique filings since implementation of XBRL = 25 098
- Total number of filings for Q4 = 3 705

### Reported irregularities

**Table 14: Reportable Irregularities 2020/21**

	Q1	Q2	Q3	Q4
<b>Opening Balance</b>	313	321	283	290
<b>Cases Received</b>	20	33	24	21
<b>Closed Cases</b>	12	71	17	17
<b>Closing Balance</b>	321	283	290	294

### Quarter 1

The volumes of Reportable Irregularities received shows a downward trend. COVID-19 may be having either a positive or negative impact in terms of governance. Notable RI's received came from Cell C Ltd and Cell C Service provider (Pty) Ltd and relates to the procurement process of a service provider to deal with SARS payments.

The COVID-19 impact on businesses cannot be ruled out, accounting records keeping and inability to conduct audits by Auditors. The instability in IRBA and therefore low capacity could also be a factor in terms of processing of RI's from Auditors.

### Quarter 2

A higher number of closed cases was achieved during Quarter 2, the team resolved to prioritize long outstanding matters. Cases were followed with compliance notices and in some instances, closed, due to lack of interest from the parties in pursuing the matters further. Five (5) matters during the quarter were handled proactively, including a referral from another regulator, demonstrating the commitment to collaborations in the regulatory space.

### Quarter 3

Very low report of new cases in this quarter, one cannot fully attribute this to COVID-19, as Auditors have been active as a profession to oversee governance and reporting standards compliance. Some matters have been contested at the Tribunal for our having issued the compliance notice regarding failure to disclose director remuneration amongst other things.

### Quarter 4

The trend of low number of Reportable Irregularities continued in this quarter, however, the unit continues to deal with matters as they are received. Delays can be attributed to the non-response when it comes to the auditor and the board who are always expected to clarify if the non-compliance is continuing or not. Constant awareness sessions and engagements with the auditing and accounting gets activated to raise the importance of compliance.

### High Profile Companies under Investigation

**Table 15: High Profile Companies under Investigation**

<b>High Impact Cases</b>
<b>Quarter 1</b>
South African Post Office SOC
Communicare NPC
Denel SOC
Attacq Ltd
<b>Quarter 2</b>
Cipla Medpro South Africa
Medpro Pharmaceutica
<b>Quarter 3</b>
Nova Propgrow Group Holdings
Young Women's Business Network (YWBN)
<b>Quarter 4</b>
Eureka Beperk
Agilitee Pty Ltd
GUD Holdings Pty Ltd

### Quarter 1

Four (4) high profile companies were dealt with.

### Quarter 2

Cipla Medpro South Africa and Medpro Pharmaceutica are some of the entities being followed up pro-actively. On 06 August 2021, IRBA provided a workshop on the amendment of the Auditing Profession Act to the relevant CIPC officials.

### Quarter 3

Nova Propgrow Group Holdings was issued with a compliance notice due to their not having been able to satisfy Section 22 contravention; non-compliance with their debenture trust deed and failure to file their annual financial statements on time including some issues around classification on the AFS. Matter to be given further attention in Quarter 4 to ensure compliance with the Companies Act.

### Quarter 4

Eureka Beperk issued shares to members of the public without a registered prospectus, an investigator was formally appointed to investigate, engagements with the new board of the company have taken place, however, further conditions were raised before the investigation can be considered as complete. Same non-compliance was observed with regards to Agilitee Pty Ltd, an investigator was also appointed, finalisation of the matter is also imminent. GUD Holdings Pty Ltd is currently being handled through the State Attorney to review a decision of the Companies Tribunal with regards to Section 212 of the Companies Act.

#### Independent Review: Regulation 29

**Table 16: Independent Review: Regulation 29**

	Q1	Q2	Q3	Q4
<i>Opening Balance</i>	<b>159</b>	<b>192</b>	<b>140</b>	<b>134</b>
<i>Allocated</i>	51	53	69	41
<i>Total Closed</i>	<b>18</b>	105	75	58
<i>Closing Balance</i>	<b>192</b>	140	134	117

#### Cold cases

**Table 17: Cold Case Matters**

Administrative fine	Q1	Q2	Q3	Q4
Opening balance	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Order granted	4	4	4	4
Settlement order/offer	2	2	2	2
Opposed	4	4	4	4
Removed from the list	1	1	1	1
Currently in court/set down	5	5	5	5
Closing balance	6	6	6	6

### **Quarter 1**

Due to the effect of the COVID-19, we have noted a slow movement of matters referred to the office of the State Attorney and as such, it is not possible to comment on the overall compliance with regard to compliance activities save to say for a single matter that was finalized during this period. No administrative fines were issued during Quarter 1. On the matters whereby an order has been granted a forensic accountant has to be appointed in order to determine the exact administrative fine that the company has to pay. The State Attorney is facilitating this process.

COVID-19 and tough economic conditions continues to have an impact on the industry. This is evident on the lack of matters before court through the office of the State Attorney.

The Belgacom International Carriers SA (Pty) Ltd has paid the administrative fine as per the settlement agreement order.

### **Quarter 2**

The COVID-19 conditions continues to affect action from the side of the State Attorney on matters that CIPC referred to them. Another factor cited by the State Attorney includes amongst other things their internal ICT systems, which were not functional for the month of September; hence, matters could not be reconciled nor scheduled for further action the status quo remains in this matter.

### **Quarter 3**

The Office of the State Attorney has not come back to CIPC to date even after much follow ups on cold cases. In Q4 the unit will schedule a virtual meeting to engage on the long outstanding matters and the way forward. On Independent Reviews, the unit issued a survey to all independent reviewers nationally to gauge the effect of Covid-19 on the practitioners, results have been consolidated, the related report is being finalised. Certificates of compliance have also been issued to accounting officer institutes for having complied with Regulation 29(12) of the Companies Act.

### **Quarter 4**

Noticeable in the statistics is the fact that the most common reportable irregularity relates to 'Liabilities exceeds assets' – the challenge then becomes how to address this issue in the industry due to the complex nature of business and its operational dynamics.

### **Prospectuses**

### **Quarter 1**

**Table 18: Prospectus**

COMPANY NAME	PROSPECTUS	FINAL PROSPECTUS	CURRENT STATUS
<b>Quarter 1</b>			
KALON VENTURE PARTNERS FUND II	APRIL	REGISTERED	REGISTERED

<b>COMPANY NAME</b>	<b>PROSPECTUS</b>	<b>FINAL PROSPECTUS</b>	<b>CURRENT STATUS</b>
POLO FIELDS EP7	APRIL	REGISTERED	REGISTERED
DESTINATA CAPITAL	APRIL	REGISTERED	REGISTERED
GAIA VENTURE CAPITAL	APRIL	REGISTERED	REGISTERED
EUPHORIC CAPITAL	APRIL	PENDING	PENDING
NORTHAM PLATINUM HOLDINGS	APRIL	REGISTERED	REGISTERED
ANUVA PRIVATE EQUITY	APRIL	REGISTERED	REGISTERED
EXCHANGE LOFTS EP6	MAY	REGISTERED	REGISTERED
AP GLOBAL INVESTMENTS	MAY	REGISTERED	REGISTERED
AP GLOBAL INVESTMENTS	MAY	REGISTERED	REGISTERED
OPTOMISE VENTURES	MAY	REGISTERED	REGISTERED
ORA CAPITAL	MAY	REGISTERED	REGISTERED
WESTBROOKE STAC 2021	MAY	REGISTERED	REGISTERED
WESTBROOK ARIA 2022	MAY	REGISTERED	REGISTERED
DECENTRAL ENERGY CAPITAL	MAY	REGISTERED	REGISTERED
ERIDANUS VC1	MAY	PENDING	PENDING
12 CAPE	MAY	REGISTERED	REGISTERED
GROUNDSTONE CAPITAL	MAY	PENDING	PENDING
INTERNATIONAL TITANS BASKET	MAY	PENDING	PENDING
OLIVE VENTURE CAPITAL	MAY	REGISTERED	REGISTERED
EXPONENTIAL VENTURE CAPITAL	JUNE	REGISTERED	REGISTERED
MONROE EP8	JUNE	REGISTERED	REGISTERED
PERSEUS VC1	JUNE	PENDING	PENDING
HASANAAT CAPITAL	JUNE	REGISTERED	REGISTERED
CAPITALE STUDENT HOUSING FUND	JUNE	PENDING	PENDING
DELTA VC1	JUNE	REGISTERED	REGISTERED

**Quarter 3**

<b>COMPANY NAME</b>	<b>PROSPECTUS</b>	<b>FINAL PROSPECTUS</b>	<b>CURRENT STATUS</b>
<b>Quarter 2</b>			
JALTECH DIGITAL ASSET HOLDINGS LIMITED(RF)	FINAL	REGISTERED	REGISTERED
WESTBROOKE YIELD PLUS PLC 2-3-1	FINAL	REGISTERED	REGISTERED
BALLITO GROVES EP 10 LIMITED	SUPPLEMENT	REGISTERED	REGISTERED
ATHENA EDUCATION (IOM) PLC 2-3-1	FINAL	REGISTERED	REGISTERED
MONROE EP 8 LIMITED	SUPPLEMENT	REGISTERED	REGISTERED
SEA POINT FOUR 11	DRAFT	PENDING	PENDING FINAL
CROWDPROP	DRAFT	PENDING	PENDING FINAL

**Quarter 3**

<b>COMPANY NAME</b>	<b>PROSPECTUS</b>	<b>FINAL PROSPECTUS</b>	<b>CURRENT STATUS</b>
<b>Quarter 3</b>			
CROWDPROP (RF) LIMITED NO 55 OF 2021	FINAL	PENDING	PENDING
BAILEY EP 12 LIMITED NO 56 OF 2021	FINAL	REGISTERED	REGISTERED
DESTINATA EQUITY FUND LIMITED NO 57 OF 2021	FINAL	REGISTERED	REGISTERED
SEA POINT FOUR EP 11 LIMITED NO 54 OF 2021	FINAL	REGISTERED	REGISTERED
BRAIT MALTA LIMITED 18308 GBC NO 58 OF 2021	FINAL	REGISTERED	REGISTERED
THE REID EP 13 LIMITED NO 59 OF 2021	FINAL	REGISTERED	REGISTERED
RENCELL II LIMITED NO 60 OF 2021	FINAL	REGISTERED	REGISTERED
INFINITY INVEST LIMITED NO 61 OF 2021	DRAFT	FINAL PENDING	PENDING
SA KHADINANG LIMITED NO 62 OF 2021	DRAFT	FINAL PENDING	PENDING
AREIT PROP LIMITED NO 63 OF 2021	DRAFT	FINAL PENDING	PENDING
SUNSIDE ACQUISITIONS LIMITED NO 64 OF 2021	DRAFT	FINAL PENDING	PENDING
ROCKEFELLER 2 EP 15 LIMITED NO 65 OF 2021	FINAL	REGISTERED	REGISTERED

COMPANY NAME	PROSPECTUS	FINAL PROSPECTUS	CURRENT STATUS
BALLITO HILLS EP 16 LIMITED NO 66 OF 2021	FINAL	REGISTERED	REGISTERED

#### Quarter 4

COMPANY NAME	PROSPECTUS	FINAL PROSPECTUS	CURRENT STATUS
Quarter 4			
CROWDPROP (RF) LIMITED NO 55 OF 2021	FINAL	PENDING	PENDING
INFINITY INVEST LIMITED NO 61 OF 2021	DRAFT	FINAL PENDING	PENDING
SA KHADINANG LIMITED NO 62 OF 2021	DRAFT	FINAL PENDING	PENDING
AREIT PROP LIMITED NO 63 OF 2021	FINAL	REGISTERED	REGISTERED
SUNSIDE ACQUISITIONS LIMITED NO 64 OF 2021	FINAL	REGISTERED	REGISTERED
MEDIA MILL EP 17 LIMITED	FINAL	REGISTERED	REGISTERED
ERIDANUS VC 1 LIMITED	FINAL	PENDING	PENDING
EAST ASIAN GROWTH BASKET LIMITED	FINAL	PENDING	PENDING
RALTECH LIMITED	FINAL	PENDING	PENDING
WESTBROOKE YIELD PLUS PLC	FINAL	PENDING	PENDING

#### **Corporate Governance, Surveillance and Enforcement**

**Table 19: Statistics for Cases** is summary of the statistics of the cases during the quarter.

**Table 19: Statistics for cases**

	Case intake (Received)	Escalated (Appointments)	Closed	Open
Q1	122	16	60	46
Q2	180	24	81	75
Q3	76	12	30	30
Q4	183	30	89	64

#### Quarter 1

Out of the 122 cases received, 60 cases were closed within the set requirements, thus representing 49%. The trends emerging in the quarter under review are the following:

## ALLEGATIONS AND/OR SPECIFIC SECTION (S) OF THE ACT CONTRAVENED

- Company hijacking (resignation/ removal of directors – Sections 70, 70 (6) and 71 of the Companies Act, 2008 including fraud and process issues in terms of CoR39, director amendments;
- Breach of contract (including contractual dispute regarding unpaid salaries)
- Memorandum of Incorporation (MOI) dispute among directors, refusing to incorporate new clauses.

There is an increase in company hijackings. This will be dealt with in monthly meetings.

### Quarter 2

Table 20: Case Register & Allegations

ALLEGATIONS / CONTRAVENTIONS	April	May	June	July	August	September
<b>Vacant on Board/ Resignation of directors S70, S70 (6) and Removal of directors S71 including process issues in terms of CoR39, director amendments</b>	12	16	10	5	5	11
<b>Home owners Association, NPO</b>	3	2	1	0	0	1
<b>MOI dispute among directors</b>	6	4		0	2	2
<b>Failure to hold AGM</b>	2	2	6	2	3	1
<b>S26 Disclosure of company documents</b>	4	3	4	6	3	4
<b>Breach of contract dispute</b>	12	8	4	3	9	6
<b>Liquidation matter</b>	1	0	0	0	2	0
<b>S160 (2) (b) Name dispute/correct address/</b>	3	3	3	0	3	3
<b>180 TOTAL</b>	<b>43</b>	<b>38</b>	<b>28</b>	<b>16</b>	<b>27</b>	<b>28</b>

The CIPC has made application to court to impose the fine in a case **CIPC v JCI Limited** where the Compliance Notices were not complied. There are further seven (7) requirements needed in respect of Section 175 (2) that a judge will require from the applicant (CIPC) to determine an appropriate fine. Media Statement Court ruling on JCI Ltd: Court Order was granted in favour of CIPC against JCI Ltd.

### Quarter 3

Out of the 76 cases received, 30 cases were closed within the set requirements, thus representing 42%. The trends emerging in the quarter under review are the following:

## ALLEGATIONS AND/OR SPECIFIC SECTION (S) OF THE ACT CONTRAVENED

- Trade Mark Infringement;
- Audit Firm request to be removed as Auditors of the company;
- Company hijacking (resignation/ removal of directors – Sections 70, 70 (6) and 71 of the Companies Act, 2008 including fraud and process issues in terms of CoR39, director amendments;
- HOA unlawful Practices on the Estate;

- Breach of contract (including contractual dispute regarding unpaid salaries);
- Memorandum of Incorporation (MOI) dispute among directors, refusing to incorporate new clauses.

#### Quarter 4

Out of the 183 cases received, 89 cases were closed within the set requirements, thus representing 48%. The trends emerging in the quarter under review are the following:

**Table 21: Case Register & Allegations**

ALLEGATIONS / CONTRAVENTIONS	October	November	December	January	February	March
Directors and Auditors details not a true reflection of company records	12	16	10	5	5	11
HOA Unlawful Practices on the Estate	3	2	1	0	0	1
MOI dispute among directors	6	4		0	2	2
Vacant on Board/ Resignation of directors S70, S70 (6) and Removal of directors S71 including process issues in terms of CoR39, director amendments	2	2	6	3	3	1
S26 Disclosure of company documents	4	3	4	6	3	4
Breach of contract dispute	12	8	4	3	9	6
BEE Requirement	1	0	0	0	2	1
S160 (2) (b) Name dispute/correct address/	4	3	3	0	3	3
<b>183 TOTAL</b>	<b>44</b>	<b>38</b>	<b>28</b>	<b>17</b>	<b>27</b>	<b>29</b>

Two Pro-Active Investigation of has been dealt with in terms of **Social and Ethics Committee**

Section 72(4)(a) of the Act, which stipulates that:

“(4) The Minister, by regulation, may prescribe –

*(a) a category of companies that must each have a social and ethics committee, if it is desirable in the public interest and having regard to-*

*i) annual turnover*

*ii) workforce size*

*iii) the nature and extent of the activities of such companies”*

**Highway Property Group (Pty) Ltd Investigation Report** was published on CIPC Website.

#### ***iv. IP Enforcement***

#### Quarter 1

The CIPC through various frontline activities is playing a key role in the war against counterfeits. The protection of IP Rights is key in driving the protection of goods as well as aligning authorities, manufacturers and suppliers to do the same. COVID-19 has changed the ways of working for professionals combating illicit trade. Active

participation and sharing of lessons learned, not only nationally, but also on an international level, led to increasing public-private and cross-sector, collaboration.

Finding the positive aspect is tough during the times in which we find ourselves, but the impact of COVID-19 has led to closer collaboration in South Africa's fight against illicit trade. Collaboration and closer cooperation between different sectors, countries, and public and private institutions is key in our fight against counterfeit goods. While we have not won the war against illicit trade, the pandemic has widened the possibilities that exist through technology, allowing authorities to become more united in the fight against illicit trade.

Towards contributing to a greener environment, a project to upcycle confiscated counterfeit goods is underway. Given the challenges faced to destroy counterfeit goods in an environmentally friendly way, not only in South Africa but also in the rest of the World, the idea for an innovative project came to life. The project is designed to transform the counterfeit goods into useful items. Taking away the trade mark or any reference thereto and adding value through artistic effort. It is foreseen that the project will create opportunities for social entrepreneurs and create new jobs.

It is difficult to determine the exact cost that IP infringements have on the South Africa economy but through the new cellphone application called Accurate Reliable Stats (AJS) developed by CIPC, the lacuna will be addressed. This significant development will contribute greatly to limit the severe impact on consumers that are continuously misled by sub-standard and potentially harmful products and the loss of investment opportunities and subsequent job losses, due to the impact of the trade in counterfeit goods on a country.

Fast moving consumer goods became the focus and target area for counterfeiters. Authorities destroyed counterfeit goods and expired food confiscated from spaza shops mostly owned by foreign nationals. Concerns were raised that there were rising concerns of foodstuffs described as fake as well as harmful food colourants in some goods.

The role CIPC play in ensuring that law enforcement agencies active in the sector of the economy is fully capacity to deal effectively with counterfeit goods should be stressed. A training workshop to focus on a way forward to deal with buildings occupied and used to manufacture and sell counterfeit goods was held. A group of individuals that will form part of a task team was identified. The first meeting that was held in May served as a training workshop to enable us to build capacity within the team and to cross-pollinate the skill sets.

## **Quarter 2**

### **To combat trade mark counterfeiting and copyright piracy**

Professionals combatting illicit trade, in particular trade in counterfeit goods had to adapt to the new normal. The CIPC used Internet-based technology to combat online piracy and counterfeiting. This resulted in excellent inter-agency cooperation, which enabled sharing information on chat services that are easy accessible on a smartphone.

IP right-holders responded quickly and this led to the successful seizure of counterfeit goods. Counterfeit brands i.e. Adidas, Nike, New Balance, Puma and Converse, among many other brands, were seized. The SAPS, along

with the Johannesburg Metro Police and SARS Customs Officials, led the operation. The respective brand holders were also present during the raids.

### Education and Awareness

The focus during this quarter was to raise an awareness in tertiary students on the negative impact of counterfeit. A series of workshops were conducted for this purpose, in collaboration with UNISA, SEDA and the Durban University of Technology.

Six webinars focusing on the value of IP to entrepreneurs were conducted over a six-week period. 932 registrations were received. Themes for the training sessions included IP to Market, Access to Finance, and Respect for IP.

Two sessions were hosted for internal staff to increase their interest and awareness on IP rights. The training focused on *Counterfeit Goods a Hard Pill to Swallow* and *Cultivating your Cannabis IP- a topic to get high on*.

A Social Media awareness campaign was designed and used to keep consumers informed and warned about the dangers posed by counterfeit protective gear. It allowed awareness messages, such as the ones below, to be disseminated on various social media platforms.

### Capacity Building and Training

The CIPC presented to the Online Dialogue of the WIPO Advisory Committee on Enforcement, and shared lessons that South African law enforcement agencies experienced over the past year. In this way, creative solutions were shared with an International audience. The paper focused on Using the Internet to Support Effective Intellectual Property Enforcement – Freeing up Capacity, Boosting Collaboration and Extending the Reach of Education and Awareness Activities.

The CIPC presented to the members of the Self Care Association of South Africa addressing their concerns and contributed to finding solutions to combat the scourge in online offers of unscheduled medications. A memorandum of understanding with the local online selling platforms are currently being negotiated to address the industry concerns and to protect consumers.

### Upcycling of Counterfeit Goods

The usual destruction of counterfeit goods result in them being burned, shredded, or buried in landfill sites. This has a devastating effect on the environment. Given these challenges South Africa and countries all over the world face challenges on destroying counterfeit goods in an environmentally friendly way. An innovative project was thus designed to transform the counterfeit goods into useful items i.e. removing the trade mark and adding value through artistic effort.

### Accurate Justified Statistics – a Cell Phone Application

Internet-based technology is used to unify record-keeping practices across enforcement agencies. Due to lack of accurate IP seizure data, it is difficult to determine the exact cost that IP infringements have on our economy. To address this, we are currently developing a new mobile phone application named Accurate Justifiable Stats (AJS). The application is in the testing phase and on completion will provide accurate statistical information and thus show the impact of counterfeiting.

### Quarter 3

#### **Strategic Direction: To combat trade mark counterfeiting and copyright piracy**

The work done in Q3 focused primarily on the strategic direction of IP enforcement in South Africa. Training of law enforcement partners is the highest priority and the only tool to increase effective enforcement of IPR in South Africa. An invitation to The Interpol International Crime Conference was secured, South Africa nominated three officials that included a CIPC official to receive an award for excellent service in this area. The operational award was won by an SAPS officer, to commend and reward him on the exceptional work done to enforce IPR, and facilitate collaboration.

#### **Capacity Building and Training**

The focus during Q3, which traditionally is quieter, was on internal capacity building. During October one official qualified and was invited to partake in the Training Program for Anti-Counterfeiting Practitioners offered by the Japan Patent Office. This training is usually offered in Japan over a two week period but was done virtually in a month. 26 participants from 12 countries were trained. Networking was limited and the usual benefits fell away.

#### **Invite to the Online Training Session on Pharma Crime**

**SWITCHING ON THE LIGHTS**  
**ON-LINE TRAINING**  
**WEBSHOP THE SALE OF**  
**CROSS-BORDER AND/OR**  
**ONLINE**  
**COUNTERFEIT/FALSIFIED**  
**PHARMACEUTICAL AND**  
**HEALTHCARE PRODUCTS**  
**21 OCTOBER 2021 @14:00 LOCAL SA TIME**

**Register:**  
<https://www.africadigitalhealth.com/online-training-session-on-pharma-crime>

During the COVID-19 pandemic, online sales accelerated in all categories. This has created different ecosystems especially in the self-care environment where self-care products such as vitamins and supplements have assisted consumers in taking better care of their health. Unfortunately, this opportunity has also led to some misuse, abuse and irregularities, and we are seeing sub-standard and even counterfeit products on the market.

**Objective of Training**  
To build capacity to effectively collaborate and utilise to act against these crimes. Participants will be prosecutors, health officials, private sector stakeholders and police officials from across Africa.

Learning more about best practices will put us in a better position to fight online sales.

On 21 October capacity building on - Detecting and Investigating Online Pharmacies saw participation from across Africa, with local and international experts in the speaker line-up.

During the COVID-19 pandemic, online sales accelerated in all categories. This has created different ecosystems especially in the self-care environment where self-care products such as vitamins and supplements have assisted consumers in taking better care of their health. Unfortunately, this opportunity has also led to some misuse, abuse and irregularities, and we are seeing sub-standard and even counterfeit products on the market. Participants included prosecutors, health officials, and private sector stakeholders and police officials from across Africa.

#### **Officials attending the Hybrid session on IPR enforcement for the creative industry sector**



On 28 October CIPC hosted a Hybrid training workshop for enforcement partners in Ransburg, Gauteng in collaboration with Multi Choice SA. The programme provided an introduction into enforcement of intellectual property rights and combatting illicit trade. The NPA also partook to provide insight into the requirements to obtain successful convictions.

#### **Education and Awareness**

Through our collaboration with the Swiss IP Office CIPC hosted an educational event on 14 October. In this session the Swiss Federal Institute of Intellectual Property (IPI) shared lessons learned and expertise gained in combating online piracy. CIPC also shared their experience in this field. Widespread trade mark counterfeiting and copyright piracy are global problems. Innovative ways to minimise the impact on IP rights owners, and protect consumers against the harms, are an integral part of the CIPC's objectives. To protect intellectual property rights and increase legitimate sales, the CIPC and private sector industries have employed numerous anti-piracy strategies including law enforcement training and awareness campaigns. The exchange of experiences and best practices between IPI's STOP Piracy Team and local enforcement agencies, stakeholders and other interested parties, identified and answered key questions to inform strategies on how to best prevent trade mark counterfeiting and copyright piracy. Ways to raise the general levels of awareness in all stakeholders were also discussed.

Two sessions were hosted for internal staff to increase their interest and awareness on IP rights. One in October on Patents and another in November on the "Far-reaching Influence of African Artists in the World of Corporate Branding Strategies". The focus was on the commercial value that local artists derive from collaboration with well-known international brands such as Hermes and Louis Vuitton. Trade mark owners are increasingly considering art as a valuable tool in their brand management strategy and nowadays brands and artists, and especially African artists, are working more closely together than ever before. An induction session to newly appointed CIPC officials on IPR enforcement was offered in Q3.

## Women in IP

CIPC participated as a resource person and speaker in an International exchange: Promoting the inclusion of women in intellectual property that took place on 16 and 17 November. The first day was open to the public and the second day only focused on IP Offices. The outcomes will be implemented through collaboration with the USPTO.

As part of the Swiss collaboration project work has started to fast track women in the promotion of the use and exploitation of the value of using geographical indication marks (GI's). The upcycling of counterfeits also have a woman based NGO as partner. Work in this area is progressing nicely. The final report will be done by Q4.

### Counterfeit Louis Vuitton purse reworked



### Pencil cases form denim material



### Reworked counterfeit Levi Jeans into Aprons



### **IP and SMME's**

The first in a series of planned events was hosted on 29 November, targeting CIPC partners and stakeholders active with SMME's. A discussion around the Swiss experiences and lessons learnt over the last decade of engaging with SMMEs on intellectual property rights took place. Further work in this area will include publications to inform SMME's about the basics of IP and the services available to them. A Pocket Guide with a summary of all the forms of IP – trade marks, patents, designs, copyright and enforcement. IP commercialization will also be included. Smaller Law Firms will be targeted through information-sessions and trainings on IPR to enable them to assist their clients and inform them about our services.

### **Quarter 4**

#### **Capacity Building and Training**

The Counterfeit Goods Act, No 37 of 1997,(CGA) provides enforcement remedies to intellectual property rights (IPR) holders and provides the mandate to CIPC to enforce IP rights. The CIPC conducted a physical training workshop on investigating and prosecuting Intellectual Property (IP) crimes. The workshop, targeted at senior law enforcement officials in the field of Intellectual Property Rights (IPR) enforcement was based on the CIPC's training manual. The manual is aimed at easing their day-to-day administrative tasks to ensure effective enforcement.

The project's success can be attributed to the close collaboration between CIPC and the 'Building Respect for IP' Division of the World Intellectual Property Organization (WIPO). The training event was conducted over three mornings. The manual is aimed at easing their day-to-day administrative tasks to ensure effective enforcement.

33 officials wrote the exam and obtained a certificate as competent to enforce the CGA.



Leadership from the Directorates for Priority Crime Investigation came from the Head office to support the training. Other attendees included Provincial Consumer Investigators, Economic attaché's and Interpol officials.

**Figure Online Pharmacies supply substandard and counterfeit medicines to unsuspecting consumers.**



The objective of the training session was building capacity and fostering closer working relationships between all role-players in the field of IP enforcement. The 48 attending officials were very positive about the training and commented the usefulness of the programme, saying that the methodology has proven to be very effective in promoting peer-to-peer practical training.

Building partnerships and leveraging on the expertise of such partners greatly assist the CIPC to strengthen the IP regulatory environment and assists its efforts geared at combating counterfeiting and piracy. During his opening address, the CIPC Commissioner, Adv. Rory Voller emphasised the successes that were associated with collaboration, especially in training and education initiatives. He pledged his commitment to the course and highlighted that finding innovative solutions for combatting trade mark counterfeiting and copyright piracy, are key priority areas for CIPC.

**Statement of support and encouragement from Assistant Director General, Mr. Edward Kwakwa, in charge of the Global Challenges and Partnerships Sector representing WIPO.**



**Opening address, the CIPC Commissioner, Adv. Rory Voller emphasized the successes that were associated with collaboration, especially in training and education initiatives.**



**Education and Awareness**

Hosted back to back with the training was the Pan-Africa Conference on Anti-Counterfeiting, in partnership with the Africa Anti-Counterfeiting Agenda AA-CA. Most products are counterfeited, from toys to motor spare parts. It was in a hybrid format, and debated amongst other topics the rights and responsibilities that follow IP rights.

In attendance, we had most English speaking African countries, brand protection managers and self-regulatory bodies representing industry that suffer the most from counterfeiting. The conference also promoted respect for IP. Members from the public were able to follow the discussions through virtual platforms.

**The hybrid conference was streamed globally and provided the platform to deal with topics such as the rights and responsibilities that follow IP, digital IP and social media challenges.**



**Soza A Ruzario Founder, Chief InitiActor, Africa Anti-Counterfeiting Agenda Souza Rouzario AA-CA and the CIPC Commissioner Adv. Rory Voller.**



Experts in many IP fields engaged in “Big Debates” and discussions on “Rights Over Goods”. It also further explored how securing the supply chain will assist to diminish counterfeit goods found in market places. In attendance, were most English speaking African countries, brand protection managers and self-regulatory bodies representing industry that suffer the most from counterfeiting. There was also a huge contingence of European University students viewing from their respective locations.

Current topical and controversial subjects were discussed by speakers having a wide range of knowledge and experience in building respect for IP and highlighting enforcement problems and progress across Africa. Finding

a balance between the rights in patents for pharmaceuticals and rights of the public to healthcare was a hot topic. The threats and risks of counterfeit goods to supply chains and methods to counteract them were tackled on the last day, it also looked at the escalating problems in the digital era arising from internet and social media abuse through IP infringement. The main issues identified for future focus and effort were to intensify education in enhancing IP awareness amongst the public, to continue with training and skills development in IP enforcement (with particular reference to the digital space), and to craft IP laws and policies which address the particular needs and expectations of the African continent.

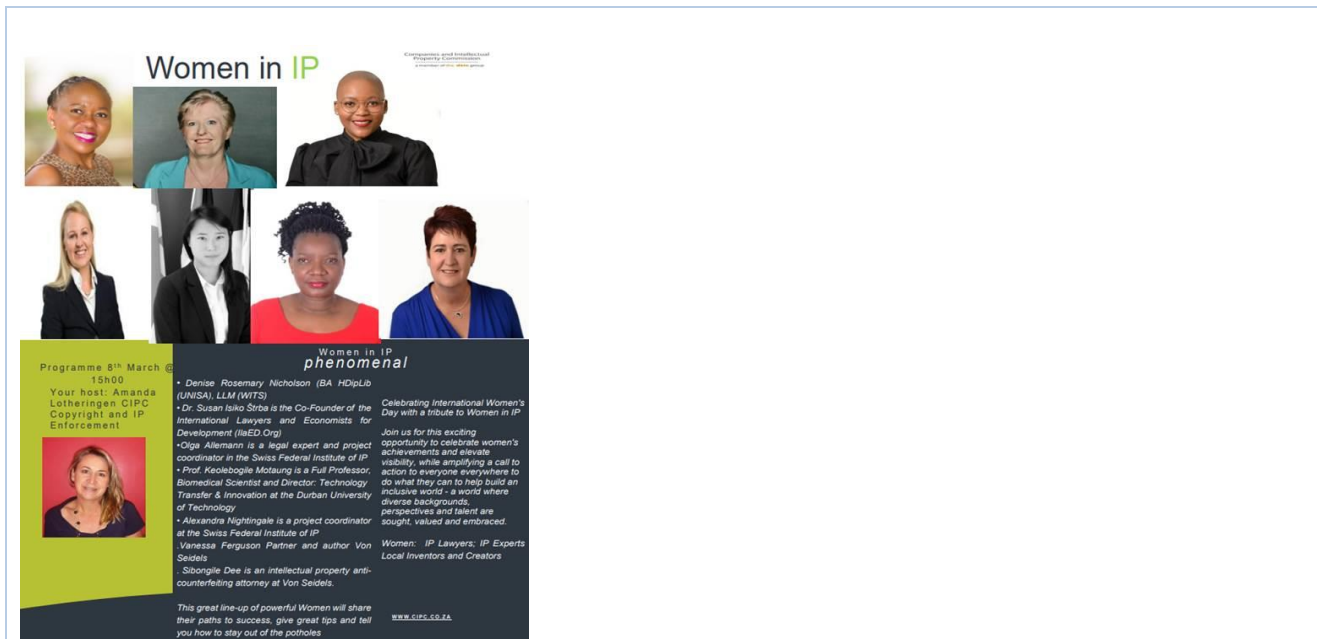
### Women in IP

CIPC as part of the Women in IP initiative supported a statement in which 27, patent, trade mark, and copyright offices globally also supported. In this statement the pledge to provide resources and support for innovators and creators of all genders. CIPC further hosted their first event Women in IP webinar. This day provides an important and exciting opportunity to celebrate women's achievements and elevate visibility, while amplifying a call to action to everyone everywhere to do what they can to help build an inclusive world - a world where diverse backgrounds, perspectives and talent are sought, valued and embraced.

**Ms. SA Lalela Mswane's campaign, #BeReady, is aimed at encouraging an entrepreneurial attitude among the youth of South Africa.**



**Programme 8 March Women in IP Event**



To commemorate this day, the CIPC honored and celebrated “Women in IP” and put together a panel discussion, made up of women who are pioneers in IP. They shared their experiences and wisdom in breaking down gender stereotyping and through their respective success stories. Part of the lineup were phenomenal women, IP lawyers, IP experts in the global space & local inventors and creators. Ms. SA Lalela Mswane made a guest appearance through a video clip. The speakers shared their paths to success, gave great tips and told the audience how to stay out of the potholes.

In many countries, women are underrepresented in the intellectual property (IP) system. Around the globe, patent, trademark, and copyright offices provide resources and support for innovators and creators of all genders, helping them to navigate and access the IP system. Through these and other programs, we are committed to working together to reach gender equality throughout our economies. Equality can only be achieved when the gender mix of those engaged in innovation and creativity and using our IP systems reflects the gender mix of our society. This will lead to a more sustainable, healthy, and balanced society, enriching life for everyone.

### WIPO Green

The detection and confiscation of counterfeit goods is becoming increasingly efficient, creating new logistical and environmental challenges for national authorities. Generally, counterfeit goods are disposed of by open-air incineration, grinding, crushing, or burial in a landfill, with the precise method varying according to the nature of the goods to be destroyed. Depending on the context, donations are also possible. A problem is that methods like open-air incineration, which is an effective way to definitively eliminate counterfeit goods from the market, can have devastating long-term effects on the environment and health. To minimize the environmental impact of the disposals, specialized facilities, expertise, and high levels of stakeholder collaboration have been required.

From an IP perspective, the first step in addressing seized counterfeits is to remove the possibility of such goods re-entering the market. Now, for some IP Offices, the subsequent step has become identification of ways to recycle the goods, for a better environmental footprint as well as job creation and other benefits.

The CIPC has found that disposing of counterfeit goods in an environmentally friendly manner is not only possible but can also generate jobs and additional income for the IP Office. The CIPC is piloting a program to

recycle and upcycle counterfeit goods that have been seized, rather than destroying them. The items are deconstructed and used to make entirely new clothes, such as aprons, or other items without any trace of the false branding or marking from the original item. To further mask the origin of the new items, some of them are painted by local artists.

The program provides job creation benefits, and special emphasis has been on recruiting women to participate. It is still in the pilot phase, and we are working to secure endorsement from the relevant rights holders for the program. This program shows promise in addressing an environmentally unfriendly practice, that is, destroying seized counterfeit products like clothing and bags.

## **2.1.4 Education and Awareness**

### ***i. Corporate Education and Voluntary Compliance***

#### **Quarter 1**

We hosted webinars on social media, as well as, participated upon invite from external stakeholders in webinars on Company and Co-operative Laws and processes. The volume of requests for CIPC participation decreased due to virtual. The unit also responded to Facebook queries from customers. The unit is busy with a process to have a director e-learning program developed.

Due to the COVID-19 pandemic that influenced the way the unit does education and awareness of customers and the public, as it could no longer host or participate in education and awareness events or provide CIPC -. A new platform was implemented with which CIPC can livestream webinars on social media (CIPC Facebook and YouTube). Working from home had an impact on the way staff within CIPC work and communicate with one another and the public. Load shedding also affected access to the systems while working from home.

With the new platform used to host webinars on social media, it appears that more members of the public view the webinars than before. As the webinars remain on social media, members of the public can view the webinars after it was live-streamed. However, viewing webinars is dependent on members of the public having internet connectivity in their area and funds for data. Some areas have very poor or no internet connectivity and many cannot afford to buy data.

The unit previously used MS Teams as a platform for webinars, but it created a problem with the limited number of persons that could attend webinars. CIPC implemented a new platform during this quarter, which live-stream webinars on social media. The platform does not have a limit to number of persons that can attend the webinars. Through this platform, the unit successfully hosted a Companies Act 10 Year Celebration webinar. Professor Mangalo was the key-speaker at the webinar to reflect on the corporate law journey.

#### **Quarter 2**

We hosted and participated on invite from stakeholders in education and awareness events. More government departments and organisations, as well as, the dtic stakeholders requested CIPC participation in webinars. A wider audience was reached with livestreamed webinars. Seven (7) modules were completed and tested for the Director e-learning programme. The launch of this e-learning platform was launched on 18 October 2021.

### **Quarter 3**

The unit hosted webinars on CIPC social media and did presentations regarding CIPC services and Company and Co-operative laws at webinars on invite from stakeholders. For the first time since the Covid-19 lockdown, the unit was able to participate in three physical events, one event was held in Tlaskgameng, North West province, one in Groblersdal, Limpopo and one in Sandton, Gauteng. Attendees were assisted at the events with CIPC services and presentations were done on CIPC products and services and legal requirements. The unit launched the Learn-i-Biz e-learning platform on 18 October 2021. The unit also participated in a radio interview on Waterberg FM station. The interview was aimed at disbursing information on BizPortal and Annual Returns. Staff also responded to CIPC Facebook queries from customers.

### **Quarter 4**

Webinars were hosted online which were live-streamed on CIPC social media. Webinars hosted by the unit related BizPortal services and to Co-operative Annual Submissions & XBRL. Presentations regarding CIPC products and services, access channels and Company law were done on invitation from stakeholders at both physical events and through virtual platforms. The unit participate in eight webinars virtually, and participated in 5 event during the quarter. One event was held in Richards, one in Bloemfontein and three events in Pretoria. The unit also responded to Facebook queries from customers.

## **ii. IP Education and Awareness**

### **Quarter 1**

During 2021/22 Quarter 1, eleven (11) IP education and awareness events were held. The first quarter of the year has always displayed positive results as stakeholders respond better. The threats posed by online sessions is unaffordability of data by some of the stakeholders and this problem was flagged in the last financial year. The WIPO SA IP Summer School was held for through the virtual platform for the first time, successfully. The World IP Day Celebrations also took place in April 2021 where CIPC held talks on community radios.

### **Quarter 2**

During this reporting period 2021 / 22 Quarter 2, we at least held thirteen (13) IP virtual sessions. We targeted the audience/sectors, which were not previously engaged, a group of black attorneys, young IT entrepreneurs and group of entrepreneurs from rural Kwaggafontein in Mpumalanga.

### **Quarter 3**

The Copyright unit continues its mandate of educating and making awareness about the benefits of owning or licensing intellectual property.

Apart from strategically targeting the tertiary institutions, the high schools, entrepreneurs and the public at large, the focus is now on educating the CIPC family group. Focus on CIPC family is compelling to ensure that all CIPC employees are introduced to various pockets of CIPC's mandate in the IP area.

At least the following industry sectors were engaged using the Micro Soft Team online platform:

- Gauteng Women in business - 16 November 2021
- Tshwane University of Technology - 10 December 2021)
- CIPC family and SMMEs - 17 December 2021
- SEDA and SMMEs - 02 December 2021
- University of Zulu-land - 11 November 2021
- Gauteng Film Commission and Filmmakers / producers - 09 November 2021
- Rhodes University - 13 October 2021
- University of Kwa Zulu Natal - 13 October 2021
- WIPO SA IP Summer School and Technology Transfer in December 2021
- Five high schools in Durban 29 November 2021

The unit continues to write articles every quarter with the aim of educating the public on copyright and IP in general.

#### **Quarter 4**

During this period under reporting at least (12) twelve IP education and awareness sessions were held with various stakeholders and industry sectors. The following were the audience for the sessions:

- SEDA and SMMEs – 08 March 2022 (The focus was on women in IP)
- Call Centre Staff – 18 February and 18 March 2022
- Durban Film Office – 18 March 2022
- University of KwaZulu Natal InQubate – 24 March 2022
- The dtic / CIPC / Proudly South African workshop – 30 March 2022
- Vintage Heritage – 11 February 2022
- SAACYF – 07 March 2022 (This organization represents young creators)
- University of Western Cape – 10 March 2022
- SEDA and SMMEs – 15 March 2022 (The workshop was physical and was held at Sammy Marks Square in Pretoria)
- The KZN Film Commission – 18 March 2022
- North West University – 31 March 2022

In addition to the above sessions, the unit continues to write articles to educate on IP.

#### **2.1.5 Customer contact: Call Centre, QRS, and Social Media etc.**

##### ***(i) Client Engagement and E-communication***

**Table 22: Customer Contact: Call centre, QRS, and Social Media** shows overall performance of the customer contact platforms.

**Table 22: Customer Contact: Call centre, QRS, and Social Media**

Platform	Number	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Call centre</b>	Calls received	28 580	26 255	25 820	38141
	Calls answered (%)	Not determinable	Not determinable	Not determinable	Not determinable
<b>Query Resolution System</b>	Queries received	38 561	45 585	36 393	50 356
	Queries closed	37 092	43 287	38 223	49 456
	Queries closed within 10 days	33 144 (89%)	39 938 (93%)	34 938 (91%)	46 999 (95%)
<b>Facebook</b>	Queries received	20 137	22 688	18485	19 572
	Queries resolved (%)	98%	97%	91%	88%
<b>Twitter</b>	Queries received	7 471	7 073	4098	3 088
	Queries resolved (%)	98%	98%	79%	78%

**Quarter 1**

The call centre answered 28 580 calls during this quarter.

The CIPC received 38 561 queries via the Query Resolution System (QRS) in this quarter, and closed 37 092 queries. It took an average of 5.2 days to close a query. Most queries received, were relating to manual updating of customer details/password reset, allocation of funds and paper based disclosure requests.

The overall performance from the perspective of customers for social media management has been positive for 2021/22 Quarter 1. The e-communication satisfaction survey conducted reveals that customers are 83% satisfied with the services provided through social media. Moreover, Facebook queries resolved amount to 91.8%, of which 98% were responded to with 24 hours above the set target. However, Twitter query resolution is sitting at 49.7%, of which 98% were responded to within 24 hours. The latter may be attributed to the fact that not all Twitter incoming messages need a response.

The call centre agents work from home, as the COVID-19 pandemic still has a significant impact on the way of work, and this has affected the performance and monitoring systems in a somewhat negative way. In terms of social media we have seen the benefits of working from home as staff are able to perform their duties even at night and during weekends, as the social media environment requires an immediate response all the time

The call centre is currently using a call forwarding system, which does not necessarily achieve optimal performance, as there is no virtual queue where customers can wait for the next available agent. We are in the process of procuring a cloud based contact centre system, which will improve the process.

### **Quarter 2**

The call centre answered 26 255 calls during this quarter. It is less than the previous quarter, as some days the call centre could not receive calls due to system challenges (5 August and 15 to 17 Sep 2021), resulting in less working days.

The CIPC received 45 484 queries via the Query Resolution System (QRS) in this quarter, and closed 43 287 queries. The number of enquiries received from customers, and resolved by the staff, increased in comparison to quarter one. It took an average of 5 days to close a query. Most queries received, were relating to manual updating of customer details/password reset, allocation of funds and paper based disclosure requests.

The call centre is currently using a call forwarding system, which is affecting performance, as there is no virtual queue where customers can wait for the next available agent. The procurement of the cloud based contact centre system is still ongoing.

The response rate for Facebook queries has improved by 3.62% compared to quarter 01 performance. Similarly, the number of incoming messages has also increased for the current quarter. However, Twitter response rate has regressed by 5.21% compared to quarter 01 performance. Also, the number of incoming Twitter queries slightly decreased for the period under review. The management of social media is currently managed through the social media tool, and other staff members manage social media directly from Twitter and Facebook respectively to due limited licenses. A new tool will be procured towards the end of the current financial year to streamline the overall social media management effort.

### **Quarter 3**

The call centre answered 25 280 calls during this quarter. It is less calls than during quarter 1 and quarter 2. The performance of the call centre is affected by the call forwarding system used. The procurement of the cloud based contact centre system has been finalized, and the roll-out of the system will start during Q4.

We received 36 393 queries via the Query Resolution system and closed 38 223 queries during this quarter. This is more or less the same number of queries attended to as during Q1, and less than during Q2. The average number of days to close a query stayed the same, namely 5 days. Most queries, as in Q2, related to Customer details/password reset, allocation of funds and paper based disclosure.

A slight reduction on the number of queries received through Facebook and Twitter has been recorded where Facebook received 18485 queries which is an 18% reduction from the volume of queries received in quarter two. Equally, the Twitter query volume is recorded at 4098 which is a 42% reduction from the quarter two query volume. The total number of Facebook queries resolved is 91%, of which 97% of them were resolved within the 24-hour period of receipt. Also, the total number of Twitter query resolved is 79%, which is a 19% decline from

quarter two resolved queries. Nonetheless, a total of 97% Twitter queries were resolved within the 24-hour period. The latter is a 1% decline from the quarter two data which was a total of 98% of Twitter queries resolved within 24 hours.

#### Quarter 4

The number of calls answered during Q4 by the call centre increased significantly during Q4, and the call centre managed to answer 38 141 calls. The fact that 3 new call centre agents have been appointed and started to take calls contributed to this improvement. The roll-out of the new cloud based call centre and telephony system has been delayed as we had to wait for the finalisation of the SLA. The system will be rolled out during the first quarter of the new financial year.

The number of queries received via QRS increased significantly to 50 356, and we managed to close 49 457 enquiries during this quarter. The performance increased and the average number of days to close a ticket reduced to 4 working days. Most queries logged on QRS related to Customer details/password reset, allocation of funds, paper based disclosure and annual returns

#### **(ii) Service centres**

**Table 23: Self Service Centers' (Pretoria, Johannesburg and Cape Town) Traffic – Quarter 1 & 2**

	Quarter 1				Quarter 2			
	Pretoria	Johannesburg	Cape Town	TOTAL	Pretoria	Johannesburg	Cape Town	TOTAL
<b>Company Registrations</b>	1532	2338	2994	6864	967	1686	2000	4653
<b>Create Customer Codes</b>	2357	2847	3187	8391	1478	1045	2194	4717
<b>Re-set Password</b>	2474	1206	2961	6641	1547	537	1915	3999
<b>Name Reservations</b>	265	1157	2801	4223	138	451	1816	2405
<b>Annual Returns</b>	2167	3388	3160	8715	1192	2339	2028	5559
<b>IP</b>	442	520	197	1159	293	385	148	826
<b>Director Amendments</b>	671	632	351	1654	513	262	252	1027
<b>Member Amendments</b>	122	128	109	359	81	107	75	263
<b>Auditor &amp; ACC Officers</b>	0	0	0	0	0	0	0	0
<b>CO &amp; CC address</b>	473	97	13	583	377	81	6	464
<b>Cert and Disc</b>	1928	665	921	3514	1496	794	554	2844
<b>Ent Enquiry</b>	1736	1289	1330	4355	1607	753	818	3178
<b>Name Change</b>	99	186	179	464	152	84	121	357
<b>Name Transfer</b>	90	5	35	130	0	25	21	46
<b>Customer Transactions</b>	1481	0	0	1481	1132	223	0	1355
<b>General/Other</b>	2004	1849	2453	6306	1349	996	1554	3899

	Quarter 1				Quarter 2			
	Pretoria	Johannesburg	Cape Town	TOTAL	Pretoria	Johannesburg	Cape Town	TOTAL
Walk-in's	17842	16307	20661	54810	19023	9768	13472	42263

### Quarter 1

There has been a significant increase in the number of transactions (54 810) compared to the previous quarter (31 604).

Although a number of our customers still prefer human interaction, we have an opportunity to increase electronic transacting and develop other channels to replace human interaction and still satisfy customer requirements.

The COVID-19 pandemic has affected our self-service terminal customers who are served through partnerships mainly with the provincial economic development entities. Some of these entities have not been operating optimally due to the pandemic, so our electronic channels have played a major role in keeping our momentum going.

### Quarter 2

Transactions for Quarter 2 decreased as compared to Quarter 1. There were a number of technical disruptions, which might have contributed to the decline in customer transactions. Our partners, mostly provincial economic development government agencies, are still recovering from the disruptions emanating from Covid-19.

**Table 24: Self Service Centers' (Pretoria, Johannesburg and Cape Town) Traffic – Quarter 3 & 4**

	Quarter 3				Quarter 4			
	Pretoria	Johannesburg	Cape Town	TOTAL	Pretoria	Johannesburg	Cape Town	TOTAL
Company Registrations	700	1372	1447	3519	949	2198	2108	5255
Create Customer Codes	1427	1452	1509	4388	1535	2468	2130	6133
Re-set Password	1625	720	1127	3472	1699	720	1925	4344
Name Reservations	67	625	1002	1694	146	629	2054	2829
Annual Returns	1002	1942	1512	4456	2809	3364	2118	8291
IP	228	270	09	507	346	366	92	804
Director Amendments	420	248	1228	1896	231	224	183	638
Member Amendments	0	83	93	176	3	62	34	99
Auditor & ACC Officers	0	0	0	0	0	0	0	0
CO & CC address	325	129	19	473	116	180	11	307
Cert and Disc	1214	198	546	1958	472	988	275	1735
Ent Enquiry	616	859	592	2067	767	1120	976	2863

	Quarter 3				Quarter 4			
	Pretoria	Johannesburg	Cape Town	TOTAL	Pretoria	Johannesburg	Cape Town	TOTAL
<b>Name Change</b>	115	124	83	322	169	220	157	546
<b>Name Transfer</b>	0	7	44	51	0	4	38	42
<b>Customer Transactions</b>	154	0	0	154	615	0	0	615
<b>General/Other</b>	413	1183	1605	3191	958	1398	2539	2495
<b>Walk-in's</b>	<b>14 579</b>	<b>14 437</b>	<b>20 721</b>	<b>49737</b>	<b>1 1020</b>	<b>1 3939</b>	<b>14 640</b>	<b>39 599</b>

### Quarter 3

There was a considerable increase in numbers in quarter 3 (49 737) compared to quarter 2 (42 263). The maintenance of Covid-19 regulations at level 1, has encouraged more customers and prospective customers to transact at the service centres.

### Quarter 4

There was a decrease in numbers in quarter 4 (39 599) compared to quarter 3 (49 737). Customers are getting use to transact on other platforms like BizPortal and Mobile app. Load shedding has a huge impact on services and ICT system availability.

#### 2.1.6 Disclosure

**Table 25: Paper Based Disclosure Production Stats**

	Q1	Q2	Q3	Q4
Disclosure Request received	3916	4184	4206	4718
Disclosure Request Completed	3826	4537	4260	4586
Disclosure Transaction Billed	2646	2355	1705	2420
Escalated tickets resolved by Managers	575	0	36	45
Balance				<b>87</b>

### Quarter 2

The disclosure team still come to the office three (3) times per week, as they are unable to work from home due to the nature of the disclosure work. The file transition project of moving files from the previous storage warehouse (Iron Mountain) to a new storage warehouse (AGS) has affected negatively to service delivery to the clients. Despite the unavailability of files, the unit continued to render service to the clients by responding to the disclosure requests.

The Post Office tax non-compliance issue created backlog within the unit as no mail was collected by Post Office from April until August 2021. This created backlogs not only for the unit but also for business and increased number of calls at the Call Centre. The purchase order for the new South African Post Office was issued on 6 September and the total backlog post was 11 086 collected on 14 September. Everything within mailroom now run smoothly and no backlog thus far.

The State department has experienced high number of requests, despite the unavailability of files the team of three strive hard to render the service. Resource constraints is a biggest challenge within the unit.

### **Quarter 3**

The movement of files from Iron Mountain to AGS ended on 26 November 2021. The project impacted service delivery and turnaround times negatively because of the unavailability of files. The capturing of files by AGS is still ongoing until the end of March at the close of the financial year. The challenges they encountered are as follows: most of the files from the previous service provider (Iron Mountain) were not captured into their database, hence some business units could not retrieve the files whilst requested. Notwithstanding the challenges the unit continues to render services to the clients by responding to the disclosure requests.

### **Quarter 4**

The mailroom is up-to-date. Storage warehouse (AGS) is continuing with the capturing of files on their system. The service provider also experienced some challenges, as some files transferred from Iron Mountain to AGS were not captured on their database. Hence, there is a lot of unavailability of files. Despite the challenges the unit experienced, the team continue to render service to the clients.

**Table 26: State Department – Disclosure Billing Statistics**

	Q1	Q2	Q3	Q4
Disclosure Request Received	1650	2477	1995	2024
Disclosure Requests Outstanding, carried over to the next quarter.	496	379	360	108
Requests completed	<b>1154</b>	<b>2076</b>	<b>1635</b>	<b>1916</b>

**Table 27: Disclosure Query Resolution**

	Closed within TAT	Closed outside TAT	Total tickets closed for the quarter	%Inside TAT	% outside TAT	Average TAT
<b>Q1</b>	2738	997	3735	73.3	26.7	10,6 days
<b>Q2</b>	2883	1531	4414	65.3	34.7	11 days
<b>Q3</b>	3151	1055	4206	74.9	25.1	11 days
<b>Q4</b>	3475	988	4463	77.9	22.1	9,8 days
<b>AVERAGE</b>				72.9	27.1	10.6

### **2.1.7 Channels**

The CIPC multi-channels strategy seeks to extend the CIPC footprint nationally and globally by the development and expansion of multiple channels, more so for virtual channels.

The CIPC channels in place are e-services website, self-service centres (SSCs) and partner sites (self-service terminals (SSTs)), BizPortal, which includes the Banks (FNB, Nedbank, Standard Bank, ABSA, and SASFIN) I, Mobile App, the call center, the resolution system (QRS), USSD, as well as social media (Facebook, Twitter, You Tube and WhatsApp). **Table 28: CIPC Channels & services offered** show services offered in each channel.

During the third quarter term, the organisation introduced Artificial Intelligence through a ChatBot on its website. The bot is being refined in the fourth quarter and phase 1 of three is being piloted. The idea is to have phase 2 of three implemented in the first quarter of 2022/3.

**Table 28: CIPC Channels and services offered**

Services/Channels	E-service Website	SSCs and Partner Sites (SSTs)	Banks (FNB, Nedbank, ABSA)	BIZPORTAL
<b>Integrated services (SARS, UIF, Compensation Fund, Banks Acc, BEE Cert)</b>	No	Yes – BBBE certificate	Yes – company registration and business bank account	Yes
<b>Patents applications</b>	Yes	No	No	No
<b>Designs applications</b>	Yes	No	No	No
<b>Copyright in film</b>	Yes	No	No	No
<b>Trade marks applications</b>	Yes	No	No	No
<b>Name reservations</b>	Yes	Yes	Yes	Yes
<b>Companies registration</b>	Yes	Yes	Private company registration only	Yes
<b>Co-operatives Registrations</b>	No	No	No	No
<b>Domain Name Registrations</b>	Yes	No	No	Yes
<b>Director Amendments</b>	Yes	Yes	No	No
<b>Member Amendments</b>	Yes	Yes	No	No
<b>Auditor Changes</b>	Yes	Yes	No	No
<b>Name changes</b>	Yes	Yes	No	Yes
<b>address changes</b>	Yes	Yes	No	Yes
<b>Financial Year End Changes</b>	Yes	Yes	No	No
<b>Enterprise enquiry</b>	Yes	Yes	No	No
<b>Disclosures</b>	Yes	Yes	No	No
<b>BBBEE Certificates</b>	Yes	Yes	Yes – Only Nedbank	Yes
<b>Disclosures- MOI Documents</b>	Yes	Yes	No	No
<b>Disclosures -Approved names</b>	Yes	Yes	No	No
<b>Queries</b>	No	No	No	No
<b>Information access</b>	Yes	Yes	Yes	Yes
<b>Annual Returns filing</b>	Yes	Yes	No	Yes
<b>AFS filing</b>	Yes – XBRL portal	No	No	No

**Table 29: Partner Sites** show the CIPC partner sites where self-service terminals (SSTs) are hosted:

**Table 29: Partner sites**

Province	Partner
<b>Gauteng</b>	Gauteng Department of Economic Development (GDED)
<b>Gauteng</b>	InvestSA Gauteng Growth and Development Agency (GCDA)
<b>Gauteng</b>	Transnet Enterprise Development Hub in Johannesburg,
<b>North West</b>	North West Development Corporation (NWDC),
<b>North West</b>	Orbit TVET College in Rustenburg
<b>KwaZulu-Natal</b>	Trade and Investment KwaZulu-Natal (TIKZN),
<b>KwaZulu-Natal</b>	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (KZN DEDTE)
<b>KwaZulu-Natal</b>	Transnet Mega Hub in Richards Bay

Province	Partner
Western Cape	West Coast Business Development Centre (WCBDC),
Western Cape	InvestSA in the Western Cape
Northern Cape	Northern Cape Department of Economic Development and Tourism (NDEDT)
Free State	Free State Development Corporation(FDC)
Limpopo	Limpopo Economic Development Agency (LEDA)
Mpumalanga	Mpumalanga Department of Economic Development and Tourism (MDEDT)
Eastern Cape	Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT).

The multi-channels strategy is geared towards availing the CIPC products and services 24/7. **Table 30: Channels and Services Available 24/7** shows the CIPC channels and service available 24/7 as at 30 June 2021.

**Table 30: Channels and Services Available 24/7**

Channels available 24/7	Services available 24/7per channel
1. CIPC Website	Company registration Company name reservation Company and close corporation address changes Company and close corporation financial year end changes Company name change Company share change Annual Returns Domain name registrations BB-BEE certificate XBRL Filing
2. CIPC Mobile App	Company registration Company name reservation Annual Returns BB-BEE certificate Booking Company Name Change Company and CC address change
3. BizPortal & Banks	Company Registration Company name reservation Domain Name Registrations BB-BEE certificate
4. SSTs	Company Registration Password re-set Enterprise Enquiry Company name Reservation Company and close corporation address changes BB-BEE registration for exempted micro enterprises Domain names Electronic Disclosure Company Name Change Customer transaction Annual Returns

Channels available 24/7	Services available 24/7 per channel
5. Emails	Electronic Filing (Prospectus, Independent Review and Reportable Irregularity) Company registration Company associated name reservation MOI Changes Close corporation to company conversions External company registrations Merger and amalgamations MOI Amendments Company location of company record changes Voluntary deregistration Voluntary and court order liquidations Business Rescue Proceedings, Status reports, Substantial Implementations, Terminations and court orders relating to business rescue Company and close corporation reinstatements

### Quarter 1

Furthermore, the CIPC is in the process of implementing the Chat-Bot channel. The development of the channel is complete, however, quality assurance of it will be done in Q2 of this financial year. The CIPC aims to use the ChatBot channel towards assisting CIPC clients to get instant answers in regards to their transaction questions. Moreover, the channel will assist with guiding users with information on how to transact on the various electronic platforms that the CIPC currently implements. Lastly, the channel exposes short-click services or services that are consumed with at most ten steps, e.g., resetting of passwords and reservation of names etc. Rollout of the channel is expected to take place in Q2.

BISG has implemented another channel, New E-Services. This is not a new channel though, but a platform that seeks to replace E-services. Electronic services implemented on the New E-Services platform are listed below and the full re-implementation of the E-services eservices on the New E-services platform is projected to complete at the end of Q4 2021/22. In addition, the new E-Services has automated six new business processes as follows:

1. **Ceding of rights** – a service that will enable clients to securely cede rights of their CIPC profiles to one another. Service is pending deployment.
2. **Transact in Behalf of** – a service that will enable clients to securely transact on behalf of one another. Service is pending deployment.
3. **Enterprise registration** – a service that will allow clients to create CIPC profiles that represents organization. Currently, the CIPC only caters for individual profiles. Service is pending deployment.
4. **Invoicing** – a service that will automate the service provider submission of invoices to the CIPC. Service is pending deployment.
5. **Business Rescue Practitioner Appointments** – a process that enables prospective Business Rescue practitioners register with the CIPC. Service is live.
6. **Business Rescue Filing** – a process that enables business file for Business Rescue. Service is live.

## Quarter 2

In addition, to services implemented in Q1 on the new E-Services, ICT has automated the following business processes and they are pending CAB approval and rollout:

- **Change of company address service on K2** – allowing clients to change company address details on K2.
- **PI Score Calculation on K2** – allowing companies to calculate the PI score on K2.
- **Annual returns** – revision of the current annual return service.
- **Enhancements of Business Rescue Filing** – Enhancements proposed by business after the initial release of business rescue.
- **Name Transfer on Mobile** – automation of names transfer on mobile.
- **FAS on K2** – automation of the old financial statement submission on K2.
- **Checklist on K2** – automation of the old checklist submission on K2.
- **AFS on K2** – an integration of K2 with the XBRL system
- **Location of document** – allowing company representative to specify the address details of company records on K2.
- **Name Extension on Mobile** – allowing users to extend the validity period of names on K2.
- **Chabot**

All the above changes although implemented and tested by ICT are pending deployment into the production environment.

## Quarter 3

The following progress was made in Q3:

Chat-bot rollout – allowing clients to change company address details on K2.

Completed 50% development of Annual return on New Eservices.

Completed 90% development of Director Change on New Eservices.

Completed 90% development of Company Address Change on New Eservices.

Completed 90% development of Director Change on Mobile.

Completed 90% development of Company Address Change on Mobile.

Completed development of Name Transfer on Mobile.

## Quarter 4

In Q4, the development of a new website, which will replace both “eServices” and “New eServices” commenced. This brand new development involves the migration from the Informix database to Oracle. It also involves development of new APIs, and a new customer-facing website. Significant progress has been made, with some of the major functionalities currently on the old eServices website already migrated to the new platform. A detailed release plan was also developed, and the envisaged release of the first batch of services is at the end of Q1 in 2022/23.

Refer to table below for a progress report as at 31 March 2022.

**Table 31: Progress Report on Migration to New E-services**

SERVICE	%
Customer registration	90%
Customer login	90%
Password reset	90%
Foreigner verification	90%
Private company registration	20%
Non-profit company registration	20%
Proposed name reservation	90%
Defensive names	0%
Proposed name extension	80%
Proposed name transfer	80%
Company name changes	0%
Company director amendments	60%
Close corporation member amendments	0%
Company & CC annual returns	70%
Company & CC address changes	90%
Company share changes	90%
PI score calculator	90%
FAS	40%
AFS	0%
AFS downloads	0%
Certificates downloads	50%
Financial year end changes	60%
Company auditor changes	0%
Enterprise search	0%
B-BBEE certificates	0%
Compensation fund & UIF registration	0%

SERVICE	%
Business bank accounts	0%
POPIA [Phase 1]	0%
Card payments	80%
Co-operative annual returns	0%
Business rescue	0%
Compliance Checklist	90%
Back-office & Workflow	ONGOING

## 2.2 Organizational Environment

### 2.2.1 Governance and Compliance

#### Quarter 1

During the first quarter of 2021/22 financial year, two policies were approved; Disciplinary Procedure Policy and Grievance Procedure Policy. Conflict of Interests and Ethics Policies were tabled and presented to Organized Labour during this period.

#### Quarter 2

Majority of Policies have been updated in line with the approved policy development and review standard, with only 14% of the total due for review.

**Table 32: Status of Policies as at 30 September 2021**

DIVISION	NO OF POLICIES	DUE FOR REVIEW	UP TO DATE	IN PROGRESS	NEW POLICIES
HR	15	-	13	2	-
BISG	11	2	8	-	1
Finance	8	-	8	-	-
Facilities and security	5	3	-	2	-
Client engagement	1	-	1	-	-
GRC	8	-	3	5	-
Strategy	2	1	-	1	-
Not allocated( Gifts and Promotions)	1	1	-	-	-
<b>TOTAL</b>	<b>52</b>	<b>7</b>	<b>32</b>	<b>11</b>	<b>1</b>

## Declaration of Interest

The Declaration of Interest Policy applicable to all CIPC employees is at the stage of approval. To align with the requirement to declare at the beginning of the financial year, implementation of the Policy is planned for 1 April 2022. The period preceding implementation will be used to create awareness and educate employees on the Policy.

Status of compliance by Senior Managers as outlined in the approved Fraud Prevention Policy is illustrated below:

**Table 33: Status of Compliance – Declaration of Interest**

All senior managers except one are compliant with the requirement to disclose and declare their actual or potential interest.	Status of compliance as at 30 June 2021	No of SM	%
	Compliant	34	97
	Non-compliant	01	03
	Total	35	100
No independent verification of declaration was verified.			
Reasons for non-compliance is yet be determined.			

## Compliance Management

- **Legislative Compliance**

Based on the information provided and reviewed, the status of compliance has improved and the organisation seems to be compliant with the 25 Acts assessed. Once the verification exercise is completed, the detailed report will be provided to the Committee.

- **Covid-19 Compliance**

The CIPC continued to implement measures to ensure compliance with Covid-19 protocols.

### Quarter 3

## Implementation of Governance Framework

The review of Governance Framework is under way review.

## Policies

A policy review workshop took place on 06 December 2021 on request of the Audit Committee. The workshop consisted of the Audit, RiskICT and Executive Committee members.

**Table 34: Status of Policies as at 31 December 2021**

DIVISION	NO OF POLICIES	DUE FOR REVIEW	UP TO DATE	IN PROGRESS	NEW POLICIES
HR	15	-	13	2	-
BISG	11	2	8	-	1
Finance	8	-	8	-	-
Facilities and security	5	3	-	2	-
Client engagement	1	-	-	1	-
GRC	8	-	5	3	-
Strategy	2	1	-	1	-
Not allocated ( Gifts and Promotions)	1	0	-	1	-
<b>TOTAL</b>	<b>52</b>	<b>7</b>	<b>32</b>	<b>11</b>	<b>1</b>

**Declaration of Interest**

The approval of the Declaration of Interest and Code of Conduct and Ethics Policies has been delayed owing to OL processes. Further engagements to persuade OL are underway. Implementation is still planned for 01 April 2022. The delays in the signing process have resulted in the education and awareness process being postponed to a date after sign-off.

Status of compliance by Senior Managers as outlined in the approved Fraud Prevention Policy is allustrated below:

**Table 35: Status of Compliance – Declaration of Interest**

<p>✚ <b>All senior managers except one are compliant with the requirement to disclose and declare their actual or potential interest.</b></p> <p>✚ <b>No independent verification of declaration was verified.</b></p> <p>✚ <b>Reasons for non-compliance by the individual is yet be determined.</b></p>	<p>Status of compliance as at 31 Dec 2021</p>	No of SM	%
	Compliant	34	97
	Non-compliant	01	03
	Total	35	100

**COMPLIANCE MANAGEMENT**

**Legislative Compliance**

The report for Q3 is included as Annexure G.

**Covid-19 Compliance**

The CIPC continued to implement measures to ensure compliance with Covid-19 protocols.

## Quarter 4

### Implementation of Governance Framework

The review of the Governance Framework is in progress, a proposal in relation to the functioning of the Divisional Managers Committee in particular has been prepared for consideration and approval by EXCO.

### Policies

The Declaration of Interest and Code of Conduct and Ethics Policies were approved, effective 01 April 2022. Education and awareness initiatives being planned to ensure that employees understand the contents and implications of the Policies.

**Table 36: Status of Policies as at 31 March 2022**

DIVISION	NO OF POLICIES	DUE FOR REVIEW	UP TO DATE	IN PROGRESS	NEW POLICIES
HR	15	3	12	-	-
BISG	11	-	10	-	1
Finance	8	-	8	-	-
Facilities and Security	5	3	2	-	-
Client Engagement	1	-	1	-	-
GRC	8	-	8	-	-
Strategy	5	1	2	-	2
TOTAL	53	7	43	0	3

### Declaration of Interest

The approval of the Declaration of Interest and Code of Conduct and Ethics Policies was concluded in January 2022. The implementation date for the DOI Policy is 01 April 2022. Due to the delays experienced with the approval process, the education and awareness initiatives will run concurrently with implementation.

Status of compliance by Senior Managers as outlined in the approved Fraud Prevention Policy is allustrated below:

**Table 37: Status of Compliance – Declaration of Interest**

<i>Figure 2</i>			
<p><b>All senior manager declarations for the current financial year were submitted. No adjustments have been made to the initial declarations for the reporting period interest.</b></p>	Status of compliance as at 31 Mar 2022	No of SM	%
	Compliant	35	100
	Non-compliant	00	00
	Total	35	100

## **Compliance Management**

### **Legislative Compliance**

The report for Q4 is included Annexure C – Risk Management Report.

### **Covid-19 Compliance**

The CIPC continued to implement measures to ensure compliance with Covid-19 protocols.

#### **2.2.2 Frameworks/Strategies**

##### **Quarter 1**

Telecommuting

- (a) The CIPC follows a working from home policy, which has resulted in more effort required for communication between staff through virtual meetings. There is no new legislative development that affects the unit.
- (b) Working from home influences the way staff communicate with one another and with customers and the public. However, staff have adapted quite well to the new circumstances and are able to perform their duties effectively.
- (c) For communication virtual meetings (MS Teams) are used, as well as, more emails and phone calls.

##### **Quarter 2**

There was no update on the telecommuting strategy or any other strategies.

##### **Quarter 3**

There was no update on the telecommuting strategy or any other strategies.

##### **Quarter 4**

There was no update on the telecommuting strategy or any other strategies.

#### **2.2.3 Appointments, Resignations, Retirements, Terminations**

**Table 38: Appointments, Resignations, Retirements and Terminations**

	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
<b>Appointments</b>	5	4	3	1
<b>Resignations</b>	1	4	1	4
<b>Retirements</b>	2	0	1	2
<b>Terminations</b>	0	0	2	0

#### **2.2.4 Discontinued activities / activities to be discontinued**

None.

#### **2.2.5 New or proposed activities**

None

#### ***Quarter 3***

##### Corporate Education and Voluntary Compliance

The Learn-i-Biz programme (director e-learning programme) was launched on 18 October 2021, in order to educate new and inexperienced company directors regarding their duties and responsibilities. This platform will capacitate business and potential entrepreneurs with Company law knowledge and improve compliance rate in terms of statutory compliance requirements.

#### **Quarter 4**

None.

#### **2.2.6 Facilities and Security**

#### **Quarter 4**

##### **Compliance to OHS Act**

An organisational emergency evacuation drill was successfully conduct, gaps identified and remedial measure actioned accordingly. While in Cape Town a fogging/decontamination service provider (Bidvest) was appointed for a period of 12 months.

##### **Compliance to MISS (Physical Security)**

A new security guarding service provider (Veningo Holdings) was appointed to render a security guarding service within the Pretoria Self Service Center (SSC) for a period of 12 months at an amount of R536 400.00.

#### **2.2.7 Other matters**

None

#### **2.3 New Policy and Legislative Changes**

This section describes new policy and legislative developments, the effect on the CIPC activities, and how these were addressed.

### **Quarter 1**

The Protection of Personal Information Act, 4 of 2013 (POPIA) came into operation on 1 July 2021.

As a public body in terms of POPIA, the CIPC must ensure compliance to the POPI Act about the personal information that is collected, processed and disclosed. All CIPC processes external (as well as internal – HR) is and will be affected by the new legislation.

In the first quarter, the only measures taken, was to conduct a risk assessment about the CIPC processes and the type of information that we hold and must protect. A POPIA implementation plan has been drafted and awaits EXCO approval. The real work concerning the legislation will only commence in the second quarter, with the implementation of the POPIA plan and the effect that it will have on ALL CIPC processes, whether internal or external.

### **Quarter 2**

The POPIA Implementation Plan was approved by EXCO and implementation has commenced. Information Officer and Deputy Information Officers registration has been filed with the Information Regulator. Prior Authorization application was completed and filed with Information Regulator. The purpose of the application is to request approval from the IR for the processing of unique identifiers of data subjects (such as ID numbers).

Disclaimers of privacy and confidentiality attached to ALL outgoing CIPC e-mails. Notices to customers are published in terms of the applicability of POPIA to CIPC functions.

### **Quarter 3**

Prior Authorization application submitted to the Information Regulator came back negative – confirming that the CIPC do not require prior authorization for processing of the personal information that is held as a public body. PAIA manual updated with POPIA requirements and published on the CIPC website.

### **Quarter 4**

POPIA Compliance Framework drafted and finalized which will be used as a tool to annually measure CIPC's compliance in terms of POPIA compliance. Next steps include training of internal and external persons and bodies regarding the applicability of POPIA. Building consent into all CIPC platforms and masking of personal information on CIPC records.

### 3. Executive Summary

#### 3.1 Key Highlights

##### **A. Progress towards Impact Statements, Outcome and Outputs – Programme 1: Service Delivery and Access**

###### **Quarter 1**

Through a collaboration with SARS, the CIPC further enhanced its flagship channel, *BizPortal*, by giving access to business owners to all SARS services. In addition to this, a partnership has been formed with the National Small Business Chamber to assist the micro and small business sector not only in formalizing their businesses, but to stay compliant and to have access to information. A private sector partnership that CIPC is particularly proud of is one with GoogleSA, which gives small business owners access to a range of services offered by Google. This is available through the BizPortal platform.

###### **Quarter 2**

There was no update provided.

###### **Quarter 3**

See Section 2.1.7.

###### **Quarter 4**

See Section 2.1.7.

##### **B. Progress towards Impact Statements, Outcome and Outputs – Programme 2: Innovation and Creativity**

###### **Promotion**

###### **Quarter 1**

Delays encountered in patents and designs processes relates to the current manual inputs into the system, this is as a result of applications received as hard copies and processed manually. The CIPC is in the process of deploying a fully automated IP Administration system with the assistance of the World Intellectual Property Organization. It is believed that this end-to-end automated system will not only will make the patent system seamless and enable the 100% compliance to the SDS but will also make the patent system seamless and encourage improved applications.

### **Quarter 2**

The programme received and processed an increased number of patents and designs in the quarter. Manual processing of applications remains a challenge. The CIPC is in the process of deploying a fully automated IP Administration system with the assistance of the World Intellectual Property Organization. It is believed that this end-to-end automated system will not only will make the patent system seamless and enable the 100% compliance to the SDS but will also make the patent system seamless and encourage improved applications.

### **Quarter 3**

Despite the ongoing COVID 19 challenges the programme received a hugely increased number of patents applications and moderately increased number of design applications in the quarter. Even though some of the patent and designs processes are still manual which remains a challenge, the CIPC is in the process of deploying a fully automated IP Administration system with the assistance of the World Intellectual Property Organization. It is believed that this end-to-end automated system will not only will make the patent system seamless and enable the 100% compliance to the SDS but will also make the patent system seamless and encourage improved applications.

### **Quarter 4**

The programme received a hugely increased number of patents applications in the quarter. Even though some of the patent and designs processes are still manual which remains a challenge, a clear example is shown in renewals processing, 2410 design renewals were processed in Quarter 4, 35% (865) were filed and processed electronically and complied to the 2 day Service Delivery Standards, whereas 65% (1554) of renewal applications were lodged manually and 82% were within the set SDS with an average Turn Around Time of 3 days. Similarly, 12 185 Patent renewals were processed within Quarter 4, 33% (4 031) were filed and processed electronically and exceeded the 90% 2 day turn around time as 92% were processed within 2 days, however, the 67% (8094) of patent renewals were lodged manually and 43 % were processed within the 2 day turn around time as their average turn around time was 3 days. CIPC is in the process of implementing a fully automated IP Administration System (IPAS) with the assistance of the World Intellectual Property Organization. It is believed that this end-to-end automated system will not only will make the patent system seamless and enable the 100% compliance to the SDS but will also make the patent system seamless and encourage improved applications.

## **C. Progress towards Impact Statements, Outcome and Outputs – Programme 3: Business Regulation and Reputation**

### **Quarter 1**

We hosted three webinars and participated in seven webinars on invite during the 2021/22 Quarter 1. The webinars were live-streamed on social media. Webinar presentations increased awareness of Company and related legislation, as well as, of services, processes and the channels available to customers.

We are in the process of developing a Director eLearning course to empower company directors with knowledge to understand their fiduciary duties.

## **Quarter 2**

### **Corporate Education:**

A wider audience was reached, in total hosted and participated in 15 webinars. Presentations were customized as per customers' needs. We engaged internal stakeholders to work towards a common goal. Meetings were held with **the dtic**, BBBEE Commission, Tribunal and GCIS to plan and host a joint webinar on compliance. The director e-learning programme modules were developed and will be launched on 18 October 2021 to capacitate directors to understand their duties and responsibilities in running successful companies.

### **Corporate Legal**

Risk Impact / Assessment Survey to ascertain CIPC's POPIA compliance in terms of the personal information that we process and disclose was done. Significant implementation of the CIPC POPIA plan, action items have been done during this quarter.

## **Quarter 3**

### **Corporate Education**

During the quarter the unit hosted three webinars and participated in nine Webinars on invite from stakeholders. Webinars hosted by the unit was live-streamed on CIPC Facebook and YouTube. Presentations were aimed at increasing awareness of CIPC services, processes and Company and Co-operative laws. One of the webinars the unit participated in was a joint webinar with the Companies Tribunal and B-BBEE Commission. The dtic institutions were focusing on their various mandates and increasing compliance. The unit also participated in the North West Youth Empowerment Public Participation event on invite from the dtic Deputy Minister, which was one of three events where the unit presented CIPC and assisted attendees with CIPC services.

## **Quarter 4**

### **Corporate Education**

The unit hosted two webinar and participated in 8 webinars on invitation from external stakeholders. Furthermore the unit participated on in five events on invite from government departments. Presentations were used to make the customers aware of CIPC, its services, processes and legal requirements. One of the webinars participated in was a joint webinar with the dtic and ProudlySA.

### **Corporate Legal**

Information Inventory developed and provided to EXCO regarding personal information being processed by the CIPC and in which areas. PAIA manual updated and published on the CIPC website – PAIA register of applications up to date. Annual report to Information Regulator on PAIA applications done.

## **3.2 Report on Joint Indicators**

### **Quarter 1**

#### ***Joint Indicator 1: Integrated Support to Drive Industrialisation***

Effectively use IP as an economic strategy:

- Number of Patents registered – 2363 Patents have been registered
- Number of Designs registered – 407 Designs have been registered

IP4SMME- Technology Stations:

- The engagement with the Technology Innovation Agency initiated in the quarter for an Agreement to work with Technology Stations and train them to provide IP guidance to SMMEs

***Joint Indicator 4: Development Model and Spatial Equity***

Entities who are not making disclosures in terms of Section 4 of the Companies Act, 2008 about the Solvency and Liquidity Tests are being proactively investigated to check compliance, 59 were being investigated in 2021/22 Quarter 1.

**Quarter 2**

***Joint Indicator 1: Integrated Support to Drive Industrialisation***

Effectively use IP as an economic strategy:

- Number of Patents registered – 2 822 Patents have been registered
- Number of Designs registered – 436 Designs have been registered

IP4SMME- Technology Stations:

- Engagements continue with TIA as regards amending the current MoU to include this specific intervention

***Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan***

The CIPC continues to engage with its counterparts in the Region, the latest engagement between the CIPC and the Lesotho Registrar of Companies Office. They have been requested to lodge a request with the CIPC for renewal of the MoU in order to allow for mutual co-operation. The CIPC participated in the webinars about Beneficial Ownership with our counterparts from locally– and Africa (Open Ownership).

***Joint Indicator 3: Investment Facilitation and Growth***

- Strengthening of the IP regulation system through improving efficiencies, and maintain turnaround times
- Service Delivery Standards are maintained on an ongoing basis
- Turn Around Time in the Quarter for Patent Application is two (2) working days
- Turn Around Time in the Quarter for Design Application is two (2) working days
- Implementation of SSE (Training of examiners and interns)
- Training of SSE Examiners and Interns on an ongoing basis through the re-enforced Partnership Agreement with the European Patent Organisation.
- Turn Around Time in the Quarter for Film Applications is achieved through less than 8 hours

#### ***Joint Indicator 4: Development Model and Spatial Equity***

Entities who are not making disclosures in terms of Section 4 of the Companies Act, 2008 about the Solvency and Liquidity Tests are being proactively investigated to check compliance, 59 were being investigated in 2021/22 Quarter 1.

- We held planning meeting with **the dtic** stakeholders to host a joint webinar to empower the marginalised communities, increase compliance to improve economy through investor confidence.
- We held a virtual IP session with a group of black attorneys in Gauteng, young IT entrepreneurs, a group of entrepreneurs in the rural area of Kwaggafontein in Mpumalanga and further held a session on films with the dtic to Women in Films. All these contributed to development model.

#### ***Joint Indicator 5: Actions to Promote Transformation***

##### Corporate Education & Voluntary Compliance

We are educating business community regarding the CIPC products and services to ensure that they take informed decisions and encourage adherence to the provisions of the Companies Act, 2008 in terms of directors of SOEs acting in the best interest of the institutions (compliance).

#### ***Joint Indicator 6: The Green Economy and Greening the Economy***

We will focus on environment, social and governance (ESG) reporting in the ensuing quarter to evaluate if companies report accordingly when it comes to environmental, social and governance matters.

#### ***Joint Indicator 7: Strengthening and Building a Capable State***

##### IPAS

- Through Intellectual Property Automation System (IPAS), to automate all processes end to end in the intellectual property (IP) area.
- Implementation of IPAS end-to-end automation system for Patents and Designs in progress. Ongoing training and testing for formalities as well as engagements with IP Law Firms.

##### SSE Internship – youth (under 35)

- 29 Interns currently undergoing SSE training

##### IP for SMME

- We are building capacity countrywide of SMMEs to realise their potential. The IP for SMME project is being implemented through the Swiss-SA Collaboration Project. Project plans were put in place in the 1st quarter.
- An activity plan has been finalized on the IP stakeholder map.

##### Collaboration with the Japan IP Office

- Training opportunities were availed by the Japan IP Office for training of South African Examiners in the second quarter.

### Quarter 3

#### **Joint Indicator 1: Integrated Support to Drive Industrialisation**

Effectively use IP as an economic strategy:

- Number of Patents registered – 3 543 Patents have been registered
- Number of Designs registered – 357 Designs have been registered

IP4SMME- Technology Stations:

- Engagements continue with TIA as regards amending the current MoU to include this specific intervention

#### **Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan**

No report.

#### **Joint Indicator 3: Investment Facilitation and Growth**

- Strengthening of the IP regulation system through improving efficiencies, and maintain turnaround times
- Service Delivery Standards are maintained on an ongoing basis
- Average Turn Around Time in the Quarter for Patent Application is two (2) working days
- Average Turn Around Time in the Quarter for Design Application is two (2) working days
- In Preparation for the implementation of SSE - Ongoing Training of examiners and interns
- Training of SSE Examiners and Interns on an ongoing basis through the re-enforced Partnership Agreement with the European Patent Organisation.
- Turn Around Time in the Quarter for Film Applications is achieved through less than 8 hours

#### **Joint Indicator 4: Development Model and Spatial Equity**

No report

#### **Joint Indicator 5: Actions to Promote Transformation**

No report

#### **Joint Indicator 6: The Green Economy and Greening the Economy**

No report

#### **Joint Indicator 7: Strengthening and Building a Capable State**

IPAS

- Through Intellectual Property Automation System (IPAS), to automate all processes end to end in the intellectual property (IP) area.
- Implementation of IPAS end-to-end automation system for Patents and Designs in progress. Ongoing training and testing for formalities as well as engagements with IP Law Firms.

SSE Internship – youth (under 35)

- 29 Interns currently undergoing SSE training

IP for SMME

- The IP for SMME project is being implemented through the Swiss-SA Collaboration Project.
- An activity plan has been finalized on the IP stakeholder map.

Collaboration with the BRICS IP Office

- Training opportunities were availed through the BRICS IP Offices for training of South African Examiners in the third quarter - Training through the India (INPI) and the Chinese Office (CNIPA).

#### **Quarter 4**

#### ***Joint Indicator 1: Integrated Support to Drive Industrialisation***

Effectively use IP as an economic strategy:

- Number of Patents registered – 3 732 Patents have been registered
- Number of Designs registered – 344 Designs have been registered

IP4SMME- Technology Stations:

- Engagements continue with TIA as regards amending the current MoU to include this specific intervention

Co-operatives

1. Monthly webinars with education and awareness on Co-operative annual reporting & compliance and XBRL. 1<sup>st</sup> March 2022.
2. Webinar held with CCDR (Corporate Compliance and disclosure regulation) 30th March 2022. On annual reporting and compliance and XBRL
3. MS Teams with KZN Economic development on Co-operative governance.

#### ***Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan***

No report

#### ***Joint Indicator 3: Investment Facilitation and Growth***

- Strengthening of the IP regulation system through improving efficiencies, and maintain turnaround times
- Service Delivery Standards are maintained on an ongoing basis
- Average Turn Around Time in the Quarter for Patent Application is two (2) working days
- Average Turn Around Time in the Quarter for Design Application is two (2) working days
- SSE Experiential Learning Project commencement with IP Law Firms and EPO.
- Turn Around Time in the Quarter for Film Applications is achieved through less than 8 hours

#### ***Joint Indicator 4: Development Model and Spatial Equity***

No report

### ***Joint Indicator 5: Actions to Promote Transformation***

No report

### ***Joint Indicator 6: The Green Economy and Greening the Economy***

No report

### ***Joint Indicator 7: Strengthening and Building a Capable State***

IPAS

- Through Intellectual Property Automation System (IPAS), to automate all processes end to end in the intellectual property (IP) area.
- Implementation of IPAS end-to-end automation system for Patents and Designs in progress. Ongoing training and testing for formalities as well as engagements with IP Law Firms.

SSE Internship – youth (under 35)

- 28 Interns currently undergoing SSE training

IP for SMME

- The IP for SMME project is being implemented through the Swiss-SA Collaboration Project.
- Engagements with Service provider commenced on the IP stakeholder map.
- SSE Training

Collaboration with the SWISS IP Office

- SSE Examiners trained through the Swiss IP Office with a focus on Chemistry and Biotechnology.

## **3.3 Media analysis/campaign/strategies**

### **Quarter 1**

Media monitoring enables the organisation to monitor and address coverage in media (print, broadcast and social). It also enables the CICPC to determine the Advertising Value Equivalent (AVE) for the CIPC for public relations activities and coverage in the media. Advertising Value Equivalent (better known as AVE), is the monetary value of what it would cost to place your editorial content as an advert. It was created to give Public Relations (PR) professionals a measurable context in the communications and marketing sphere, originally comparing it against brand advertising. An arbitrary multiplier is often applied, justified on the basis that editorial content has greater credibility and is valued more by consumers than advertising space.

Media monitoring includes “traditional” media such as print, broadcast and online as well as “new” media such as blogs, social media sites, etc. Table. 1 below, illustrates media coverage in Quarter 3 period.

The tracked Advertising Value Equivalent (AVE) in Q1 is R21 474 489.30. Media coverage was generated through various activities such as:

- A webinar to unpack the 2021 World Bank Ease of Doing Business Index drove positive coverage in traditional media while the 10-year anniversary of the Companies Act and the CIPC journey, as well as a webinar on services offered on the BizPortal website were the main drivers of positive conversation on

social media. Other positive conversation drivers on social media were customer compliments and the Ease of Doing Business Webinar.

All negative-rated items in traditional media reported that some criminal syndicates were allegedly working with the CIPC officials in defrauding COVID-19 TERS payments. Negative coverage on social media was linked to customer complaints from unanswered calls, proof of payment not showing on their accounts and too slow turnaround times. Neutral-rated coverage across all media channels was linked to company registrations, deregistration, general inquires and business rescue mentions.

It must be noted that the tracked AVE above, is not a true reflection of the publicity generated on traditional and social media in this period. A new media monitoring service provider was appointed, who commenced providing services to CIPC from Mid-May in Quarter 1. Therefore, this AVE does not reflect media coverage in April and early May, which would have included a media campaign the CIPC ran from 19-26 April to commemorate World IP Day.

### **Quarter 2**

The CIPC leverages opportunities of receiving free publicity through engaging media on highlights and milestones that the CIPC achieves. Some of the engagements is to state the CIPC position on matters that impact our reputation. We also regularly monitor media coverage to track CIPC reputation; track the effectiveness of media releases and gauge media sentiments on the coverage of CIPC stories; and to identify matters that are likely to become issues, and take corrective action.

### **PROACTIVE NEWS SHARING**

In the period under review, the CIPC leveraged media platforms to position the organisation as a modern regulator. Media releases were issued regarding the following issues/highlights:

<b>August</b>	
CIPC APPROVES SAMPRA DISTRIBUTION OF R152 MILLION FOR MUSIC ROYALTIES	The Companies and Intellectual Property Commission (CIPC) is pleased to announce the approval to distribute R152 million by SAMPRA, for music royalties for the 2020/21 financial year.
CIPC RECEIVES A CLEAN AUDIT FOR THE FIFTH YEAR IN A ROW	The CIPC received a clean audit for the 2020/2021 financial period from the Auditor General of South Africa. This is the fifth year in a row that the Commission receives a clean audit, an achievement to be celebrated and shared publicly. The purpose of the media release was to build the reputation of the CIPC and position it as an agile, innovative organisation that practices good governance; raise awareness of CIPC role and position it as an ethical and practices good corporate governance; and earns the trust and confidence of our customers, stakeholders and broader society.

<b>September</b>	
HIGH COURT ORDERS JCI LTD TO PAY THE CIPC AN ADMINISTRATIVE FINE OF R1 MILLION	<p>Pretoria (September 08, 2021) – The Companies Intellectual Property Commission (CIPC) welcomes the High Court Order delivered on Thursday 02 September, ruled in its favour in a case against JCI Ltd.</p> <p>The core issue of this case was that the Audited Annual Financial Statements of JCI Ltd were not compiled as per the requirements of Section 30 of the Companies Act, No. 71 of 2008, as amended, read with the International Financial Reporting Standards (IFRS).</p>
IP SUMMER SCHOOL INVITATION	<p>The CIPC is a partner in a joint annual IP Summer School programme hosted with World Intellectual Property Offices (WIPO) NIPMO, University of Kwa Zulu Natal (UKZN), and DSI. The IP Summer School is aimed at The government is to invite and encourage entrepreneurs, students, innovators, professionals and researchers from all sectors to participate in a summer school on intellectual property (IP) aimed at increasing understanding of IP rights.</p>
CIPC SYSTEMS FULLY RESTORED	<p>The CIPC experienced a systems shut down over a two-day period due to an attempted systems interception. The CIPC took a conservative approach to sharing news in order to avoid causing unnecessary panic over possible data breach. A media statement was issued to notify the public of the systems restoration and to state the reasons for the systems shutdown.</p>

## **1. MEDIA INTERVIEWS**

In mid-July, the CIPC was invited to participate in a Cape Talk Radio interview. The Commissioner, Rory Voller participated in the interview. The interview was conducted in conversational manner with the key points of discussion being the CIPC functions and the automation of services. Listeners invited to call in had positive comments about their experience with the CIPC and the ease with which they were able to transact with us. The overall sentiments of the interview were positive.

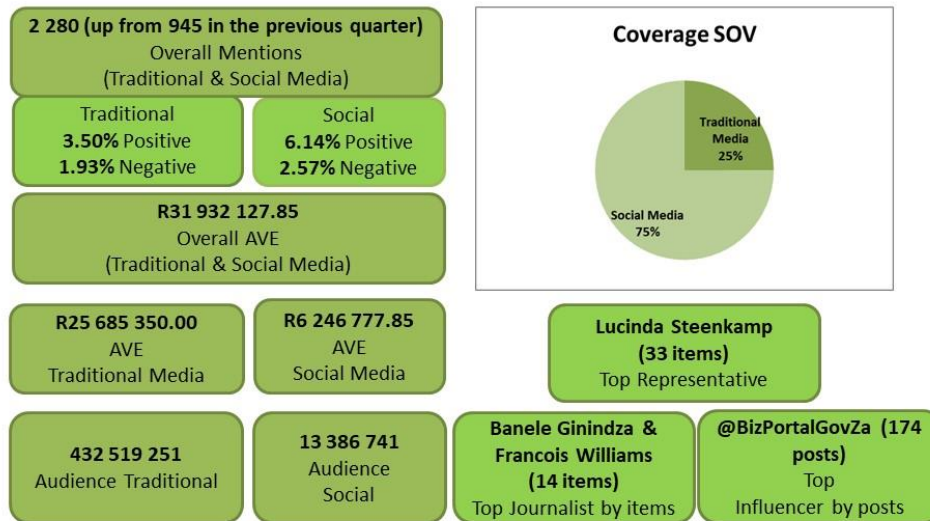
## **2. MEDIA COVERAGE: JUNE – SEPTEMBER**

Media monitoring also enables the organisation to determine the Advertising Value Equivalent (AVE) for the CIPC. Advertising Value Equivalent (better known as AVE), is the monetary value of what it would cost to place your editorial content as an advert. It was created to give Public Relations (PR) professionals a measurable context in the communications and marketing sphere, originally comparing it against brand advertising. An arbitrary multiplier is often applied, justified on the basis that editorial content has greater credibility and is valued more by consumers than advertising space.

Media monitoring includes “traditional” media such as print, broadcast and online as well as “new” media such as blogs, social media sites, etc. Table. 1 below, illustrates media coverage in Quarter 2 period.

Table 39: Quarter 2 Media Coverage Overview

## 1. Media Coverage Overview



Note that Traditional Media encompasses print, broadcast and online sources.

In the period under review, the tracked Advertising Value Equivalent (AVE) is R31.2m. Media coverage was generated through various activities that drew media interest, although in some cases, tracking is of keywords that CIPC monitors coverage on, e.g. intellectual property. When analysing the media coverage sentiments, both traditional and social media was mostly neutral in tone. Mentions of company registrations, deregistrations, general inquiries, business rescues, the CIPC website being shut down due to a suspected cyber-attack, and the CIPC making GRAP filing mandatory via XBRL for relevant entities from 1 October 2021, dominated the social media space. Traditional media coverage varied from South African Airways (SAA) registration status, the Mango Airlines business rescue process, the Young Women in Business Network compliance issues, reporting on 510 000 new businesses registered in 2020/2021, and cyber-attack reports.

Positively, traditional coverage included CIPC Commissioner Rory Voller talking about CIPC and its mandate, the free Virtual WIPO SA Summer School 2021, South Africa becoming the first country to award a patent to an AI-generated invention, and the CIPC's partnership with the National Small Business Chamber.

On the Social Media front, positive coverage varied from services offered via BizPortal, the free Virtual WIPO SA Summer School 2021, the Commission's partnership with the National Small Business Chamber, the South African Institute for Business Accountants annual practice management conference (Rory Voller participated), and an IP webinar held by the Small Enterprise Development Agency (Seda) in partnership with the CIPC.

### PROACTIVE NEWS SHARING

In the period under review, the CIPC leveraged media platforms to position the organisation as a modern regulator. Media releases were issued regarding the following issues/highlights:

<b>August</b>	
CIPC LAUNCHES E-LEARNING PLATFORM	The CIPC launched an e-learning platform, 'Learn-eBiz', for directors of companies. The learning platform is targeted at directors of SMMEs, potential and existing entrepreneurs; allowing them to build their capacity in running successful businesses while ensuring compliance to statutory requirements.
IP Summer School	In partnership with WIPO, UKZN, NIPMO, the CIPC conducted the IP Summer School from 23 Nov – 3 Dec. A range of media activities including social media were used to promote the Summer School activities.

## **MEDIA INTERVIEWS**

In the Oct-Dec period, the CIPC was invited to participate in a Lesedi FM interview, represented by the Senior Manager: Education and Awareness, Mr. Marumo Modiba. The content focused on educating the listeners about the role of the CIPC.

Moneyweb invited the CIPC for an interview. The interview was conducted in conversational manner with the key points of discussion being the CIPC functions and on AF and XBRL. The CIPC Corporate Disclosure and Compliance Investigator, Mr. Cuma Zwane participated in the interview.

In Nov, the CIPC was invited to participate in a pre-recorded interview on Soweto TV, focusing on the role of the CIPC. The CIPC was represented by Mr. Ofentse Shakung.

## **Quarter 3**

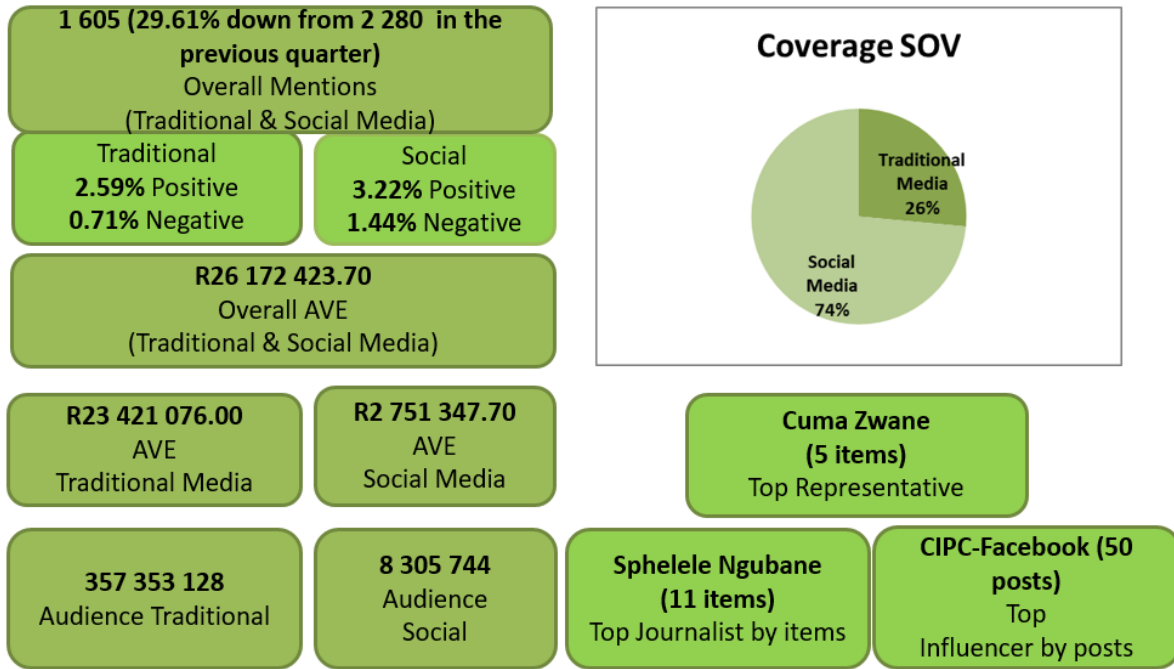
### **Quarter 3: MEDIA COVERAGE: OCTOBER - DECEMBER**

Media monitoring enables the organisation to monitor and address coverage in media (print, broadcast and social). It also enables the CIPC to determine the Advertising Value Equivalent (AVE) for the CIPC for public relations activities and coverage in the media. Advertising Value Equivalent (better known as AVE), is the monetary value of what it would cost to place your editorial content as an advert. It was created to give Public Relations (PR) professionals a measurable context in the communications and marketing sphere, originally comparing it against brand advertising. An arbitrary multiplier is often applied, justified on the basis that editorial content has greater credibility and is valued more by consumers than advertising space.

Media monitoring includes "traditional" media such as print, broadcast and online as well as "new" media such as blogs, social media sites, etc. Table. 1 below, illustrates media coverage in Quarter 3 period.

Table 40: Quarter 3 Media Coverage Overview

# 1. Media Coverage Overview



*Note that Traditional Media encompasses print, broadcast and online sources.*

In the period under review, coverage in both traditional and social media was mostly neutral in tone, with business registration-related news stories dominating the coverage in both platforms. Other neutral-rated topics in traditional media included the Nova Property Group compliance issue, the Companies Amendment Draft Bill published for public comment, and Jaltech launching the country's first regulated cryptocurrency investment through a public offer via CIPC Approved.

Positively, traditional media coverage included the iXBRL programme and the BizPortal platform being commended for improving the ease of doing business in the country, the CIPC's collaboration with banking institutions to speed up the registration process, the IP Summer School programme on, and CIPC's Marumo Modiba discussing how individuals can register their companies. On the other hand, positive mentions on social media were influenced by XBRL and digitisation at the CIPC, the CIPC for the Intellectual Property workshop, a webinar with @theCIPC in South Africa on #BeneficialOwnership implementation for corporate registries, the IP Summer School Programme, the CIPC's collaboration with banking institutions, Social Media Satisfaction Questionnaire, as well as customer compliments.

Negative coverage dropped in both traditional and social media platforms. The negative coverage in traditional media came only from remarks made by AmaranthCX owner and director Paul Miller, claiming that documents

of the company often disappear at the CIPC, never to be seen again. Negative mentions on social media, once again, was influenced by customer complaints.

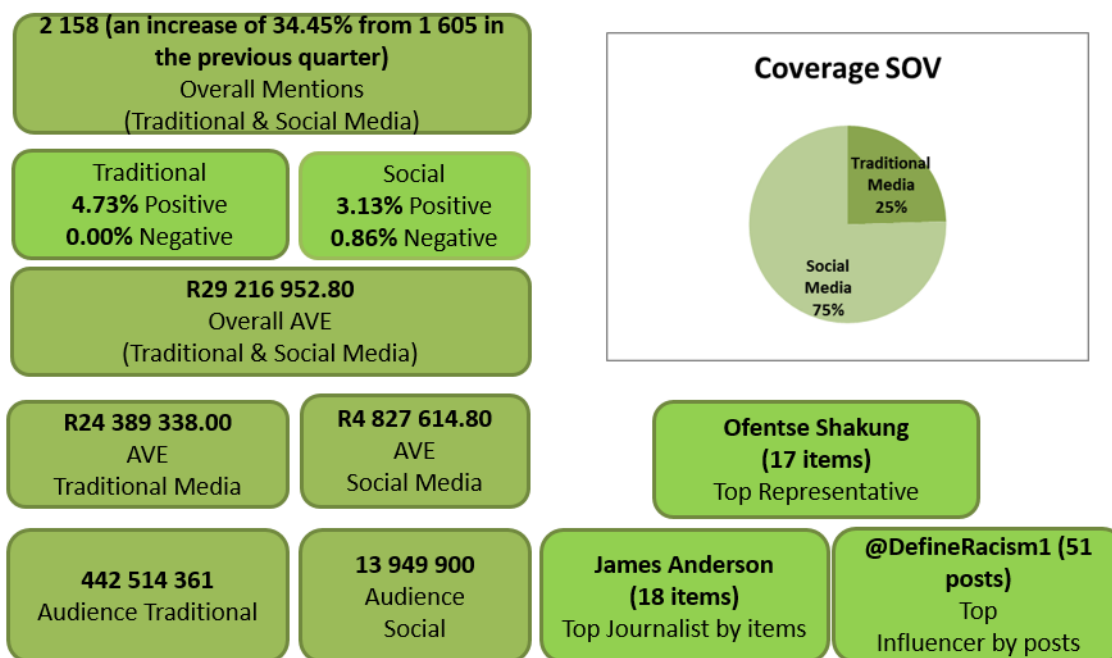
### Quarter 4

Media monitoring enables the organisation to monitor and address coverage in media (print, broadcast and social). It also enables the CIPC to determine the Advertising Value Equivalent (AVE) for the CIPC for public relations activities and coverage in the media. Advertising Value Equivalent (better known as AVE), is the monetary value of what it would cost to place your editorial content as an advert. It was created to give Public Relations (PR) professionals a measurable context in the communications and marketing sphere, originally comparing it against brand advertising. An arbitrary multiplier is often applied, justified on the basis that editorial content has greater credibility and is valued more by consumers than advertising space.

Media monitoring includes “traditional” media such as print, broadcast and online as well as “new” media such as blogs, social media sites, etc. Table below, illustrates media coverage in Quarter 4 period.

**Table 41: Quarter 4 Media Coverage Overview**

## 1. Media Coverage Overview



*Note that Traditional Media encompasses print, broadcast and online sources.*

In the period under review, traditional and social media have been dominated by neutral news coverage since July 2021, with business registration stories driving reporting.

Social media recorded more positive mentions between July and September 2021, mostly influenced by the SAIBA annual practice management conference, customer compliments, South Africa becoming the first country to award a

patent to an invention by an Artificial Intelligence, the free Virtual WIPO SA Summer School 2021, the NSBC partnership, as well as Seda hosting an IP webinar in partnership with CIPC.

Traditional media had more positive coverage in the January – March 2022 quarter, with reports varying from a VukTalks webinar hosted by Government Communication and Information System, an Intellectual Property (IP) and Technology Commercialisation (TC) Colloquium, as well as the CIPC introducing artificial intelligence.

In January, media coverage in traditional media was positively influenced by reports of CIPC's turnaround, which led to an increase in company registrations. It was reported that *“the number of companies registered for tax grew from 2.5 million in 2019/20 to 3.1 million in 2020/21, as companies took advantage of a lower average registration time of two days during the Companies and Intellectual Property Commission (CIPC) 2019/20 financial year”*. Positive coverage on social media, on the other hand, covered issues such as the Social Media Satisfaction Questionnaire, and a compliment from a satisfied customer (@mwtreherne) saying that *“the gov's business portal for new companies is great, easy to use and quick”*.

In traditional media in March, positive coverage reported on the CIPC's introduction of artificial intelligence, as well as the National Small Business Chamber's partnership with the CIPC, while positive coverage on social media mainly focused on the CIPC event on *“Women in Intellectual Property Rights”*, the CIPC's partnership with the Durban Film Office, and a webinar on company registrations by the Department of Trade, Industry & Competition (the DTIC), in partnership with the CIPC and Proudly South African.

Negative coverage mostly emerged from social media and centred around customer complaints.

Negative coverage in traditional media mostly surfaced between July and September 2021, and coverage was linked to the South Gauteng High Court's judgment on Mango Airlines business rescue case. The High Court declared *“that business rescue proceedings”* of the carrier became effective from July 28, when the airline submitted its application to the CIPC. The court also directed the CIPC to *“immediately change the respondent's enterprise status to 'in business rescue”*.

### 3.4 Investigations/Anticorruption cases

This section provides information and progress on fraud related complaints. It further outlines channels through which complaints were received and gives a summary of the nature of allegations received during the reporting period.

#### ***Allegations Received***

**Table 42: Number of allegations received**

Opening balance 01/04/21	Adjustment 01/04/21	Adjusted opening balance	Calls logged	Feedback Requests additional info	Resolved	Balance 30/06/21
<b>Quarter 1</b>						
<b>111</b>	<b>(86)</b>	<b>25</b>	86	(34)	(28)	<b>49</b>

Opening balance 01/04/21	Adjustment 01/04/21	Adjusted opening balance	Calls logged	Feedback Requests additional info	Resolved	Balance 30/06/21
<b>Quarter 2</b>						
<b>49</b>	-	-	74	(26)	(28)	<b>69</b>
<b>Quarter 3</b>						
<b>69</b>	-	-	67	(13)	(22)	<b>111</b>
<b>Quarter 4</b>						
<b>111</b>	-	-	63	(16)	(22)	<b>136</b>

#### Quarter 1

The Opening balance at the beginning of the quarter was adjusted downward taking into consideration factors, which influence the likelihood of resolution of a complaint. Some of the factors considered include:

- Long outstanding complaints - (more than 6 months) with no progress and or without contact from the complainant.
- Lack of information - information has been received from the complainant for more than 2 months.
- Unavailability- Complainants no longer reachable.

The adjustment ensures that the limited resources employed in the resolution of complaints are efficiently and adequately utilised.

#### Quarter 2

There has been improvement in the resolution of complaints during the review period. Of the twenty-eight (28) cases resolved, twenty-five (25) were investigated and completed internally with three (3) referred to an external service provider. This improvement is attributed to the allocation of a dedicated resource to administer and handle complaints. This strategy has yielded the following benefits:

- Decreased backlog;
- Decrease in the number of feedback requests;
- Increased response rate to requests for evidence from affected parties;
- Speedy implementation of recommended action(s) emanating from investigations; and
- Increased customer satisfaction.

### **Quarter 3**

There has been improvement in the resolution of complaints from the beginning of the financial year to date. The resolution rate could have improved even further this quarter had it not been for the festive season, which falls within the review period.

### **Quarter 4**

There has been improvement in the resolution of complaints from the beginning of the financial year to date. The resolution rate could have improved even further this quarter had it not been for the festive season, which falls within the review period.

### ***Status of open cases***

**Table 43: Status of Open Cases**

	Total	Under investigation	Pending investigation
<b>Quarter 1</b>	49	(26)	23
<b>Quarter 2</b>	69	(48)	21
<b>Quarter 3</b>	111	(34)	77
<b>Quarter 4</b>	136	(41)	95

### **Quarter 1**

The status of open cases is indicated by the table above. Although the balance was 49 at the end the review period, some complaints had were under different stages of the complaint resolution process. Based on internal assessment and analysis, some of the matters under investigation were referred to external service providers for investigation.

### **Quarter 2**

The above table shows the status of complaints which were unresolved at the end of the review period. With a total of 69 complaints, most were at different stages of the complaint investigation process at the time of reporting leaving a total of 21 of which no investigation had started as at 30 September 2021. Complex matters are referred to external service providers for investigation.

### **Quarter 3**

Of the 111 outstanding complaints, 34 were under investigations at the time of reporting, leaving 77 pending investigation. The total number pending investigation represents the backlog, which needs urgent attention if the feedback requests have to be minimised.

#### Quarter 4

The above table shows the status of complaints, which remained unresolved at the end of the review period. Of the 136 outstanding complaints, 41 were under investigations at the time of reporting, leaving 95 pending investigation. The total number pending investigation represents the backlog, which needs urgent attention if the feedback requests have to be minimised.

#### **Reporting Channels**

#### Quarter 1

The hotline is the preferred channel of reporting, presumably because it provides an option for anonymity of whistle-blowers if they so wish. Internally, the utilisation of the hotline has been useful in that it provides adequate audit trail of all complaints. Such controls help build trust and confidence in the system.

#### Quarter 2

**Table 44: Reporting Channels**

Channel		Received Cases
1	Hotline	68
2	Emails	6
<b>Total</b>		<b>74</b>

The hotline is the preferred channel of reporting, presumably because it provides an option for anonymity of whistle-blowers if they so wish. Internally, the utilisation of the hotline has been useful in that it provides adequate audit trail of all complaints.

#### Quarter 3

**Table 45: Reporting Channels**

Channel		Received Cases
1	Hotline	57
2	Emails	10
Total		<b>67</b>

The hotline remains the preferred channel for reporting, presumably because it provides an option for anonymity of whistle-blowers if they so wish. Internally, the utilisation of the hotline has been useful in that it provides adequate audit trail of all complaints.

## Quarter 4

**Table 46: Reporting Channels**

Channel		Received Cases
1	Hotline	54
2	Emails	9
Total		<b>63</b>

The hotline remains the preferred channel for reporting, presumably because it provides an option for anonymity of whistle-blowers if they so wish. Internally, the utilisation of the hotline has been useful in that it provides adequate audit trail of all complaints.

The contract with the current hotline management company will lapse in on 31 May 2022. To ensure that there is no break in service, a new request for quotation (RFQ) has been issued and the service provider is will be appointed prior to the expiry of the current Service Level Agreement.

### **Nature of Cases**

**Table 47: Nature of Cases**

#	Types of cases	Q1		Q2		Q3		Q4	
		No. of Cases	%	No	%	No	%	No	%
1	Fraudulent removal or addition of directors	34	40%	30	41%	30	45%	24	22
2	Misuse of Clients Accounts	1	1%	0	0%	2	3%	3	5%
3	Essential services certificates complaints	1	1%	0	0%	0	0%	0	0%
4	Implicating CIPC employees	0	0%	1	1%	2	3%	1	1%
5	Other: General categories	16	18%	25	34	20	30%	16	25%
6	Other: Feedback request/ additional information	34	40%	18	24%	13	19%	19	30%
Total		<b>86</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>63</b>	<b>100%</b>

## Quarter 2

A majority of cases related to fraudulent director changes and more that 50% were found to have substance. Judging by the number and nature of cases the unit continues to receive, this trend is expected to remain. There is a notable decrease in the number of feedback requests owing to the strategy to deliberately assign an official dedicated to managing communication with complainants. Fraudulent/unauthorised director changes are almost always lodged by 3<sup>rd</sup> parties claiming to be associated with the CIPC.

### **Quarter 3**

Most of the cases reported related to unauthorised changes to company information, More than 65% of investigated cases under this category were found to have substance. Despite the many controls which the organisation has implemented to curb this trend, this remains a concern, as it seems that the perpetrators somehow continue to subvert the controls implemented. Third parties claiming to be associated with the CIPC usually lodge fraudulent/unauthorised director changes.

During the quarter under review, there were reported matters implicating CIPC employees. One matter was finalised and a reported issued to the executive concerned and one report is yet to be finalised.

### **Quarter 4**

Most of the cases reported related to unauthorised changes to company information, More than 70% of investigated cases under this category were found to have substance. Despite the many controls which the organisation has implemented to curb this trend, this remains a concern, as it seems that the perpetrators somehow continue to subvert the controls implemented. Third parties claiming to be associated with the CIPC usually lodge fraudulent/unauthorised director changes.

During the quarter under review, there were reported matters implicating CIPC employees. One matter was finalised and a reported issued to the executive concerned and one report is yet to be finalised.

### ***Emerging Risk- Investigations***

#### **Quarter 2**

Of the matters under investigation, two complaints were lodged by two representatives of listed entities relating to fraudulent director changes. Central to their complaints, is the query around the CIPC processes and controls to processes as well the issue of Protection of Personal Information. Preliminary investigations have revealed the possibility of involvement of CIPC employees and /or their relatives in the alleged fraud. Considering the size and the reputation of these entities, and in the event that the alleged fraud is proven, whose impact is deemed to be detrimental to the entities and is attributed to flaws in the CIPC processes, the possibility of litigation is increased.

Due to their complexity and nature, the cases were referred to the external service provider.

### Quarter 3

Of the matters under investigation, two complaints were lodged by two representatives of listed entities relating to fraudulent director changes. Central to their complaints, is the query around the CIPC processes and controls to processes as well the issue of Protection of Personal Information. Preliminary investigations have revealed the possibility of involvement of CIPC employees and /or their relatives in the alleged fraud. Considering the size and the reputation of these entities, and in the event that the alleged fraud is proven, whose impact is deemed to be detrimental to the entities and is attributed to flaws in the CIPC processes, the possibility of litigation is increased.

Due to their complexity and nature, the cases were referred to the external service provider.

### **Annual Case Statistics**

**Table 48: Annual Case Statistics**

Cases	Q1	Q2	Q3	Q4	Total Per Year
<b>Opening balance 01/04/21</b>					41
<b>Received</b>	86	74	67	63	290
<b>Feedback/Additional information</b>	34	26	13	16	89
<b>Actual New Cases</b>	52	48	54	47	201
<b>Resolved</b>	28	28	22	28	106
<b>Closed :Internally</b>	22	23	14	22	(81)
<b>Closed :Externally</b>	6	5	8	6	(25)
<b>Cases: Pending 31/03/22</b>					<b>136</b>
<b>Channels: Ethics Hotline</b>	86	68	57	54	265
<b>Internal/ External Emails</b>	0	6	10	9	25

As indicated in the table above, there is a significant number of fraud related complaints, averaging 50 reports per quarter. The case resolution rate stands at 53% which requires improvement to increase customer satisfaction. Capacity shortages within the Fraud Prevention unit resulted in the lower resolution rate. Most cases reported are resolved internally, reducing the cost associated with the appointment of external investigators. Due to the difficulty in forecasting the number of cases within a period, the GRC division will continue implementing the strategy of combining both internal and external resources in the 2022/23 financial year.

### 3.5 Industrial/Labour relations issues

Table 49: Labour Relations Issues

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Misconduct cases under investigation	1	1	1	1
Misconduct cases at a disciplinary hearing stage	6	7	7	2
Warnings	3	1	0	1
Grievances finalised	3	0	0	0
Labour disputes at CCMA	4	5	5	5
Labour disputes at GPSSBC	1	1	1	1
Labour disputes at Labour Court stage pending	4	5	6	6

### 3.5 New challenges and risks identified in the quarter

#### Quarter 1

##### ***Leave accumulated from the previous financial year (2020) & Sick employees***

During 2021/22 Quarter 1, high number of staff being on leave affected organizational performance (Companies & CCs, DMP, and Disclosure) because of many staff took accumulated leave days from the previous financial year before these are forfeited at the end of June 2021.

##### ***Deaths, Retirements, and Employees with chronic and serious illnesses***

There has been more than a handful of deaths and retirements in the organisation resulting in staff shortages. Some staff members have chronic and serious illnesses and therefore absent from work for lengthy periods. Because many staff member are facing retirement age, staff shortage problem is likely to continue if it is not addressed soon.

##### ***System problems***

System problems affected performance in areas such as DMP.

##### ***Lack of data and internet connectivity***

Participants unable to attend webinars due to lack of data and internet connectivity.

##### ***Equipment***

The printers are too old and most of the time not working. Printer challenges have huge impact on production. ICT still waiting for the Tender process to be finalized. The current contract of the Printers is ending on 31 August 2021.

##### ***Postal services***

The CIPC was unable to award the tender to the South African Post Office (SAPO) because of Tax non-compliance. We have a backlog of about 9 973 mail to be dispatched mostly "Deregistration letters". SAPO challenges not yet resolved. National Treasury advised the CIPC to get other company to assist in posting mail. We have started with the process of looking at the Courier services who can assist us with the post; the response is very negative as these companies only offer Courier services not the normal physical posting like the Post Office. Urgent Disclosure requests are emailed to the clients. We also allow clients to arrange with the staff, come, and collect their documents.

#### Quarter 2

No new challenges were reported.

**Quarter 3**

No new challenges were reported.

**Quarter 4**

No new challenges were reported.

#### 4. Performance against the APP

#### 4.1 Progress made against unachieved targets in the previous quarter

#### 4.1.1 Programme 1: Service Delivery and Access

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
Impact Statement 1: A world-class modern regulator						
Outcome: Organisational Competencies and Capabilities						
Processes migrated to a new platform (K2)	Number of processes migrated to K2	29	21(7)	16 (5): 1. Convert Enterprise to Cooperative. 2. Calculate PI Score. 3. AFS integration. 4. Secondary Cooperative 5. Tertiary Cooperative	Development slowed down due to the need for ICT experts to stabilise ICT services.	Implementation shifted to 2022/23

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
Business processes (BP) in line with future projected CIPC standards (From X hours and Y days to instant delivery)	Number of processes conceived for automation	4	3(1)	2 (2): 1. Foreign Director Portal 2. New E-Services Portal	<p>Development slowed down due to the need for ICT experts to stabilise ICT services.</p> <p>Work completed yet to be tested by business. Foreign Director registration service is completed and yet to be tested. Also, a new client portal is developed but will be published in Q1 of next financial year pending completion of AR.</p>	Implementation shifted to 2022/23

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
Website performance	% of website performance	93%	93%	82%	<p>1. A significant amount of security penetration testing was done in order to identify vulnerabilities following the serious security issues experienced in Q2. This testing significantly increased load on the systems causing them to slow down, but importantly, remain available.</p> <p>2. Cutover from Internet Solutions to MTN. This caused significant disruption to operations throughout the</p>	<p>The website was monitored very closely given the issues experienced in Q3. It has been placed on the main monitoring dashboard in order to identify very quickly when it is being impacted by poor performance. This resulted in 100% performance in Q4</p>

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
					<p>following weeks especially due to resistance from DHA in not allowing us to connect to them via the MTN link. This impacted performance because a significant amount of pages check id numbers with DHA and will wait for the timeout period, typically between 15 &amp; 30 seconds before concluding DHA is unavailable and carrying on. This significantly impacts performance, but not availability except where ID</p>	

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
					<p>numbers are explicitly required for a transaction to complete. DHA continue their policy of non-cooperation and we have had to escalate this to the CIO and beyond.</p> <p>3. FNB ran a reporting job on the 22nd of October which created massive load on the system during business hours. We have advised them not to do this in the future. This, however, also impacted only performance but not availability.</p>	

#### 4.1.2 Programme 2: Innovation & Creativity Promotion

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
<b>Impact Statement 3: Investor confidence in SA businesses and innovations</b>						
<b>Outcome: Strengthening the validity of granted IPR (patents designs and copyright), and in doing so reduce litigation costs for the client</b>						
Patents SEE implemented and patent registrations service delivery standards maintained as legislated	Patent SSE Proof of Concept implemented	Patent SSE Proof of Concept implemented	50% of SSE cases handled in the selected fields	Not achieved  In this quarter the Terms of Reference, Submission to Tender for the IP Search Tool and Business Case were drafted.	Delay in finalisation of the Tender Process by Supply Chain	The committee responsible for evaluating submitted bids set on 11 March 2022 to discuss the ToRs. The bid evaluation committee submitted the scores to the SCM. On 25 March 2022. SCM will communicate once the evaluation is finalised and all scores are captured.

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	3rd Quarter Milestones	Actual Achievement	Reasons for variance	Progress
<b>Impact Statement 3: Investor confidence in SA businesses and innovations</b>						
<b>Outcome: Strengthening the validity of granted IPR (patents designs and copyright), and in doing so reduce litigation costs for the client</b>						
Designs registrations service delivery standards maintained as legislated – 18 months	% design registrations processed within the legislated service delivery standards – 18 months	90%	90%	87%	The processes are still largely manual and there is a lot that happens to a file from the date of application through the issuing of a certificate.	IPAS implementation is geared at resolving this problem.

## 4.2 Progress made against current quarterly milestones

#### 4.2.1 Programme 1: Service Delivery and Access

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>Impact Statement 1: A world-class modern regulator</b>						
<b>Outcome: Organisational Competencies and Capabilities</b>						
Organisation Design (OD)	OD Process	OD Process Completed	Final Report of the OD Outcomes	<p>The OD process is not completed yet, and therefore the report has not be finalised. The following was done during the quarter:</p> <p>To-Be structure first draft presented to Exco            Gap Analysis presented to human capital            •Organisational wide communications are being sent of a weekly basis</p>	Availability of stakeholders for consultation purposes before moving to the next phase.	Upon completion, the draft OD report will be presented to EXCO, and submit it for the Minister's approval. The Approved Organisational Structure will then be presented to EXCO after the Minister has approved the OD report.

**Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets**

<b>Output</b>	<b>Performance Indicator</b>	<b>2021/22 Annual Target</b>	<b>4th Quarter Milestones</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>	<b>Corrective Action</b>
Skills Assessment	Skills assessment conducted	Skills assessment completed	Skills assessment concluded	Skills assessment not concluded.  • CVs are being reviewed as part of the Skills Audit * Draft skills audit report presented (reported in Q3)	Delay in submission of CV's by some employees.	Employees are reminded to submit their CVs
Processes migrated to a new platform (K2)	Number of processes migrated to (K2)	29	29(8)	16 (0)	As at Q3, K2 is no longer the preferred platform that will be used for services. The new E Services platform with the identified functionalities/ processes will be released in June 2022.	Release Plan has been developed as follows: Release 1 - 30 June 2022 Release 2 - 30 September 2022 Release 3 - 30 December 2022 Release 4 - 31 March 2023  This item must be amended to reflect E Services and not K2 in the Performance Tables for the 2022/2023 Annual Report

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Business processes (BP) in line with future projected CIPC standards (From X hours and Y days to instant delivery)	Number of processes conceived for automation	4	4(1)	2 (0)	Although processes have been automated, no functionalities has been released yet. Release of identified automation on the new eservices platform is planned for Q1 2022/2023	Release Plan has been developed as follows: Release 1 - 30 June 2022 Release 2 - 30 September 2022 Release 3 - 30 December 2022 Release 4 - 31 March 2023
Increase the score of the customer stakeholder value index	A score between 1 - 10 of the customer and stakeholder value index, a higher score indicating satisfaction within CIPC	Not measured (Measured every second year)	-	-	--	-
Customer satisfaction at the call centre	% - average call centre customer satisfaction	7.5	7.5	8.1	Continuous training and coaching to improve customer satisfaction	N/A
E-communication satisfaction	% customer satisfaction on e-communication	75%	-	-	N/A	N/A
SSCs customer satisfaction	% customer satisfaction on SSCs	75%	75%	89%	There was an extra concerted effort from the managers to drive customers to complete the survey	N/A
QRS - resolve queries within the set turnaround time - 10 working days	% of queries received through the QRS resolved within the set turnaround time - 10 working days	90%	90%	95%	Emails to managers to alert them about outstanding tickets	N/A

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Facebook - resolve queries within the set turnaround time - 1 working day	% of queries received through Facebook resolved within the set turnaround time - 1 working day	75%	60%	92%	Improved staff support and mentoring.	N/A
Twitter - resolve queries within the set turnaround time - 1 working day	% of queries received through Twitter resolved within the set turnaround time - 1 working day	60%	60%	94%	Improved staff support and mentoring.	N/A
Website performance	% of website performance	93%	93%	100%	The website is monitored very closely given the issues experienced in Q3. It has been placed on the main monitoring dashboard in order to identify very quickly when it is being impacted by poor performance.	N/A
Reduced turnaround time to resolve queries received through the QRS - 10 working days	Average turnaround time to resolve queries received through the QRS - 10 working days	10	10	4	Created awareness about the importance of short turnaround times to increase customer satisfaction	N/A

Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Reduced turnaround time to resolve queries received through Facebook (working days)	Average turnaround time to resolve queries received through Facebook (working days)	1	1	1 (6 HOURS)	N/A	N/A
Reduced turnaround time to resolve queries received through Twitter	Average turnaround time to resolve queries received through Twitter (days)	1	1	1 (5 HOURS)	N/A	N/A
Implement mobile/Chat bot services in line with future projected CIPC standards (X hours and Y days to instant delivery)	Number of processes conceived for automation on Mobile/Chat Bot platform	4	4(1)	6 (0)	Target achieved in Q3	<p>Mobile and ChatBot are two separate things and needs to be separated in the 2022/ 2023 Annual Report</p> <p>ChatBot has been released and is fully operational</p> <p>The Mobile platform is still in progress and is planned to be released by the end of Q2 2022/2023</p>

**Programme 1: Service Delivery and Access: Indicators, Annual and Quarterly Targets**

<b>Output</b>	<b>Performance Indicator</b>	<b>2021/22 Annual Target</b>	<b>4th Quarter Milestones</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>	<b>Corrective Action</b>
New automated service on eservices or BizPortal	No of automated services added on BizPortal	1	1	2 (Achieved in Q1)	Additional services added are Google for Business and SARS links. The purpose is to add as many services as possible. However, the setting of realistic targets are difficult as sometimes all stakeholders are not ready to engage within a said quarter.	N/A

#### 4.2.2 Programme 2: Innovation & Creativity Promotion

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>Impact Statement 1: A world-class modern regulator</b>						
<b>Outcome: Organisational Competencies and Capabilities</b>						
Patent examiners trained on substantive search examination (SSE)	Number of patents examiners trained on SSE	All (16 SSE trained and 29 interns)	Implementation of training for examiners with EPO -16 SSE and 29 interns	All patent examiners trained on SSE with EPO (15 Examiners and 28 interns - 2 resigned)	N/A	N/A
Migrating patent end to end processes to an automated system – Intellectual Property Automated System (IPAS)	% patent processes migrated to IPAS	80%	80%	80%	N/A	N/A
Migrating designs end to end processes to an automated system - IPAS	% designs processes migrated to IPAS	80%	80%	80%	N/A	N/A

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>Impact Statement 2: Ease of doing business in SA</b>						
<b>Outcome: Reduced administrative compliance burden for companies and IP owners</b>						
Reduced turnaround time (TAT) for patent applications	Average turnaround time for patent applications	2	2	2	N/A	N/A
Reduced TAT for designs applications	Average turnaround time for designs application	2	2	2	N/A	N/A
Reduced TAT for copyright in films applications	Average turnaround time for copyright in film application	2	1	1	N/A	N/A
<b>Impact Statement 3: Investor confidence in SA businesses and innovations</b>						
<b>Outcome: Strengthening the validity of granted IPR (patents designs and copyright), and in doing so reduce litigation costs for the client</b>						
Patents SEE implemented and patent registrations service delivery standards maintained as legislated	Patent SSE Proof of Concept implemented	Patent SSE Proof of Concept implemented	80% SSE cases handled in selected fields	100% (6 out 6 cases for each technical field were completed - Chemistry - Biotechnology - Physics, Engineering and ICT)	N/A	N/A

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Designs registrations service delivery standards maintained as legislated – 18 months	% design registrations processed within the legislated service delivery standards – 18 months	90%	90%	82%	The processes are still largely manual and there is a lot that happens to a file from the date of application through the issuing of a certificate.	IPAS implementation is geared at resolving this problem.
Copyright in film registration service delivery standards maintained as legislated – 2 months	% copyright in film registrations processed within the legislated service delivery standards – 2 months	60%	60%	100%	Only 2 applications published in the Patent Journal	N/A
<b>Outcome: Reduce IP filing costs</b>						

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Reduce filing costs for IPR owners	Number of persons assisted	7	7 Applicants referred for assistance	7 Applicants referred for assistance (Q1 - 3, Q2 - 3, Q4 - 0, Q4 - 1)	100% of Applications received in Q4 - reviewed in line with patentability requirements of Novelty, Non-Obviousness and Industrial Applicability - The total number of applications recommended in quarter 4 is 1, bringing the total recommended applications to 7 for the financial year.	Inventor Assistance Program education and awareness events implemented to improve the quality of applications
Outcome: Increased awareness (including capacity building) IP protection laws, regulations, as well as services and related processes						
IP education and awareness sessions hosted by the CIPC or in collaboration with its partners for identified stakeholders	Number of webinars held hosted by the CIPC or in collaboration with its partners for identified stakeholders	16	16(4)	45 (11)	Robust campaign to bring stakeholders.	N/A

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
CIPC Learning Academy <sup>1</sup>	The establishment of the CIPC Learning Academy	WIPO needs assessment complete and MoU finalization	Final outcome of needs assessment and possible MoU preparation	<p>The needs assessment template was completed and forwarded to WIPO in Q1, and engagement with WIPO in Q2 included them offering a project consultant and identifying more candidates to be trained by WIPO. 18 candidates were identified.</p> <p>MOU not commenced.</p> <p>Feedback from WIPO awaited</p>	Dependency on the WIPO	Run processes parallel in order to achieve our milestones

<sup>1</sup> This KPI falls under Programme 3.

Programme 2: Innovation and Creativity Promotion: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
IP enforcement public education and awareness sessions hosted by the CIPC or in its collaboration with its partners for identified stakeholders	Number of IP enforcement education and awareness sessions hosted by the CIPC or in collaboration with its partners for identified stakeholders	6	6(2)	18 (4)	N/A	N/A
Increase capacity in Law Enforcement Agencies on IPR	Number of officials trained	80	80(20)	368 (47)	N/A	N/A
<b>Impact Statement 4: Third Party Decision-Making</b>						
<b>Outcome: IPR Enforcement</b>						
<b>Data/Information Integration (All stakeholders)</b>						
Mobile App used to collect data/information on IPR enforcement	Stage of development of the Mobile App	Testing and launch of pilot	Testing and launching of pilot	A 2nd launch and testing was done on 22-24 Feb 2022	N/A	N/A

#### 4.2.3 Programme 3: Business Regulation and Reputation

Programme 3: Business Regulation and Reputation: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>Impact Statement 2: Ease of doing business in SA</b>						
<b>Outcome: Reduced administrative compliance burden for companies and IP owners</b>						
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application	2	2	1	Behavioural shift from e-services to BizPortal continued which provides more resources for manual new company registrations as well as improving the overall TAT for new company registrations.	N/A
Reduction in the average number of days to register a cooperative from the date of receipt of a complete application.	The average of number of days to register a co-operative from the date of receipt of a complete application.	3	3	1	System was reliable, there was no downtime. Closely monitoring incoming volumes and turnaround time.	N/A

Programme 3: Business Regulation and Reputation: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
<b>Impact statement 3: Investor confidence</b>						
<b>Outcome: Increased awareness of company laws, regulations, as well as CIPC services, processes, and channels</b>						
Education and awareness sessions on Company Act and other related legislation (including Cooperatives Amendment Act), services, processes and channels using Ms Teams, Zoom, Facebook live, and other platforms	Number of education and awareness sessions initiated or participated in on the Companies Act and related legislation (including Cooperatives Amendment Act), services, processes and channels using Ms Teams, Zoom, Facebook live, and other platforms, services, processes and channels using Ms Teams, Zoom, Facebook live, and other platforms	18	18(2)	54 (15)	A high number of requests for participations in webinars were received from stakeholders to participate in education & awareness webinars.	N/a

Programme 3: Business Regulation and Reputation: Indicators, Annual and Quarterly Targets						
Output	Performance Indicator	2021/22 Annual Target	4th Quarter Milestones	Actual Achievement	Reasons for variance	Corrective Action
Stakeholder education seminars or provide professional support. Collaborate with IODSA	Stakeholder education seminars or provide education support / training - including collaboration with IODSA	2	2(0)	N/A	N/A	N/A
Outcome: Reputable business and IP regulation environment						
Automated Beneficial Ownership Register	Beneficial Ownership Register in place	Approved Beneficial Ownership Register Business case	Approved Beneficial Ownership Business case	Business Case tabled and adopted by at EXCO on 30 March 2022	N/A	N/A

## 5. Risk Management Report - Annexure C

### 5.1 RISK MANAGEMENT MATTERS

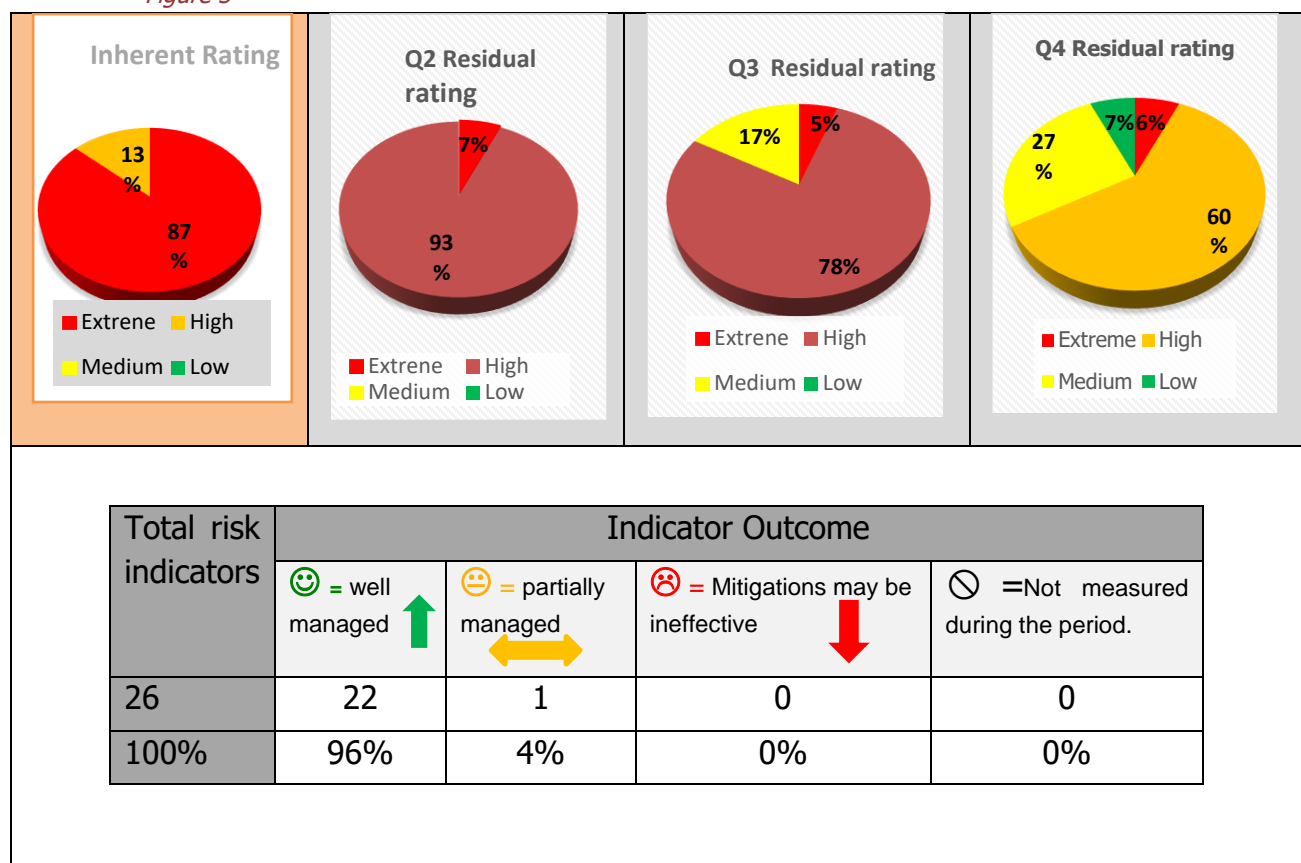
#### Overview

This section provides progress on the management of strategic and operational risks during the reporting period. Progress on the implementation of strategic mitigating actions planned for Q4 is summarised under 5.2 and 5.3 below.

#### Strategic Risk Dashboard

The strategic risk dashboard below provides a summary of the strategic risk ratings as at 31 March 2022.

Figure 3



The current residual rating indicates an improvement from the previous quarter. However, a clear picture of the effectiveness and impact of controls implemented during the period on identified risks, alignment of the strategic risk register with the risk appetite and tolerance threshold should be considered. In comparison with the impact categories identified for strategic risks, the indicator profile summary

of results for the reporting period suggests that the CIPC is on the right track in pursuit of its objectives whilst managing associated risks.

### Risk Movement Dashboard

A summary of the residual risk ratings movement from the beginning to the end of the period is illustrated by the table below:

Figure 4

Risk Name	Residual rating	Movement			
		01/04/21	Q1	Q2	Q3
1. Inadequate availability and accessibility of channels	High	↔	↔	↔	↔
2. Inadequate ICT infrastructure	High	↔	↔	↔	↔
3. Lack of Stability of IT systems (CIPC, Partners and 3rd party providers)	High	↔	↔	↔	↔
4. Inability to effectively manage stakeholder relations and expectations	High	↔	↔	↔	↔
5. Inadequate information & cyber-security	High	↔	↓	↔	↔
6. Inadequate data integrity	High	↔	↔	↔	↔
7. Ineffective governance and oversight over finance and supply chain management	High	↔	↑	↔	↑
8. Financial sustainability	High	↔	↔	↔	↑
9. Lack of optimal and professional organisational culture	High	↔	↔	↔	↔
10. Ineffective people management	High	↔	↔	↔	↑
11. Inadequate Accessibility of Intellectual Property (IP) services Programme	Extreme	↑	↔	↔	↔
12. Ineffective implementation of the substantive search and examination programme	High	↔	↔	↔	↔
13. Ineffective and inefficient enforcement	High	↔	↔	↔	↔
14. Labour relations and stability thereof	High	↔	↑	↔	↑
15. Occupational Health and Safety	Extreme	↔	↑	↔	↑

Quarterly residual risk movements are shown in the above table to measure progress quarter over quarter. The overall results for quarter 4 indicate an upward improvement in 5 risks and other ratings remained the same as in the previous reporting period. In managing the identified risks, management should give priority to risks with a high residual risk rating with special attention to the impact of each risk.

### PROGRESS ON IMPLEMENTATION OF RISK AND FRAUD PLAN

This section highlights progress made on each of the planned activities for the quarter.

Figure 5

Activities	Planned	Q1	Q2	Q3	Q4	Comment
1.1 Risk plan development and approval	✓					

Activities	Planned	Q1	Q2	Q3	Q4	Comment
1.2 Revision of risk management policy.		Complete				
1.3 Risk framework& methodology review		Complete				
1.4 Strategic risk register annual review	✓			Complete		
1.5 Risk appetite statement review	✓			Complete		
1.6 Conduct operational root cause analysis			Complete			
1.7 Quarterly risk monitoring and reporting	✓	Complete	Complete	Complete	Complete	
1.8 Operational risk register review	✓		Complete	In progress	Complete	
1.9 Develop a third party risk framework	✓			In progress	In progress	In progress
1.10 Conduct risk management awareness			Complete			
2.1 Fraud prevention plan review	✓			Complete		
2.2 Fraud Risk Register review	✓	Not done	In progress	In progress	Complete	
2.3 Ethics plan implementation			In progress	In progress	In progress	In progress
2.4 Fraud data analysis and reporting	✓		Complete	Complete	Complete	
2.5 Fraud awareness and education	✓	Complete	Not done	In progress	Complete	
2.6 Facilitate declaration of interest	✓	Complete	Complete	Complete	Complete	
2.7 Maintain an effective case database	✓	Complete	Complete	Complete	Complete	
2.8 Conduct investigations	✓	Complete	Complete	Complete	Complete	
2.9 Quarterly reporting on fraud prevention	✓	Complete	Complete	Complete	Complete	

**Key:**

Complete	In progress	Not done	Not planned for the period
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A total of 09 activities were planned for the reporting, two (2) were carried over from the previous quarter, bringing the total to 11 activities for the quarter 4. As at the end the review period which is also the end of the financial year, all but 2

activities had been completed. The two outstanding activities will be carried over to the new financial year.

## **5.2 COMPLIANCE STATUS REPORT: 01 JANUARY – 31 MARCH 2022**

### **INTRODUCTION**

#### **BACKGROUND**

The Public Management Act, section 51(1)(a) requires an accounting authority for a public entity to ensure that that public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control. In line with this mandate, the Companies and Intellectual Property Commission (CIPC) has developed policies and procedures to manage risks, including compliance risks.

In addition, the fourth addition of the King Report on Good Governance (King IV), recommends that organisational leaders “should ensure that compliance is understood, not only as an obligation, but as a source of rights and protection. A holistic view is needed on how applicable laws and non-binding rules, codes and standards relate to one another. This includes how corporate governance codes relate to applicable legislation.” It goes on to recommend that “governing bodies ensure continual monitoring of the regulatory environment, and that developments are responded to as necessary”.

#### **SCOPE**

This report provides the compliance status of the CIPC for quarter 4 (January 2022- March 2022). A total of 26 Acts were selected from the approved Compliance Universe using a risk-based approach. The list of reviewed does not take into consideration changes effected to the Compliance Universe.

#### **METHODOLOGY AND APPROACH**

The approved Regulatory Compliance Universe contains 57 Acts, which are graded using a risk-based methodology considering the consequences and penalties of non-compliance. This approach ensures that limited resources are directed to high-impact areas without neglecting areas that carry a lower grading. For the reporting period, 26 Acts were selected from the total universe. In reviewing the selected Acts, the assessment remain focused on high impact and high risk requirements.

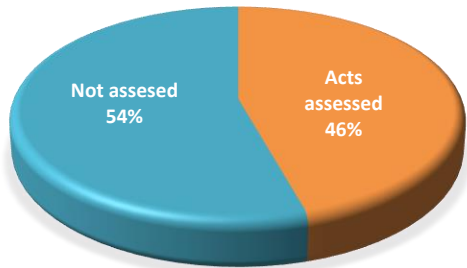
In determining the status of compliance, a management self-assessment approach was followed. Due the risk associated with recurring non-compliance, only acts where noncompliance was previously were chosen for verification through engagements with relevant managers and obtaining evidence to validate assertions made.

#### **EXECUTIVE SUMMARY**

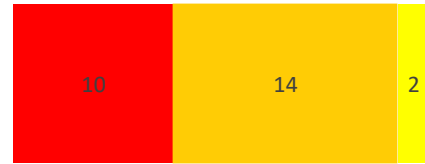
A high-level analysis of the information obtained from process owners, based on the questionnaires for high-risk requirements, shows that the organisation is fully compliant with 25 (96%) and largely compliant with one (4%) of the total selected and assessed Acts.

# Quarter 4 Dashboard

## Compliance Universe

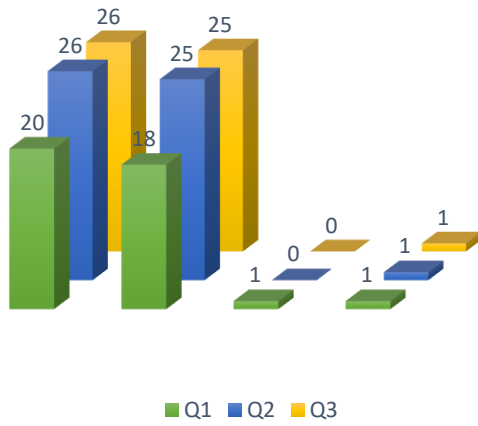


## Q4 Rating Category= 26 Acts assessed



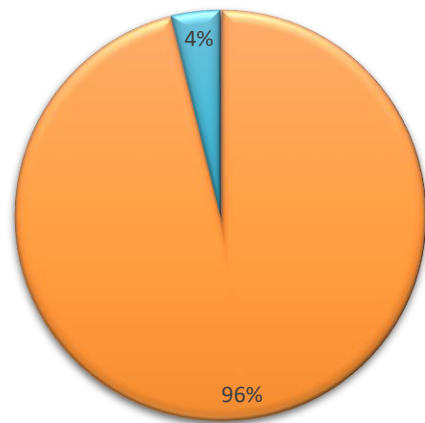
■ Extreme ■ High ■ Medium

## Quarterly Compliance



■ Q1 ■ Q2 ■ Q3

## Q4 Compliance Status



■ Compliant ■ Largely Compliant

## SUMMARY OF ACTS ASSESSED

During Q4, the CIPC maintained the same compliance status of 96% as in Q3, and complied with applicable high risk aspects of the 26 Acts assessed, with the exceptions of one.

Colour coding:

<i>Compliant (C)</i>	<i>Partially compliant (PC)</i>	<i>Largely Compliant (LC)</i>	<i>Not assessed (NA)</i>
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<b>Act Description</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<i>The Companies Act</i>	C	C	C	C
<i>Public Finance Management Act</i>	C	C	C	C
<i>Trade Marks Act</i>	C	C	C	C
<i>Co-operatives amendment Act</i>	C	C	C	C
<i>Patents Act</i>	C	C	C	C
<i>Copyright Act</i>	C	C	C	C
<i>Counterfeit Goods Act</i>	C	C	C	C
<i>Protection of Personal Information Act</i>	PC (83%)	LC (96%)	LC (96%)	LC (96%)
<i>Labour Relations Act</i>	C	C	C	C
<i>Employment Equity Act</i>	C	C	C	C
<i>Basic Conditions of Employment Act</i>	C	C	C	C
<i>Preferential Procurement Policy Framework Act</i>	C	C	C	C
<i>Promotion of Access to Information Act</i>	PC (93%)	C	C	C
<i>Disaster Management Act</i>	C	C	C	C
<i>Occupational Health and Safety Act</i>	C	C	C	C
<i>Broad-Based Black Economic Empowerment Act</i>	C	C	C	C
<i>Skills Development Act</i>	C	C	C	C
<i>Unemployment Insurance Act</i>	N/A	C	C	C
<i>Skills Development Levies Act</i>	C	C	C	C
<i>Unemployment Insurance Contributions Act</i>	C	C	C	C
<i>Protected Disclosure Act</i>	N/A	C	C	C
<i>Prevention and combating of corrupt activities Act</i>	C	C	C	C
<i>Electronic Communications and Transactions Act</i>	N/A	C	C	C
<i>Close Corporations Act</i>	N/A	C	C	C
<i>Consumer Protection Act</i>	N/A	C	C	C
<i>Control of Access to Public Premises and vehicles Act</i>	N/A	C	C	C

Compliance with the Protection of Personal Information Act is on track and is categorised as “Largely Compliant” for the following reasons:

- The CIPC is compliant with the one requirement as it pertains to core business functions, however, no compliance information was provided by other administrative sections of the organisation to enable the assessment. Validation on information not provided could not be performed.

## ASSESSMENT RESULTS

Act	Overview	Status
<p>1. <i>The Companies Act, Act 71 of 2008</i></p>	<p>To provide for the incorporation, registration, organisation and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the Republic;</p> <p>to define the relationships between companies and their respective shareholders or members and directors;</p> <p>to provide for equitable and efficient amalgamations, mergers and takeovers of companies; to provide for efficient rescue of financially distressed companies;</p> <p>to provide appropriate legal redress for investors and third parties with respect to companies;</p> <p>to establish a Companies and Intellectual Property Commission and a Takeover Regulation Panel to administer the requirements of the Act with respect to companies, to establish a Companies Tribunal to facilitate alternative dispute resolution and to review decisions of the Commission;</p> <p>to establish a Financial Reporting Standards Council to advise on requirements for financial record keeping and reporting by companies;</p> <p>to repeal the Companies Act, 1973 (Act No. 61 of 1973), and make amendments to the Close Corporations Act, 1984 (Act No. 69 of 1984), as necessary to provide for a consistent and</p> <p>harmonious regime of business incorporation and regulation; and to provide for matters connected therewith.</p>	<p><i>Compliant</i></p>

<p>2. <i>Public Finance Management Act (Act 1 of 1999)</i></p>	<p>The Public Finance Management Act regulates the financial management in the national government and provincial governments;</p> <p>to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively;</p> <p>to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.</p>	<p><i>Compliant</i></p>
<p>3. <i>Trade Marks Act (Act 62 of 1963 and Act 194 of 1993)</i></p>	<p>To provide for the registration of trademarks, certification trademarks and collective trademarks; and to provide for incidental matters.</p>	<p><i>Compliant</i></p>
<p>4. <i>Co-operatives amendment Act, 2013 ( Act 06 of 2013)</i></p>	<p>To provide for-</p> <ul style="list-style-type: none"> <li>▪ the substitution and addition of certain definitions;</li> <li>▪ associate membership of co-operatives;</li> <li>▪ categories of primary cooperatives;</li> <li>▪ The national apex co-operative;</li> <li>▪ The annual submission of information to the registrar;</li> <li>▪ To amend the accounting practices and requirements for co-operatives by providing for audit and independent review of cooperatives;</li> <li>▪ The payment of fees by co-operatives for the amalgamation, division, conversion or transfer of cooperatives;</li> <li>▪ the voluntary winding up of co-operatives by special resolution;</li> <li>▪ the registrar to apply for the declaratory order in respect of the liquidation process;</li> <li>▪ For the co-operatives tribunal to order the winding up of a co-operative;</li> <li>▪ To substitute the advisory board with advisory council; the establishment, functions and powers of Co-operatives development Agency</li> <li>▪ For the funding and financial management of the Agency;</li> <li>▪ The establishment, composition and functions of the Cooperatives Tribunal;</li> <li>▪ To ensure compliance with the principles of intergovernmental relations within the co-operatives sector; and for the substitution of the long title and preamble; and to provide for matter connected therewith</li> </ul>	<p><i>Compliant</i></p>
<p>5. <i>Patents Act (Act 57 of 1978)</i></p>	<p>To provide for the registration and granting of patents for inventions and for matters connected therewith.</p>	<p><i>Compliant</i></p>

6. <i>Copyright Act (Act 98 of 1978)</i>	To regulate copyright and to provide for matters incidental thereto.	<i>Compliant</i>
7. <i>Counterfeit Goods Act (Act 37 of 1997)</i>	<p>To introduce measures aimed against the trade in counterfeit goods so as to further protect owners of trademarks, copyright and certain marks under the Merchandise Marks Act, 1941, against the unlawful application, to goods, of the subject matter of their respective intellectual property rights and against the release of goods of that nature (called 'counterfeit goods') into the channels of commerce; for that purpose to prohibit certain acts in relation to counterfeit goods as well as the possession of counterfeit goods in certain circumstances;</p> <p>to create offences in that regard and prescribe penalties in relation thereto; to confer, in certain circumstances, upon inspectors and certain members of the South African Police Service the power, upon having obtained a warrant, or upon being otherwise authorised by or in terms of this Act,</p> <p>to enter premises and there to search for, and, if found, to seize and remove, counterfeit goods or suspected counterfeit goods for detention pending the finalisation of civil or criminal proceedings to be instituted or any other disposal thereof authorised by or in terms of the Act;</p> <p>to provide that the Commissioner for Customs and Excise and his or her staff, upon having granted an application to that end by the owner of an intellectual property right, will have the power to seize and detain counterfeit goods or suspected counterfeit goods imported into or entering the Republic during a particular period and calculated to infringe that intellectual property right; and to provide for incidental matters.</p>	<i>Compliant</i>

<p><b>8. Protection of Personal Information Act, 2013</b></p>	<p>To promote the protection of personal information processed by public and private bodies;</p> <p>to introduce certain conditions so as to establish minimum requirements for the processing of personal information;</p> <p>to provide for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act and the Promotion of Access to Information Act, 2000;</p> <p>to provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision making;</p> <p>to regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith.</p>	<p><b>Largely Compliant</b> 96%</p>
<p><i>Issue</i></p>	<p>Processing (including disclosure) of personal information in General:-</p> <p>The CIPC is compliant with this requirement as it pertains to core business functions, however, for the period under review, no information on compliance with this requirement for other sections of the organisation could be obtained as it was still being collected and consolidated.</p>	
<p><i>Corrective Action</i></p>	<p>A survey to collect information from all operational units of the CIPC was conducted. Information has been being consolidated to assess the risk (if any) and compliance status emanating from business units other than core business.</p> <p>A training plan on employee roles and responsibilities has been developed for roll out to the entire organization.</p>	
<p><b>9. Labour Relations Act 28 of 1956</b></p>	<p>The purpose of this Act<sup>1</sup> is to advance economic development, social justice, labour peace and the democratization of the workplace.</p>	<p><b>Compliant</b></p>
<p><b>10. Employment Equity Act 55 of 1998</b></p>	<p>The purpose of this Act is to achieve equity in the workplace by-</p> <p>a) Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and</p> <p>Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the work place.</p>	<p><b>Compliant</b></p>

11. <i>Basic Conditions of Employment Act 3 of 1983</i>	<p>To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.</p> <p>The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are—</p> <ul style="list-style-type: none"> <li>a) to give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution--</li> <li>i) by establishing and enforcing basic conditions of employment; and</li> <li>ii) by regulating the variation of basic conditions of employment;</li> <li>b) to give effect to obligations incurred by the Republic as a member state of the International Labour Organisation.</li> </ul>	<i>Compliant</i>
12. <i>Preferential Procurement Policy Framework Act 5 of 2000</i>	<p>To give effect to section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution; and to <i>provide</i> for matters connected therewith.</p>	<i>Compliant</i>
13. <i>Promotion of Access to Information Act 2 of 2000</i>	<p>To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights;</p> <p>to provide that the Information Regulator, established in terms of the Protection of Personal Information Act, 2013, must exercise certain powers and perform certain duties and functions in terms of this Act; and</p> <p>to provide for matters connected therewith.</p>	<i>Compliant</i>
14. <i>Disaster Management Act 57 of 2002</i>	<p>To provide for-</p> <ul style="list-style-type: none"> <li>i. an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery;</li> <li>ii. the establishment of national, provincial and municipal disaster management centres;</li> <li>iii. disaster management volunteers; and</li> <li>iv. matters incidental thereto.</li> </ul>	<i>Compliant</i>

15. <i>Occupational Health and Safety Act, 85 of 1993</i>	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety.	<i>Compliant</i>
16. <i>Broad-Based Black Economic</i>	The objectives of this Act are to facilitate broad-based black economic empowerment by-	<i>Compliant</i>
<i>Empowerment Act, 53 of 2003</i>	<ul style="list-style-type: none"> <li>a. promoting economic transformation in order to enable meaningful participation of black people in the economy;</li> <li>b. achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;</li> <li>c. increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training;</li> <li>d. increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training;</li> <li>e. promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;</li> <li>f. empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills; and</li> <li>g. Promoting access to finance for black economic empowerment.</li> </ul>	
17. <i>Skills Development Act 97 of 1998</i>	The Skills Development Act aims to develop and improve the skills of the South African workforce	<i>Compliant</i>
18. <i>Unemployment Insurance Act 30 of 1966</i>	The purpose of this Act is to establish an unemployment insurance fund to which employers, employees contribute, and from which employees who become unemployed or their beneficiaries, as the case may be, are entitled to benefits and in so doing to alleviate the harmful economic and social effects of unemployment.	<i>Compliant</i>
19. <i>Skills Development Levies Act 9 of 1999</i>	To provide for the imposition of a skills development levy; and for matters connected therewith.	<i>Compliant</i>

20. <i>Unemployment Insurance Contributions Act 4 of 2002</i>	The purpose of this Act is to provide for the imposition and collection of contributions for the benefit of the Unemployment Insurance Fund; and to provide for matters connected therewith.	Compliant
21. <i>Protected Disclosure Act 27 of 2000</i>	To make provision for procedures in terms of which employees in both the private and the public sector may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers;  to provide for the protection of employees who make a disclosure which is protected in terms of this Act;  and to provide for matters connected therewith	Compliant
22. <i>Prevention and combating of corrupt activities, Act 12 of 2004</i>	To provide for the strengthening of measures to prevent and combat corruption and corrupt activities;  to provide for the offence of corruption and offences relating to corrupt activities; to provide for investigative measures in respect of corruption and related corrupt activities;  to provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; to place a duty on certain persons holding a position of authority to report certain corrupt transactions;  to provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and to provide for matters connected therewith	Compliant
23. <i>Electronic Communications and Transactions Act 25 of 2002</i>	The objects of this Act are to enable and facilitate electronic communications and transactions in the public interest, and for that purpose to: a) recognize the importance of the information economy for the economic and social prosperity of the Republic; b) promote universal access primarily in underserved areas; c) promote the understanding and, acceptance of and growth in the number of electronic transactions in the Republic;	Compliant
24. <i>Close Corporations Act 69 of 1984)</i>	To provide for the formation, registration, incorporation, management, control and liquidation of close corporations; and for matters connected therewith.	Compliant

<p>25. <i>Consumer Protection Act 68 of 2008</i></p>	<p>To promote a fair, accessible and sustainable marketplace for consumer products and services and for that purpose to establish national norms and standards relating to consumer protection,</p> <p>to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices,</p> <p>to promote responsible consumer behaviour, to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements, to establish the National Consumer Commission.</p>	<p><i>Compliant</i></p>
<p>26. <i>Control of Access to Public Premises and Vehicles Act 53 of 1985</i></p>	<p>To provide for the safeguarding of certain public premises and vehicles and for the protection of the people therein or thereon, and for matters connected therewith.</p>	<p><i>Compliant</i></p>

## 6. Audit Report - Annexure D

### 6.1 Progress against Internal Audit Finding Matrix & Progress against AG/External Audit Finding Matrix

#### AUDIT FINDINGS TRACKING SUMMARY REPORT FOR THE QUARTER ENDED 31 MARCH 2022

##### 1. Purpose of the Report

This report provides a high level summary of progress made with regard to the implementation of corrective actions to address previously reported audit findings. The report covers findings emanating from the audit conducted by the Auditor General (AG) for the 2020/21 financial year as well as findings and observations from internal audits conducted in the 2017/2018, 2018/19, 2019/2020 and 2020/2021 financial years. The findings from the 2021/2022 financial year will be tracked from quarter 1 of 2022/2023. Details of progress are contained in the respective registers attached to this report.

##### 2. Summary of all Unresolved Findings

Audits assignment Involved = **19**

Total findings at the beginning of Q4 of 2021/2022 = **63**

Total findings resolved/addressed = **10**

Total findings in progress/Partial addressed = **24**

Total findings not addressed = **29**

##### 2.1 Auditor General Findings 2020/21

Audit Assignment	Q4 2021/2022 opening balance	Addressed and risk accepted	In progress	Not Addressed
AG: Management report findings	15	5	10	0
% Total	100%	33.33%	66.67%	0%

##### 2.2 Internal Audit Findings

##### 2.2.1 2017/2018

Audit Assignment	Total outstanding Findings Q4 of 2021/2022	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
1 Free State Self Service Terminal	1	0	1	0
2 Registry audit	3	0	0	3
3 Annual returns compliance	1	0	1	0

<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>3</b>
		<b>0%</b>	<b>40%</b>	<b>60%</b>

### 2.2.2 2018/2019

	<b>Audit Assignment</b>	<b>Total outstanding Findings Q4 of 2021/2022</b>	<b>Addressed and risk accepted - Total</b>	<b>Partially Addressed</b>	<b>Not Addressed - Total</b>
1	Application control review on the Ptolemy system	1	0	1	0
2	Education and awareness audit	1	0	0	1
3	Surveillance and enforcement audit	1	0	1	0
4	Security management review	2	2	0	0
5	Service Delivery Standards review	11	0	0	11
	<b>TOTAL</b>	<b>16</b>	<b>2</b>	<b>2</b>	<b>12</b>
			<b>13%</b>	<b>13%</b>	<b>75%</b>

### 2.2.3 2019/2020

	<b>Audit Assignment</b>	<b>Total outstanding Findings Q4 of 2021/2022</b>	<b>Addressed and risk accepted - Total</b>	<b>Partially Addressed</b>	<b>Not Addressed - Total</b>
1	Business Plan 2019/2020	1	0	1	0
2	Disclosure	1	0	0	1
3	Trade Marks	1	0	0	1
4	Penetration test	11	0	1	10
	<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>2</b>	<b>12</b>
			<b>0%</b>	<b>14%</b>	<b>86%</b>

## 2.2.4 2020/2021

	<b>Audit Assignment</b>	<b>Total outstanding Findings at beginning of Q4 of 2021/2022</b>	<b>Addressed and risk accepted - Total</b>	<b>Partially Addressed</b>	<b>Not Addressed - Total</b>
1	Communications	3	1	2	0
2	Training	3	0	2	1
3	Cyber security	1	1	0	0
4	Financial Statement Reporting	3	0	3	0
5	Q2 Performance Information	1	0	1	0
6	Website & QRS	1	1	0	0
7	Revenue	1	0	0	1
	<b>TOTAL</b>	<b>13</b>	<b>3</b>	<b>8</b>	<b>2</b>
			<b>23%</b>	<b>62%</b>	<b>15%</b>

## **6.2 Progress made regarding Combined Assurance Plan**

The progress report on the Combined Assurance Plan is provided bi-annually.

## **7. Financial Report**

The report is sent separately.

## 8. PFMA and TR compliance checklist - Annexure F

THIRD QUARTER				
OCTOBER 2021				Comment/Status
22 October 2021	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Submit <b>monthly expenditure and income statements</b> with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure that expenditure and income are in line with the approved budget	Finance	Q2 done and submitted to DTI and NT.  Done Quarterly
29 October 2021	<ul style="list-style-type: none"> <li>TR 26.1.1, 26.1.2, 29.1.3, 29.3.1, 30.2.1 &amp; 30.4.2</li> <li>Shareholder's requirement</li> </ul>	Submission of the <b>2021/22 second quarter report</b> signed by the Accounting Authority. The report should be aligned to the Annual Performance Plan (APP). The quarter report should include progress report on matters raised by the AGSA and entity's Internal Audit as an annexure to the report.	Strategy & Planning	<b>Done</b>
29 October 202	<ul style="list-style-type: none"> <li>TR 29.1.3</li> </ul>	Schedule 3B entities to submit quarterly reports on <b>borrowing programme</b> to National Treasury on actual borrowing for quarter and update on borrowing plan	Finance	Not Applicable

THIRD QUARTER				
<b>29 October 2021</b>	<ul style="list-style-type: none"> <li>Framework for Strategic Plans and Annual Performance Plans</li> <li>Shareholder's requirement</li> </ul>	3A public entities submit second draft of the <b>Annual Performance Plans</b> to the Minister via the PEO	Strategy & Planning	Done
<b>29 October 2021</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	3B public entities submit first draft of the <b>Corporate Plans</b> to the Minister via the PEO		N/A
<b>29 October 2021</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Accounting Authorities reporting directly to the Executive Authority submit bi-annual performance review	OCOM	
NOVEMBER 2021				
<b>26 November 2021</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Submit <b>monthly expenditure and income statements</b> with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure that expenditure and income are in line with the approved budget	Finance	Done Quarterly
<b>To be confirmed</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Accounting Authorities reporting directly to the Executive Authority meet with Executive Authority to discuss bi-annual performance	OCOM	
<b>To be confirmed</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Accounting Authorities submit final draft	OCOM	

THIRD QUARTER				
		shareholder's compact to the Executive Authority		
DECEMBER 2021				
<b>17 December 2021</b>	<ul style="list-style-type: none"> <li>Shareholder's requirement</li> </ul>	Submit <b>monthly expenditure and income statements</b> with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure that expenditure and income are in line with the approved budget	Finance	Done Quarterly will be submitted in Jan 2022 after the finalization of month end.