



Companies and Intellectual
Property Commission

a member of **the dti** group

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

2020/21 – 2022/23 ANNUAL PERFORMANCE PLAN

Final Draft – 31 October 2019

1. Abbreviations and Acronyms

| | |
|-------|--|
| AFS | Annual Financial Statements |
| AR | Annual Returns |
| BEE | Black Economic Empowerment |
| BR | Business Rescue |
| CA | Chartered Accountants |
| CC | Close Corporation |
| CIPC | Companies and Intellectual Property Commission |
| CO | Company |
| DST | Department of Science and Technology |
| FSCA | Financial Sector Conduct Authority |
| GII | Global Innovation Index |
| ICT | Information, Communication and Technology |
| IFRS | International Financial Reporting Standards |
| IP | Intellectual Property |
| IPAP | Industrial Policy Action Plan |
| IT | Information Technology |
| JSE | Johannesburg Stock Exchange |
| MOI | Memorandum of Incorporation |
| MP | Member of Parliament |
| NSI | National System of Innovation |
| RIs | Reportable Irregularities |
| OECD | Organisation for Economic Co-operation and Development |
| OPC | Operational Performance Committee |
| PCT | People–Collaboration–Technology |
| PSCBC | Public Service Coordinating Bargaining Council |
| QRS | Query Resolution System |
| SCM | Supply Chain Management |
| SDIP | Service Delivery Improvement Plan |
| SMART | Specific, Measurable, Achievable, Realistic and Time Bound |
| SSE | Substantive Search and Examination |
| SST | Self-service terminals |

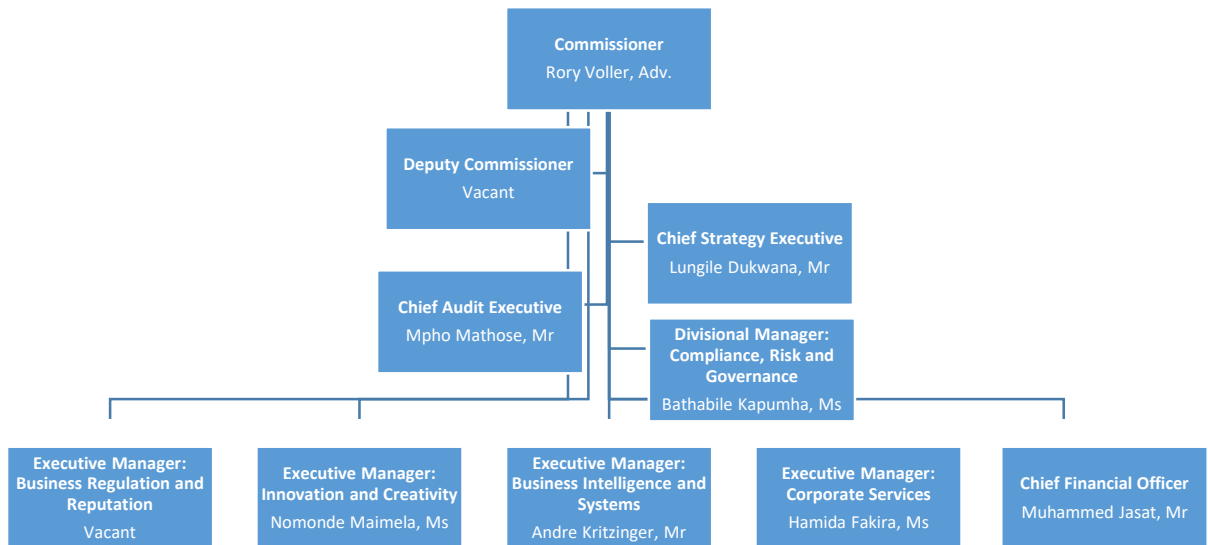
| | |
|----------------|--|
| the dti | The Department of Trade and Industry |
| TIA | Technology Innovation Agency |
| TM | Trade mark |
| TORs | Terms of Reference |
| WIPO | World Intellectual Property Organisation |
| XBRL | eXtensible Business Reporting Language |

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1. Organisational Structure



2. Official Sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Commissioner, Adv. Rory Voller
- Was prepared in line with the current Strategic Plan of the CIPC
- Accurately reflects the performance targets which the CIPC will endeavour to achieve given the resources made available in the budget for 2020/21 – 2022/23

Signature: _____

Muhammed Jasat, Mr
Chief Financial Officer
Date: 31 October 2019

Signature: _____

Lungile Dukwana, Mr
Chief Strategy Executive
Date: 31 October 2019

Recommended for approval by: ✓

Signature: _____

Rory Voller, Adv.
CIPC Commissioner
Date: 31 October 2019

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Companies and Intellectual Properties Commission

3. Foreword by the Minister (To be updated)

As the Companies and Intellectual Property Commission (CIPC) is in its second five-year strategic period, since its establishment in May 2011, it needs to optimize the implementation of the Companies Act and other relevant legislation to solidify itself as a reputable regulator. The CIPC should continue with innovations that reduces the regulatory burden especially for small businesses.

Industrial Policy Action Plan (IPAP) 2018/19 – 2020/21, the latest annual iteration of a continuous action plan to reindustrialise our economy, sets out the implementation tasks. The plan stresses the pressing need for structural change in the economy. The CIPC must explore how it would achieve programme alignment with other Government departments and agencies, and what are the key institutional arrangements that can achieve this. It should also look beyond government, at how it can strengthen the collaborative working with the private sector to transform the intellectual property (IP) regime to contribute to the IPAP. Government's commitment to providing a more development-friendly business and investment environment is another key theme of the IPAP 2018/19 – 2020/21 and is demonstrated by three major initiatives:

- the establishment of an Inter-Ministerial Committee to tighten up the intra-governmental coordination required to underpin the new One-Stop Investment Centres, one centre, InvestSA will be hosted by the CIPC, another was launched in Durban in 2017; and
- a rapidly expanding partnership between the CIPC and all the major banks to provide official company registration facilities both within their branches and online.
- Inventor Assistance Programme which was launched in October 2017, in partnership with WIPO to assist inventors to protect their IP with some assistance from IP lawyers and WIPO.

I am confident that the 2017/18 – 2021/22 CIPC Strategic Plan and the 2020/21 – 2022/23 Annual Performance Plan outline a plan that will direct the CIPC activities into creating a futuristic business and IP regulator environment that is conducive for entrepreneurship, enterprise development, and enterprise efficiency thus contributing to investment, competitiveness and employment creation; conducive for innovation, technology transfer, research and development, industrial development and more broadly - economic growth.

Mr. Ibrahim Patel

Minister of Trade and Industry

Date: 31 October 2019

4. Overview by the Accounting Authority

I present the 2020/21 – 2022/23 CIPC Annual Performance Plan (APP) that outlines how the CIPC as a regulator will continue to give effect to its mandate as derived from the shareholders compact with the dti and the Companies Act, 2008 (as amended), by which it was established.

The CIPC's focus over the next three years will be on giving effect to the fourth industrial revolution which not only has embedded in its nature the automation of repetitive tasks, but to enhance the work of the CIPC by giving more meaning to tasks. A greater regulatory role has been unfolding in recent years and it will continue to do so as processing work will consume less time and in-depth application of the corporate and IP legislation will form the basis of the work done by CIPC.

An opportunity exists for greater scrutiny of the compliance aspects of company registration and amendment services as well as additional services in the IP domains. Already the automated submission of financial statements through the Introduction of put CIPC in a position to exercise a greater role in surveillance of market conduct and the early detection of irregularities in terms of compliance with the Companies Act. This role will further expand as additional phases of this functionality will be introduced.

Similarly, the organisation will focus on enhanced virtual education and awareness interventions as its observations of the customer interaction channels indicate a limited understanding of the legislative requirements of running and maintaining a business.

In the IP space, the focus is on enhanced systems to simplify interaction with CIPC and to continue with the protection of IP rights. Substantive examination of patents remain a key priority and a group of people have been trained to perform this function once the legislative framework is in place.

Underpinning all these interventions is the objective of making it easier to do business in South Africa. Through collaboration with other organisations, continuing to invest in its technology and its people, CIPC will live its value of passion for service by working towards South Africa becoming one of the nations considered to be the most accessible in starting a business without compromising the regulatory aspects that accompany the rights to owning a business.

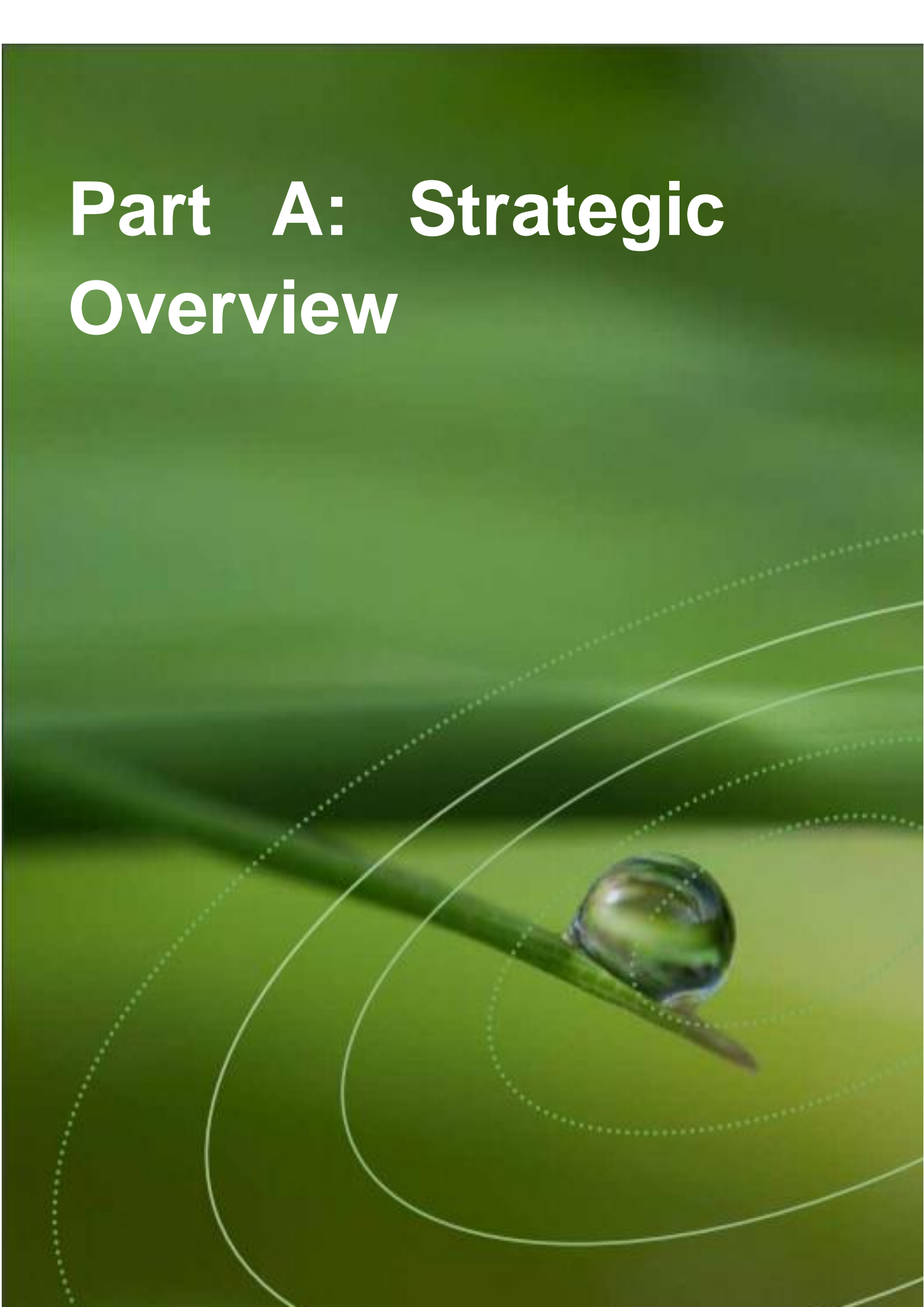
We are confident that we will implement this plan as a committed team of people are aligned behind the organisational strategy.



Adv. Rory Volter
CIPC Commissioner

Date: 31 October 2019

Part A: Strategic Overview



Part A: Strategic Overview

5. Vision

To be a reputable world class regulator of business entities and intellectual property.

6. Mission

In partnership with others, we make it easy and attractive to do business in South Africa.

7. Corporate Values

| Value | What it means |
|----------------------------|---|
| Passion for service | We work as one to seamlessly serve our Customers with passion, commitment and dedication. |
| Integrity | We live out fairness, impartiality and respect in all our actions as individuals and as an organisation. |
| Empowerment | We recognize the value of our employees and partners and provide them with the discretion and tools to effectively deliver on their responsibilities. |
| Accountability | We hold one another accountable for our commitments. We are responsible and responsive in the execution of our duties. |
| Collaboration | We believe in the power of teams, teamwork and collaborative effort to deliver exceptional service and to execute our duties effectively. |

8. Legislative and other mandates including constitutional mandates

The legislative mandate and objectives of the CIPC is provided in Section 186 and 187 of the Companies Act, 2008 (No. 71 of 2008).

The table below provides a summary of all key legislation that the CIPC is mandated to implement.

| Legislation | Mandate |
|--|---|
| Companies Act, No 71 of 2008 | Register companies, business rescue practitioners and corporate names, maintain data, regulate governance of and disclosure by companies, accredit dispute resolution agents; educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice. Enforce the Companies Act, 2008 to promote voluntary resolution of disputes arising this Act between companies and directors or shareholders as contemplated in Part C of Chapter 7, monitor proper compliance with the Act, receiving or initiating complaints concerning alleged contravention of this Act, evaluating such complaints, and initiating investigations into complaints. |
| Close Corporations Act, No 69 of 1984 | Maintain data, regulate governance of and disclosure by close corporations |
| Co-operatives Act, No 14 of 2005 | Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives |
| Share Block Control Act, No 59 of 1980 | Regulate conduct and disclosure by share block schemes |
| Consumer Protection Act, No 68 of 2008 | Register business names |
| Trade Marks Act, No 194 of 1993 | Register trade marks, maintain data, resolve disputes |
| Merchandise Marks Act, No 17 of 1941 (Unauthorised Use of State Emblems Act, No 37 of 1961) | Prevent and enforce the unauthorised use of state emblems |

| Legislation | Mandate |
|--|--|
| Patents Act, No 57 of 1978 | Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents |
| Designs Act, No 195 of 1993 | Register designs, maintain data, resolve disputes |
| Copyright Act, No 98 of 1978 | Provide non-binding advice to the public |
| Registration of Cinematography Films Act, No 62 of 1977 | Register films, maintain data |
| Performers Protection Act, No 11 of 1967 | Accredit Collecting Societies; regulate their governance, conduct and disclosure |
| Counterfeit Goods Act, No 37 of 1997 | Conduct and co-ordinate search and seizure operations, oversee depots |

9. Overview of Strategic Outcome Oriented Goals and Strategic Objectives

This section summarizes the content and link between strategic outcomes oriented goals, strategic objectives and strategic programmes which are detailed in the following sections.

The vision and mission enables the articulation of two CIPC strategic outcome oriented goals. The strategic outcome oriented goals are unpacked into five strategic objectives. To ensure that the strategy and initiatives are SMART, each strategic objective has a set of corresponding initiatives and KPI's with one KPI corresponding to one initiative.

The collective understanding of the strategic objectives is captured in the tables below.

| | |
|-----------------------------------|--|
| Strategic Objectives 1.1 | 24/7 access to all CIPC products and services. |
| Objectives statement | 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC. |
| What does this mean? | <ul style="list-style-type: none"> • The products and services to be available anytime, anywhere (globally). CIPC to strive to pre-empt customer expectations. CIPC to optimise its capacity and performance to meet customer expectations through multiple channels. |
| Risks / Challenges | <ul style="list-style-type: none"> • CIPC will address the following challenges and risks to ensure they meet this strategic objective: Legacy systems and processes, Cyber security, difficulty for customers in accessing products/services that are not automated, data integrity, managing customer expectations, and ICT alignment, infrastructure and resources. |
| Key Performance Indicators | <ul style="list-style-type: none"> • Percentage of website performance for 24/7 e-services (not just website performance) • Measurement of all channels items to be added • Number of provinces where SSTs are installed and operational • Number of district municipalities where SSTs are installed and operational • Percentage of CIPC services having an option to file electronically (compared to manual service filling) • Number of automated/optimised company business processes. |

| | |
|-----------------------------------|---|
| Strategic Objectives 1.2 | Timely delivery of all CIPC products and services. |
| Objectives statement | Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC. |
| What does this mean? | <ul style="list-style-type: none"> Services rendered as per stipulated standards ensuring high quality and rapid service provision is maintained. Internal resources, processes and systems will be geared to support this objective. |
| Risks/Challenges | <ul style="list-style-type: none"> CIPC will address these risks and challenges to meet this strategic objective: Stability of ICT systems (CIPC, Partners, third-party providers), understanding of customer expectations for quicker services, staff readiness and alignment – changing behaviours (staff culture), limited knowledge of technological developments, quality / error rate of services, and infrastructure and presence |
| Key Performance Indicators | <ul style="list-style-type: none"> Average number of days to register a company from the date of receipt to a complete application. Average of the number of days to register a co-operative from the date of receipt to a complete application. All services to measure turnaround times going forward |

| | |
|---------------------------------|---|
| Strategic Objectives 1.3 | Intelligent, innovative, high performance organisational environment. |
| Objectives statement | An intelligent, innovative, high performance organisational environment that provides online based and automated products and services; and supports a reputable Business Regulation and IP Protection system. |
| What does this mean? | <ul style="list-style-type: none"> Achieved via modernisation through data analytics, organisational redesign (including reallocation of resources), training and up skilling of staff to ensure continuous improvement, maintain a responsive environment (IT, people, finances), employees to act as product/service champions to act as mentors to others, and foster innovative culture within the organisation. |

| | |
|-----------------------------------|--|
| Strategic Objectives 1.3 | Intelligent, innovative, high performance organisational environment. |
| Risks and challenges | <ul style="list-style-type: none"> The following risks and challenges will be addressed to ensure that the strategic objective is achieved: change management, low morale of staff, employee engagement, alignment of skills, functions, policies and procedures, integrated planning, data and system integration. |
| Key Performance Indicators | <ul style="list-style-type: none"> Measure competency and skills level going forward A score between 1 and 10 on the customer and stakeholder value index, (higher score indicating satisfaction with the CIPC) Modernisation, productivity, employee satisfaction (once a mechanism is established), financial performance and 360° evaluation of divisional performance |

| | |
|-----------------------------------|--|
| Strategic Objectives 2.1 | Increased knowledge and awareness on Company and IP Laws |
| Objectives statement | Increased knowledge and awareness on Company and IP Laws. |
| What does this mean? | <ul style="list-style-type: none"> Through segmentation of target audiences, constant monitoring of the effectiveness of education and awareness channels, explore what new channels can be used for education and awareness, continual assessment of the impact of education and awareness initiatives and increase in compliance and continual updating the skills and competencies to ensure consistency and relevance of education and awareness. |
| Risks and challenges | <ul style="list-style-type: none"> CIPC will address the following risks and challenges to ensure that the strategic objective is met: Internal awareness on Company and IP Laws, multilingual education awareness material and presentations, use of current communication platforms, centralised education and awareness function, and a clear coherent education and awareness strategy. |
| Key Performance Indicators | <ul style="list-style-type: none"> Number of CIPC – conducted education and awareness events Number of CIPC – conducted education and awareness events on IP Impact assessment measure – Assessment form or level of compliance or call centre queries/ comments |

| | |
|-----------------------------------|---|
| Strategic Objectives 2.1 | Increased knowledge and awareness on Company and IP Laws |
| | <ul style="list-style-type: none"> • Impact measurement according to target segmentation |
| Strategic Objectives 2.2 | Improved compliance with the Company and IP Laws |
| Objectives statement | Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities. |
| What does this mean? | <ul style="list-style-type: none"> • Determine a baseline for promoting improved compliance, identify compliance aspects to be monitored, develop a Compliance Monitoring Strategy. |
| Risks and challenges | <ul style="list-style-type: none"> • CIPC will address the following risks and challenges to ensure that the strategic objective is met: Improve awareness of compliance requirements, address deliberate non-compliance, improve corporate governance in the markets, and engage in conversations about a possible trade-off between regulation and innovation. |
| Key Performance Indicators | <ul style="list-style-type: none"> • Percentage of public companies (entities with an active business status) that have filed annual returns on time by the end of the reporting period • Percentage of public companies (entities with an active business status) that have filed audited financial statements on time by the end of the reporting period • The number of CIPC-conducted education and awareness events on IP enforcement |

10. Strategic Outcome Oriented Goals

The CIPC will focus on two strategic outcome oriented goals over the next five years:

1. Reduced administrative compliance burden for companies and IP owners, and
2. Maintain a reputable Business Regulation and IP Protection environment in South Africa.

| Strategic Outcome Oriented Goal 1 | Reduced administrative compliance burden for companies and IP owners |
|---|---|
| Goal Statement | To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property in order to reduce the administrative compliance burden for companies and IP owners. |
| Description | The CIPC will develop and implement solutions that reduce time customers spend engaging in the CIPC-related activities. This will reduce, the administrative compliance burden so <u>“businesses and IP owners can focus on the business of doing business and creating IP”</u> . This will encourage entrepreneurship, enterprise development, and enterprise efficiency thereby contributing to investment, competitiveness and employment creation. |
| Alignment to the dti strategic goals | Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation. Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner |
| Strategic Objectives | 1.1 24/7 access to all CIPC products and services. 1.2 Timely delivery of all CIPC products and services. 1.3 Provide an intelligent, innovative, high performance organisational environment. |

| | |
|--|---|
| Strategic Outcome Oriented Goal 2 | A reputable Business Regulation and IP Protection environment in South Africa. |
| Goal Statement | CIPC will ensure implementation and compliance with Company and IP Laws in order to create a reputable Business Regulation and IP Protection environment in South Africa. |
| Description | Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, and improved competitiveness, resulting in industrial development and employment creation. |
| Alignment to the dti | Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. |
| Strategic Objectives | 2.1 Increased knowledge and awareness on Company and IP Laws. 2.2 Improved compliance with the Company and IP Laws. |

Strategic Outcome Oriented Goal 1: Reduced administrative compliance burden for companies and IP owners, will be realised through three strategic objectives

- 1.1 24/7 access to all CIPC products and services.
- 1.2 Timely delivery of all CIPC products and services.
- 1.3 An intelligent, innovative, high performance organisational environment.

| Strategic Objectives 1.1 24/7 access to all CIPC products and services. | |
|--|---|
| Objectives statement | 24/7 access to all CIPC products and services thereby providing ease, simplicity and flexibility in dealing with CIPC. |
| Baseline | <p>Channels and available products and services:</p> <p><u>Self-service centres 08:00 – 15:30</u></p> <p>Company Registration, Annual Returns, Tax Number application, BEE certificate, domain names</p> <p><u>Call Centre 08:00 – 16:00</u></p> <p>CIPC queries related to all products and services</p> <p><u>Partners 08:00 – 15:30</u></p> <p>Company Registration</p> <p><u>Third Parties 08:00 – 15:30</u></p> <p>Company Registration</p> <p><u>E-mail 24/7</u></p> <p>Queries, Lodgements</p> <p><u>USSD 24/7</u></p> <p>Queries related to company registrations and amendments</p> <p><u>Website 24/7</u></p> <p>Customer Registration, Name Search, Name Reservation, Company Registration</p> <p><u>CIPC Mobile App</u></p> <p>Customer Registration, Password Reset, Name Reservation, Company Registration, Annual Returns</p> <p><u>Bizportal</u></p> <p>Customer Registration, Name Reservation, Company Registration, Compensation Fund Registration, UIF, SARS Registration</p> |

| | |
|---|--|
| Strategic Objectives 1.1 | |
| 24/7 access to all CIPC products and services. | |
| Five-year Target | Development of key capabilities for 24/7 access to all key CIPC products and services. |
| Key Performance Indicators | <p>Percentage of website performance for e-services 24/7</p> <p>Number of provinces where SSTs are installed and are operational</p> <p>Percentage of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)</p> <p>Number of company business processes that are automated and/or optimised</p> |

| Strategic Objectives 1.2 | |
|---|--|
| Timely delivery of all CIPC products and services. | |
| Objectives statement | Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC. |
| Baseline | <u>Average turnaround times for key services</u> Companies Registration – 2 Co-operatives Registration – 3 Trade Marks applications – 2 Patents applications – 4 Designs applications – 3 Copyright in Film applications – 3 |
| Five-year Target | Key capabilities for one day service delivery for all key CIPC developed products and services. |
| Key Performance Indicators | Average number of days to register a company (from the date of receipt to a complete application). Average number of days to register a co-operative (from the date of receipt to a complete application). |

| Strategic Objectives 1.3 | |
|--|--|
| Intelligent, innovative, high performance organisational environment. | |
| Objectives statement | An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system. |
| Baseline | 6.95 customer and stakeholder value index |
| Five-year Target | Key internal capabilities developed. |
| Key Performance Indicators | A score between 1 and 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC |

Strategic Outcome Oriented Goal 2: A reputable Business Regulation and IP Protection environment in South Africa, is realised through two strategic objectives:

- 2.1 Increased knowledge and awareness on Company and IP Laws.
- 2.2 Improved compliance with the Company and IP Laws.

| Strategic Objectives 2.1 | |
|-----------------------------------|---|
| Objectives statement | Increased knowledge and awareness on Company and IP Laws. |
| Baseline | Education and awareness conducted countrywide to targeted audiences. Also in partnership with key partners such as the dti |
| Five-year Target | Key education and awareness capabilities developed. |
| Key performance indicators | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation Number of education and awareness events on IP conducted by the CIPC |

| Strategic Objectives 2.2 | |
|-----------------------------------|---|
| Objectives statement | Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities. |
| Baseline | Compliance monitoring and enforcement activities conducted throughout the country also in partnerships with professional associations and enforcement agencies. |
| Five-year target | All key internal capabilities developed. |
| Key performance indicators | Percentage of public companies (entities with an active business status) that have filed annual returns on time by the end of the reporting period Percentage of companies (entities with an active business status) that have filed audited financial statements on time by the end of the reporting period |

**Strategic
Objectives 2.2**

Improved compliance with the Company and IP Laws

Number of CIPC-conducted education and awareness events on IP enforcement

11. Alignment of the Strategic Objectives / Goals to the dti's Key Strategic Focus Areas

| Strategic Goal | Strategic Objectives | the dti's key strategic focus areas |
|--|---|---|
| 1. Reduced administrative compliance burden for companies and IP owners. | 1.1 24/7 access to all CIPC products and services. | Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. |
| | 1.2 Timely delivery of all CIPC products and services. | |
| | 1.3 Intelligent, innovative, high performance organisational environment. | |
| 2. A reputable Business Regulation and IP Protection environment in South Africa. | 2.1 Increased knowledge and awareness on Company and IP Laws. | Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation. |
| | 2.2 Improved compliance with the Company and IP Laws. | |

The CIPC derives its policy mandate from the policies of its responsible department, **the dti**. The key policies and strategies of **the dti** relevant for CIPC are:

- the **dti** Strategic Plan 2015 - 2020;
- Industrial Policy Action Plan 2017/18 – 2019/20;
- Strategy on the Promotion of Entrepreneurship and Small Enterprise;
- Corporate Law Reform Policy;
- Co-operatives Development Policy for South Africa; and
- Integrated Strategy for the Development and Promotion of Co-operatives.

As there are synergies between the legislative mandate of the CIPC and other policies and strategies of **the dti**, an opportunity presents itself for CIPC to define its role in enterprise

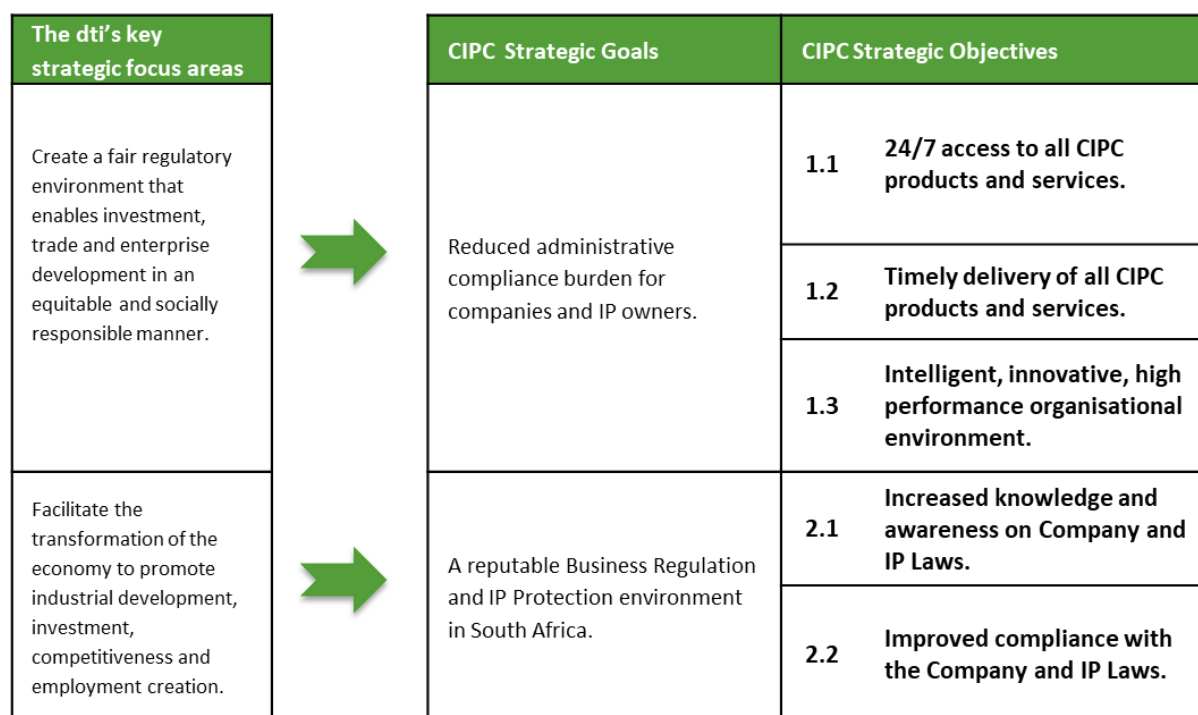
development and industrial policy. The CIPC identified key issues in the policies and strategies of **the dti** that are relevant to its mandate:

- The need for employment creation and economic growth in a manner that is sustainable and encourages broad-based economic participation;
- The emphasis on co-operatives as a vehicle for employment creation in marginalised areas and communities;
- The need for commercialising South African research and development, with a particular emphasis on certain sectors identified in the IPAP;
- The importance of public and preferential procurement for enterprise and industry development;
- The need to develop SA's competitiveness by improving the ease of doing business, stimulation of entrepreneurship, sustainable corporate entities, transparency, integrity and high standards of corporate governance; and
- The potential of indigenous knowledge and intellectual property and the need for their protection and commercialisation.

The key policy areas identified for the CIPC for the 2020/2021 Financial Year onwards by the Minister of Trade and Industry were identified as follows:

- (i) Education and awareness focusing on educating the public on the services rendered by the CIPC especially on Companies and Intellectual property (IP) and Indigenous knowledge (IK).
- (ii) Implementation and monitoring the effectiveness of Business Rescue.
- (iii) Facilitating ease in respect of annual returns and reducing the burden to small businesses.
- (iv) Monitoring compliance with the provisions relating to Social and Ethics Committees.
- (v) Capacity building for the implementation of a substantive search and examination system for patents.
- (vi) Promoting accessibility and simplicity in the process for registration of IP, especially for small businesses and artists.
- (vii) Combating piracy, trade marks and copyright infringements.

In line with the DTI's key strategic focus areas, the CIPC previously identified two organisational wide strategic goals to be focused on for the next 5 years. From this, CIPC identified strategic objectives associated with each goal.



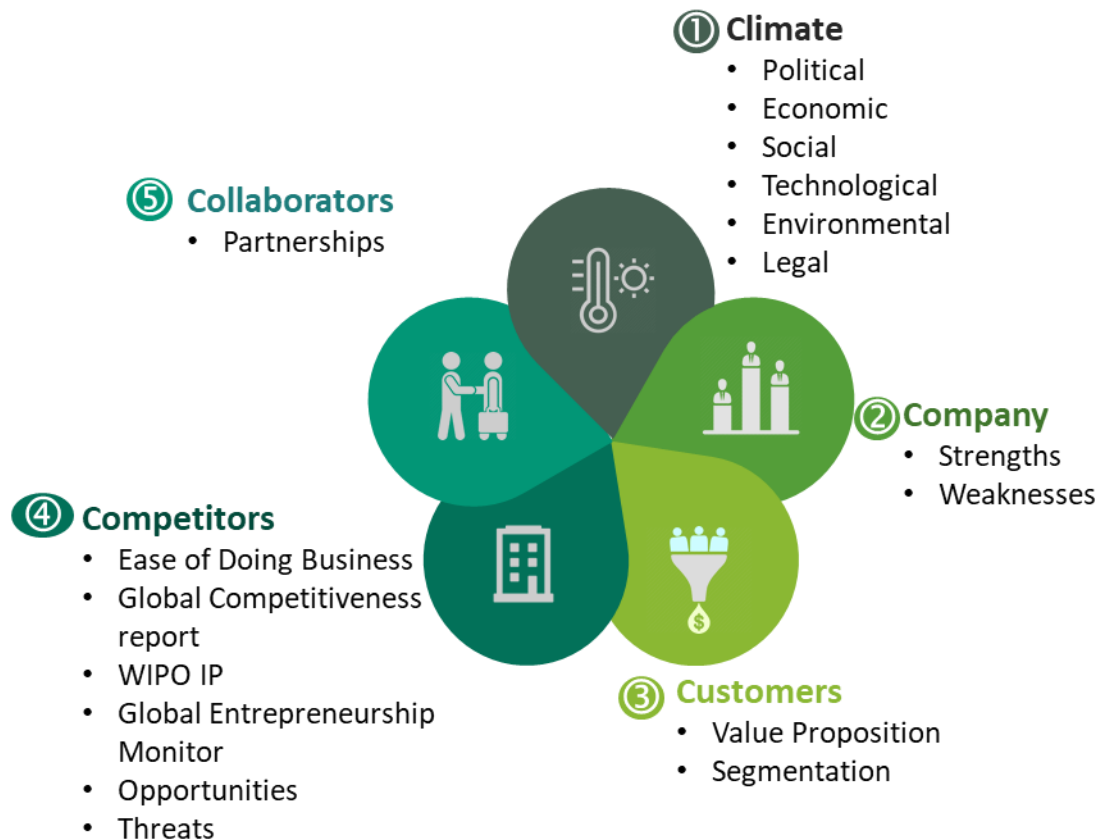
12. Recent Court Rulings

Not applicable

13. Situational Analysis

In order to conduct a comprehensive situational analysis for the CIPC, a robust framework is used to dissect the present status quo. The five C's framework is used to develop an understanding of internal and external environments. The five C's consists of elements including Climate, Company, Customers, Competitors and Collaborators.

Figure 1: Five C's Framework



a. Climate

Climate analysis involves the evaluation of the macro-environmental factors affecting the business. The PESTEL is adopted to analyse the macro-environment in which CIPC operates. The macro-environmental factors examined are segmented according to Political, Economic, Social/Cultural, Technological, Environmental, and Legal factors.

i. Political

Political factors describe the degree to which government may influence the economy or a particular industry. This includes, but is not limited to government policy, political stability, foreign trade policy, tax policy, labor law, and environmental law and trade restrictions. The CIPC is heavily influenced by government policy. The rules and regulations imposed by National Government, are essential to the effective governance of the country. These rules

and regulations need to be managed and navigated effectively to ensure effective delivery on the CIPC mandate and continued performance.

ii. Direct policy environment

Apart from the 14 pieces of legislation that the CIPC is responsible for administering, the CIPC also derives its policy mandate from the policies of its responsible department, **the dti**. The key policies and strategies of **the dti** relevant to the CIPC are as follows:

Table 1: Key policies and strategies of the dti

| the dti policies relevant to CIPC | Summary of Policy |
|---|---|
| the dti Medium Term Strategic Plan 2011 - 2014 | To promote structural transformation, towards a dynamic industrial and globally competitive economy and to broaden participation in the economy to strengthen economic development. |
| Industrial Policy Action Plan 2017/18 – 2019/20 | To facilitate diversification by promoting increase value-addition per capita and intensification of South Africa's industrialization process. |
| Strategy on the Promotion of Entrepreneurship and Small Enterprise | To increase supply for financial and non-financial support services and creating demand for small enterprise products and services through the reduction of small enterprise regulatory constraints. |
| Corporate Law Reform Policy | To promote growth, employment, innovation, stability, good governance, confidence in the South African business environment, as well as increase international competitiveness |
| Co-operatives Development Policy for South Africa | Create an enabling environment for co-operative enterprises which reduces the disparities between urban and rural businesses, and is conducive to entrepreneurship and to promote the development of economically sustainable co-operatives |
| Integrated Strategy for the Development and Promotion of Co-operatives | To grow all forms and types of co-operatives and the co-operatives movement, as well as increase its contribution to the country's GDP growth rate, economic transformation and social impact. |

iii. International Treaties and Agreements

South Africa is a member of various international treaties and agreements in a number of important areas of the economy; such as trade, development, environment and many more. The CIPC is responsible for ensuring compliance with South Africa's obligations in terms of these Treaties or Agreements for several of these, which are summarized in the table below:

Table 2: International Treaties and Agreements

| Treaties and Agreements | Summary of Policy |
|--|--|
| Paris Convention for the Protection of Industrial Property | The Paris Convention, adopted in 1883, applies to industrial property in the widest sense, including: patents, trade marks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition. This international agreement was the first major step taken to help creators ensure that their intellectual works were protected in other countries. South Africa's accession to the Paris Convention was in October 1947. |
| Patent Co-operation Treaty | The Patent Co-operation treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva. South Africa's accession to the treaty was in December 1998. |
| Berne Convention for the Protection of Literary and Artistic Works | Adopted in 1886, deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters etc. with the means to control how their works are used, by whom, and on what terms. It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. South Africa's accession to the treaty was in October 1928. |
| Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure | Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process: microorganisms. All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. In practice, this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists. |

| Treaties and Agreements | Summary of Policy |
|-------------------------|---|
| TRIPs Agreement | The TRIPs Agreement is an international legal agreement between all the member nations of the World Trade Organization (WTO). It sets down minimum standards for the regulation by national governments of many forms of intellectual property (IP) as applied to nationals of other WTO member nations. It stems from the desire to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. South Africa deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 23 February 2016. |

The South African government has dealt with increasing social unrest, which has implications for the South African economy which is unpacked in the upcoming section.

iv. Economic

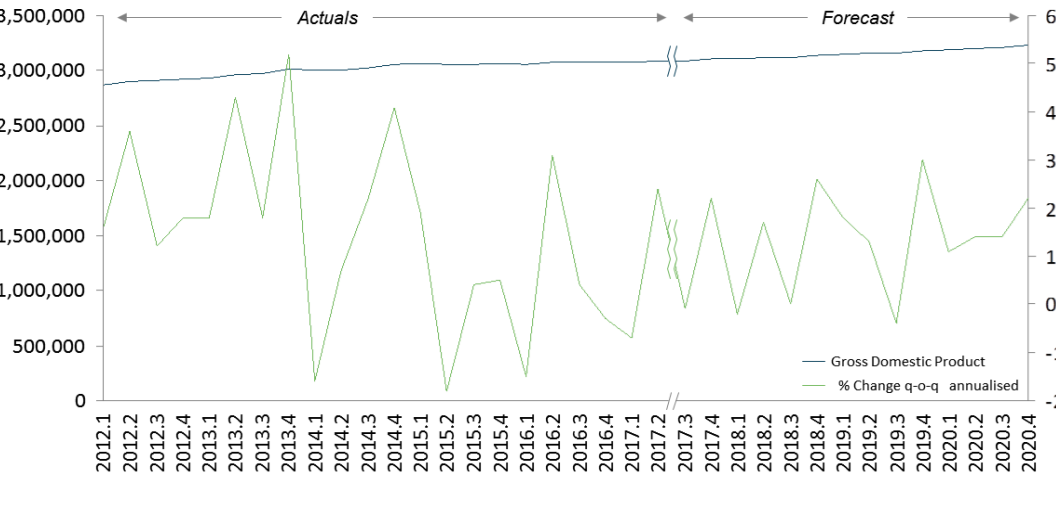
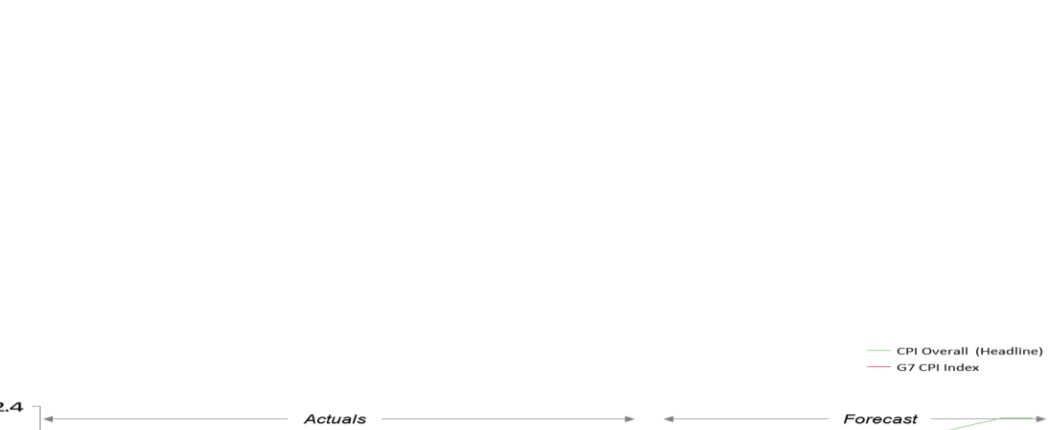
Economic factors refer to determinants of a country's economic performance which impacts the CIPC. These factors include, but are not limited to economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses.

In the current globalised and hypercompetitive economy, a country's reputation, wealth, competitiveness and growth potential is significantly influenced by its business activity, the economic inclusion of its citizens as well as its level of innovation, as measured by the Intellectual Property that is developed and registered by its citizens. The South African economy continues to struggle on the back of a global economic downturn, falling commodity prices, and a host of local issues, such as the 2008 labour disputes, power supply problems, and high levels of household debt, inflation, low business and consumer confidence, unemployment and political instability. The current economic landscape elevates the importance of the role that the CIPC is mandated to play in the countries' economy.

The government over the past five years has faced growing social unrest from communities as a function of low service delivery from government and general dissatisfaction. The political instability and its implications will continue to have a major impact on society and the economy, particularly affecting the levels of poverty and unemployment.

The unemployment rate in the country reached a record level in 2016, rising above 27%. The rate has been hovering between 24% and 26% since 2003. The high unemployment rate is due to a number of factors, including low levels of education in South Africa and retrenchments in the mining, manufacturing and services sectors.

Table 3: Summary of key economic indicators and trends

| Economic Indicators | Trend | Key Insights |
|------------------------------------|---|--|
| <p>GDP and GDP growth</p> |  | <ul style="list-style-type: none"> • Link between company registration and socio-economic and economic growth • Dynamic relationship exists between economic growth and IP generation. (IP rights can contribute significantly to economic development) • The CIPC can influence economic development through increasing IP protection and promoting company registration |
| <p>Consumer Price Index</p> |  | <ul style="list-style-type: none"> • South Africa's CPI has experienced a high and volatile trends which has had a negative impact on the economy and growth • Exchange rate depreciation, leading to an export slump have been unexpected consequences of a high CPI |

Companies and Ini

| Economic Indicators | Trend | Key Insights | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------|--|--|----------------|---------------|----------------|--------|-----|------|------|--------|-----|------|------|--------|-----|------|------|--------|-----|------|------|--------|-----|------|------|--------|-----|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--|
| | | <ul style="list-style-type: none"> • Inflationary pressure has not had an adverse impact on company and IP registration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rand Exchange Rate | <p>The chart displays the Rand Exchange Rate from 2012.1 to 2020.4. The Y-axis represents the exchange rate, ranging from 6 to 24. The X-axis shows time in quarters. Three lines are plotted: Rand per \$US (blue), Rand per Euro (green), and Rand per Pound (red). The 'Actuals' period is from 2012.1 to 2017.2, and the 'Forecast' period is from 2017.3 to 2020.4. All three rates show a general upward trend, with a notable peak in early 2016 followed by a sharp decline and subsequent recovery. The Rand per Pound consistently shows the highest values, while Rand per \$US shows the lowest.</p> <table border="1"> <caption>Estimated Rand Exchange Rate Data</caption> <thead> <tr> <th>Year</th> <th>Rand per \$US</th> <th>Rand per Euro</th> <th>Rand per Pound</th> </tr> </thead> <tbody> <tr><td>2012.1</td><td>8.0</td><td>10.5</td><td>12.5</td></tr> <tr><td>2012.2</td><td>8.2</td><td>10.5</td><td>13.0</td></tr> <tr><td>2012.3</td><td>8.5</td><td>11.0</td><td>13.5</td></tr> <tr><td>2012.4</td><td>8.8</td><td>11.5</td><td>14.0</td></tr> <tr><td>2013.1</td><td>9.0</td><td>12.0</td><td>14.5</td></tr> <tr><td>2013.2</td><td>9.5</td><td>12.5</td><td>15.0</td></tr> <tr><td>2013.3</td><td>10.0</td><td>13.0</td><td>15.5</td></tr> <tr><td>2013.4</td><td>10.2</td><td>13.5</td><td>16.0</td></tr> <tr><td>2014.1</td><td>10.5</td><td>14.0</td><td>16.5</td></tr> <tr><td>2014.2</td><td>10.8</td><td>14.5</td><td>17.0</td></tr> <tr><td>2014.3</td><td>11.0</td><td>14.5</td><td>17.5</td></tr> <tr><td>2014.4</td><td>11.2</td><td>14.0</td><td>17.5</td></tr> <tr><td>2015.1</td><td>11.5</td><td>13.5</td><td>17.5</td></tr> <tr><td>2015.2</td><td>12.0</td><td>13.5</td><td>18.5</td></tr> <tr><td>2015.3</td><td>12.5</td><td>14.0</td><td>19.5</td></tr> <tr><td>2015.4</td><td>13.0</td><td>15.0</td><td>20.5</td></tr> <tr><td>2016.1</td><td>15.5</td><td>17.0</td><td>22.5</td></tr> <tr><td>2016.2</td><td>15.0</td><td>16.5</td><td>21.5</td></tr> <tr><td>2016.3</td><td>14.5</td><td>16.0</td><td>19.5</td></tr> <tr><td>2016.4</td><td>14.0</td><td>15.5</td><td>18.0</td></tr> <tr><td>2017.1</td><td>13.5</td><td>14.5</td><td>17.0</td></tr> <tr><td>2017.2</td><td>13.5</td><td>14.5</td><td>17.0</td></tr> <tr><td>2017.3</td><td>13.8</td><td>15.0</td><td>17.5</td></tr> <tr><td>2017.4</td><td>14.0</td><td>15.2</td><td>17.8</td></tr> <tr><td>2018.1</td><td>14.2</td><td>15.5</td><td>18.0</td></tr> <tr><td>2018.2</td><td>14.5</td><td>15.8</td><td>18.2</td></tr> <tr><td>2018.3</td><td>14.8</td><td>16.0</td><td>18.5</td></tr> <tr><td>2018.4</td><td>15.0</td><td>16.2</td><td>18.8</td></tr> <tr><td>2019.1</td><td>15.2</td><td>16.5</td><td>19.0</td></tr> <tr><td>2019.2</td><td>15.5</td><td>16.8</td><td>19.2</td></tr> <tr><td>2019.3</td><td>15.8</td><td>17.0</td><td>19.5</td></tr> <tr><td>2019.4</td><td>16.0</td><td>17.5</td><td>19.8</td></tr> <tr><td>2020.1</td><td>16.2</td><td>17.8</td><td>20.0</td></tr> <tr><td>2020.2</td><td>16.5</td><td>18.0</td><td>20.2</td></tr> <tr><td>2020.3</td><td>16.8</td><td>18.2</td><td>20.5</td></tr> <tr><td>2020.4</td><td>17.0</td><td>18.5</td><td>20.8</td></tr> </tbody> </table> | Year | Rand per \$US | Rand per Euro | Rand per Pound | 2012.1 | 8.0 | 10.5 | 12.5 | 2012.2 | 8.2 | 10.5 | 13.0 | 2012.3 | 8.5 | 11.0 | 13.5 | 2012.4 | 8.8 | 11.5 | 14.0 | 2013.1 | 9.0 | 12.0 | 14.5 | 2013.2 | 9.5 | 12.5 | 15.0 | 2013.3 | 10.0 | 13.0 | 15.5 | 2013.4 | 10.2 | 13.5 | 16.0 | 2014.1 | 10.5 | 14.0 | 16.5 | 2014.2 | 10.8 | 14.5 | 17.0 | 2014.3 | 11.0 | 14.5 | 17.5 | 2014.4 | 11.2 | 14.0 | 17.5 | 2015.1 | 11.5 | 13.5 | 17.5 | 2015.2 | 12.0 | 13.5 | 18.5 | 2015.3 | 12.5 | 14.0 | 19.5 | 2015.4 | 13.0 | 15.0 | 20.5 | 2016.1 | 15.5 | 17.0 | 22.5 | 2016.2 | 15.0 | 16.5 | 21.5 | 2016.3 | 14.5 | 16.0 | 19.5 | 2016.4 | 14.0 | 15.5 | 18.0 | 2017.1 | 13.5 | 14.5 | 17.0 | 2017.2 | 13.5 | 14.5 | 17.0 | 2017.3 | 13.8 | 15.0 | 17.5 | 2017.4 | 14.0 | 15.2 | 17.8 | 2018.1 | 14.2 | 15.5 | 18.0 | 2018.2 | 14.5 | 15.8 | 18.2 | 2018.3 | 14.8 | 16.0 | 18.5 | 2018.4 | 15.0 | 16.2 | 18.8 | 2019.1 | 15.2 | 16.5 | 19.0 | 2019.2 | 15.5 | 16.8 | 19.2 | 2019.3 | 15.8 | 17.0 | 19.5 | 2019.4 | 16.0 | 17.5 | 19.8 | 2020.1 | 16.2 | 17.8 | 20.0 | 2020.2 | 16.5 | 18.0 | 20.2 | 2020.3 | 16.8 | 18.2 | 20.5 | 2020.4 | 17.0 | 18.5 | 20.8 | <ul style="list-style-type: none"> • Consistent depreciation of the Rand against the three major currencies • Weaker Rand can push up inflation as imported goods have become more expensive • The weaker rand will place strain on the SA economy and affect majority of currently operating and potential businesses negatively. • The resultant, tough business environment may lead to an increase in company de-registrations and a decrease in new company registrations |
| Year | Rand per \$US | Rand per Euro | Rand per Pound | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012.1 | 8.0 | 10.5 | 12.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012.2 | 8.2 | 10.5 | 13.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012.3 | 8.5 | 11.0 | 13.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012.4 | 8.8 | 11.5 | 14.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013.1 | 9.0 | 12.0 | 14.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013.2 | 9.5 | 12.5 | 15.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013.3 | 10.0 | 13.0 | 15.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013.4 | 10.2 | 13.5 | 16.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2014.1 | 10.5 | 14.0 | 16.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2014.2 | 10.8 | 14.5 | 17.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2014.3 | 11.0 | 14.5 | 17.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2014.4 | 11.2 | 14.0 | 17.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015.1 | 11.5 | 13.5 | 17.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015.2 | 12.0 | 13.5 | 18.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015.3 | 12.5 | 14.0 | 19.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2015.4 | 13.0 | 15.0 | 20.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016.1 | 15.5 | 17.0 | 22.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016.2 | 15.0 | 16.5 | 21.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016.3 | 14.5 | 16.0 | 19.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2016.4 | 14.0 | 15.5 | 18.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017.1 | 13.5 | 14.5 | 17.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017.2 | 13.5 | 14.5 | 17.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017.3 | 13.8 | 15.0 | 17.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017.4 | 14.0 | 15.2 | 17.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018.1 | 14.2 | 15.5 | 18.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018.2 | 14.5 | 15.8 | 18.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2018.3 | 14.8 | 16.0 | 18.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 2019.1 | 15.2 | 16.5 | 19.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019.2 | 15.5 | 16.8 | 19.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019.3 | 15.8 | 17.0 | 19.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2019.4 | 16.0 | 17.5 | 19.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020.1 | 16.2 | 17.8 | 20.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020.2 | 16.5 | 18.0 | 20.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020.3 | 16.8 | 18.2 | 20.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020.4 | 17.0 | 18.5 | 20.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Economic Indicators | Trend | Key Insights |
|---|--|--|
| Unemployment and Unemployment Rate | <p>The chart displays two data series over time from 2012.1 to 2020.4. The left Y-axis represents Employment in thousands, ranging from 12,000 to 17,000. The right Y-axis represents the Unemployment rate as a percentage, ranging from 23 to 32. The blue line shows Employment ('000) and the green line shows the Unemployment rate. The 'Actuals' period covers 2012.1 to 2017.2, and the 'Forecast' period covers 2017.3 to 2020.4. Both metrics show an overall upward trend, with a notable increase in the unemployment rate starting around 2017.3.</p> | <ul style="list-style-type: none"> • South Africa's unemployment rate has reached an all-time high, and is expected to worsen • Correlation between increased unemployment and increased entrepreneurship • CIPC can support new entrepreneurs by means of education and awareness and business registration promotion in order to improve the current unemployment rates • CIPC can assist in education by partnering with relevant organisations |
| Prime Interest Rate | <p>This chart is identical to the one above, showing Employment ('000) and Unemployment rate from 2012.1 to 2020.4. It is split into 'Actuals' (2012.1-2017.2) and 'Forecast' (2017.3-2020.4). Both metrics show an overall upward trend, with a notable increase in the unemployment rate starting around 2017.3.</p> | <ul style="list-style-type: none"> • Interest rates progressively increasing, making capital cost relatively more expensive • Higher interest rates suggest that companies and individuals have less money to invest in IP and register companies |

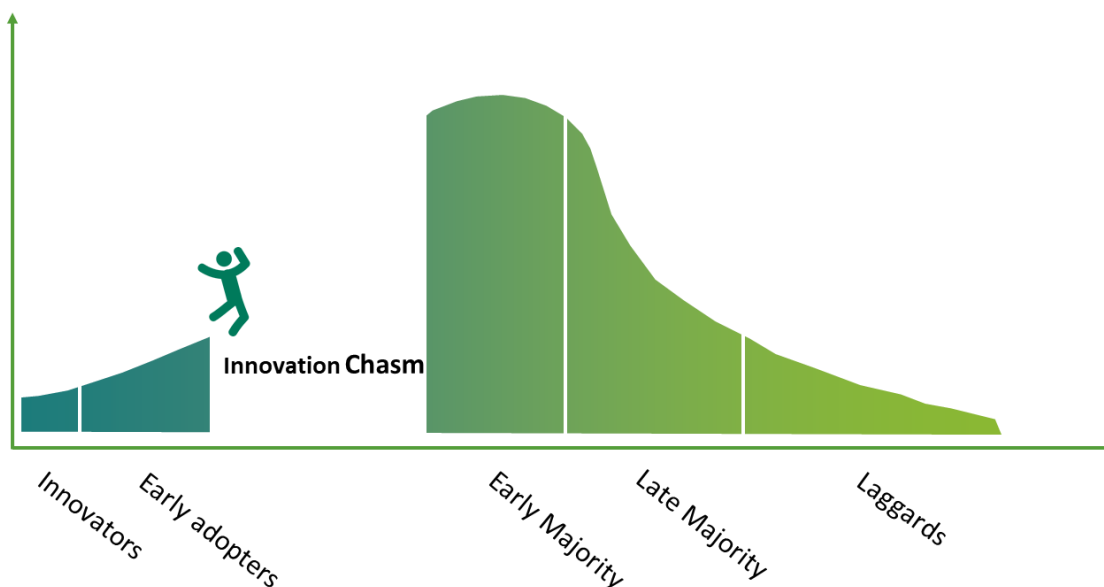
v. Social

Social factors, also known as socio-cultural factors, are the areas that involve the shared belief and attitudes of the population. Social factors are used to gauge determinants like cultural trends, demographics and population analytics.

vi. Innovation Culture

South Africa has a strong culture of innovation, supported by a well-established research base. In the 2018 Global Innovation Index (GII) published by the World Intellectual Property Organization (WIPO) and partners, South Africa has been ranked the 58th most innovative economy in the world and r as the top performer in Sub-Saharan Africa. The South African Universities and research institutions have done exceptionally well in producing world-class research and publications in peer-reviewed journals. However, there is still a gap in the National System of Innovation (NSI), as most of the promising research outputs have not translated to commercially-viable products and services and the creation of new industries. This calls for a coherent strategy and appropriate investment to close the innovation chasm.

Figure 2: The Innovation Chasm



The protection of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology. However, patents granted to an undeserving invention, weakens the innovation system. It is therefore important that the exclusivity in patents, be granted to only inventions that meet the patentability criteria laid down in the Patent Act. Hence the need to introduce the substantive examination procedure to act as the primary gate keeper to the granting of valid and thus high-quality patents.

vii. Entrepreneurial Culture

The Global Entrepreneurship Monitor (GEM) was explored to provide an indication of the state of entrepreneurship within South Africa.

Evidence from the GEM report indicates that South Africa is a relatively poor entrepreneurial nation. In terms of the sub-indicators making up **Self-perception about Entrepreneurship** and **Entrepreneurial Activity**, South Africa is positioned within the bottom 30% of benchmarked countries. South Africans do not feel that there are adequate opportunities in entrepreneurship, do not have self-belief in their ability to be entrepreneurs and have a high fear of failure, all of which contribute to a low proportion of the surveyed population having intentions to become entrepreneurs.

The GEM is revisited in the “Competitor” section as it allows South African entrepreneurship to be benchmarked to other global players to create insights into some of the strength and weaknesses of the local entrepreneurial environment.

viii. The Human Development Index and Entrepreneurial Culture

The Human Development Index (HDI) is a summary measure for assessing progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. A long and healthy life is measured by life expectancy at birth. Knowledge level is measured by mean years of education among the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older and access to learning and knowledge. The standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) conversion rates.

South Africa’s HDI value for 2015/16 was 0.666— which put the country in the medium human development category—positioning it at 119 out of 188 countries and territories. There has been a year-on-year improvement in its rank from 123/187 in 2011/12.

The table below reviews South Africa’s progress in each of the HDI indicators. Between 2011 and 2015, South Africa’s life expectancy at birth decreased by 4.4 years, mean years of schooling increased by 3.8 years and expected years of schooling increased by 1.6 years. South Africa’s GNI per capita increased by 21% between 1990 and 2015.

Table 4: South African HDI position

| | Life expectancy at birth | Expected years of schooling | Mean years of schooling | GNI per capita (2011 PPP\$) | HDI value |
|------|--------------------------|-----------------------------|-------------------------|-----------------------------|-----------|
| 2011 | 55.5 | 12.8 | 9.7 | 11,978 | 0.644 |
| 2012 | 56.3 | 12.8 | 9.9 | 12,037 | 0.652 |
| 2013 | 56.9 | 13 | 10.1 | 12,126 | 0.66 |
| 2014 | 57.4 | 13 | 10.3 | 12,113 | 0.665 |
| 2015 | 57.7 | 13 | 10.3 | 12,087 | 0.666 |

One of the reasons that the HDI is important is that there is a significant link between the level of human development of a nation (high Human Development Index) and entrepreneurial activity. The steady rise in South Africa's HDI will have had an impact on the CIPC as more individuals would participate in entrepreneurial ventures in the formal business environment by interacting with the CIPC, as well as IP registration. The CIPC will be required to position itself accordingly.

ix. Technological

Technological factors pertain to innovations in technology that may affect their operations of the industry or the market. This includes but is not limited to elements such as automation, research and development as well as an organization's technological expertise and capabilities.

In the past few years South Africa has experienced rapid growth in the use and access of technological devices, more specifically the use of mobile phones and portable devices. South Africa is among the technological leaders in Africa and boasts the highest amount of smartphone users in the sub-Saharan region.

In addition to this, there has been great headway made in achieving increased internet access in South Africa. The initiatives include undersea cables which provide users with fast and efficient internet access, as well as the government investing in free public Wi-Fi services.

These technological advancements have the CIPC perfectly poised as they have endeavoured to provide all services and products online and have seen a significant migration from manual registration to electronic registration of both company registration and IP registration. Since inception five years ago, the CIPC has managed to upgrade its systems. Out of the 184 CIPC core processes, 38 processes (21%) are offered through hybrid (combination of manual and automation) or fully automated services. This displays the CIPC's efforts to be aligned with technological advancements globally. The organisation is moving with the modern times, whilst still providing the customer with strong service delivery. As technological modernisation continues to penetrate the South Africa market, it will become increasingly important that the CIPC continue to drive progress in modernising and upgrading their systems in order to be prepared for the changing technological landscape and consequent customer requirements.

x. Environmental

Environmental factors are defined as factors which influence and determine the surrounding environment. The rise in importance of CSR (Corporate Sustainability Responsibility) contributes to the importance of this element. Factors include climate, recycling procedures, carbon footprint, waste disposal and sustainability.

The CIPC has successfully executed their ICT led strategy through automation and modernisation. Automation has led to the CIPC's registration systems being faster, more cost effective, enhanced data integrity, information security, registration system transparency and verification of business compliance. The increased use of the CIPC online platform has led to a reduction in the use of paper which contributes to a more sustainable, green environment.

xi. Legal

Legal factors pertain to laws and regulations with which the CIPC must comply.

The CIPC is responsible for administering all or parts of 14 pieces of legislation relating to corporate and intellectual property regulation. Its key mandate encompasses companies, close corporations, co-operatives, trade marks, patents, designs, aspects of copyright legislation and enforcement of rules and regulations in most of these areas of law. The CIPC's primary institutional mandate is derived from the Companies Act, 2008, which establishes CIPC as a juristic person.

The table below summarises the pieces of legislation that the CIPC are responsible for partially or wholly administering.

Table 5: Legislative mandate of CIPC

| RSA legislation | Mandate details |
|---|---|
| 1. Companies Act, No 71 of 2008 | Register companies, business rescue practitioners and corporate names, maintain data, regulate governance of and disclosure by companies, accredit dispute resolution agents; educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice. |
| 2. Close Corporations Act, No 69 of 1984 | Maintain data, regulate governance of and disclosure by close corporations |
| 3. Co-operatives Act, No 14 of 2005 | Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives |
| 4. Share Block Control Act, No 59 of 1980 | Regulate conduct and disclosure by share block schemes |
| 5. Consumer Protection Act, No 68 of 2008 | Register business names |
| 6. Trade Marks Act, No 194 of 1993 | Register trade marks, maintain data, resolve disputes |
| 7. Merchandise Marks Act, No 17 of 1941 (Unauthorized Use of State Emblems Act, No 37 of 1961) | Prevent and enforce the unauthorized use of state emblems |
| 8. Patents Act, No 57 of 1978 | Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents |
| 9. Designs Act, No 195 of 1993 | Register designs, maintain data, resolve disputes |
| 10. Copyright Act, No 98 of 1978 | Provide non-binding advice to the public |
| 11. Registration of Cinematography Films Act, No 62 of 1977 | Register films, maintain data |
| 12. Performers Protection Act, No 11 of 1967 | Accredit Collecting Societies; regulate their governance, conduct and disclosure |

| RSA legislation | Mandate details |
|--|---|
| 14. Counterfeit Goods Act, No 37 of 1997 | Conduct and co-ordinate search and seizure operations, oversee depots |

b. Company

The Company analysis studies an organization's strengths and weaknesses. It is useful in understanding the existing and potential problems with the company's business.

i. Strengths

1. Structure of the business registries

The CIPC offer its services through partnerships and collaborative initiatives, using multiple channels including a Third-Party Model, Self-Service Terminals, Self-Service Centres and Banks. This provides for ease in transacting and accessing the CIPC services throughout the country.

2. Automation and Digitization

The CIPC has made drastic improvements in the level of automation and modernization of the organization. Automation has led to the CIPCs registration systems being faster, more cost effective, enhanced data integrity, information security, registration system transparency and verification of business compliance.

3. Integrated Registration System

ICT makes registration systems faster, more cost effective, enhances data integrity, information security, registration system transparency and verification of business compliance. The use of technologies also assists countries which face limited human resources to meet customer demand, as well as reducing administrative costs.

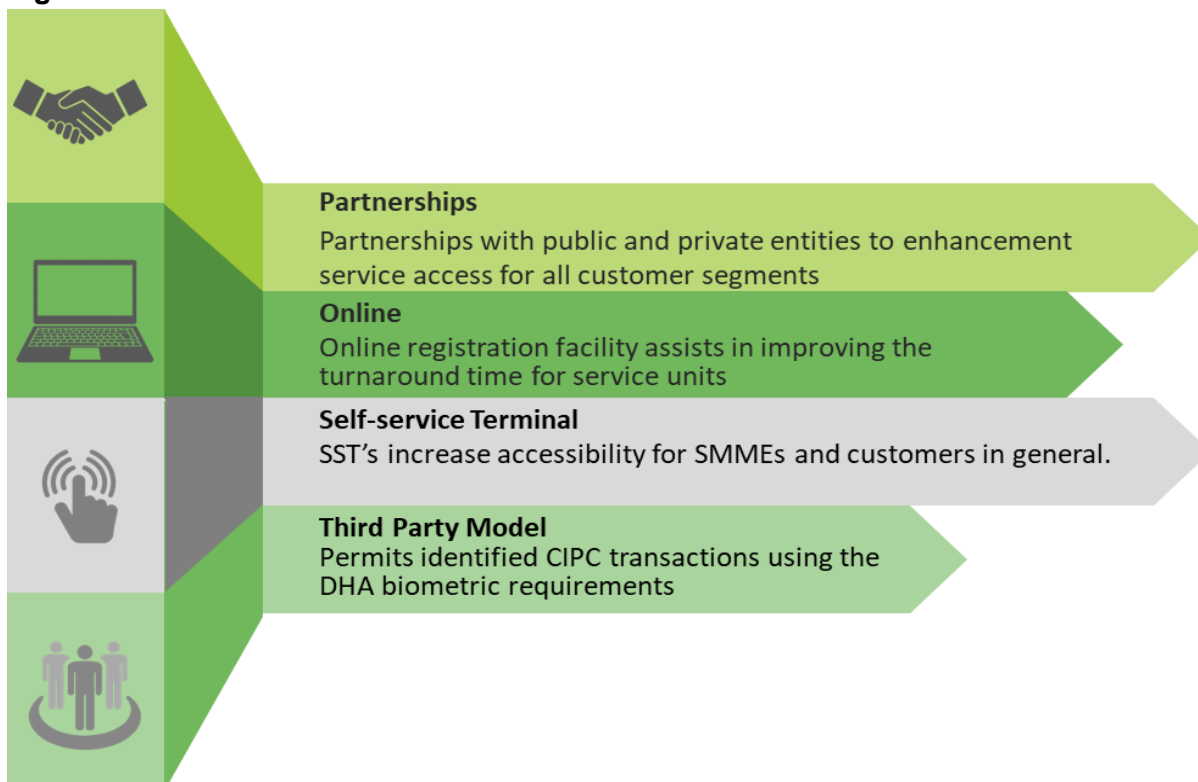
An ICT-led registration system is crucial for both the virtual and physical One-Stop-Shops. Physical shops can deliver services faster and more efficiently by using ICT for the back-office workflows. ICT can also play an essential role in developing integrated systems.

The CIPC has ventured into automation of their processes over the past five years, and have made significant strides in achieving automation targets with 24% of processes automated.

4. Distribution Channels

The CIPC has made great strides in collaboration and distribution channels. The figure below illustrates the CIPC's various distribution channels:

Figure 4: CIPC Service Channels



5. Standardised incorporation documents

Standard incorporation documents enable a number of key benefits, including:

- Enabling entrepreneurs to ensure legality without having to resort to notaries and lawyers;
- Decreasing the cost burden for the applicant cost for a lawyer is eliminated;
- Decreases the cost burden for the commission as the processing of applications is more efficient;
- Easing the workload at the commissions or registries; and
- Assisting in preventing errors and expediting the registration time.

The move towards a single standardized incorporation document is one which the mature economies subscribe to, and a principle which the CIPC has implemented.

The Companies Act, No. 71 of 2008, as amended, has since replaced the Memorandum and Articles of Association with a single MOI. Since the inception of the CIPC, the number of company registrations has been climbing annually. A contributing factor to the steady increase may be attributed to the introduction of the single, more user-friendly MOI. The new MOI has simplified the registration process for the CIPC's customers and thus made company registration a more accessible option.

6. Registration and administrative process

Company registration is an administrative matter, and not a judicial one. Involving courts in the registration process may take an entrepreneur, on average, 70% more time than if it were an administrative process. The CIPC is in alignment with this international practice as there is no requirement to register a company using the court system or a notary in South Africa. South Africa has always implemented the company registration process as an administrative process and not a

legal process. It is, and always has been optional to involve a notary in the process and not a mandatory requirement by the Commission.

7. Intellectual property

The CIPC's IP service turnaround time's trends have been positive and the turnaround times have seen a strong improvement over the past five years. The CIPC's average turnaround time for patents and designs application is 2.8 days, and the average turnaround time for a copyright application is 1 day. This depicts tremendous improvements and shows that the CIPC is becoming an increasingly competitive organisation in its field.

8. Financial Sustainability

The CIPC is funded purely by fees collected from registration services and annual returns. The CIPC have been able to maintain financial self-sustainability, however the future financial sustainability needs to be assessed given the role of the CIPC within government. Research has shown that a Government entity which is self-sustainable is one of the major keys in creating economic development and social value for the citizens of the country.

9. Capital Requirement for Start-Ups

Start-up capital is often very limited for SMEs, especially in developing nations such as South Africa, and the minimum capital requirement places constraints on the growth potential of businesses, and often time worsens the resource constraint. Essentially, the capital constraints undercut entrepreneurship in South Africa and globally.

The CIPC is aligned to the best practice of elimination of minimum capital requirements. This has the potential to foster formal economic participation by small and medium enterprises.

ii. Weaknesses

1. Call Centre

Although the call centre has made progress in the call answering rate over the past five years, the number of calls increased significantly since February 2019. This resulted in a high volume of abandoned calls. The staff complement and root causes of calls have to be reviewed and addressed. Further developments are necessary in order to meet customer requirements. The primary complaint on HelloPeter is the fact that customers cannot get through to the call centre for assistance. This inefficiency may contribute to customers going to third party company registration entities. Thus, the performance is still significantly below industry best practice, as well as CIPC set targets. Additionally, the centre continues to face the challenge of low staff retention rate.

2. ICT Services

The BISG which is responsible for ICT services at the CIPC, struggles with a continued high rate of vacancies. Further to this, the organisational structure of the ICT department does not lend itself to the efficient execution of its roles and responsibilities. This is currently being addressed.

3. Compliance

Although, there are several pieces of legislation that the CIPC are 100% compliant with, in some cases, a gap exists, between what the CIPC are currently addressing and its mandate. This is true in the case of The Patents Act, the Designs Act, the Performers Protection Act and the Copyright Act.

The CIPC is found lacking in a number of core capabilities and skills which would aid the CIPC in its efforts to remain compliant with the relevant Acts, for example:

- Advanced International Financial Reporting Standards (IFRS) skills
- Advanced Investigative and regulatory skills
- Data analytics capabilities limited
- Case management systems still manual

4. Registration

Whilst the CIPC has successfully implemented a hybrid registration system, there are certain inefficiencies in the registration system. These include:

- System instability.
- Some steps within hybrid and manual processing are not automated, for example, indexing and automatic rejection notification for applications that does not meet the process and document requirements
- Slow rate of final deregistration for non-compliant companies and close corporations
- Inefficient manual processing systems

5. Document management

The CIPC needs to ensure that its document management processes and systems maintain the relevant levels of security. The current arrangement poses a security risk. The CIPC works with sensitive, and confidential documents and so, it requires an access controlled environment and/or a secluded area to store and work with confidential documents, which is lacking currently at the CIPC.

6. Finance/Supply chain management processes

The Finance and Procurement Division consists of the finance department, supply chain management and treasury and insurance. This department has had difficulty in achieving optimal performance due to the following inefficiencies:

- Poor demarcation between the roles and responsibilities of the overall business and the Finance and Procurement division
- Insufficient or no budget allocation to key projects
- The departments processes are not aligned to business processes

The CIPC is currently exploring ways to address these challenges.

7. Legislation and policy

Although the CIPC is currently well aligned to various items of legislation there have been a few inefficiencies with regards to legislative adherence, which include:

- Delays in finalization of Copyright Bill, and the IPLAA regulations
- Fragmented IP system

8. Stakeholder relations and management

Synergies amongst various government departments and agencies handling IP issues need to be improved.

9. Digitization and Technology

Whilst the CIPC has made strides by increasing automation and digitization throughout the company, there is still room for improvement, as small inefficiencies exist, such as:

- Current service targets and turnaround times for lodgment, are impacted negatively by glitches in the IT system which results in huge back logs and in set targets not being met
- Current human capital skill not aligned to meet technological advancement and future developments

c. Customers

Understanding customers is a key part of situation analysis. It involves knowing the target audience, their behavior, market size, market growth, buying patterns, average purchase size, frequency of purchase, and preferred channels.

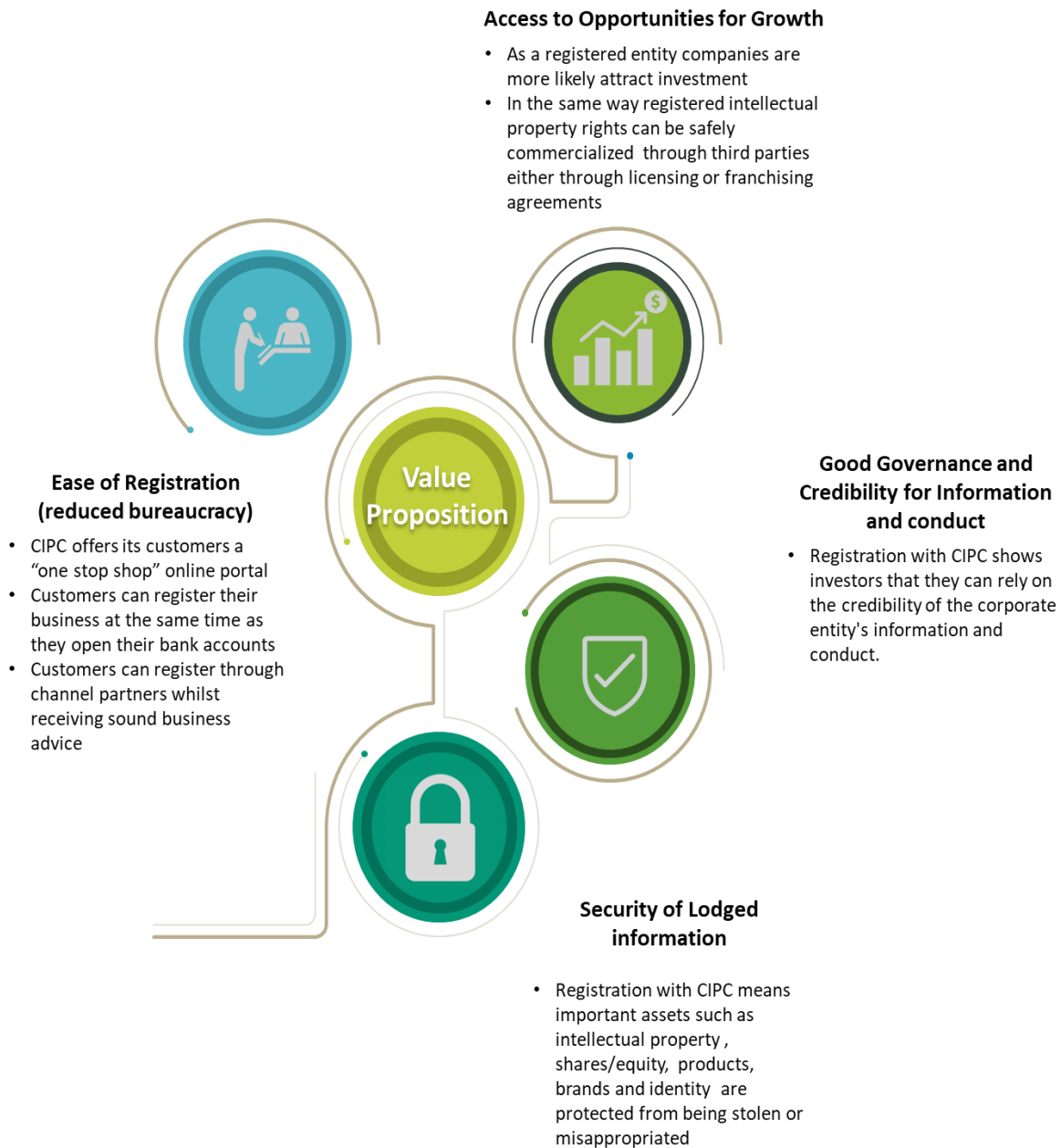
i. Value Proposition

CIPC Customer value proposition is aspirational as it includes both benefits that customers currently enjoy as well as future customer benefits that will be developed and delivered by CIPC, in association with its channel and strategic partners, over time.

It must be emphasized that living up to these aspirations will require that CIPC build the required capabilities over time and in collaboration with its strategic partners. The achievement of these aspirations is therefore partly within its scope of control and partly under the control of the CIPC's strategic partners.

The value proposition of CIPC is that dealing with CIPC means that customers have access to opportunities for growth, are compliant with good corporate governance principles, have security of lodged information and ease of registration.

Figure 5: Elements of the CIPC’s value proposition



ii. Segmentation

The CIPC makes use of behavioral segmentation by dividing its market according to its needs. These segmentation categories include: Registration needs, Information and Data Needs, Compliance Needs, Redress Needs and Maintenance Requirements.

The figure below describes how the CIPC addresses these needs, whilst the table below describes the various segments in detail.

Figure 6: CIPC Customer Segmentation

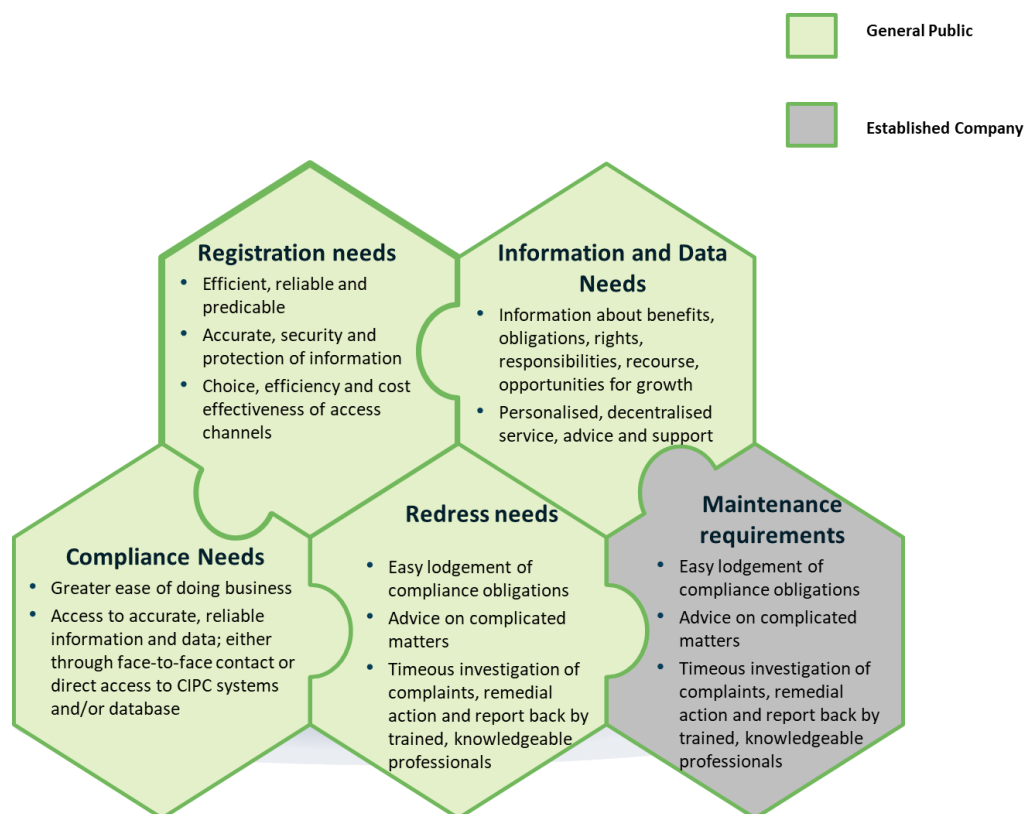


Table 6: Market Segmentation

| Segments | Products and service needs |
|--|--|
| <p>Customers with registration needs:</p> <ul style="list-style-type: none"> Customers who interact with and access the CIPCs services directly or indirectly through one of the CIPCs partner intermediary. This segment includes both the existing customer base, as well as all potential customers. | <ul style="list-style-type: none"> Efficient, predictable and reliable registration and amendment of registrations of entities and intellectual property rights Accuracy, security and protection of registry information Choice, efficiency and cost-effectiveness of access channels Information about the benefits and obligations of registration and other rights, responsibilities and recourse Information about opportunities for growth More personalized, decentralized service, advice and support – face to face, agency or contact centre Greater ease of doing business, e.g. integrated registration for tax, workman’s compensation, bank account, etc. |

| Segments | Products and service needs |
|--|---|
| <p>Customers with information and data needs:</p> <ul style="list-style-type: none"> Government agencies, institutions, banks, international business entities, international bodies (WIPO), other regulators and stakeholders | <ul style="list-style-type: none"> Access to accurate, reliable information and data – either through face-to-face contact or direct access to CIPC systems and/or database, usually for verification and fraud prevention purposes, could also be for search purposes (e.g. IP or name reservations) and for legal clarity; Access to policy information about business activity, conduct and impact of regulation on enterprise formation and sustainability, innovation and creativity in specific sectors |
| <p>Customers with compliance needs:</p> <ul style="list-style-type: none"> Registered entities or holders of renewable IP rights | <ul style="list-style-type: none"> Easily accessible information about the compliance obligations and requirements Advice on complicated matters Easy lodgement of compliance obligations Minimal interaction with CIPC |
| <p>Customers with redress needs:</p> <ul style="list-style-type: none"> Individual or corporate investors, directors, IP rights holders, acting alone or through intermediaries | <ul style="list-style-type: none"> Timeous investigation of complaints; Professional investigation, remedial action and report back by trained, knowledgeable professionals Credible, reliable findings Reversal of illegal actions and possible damages |
| <p>Businesses with maintenance requirements;</p> <ul style="list-style-type: none"> Company detail amendments (changes in directors, address etc.) Annual return lodgements Business rescue application/procedure | <ul style="list-style-type: none"> Efficient and reliable amendments <ul style="list-style-type: none"> More personalized, decentralized service, advice and support – face to face, agency or contact centre |

d. Competitors

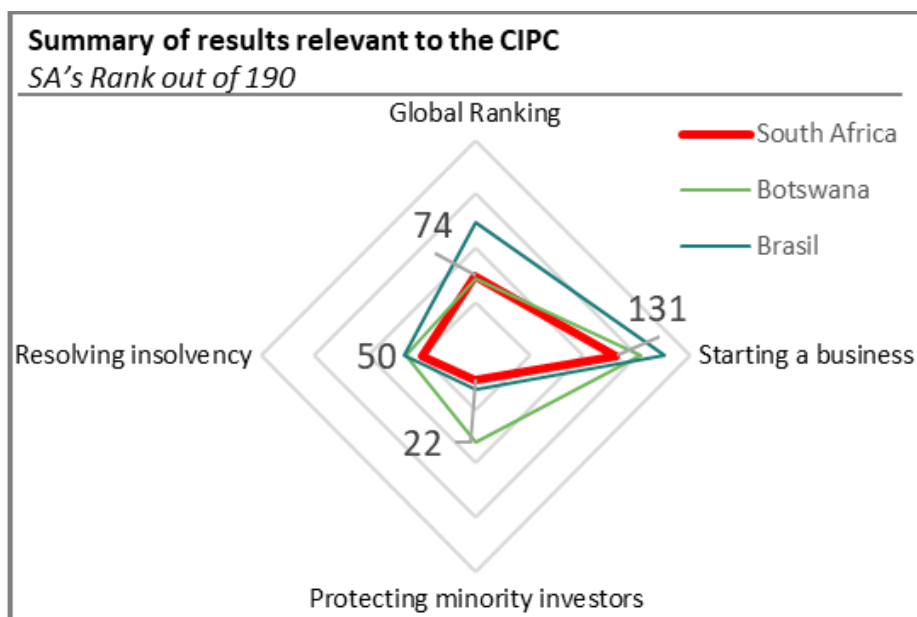
Competitor analysis is critical in understanding the external environment in which the firm operates. Best practice would dictate an analysis of competitors' strengths, weaknesses, positioning, market share, and upcoming initiatives. Since the CIPC is the only commission of its kind in South Africa, a global view of the CIPC's competitive position has been taken. In order to assess the CIPC's competitive position a review of its relative rankings and scores has been conducted with the use of: the Ease of Doing Business ranking, the Global Competitiveness Report, the WIPO IP indicators report and the Global Entrepreneurship Monitor.

i. Ease of Doing Business

Evaluates how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. The summary of performance is shown in the figure below (South Africa currently ranks 74 out of 190 countries).

The context to this ranking is that a number of procedures related to company registration (ie UIF and Compensation fund processes are included. These have a direct bearing on the overall ranking).

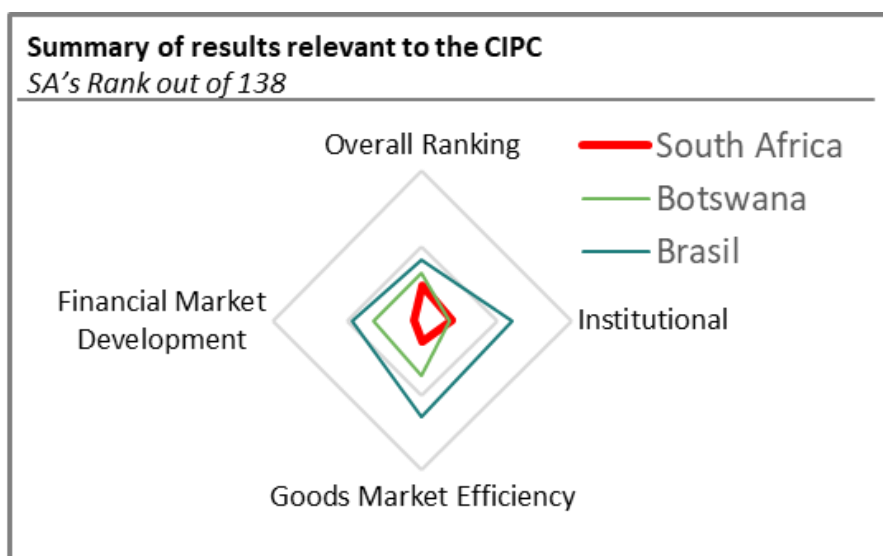
Figure 7: CIPC Ease of Doing Business Results



ii. Global Competitiveness Report

Defined as the set of institutions, policies, and factors that determine the level of productivity of an economy. The summary of performance is shown in the figure below (South Africa currently scores 47 out of 138 countries).








Figure 8: Global Competitiveness Report



iii. WIPO IP Indicators Report

A comprehensive picture of IP activity around the world is based on statistics from national and regional IP offices, WIPO and the World Bank. The WIPO report covers filing, registration and renewals data for patents, utility models, trade marks, industrial designs, microorganisms and plant variety protection. According to the report, China is the largest driver of growth in the number of applications being filed. South Africa has shown a strong improvement in the global rankings for the number of applications filed.

Table 7: Ranking of Total Filing Activity

| Country | Patents | Trade marks | Designs |
|--|---------|-------------|---------|
|  South Africa | 36/+100 | 36/+100 | 46/+100 |
|  Brazil | 25 | 13 | 20 |
|  Russia | 10 | 10 | 23 |
|  India | 14 | 6 | 13 |
|  China | 1 | 1 | 1 |
|  USA | 2 | 2 | 4 |
|  UK | 7 | 8 | 11 |

iv. The Global Entrepreneurship Monitor

The GEM is a benchmarking tool aimed at identifying the strengths and weaknesses of the local entrepreneurial environment. The GEM was addressed earlier in the “Climate” section as it speaks to Social factors in South African environment. The GEM is used here as a means to compare South Africa’s entrepreneurial status with other nations. The table below gives an indication of South Africa’s global ranking within the GEM report.

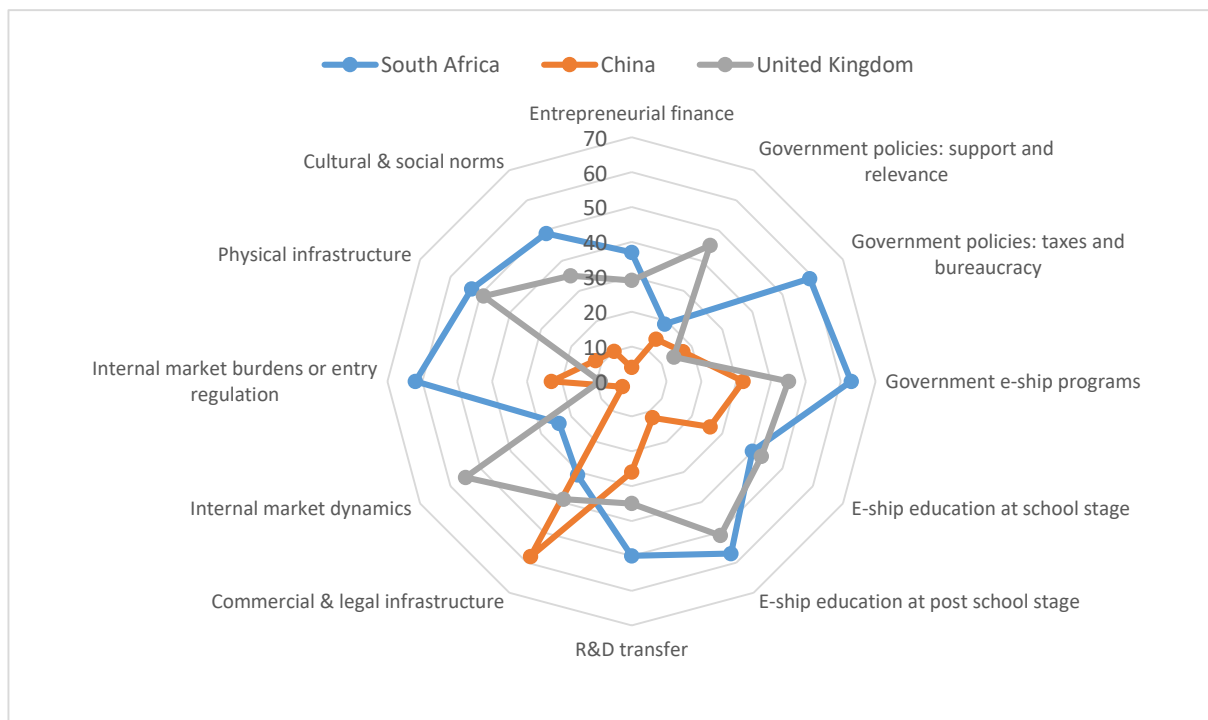
Table 8: Global ranking of South Africa, BRIC nations and best practice nations according to the sub-elements which make up the key entrepreneurship indicators from the GEM report

| | *Sub-Saharan Africa | BRIC Nations | | | | Best-Practice Nation | OECD Benchmark |
|--|---------------------|--------------|--------------|-------------|-------------|----------------------|----------------|
| Indicator | South Africa (/64) | Brazil (/64) | Russia (/64) | India (/64) | China (/64) | Burkina Faso (/64) | UK (/64) |
| Self-perception about entrepreneurship | | | | | | | |
| Perceived opportunities | 44 | 35 | 63 | 27 | 41 | 6 | 32 |
| Perceived capabilities | 54 | 24 | 62 | 41 | 61 | 3 | 34 |
| Undeterred by fear of failure | 44 | 34 | 10 | 30 | 6 | 64 | 37 |
| Entrepreneurial intentions | 51 | 19 | 63 | 40 | 27 | 2 | 54 |
| Entrepreneurial Activity | | | | | | | |
| Total Early-stage Entrepreneurial Activity (TEA) | 51 | 10 | 55 | 31 | 32 | 1 | 40 |
| Established business ownership rate | 60 | 4 | 46 | 50 | 27 | 1 | 40 |
| Entrepreneurial Employee Activity – EEA | 54 | 42 | 54 | 33 | 46 | 60 | 7 |
| Motivational Index | | | | | | | |
| Improvement-Driven Opportunity/Necessity Motive | 39 | 57 | 47 | 51 | 42 | 44 | 16 |
| Gender Equality | | | | | | | |
| Female/Male TEA Ratio | 21 | 2 | 12 | 43 | 22 | 18 | 55 |

| | *Sub-Saharan Africa | BRIC Nations | | | | Best-Practice Nation | OECD Benchmark |
|--|---------------------|--------------|----|----|----|----------------------|----------------|
| Female/Male Opportunity Ratio | 38 | 56 | 42 | 18 | 34 | 54 | 34 |
| Entrepreneurship Impact | | | | | | | |
| Job expectations (6+) | 17 | 62 | 40 | 61 | 19 | 45 | 15 |
| Innovation | 42 | 62 | 63 | 25 | 24 | 41 | 17 |
| Industry (% in Business Services Sector) | 37 | 57 | 47 | 53 | 40 | 64 | 4 |
| Societal Value About Entrepreneurship | | | | | | | |
| High status to entrepreneurs | 17 | - | 39 | 60 | 18 | 1 | 19 |
| Entrepreneurship a good career choice | 15 | - | 31 | 56 | 19 | 6 | 38 |

Entrepreneurial Eco-system: National Framework Conditions (NFCs)

Results presented in Figure 9 below



In Summary, South Africa’s entrepreneurial status should be bolstered in the following indicators:

- **Self-perception about Entrepreneurship:** South Africa is positioned within the bottom 30% of benchmarked countries
- **Entrepreneurial Activity:** South Africa is positioned within the bottom 30% of benchmarked countries
- **Motivational Index:** South Africa is positioned within the bottom 50% of benchmarked countries
- **Gender Equality:** South Africa is positioned within the bottom 50% of benchmarked countries

Whilst the following indicators demonstrate a comparative strength for South Africans:

- **Societal Value:** South Africa is positioned within the top 25% of surveyed countries
- The TEA sub-indicator: South Africa ranks in the top one third of surveyed countries in terms of the female/male ratio

v.Threats and Opportunities

A summary of CIPC’s threats and opportunities is shown in the table below.

Table 9: Threats and Opportunities for CIPC

| Challenges / Threats | Opportunities |
|---|--|
| <ul style="list-style-type: none"> • Generally low education and infrastructure levels in South Africa around company and IP registration • Limited policy influence • Patent Law issues • Conversion of knowledge to IP, particular in higher education • Low investor confidence • Negative societal value and perception of entrepreneurship in South Africa | <ul style="list-style-type: none"> • Automation of all process • CIPC signing onto international agreements • Legislate Patent Pools • Development of support programmes to entrepreneurs • CIPC has room to improve the value recovery rate of insolvency procedures |

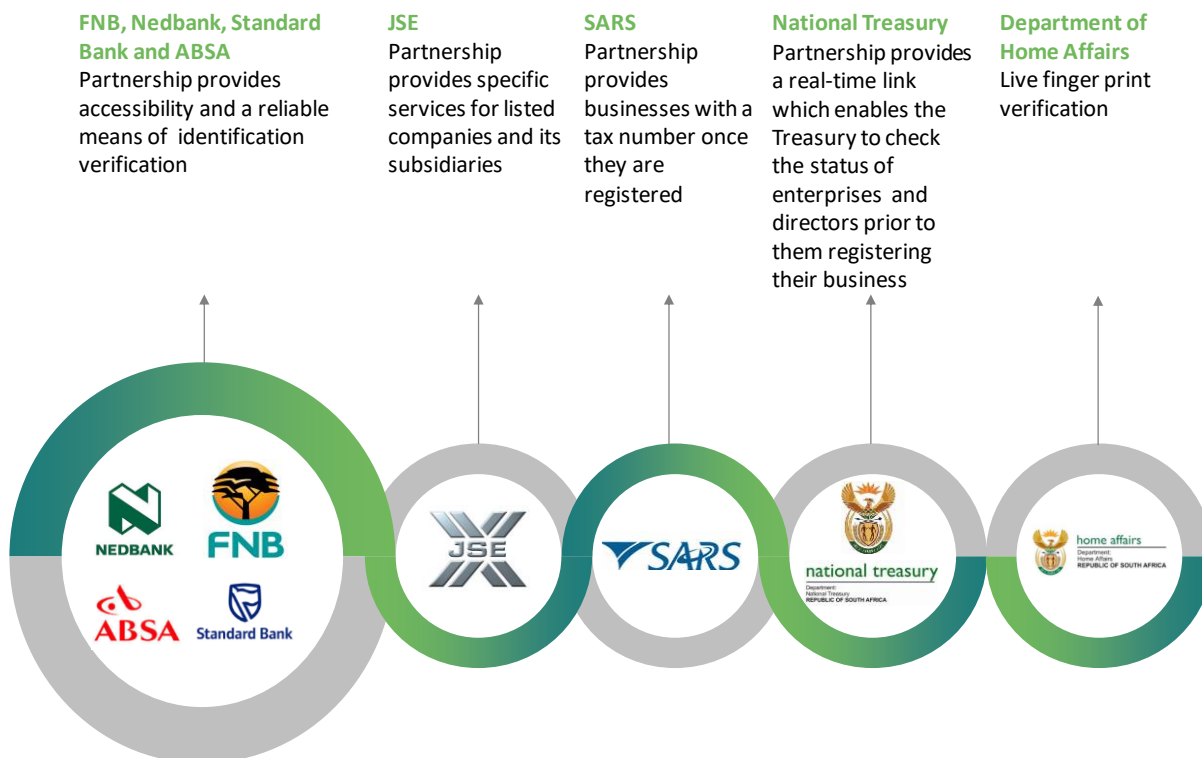
e. Collaborators

Collaborators are the external stakeholders who team up with the organization in a mutually beneficial partnership. Agencies, suppliers, distributors, and business partners are typical collaborators. It is important to understand their capabilities, performances, and issues to better identify business problems.

i. Partnerships

One of the core values of the CIPC is collaboration, and, as a value-based organisation, every effort is made to demonstrate the new values in the organisation’s activities. Over the past several years, collaborations with both public and private organisations have been a central distribution model focus and have been particularly significant for the organisation.

Figure 10: Indicative CIPC Partnerships



From the start, the CIPC aimed to reduce regulatory burdens and indirect costs for customers, while simultaneously adding value to the customers’ experience. This premise encouraged the CIPC to explore alternative access channels and partners. The partnership model has had a significantly positive impact on the turnaround times on registrations and has taken CIPC forward in pursuing its goal of creating a ‘one stop’ shop, with minimum touch points.

The key achievements of the bank partnerships were that 5% of all Private Company registrations were filed and processed through the bank channel, as well as offering a wide range of CIPC products and services including company registration, name reservation, payment integration and B-BBEE certificate application. Banks were specifically selected as they have an extensive branch network and online functionality which is internationally accessible, in addition to this, they provide a reliable identification verification.

In an attempt to differentiate its services for different target markets, the CIPC launched an office in partnership with the JSE. This office provides specific services for listed companies and its subsidiaries, i.e. director and company amendments, advisory services and real-time company registration services (through a SST). In its efforts to continue providing value-added services, the CIPC also partnered with SARS to offer a tax number when an enterprise is registered.

The most recent development has been the partnership between CIPC and the National Treasury. The partnership provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering the business on the Central Supplier Database. This has

resulted in entrepreneurs' deriving cost and time saving benefits as they now only have to register once on the Central Supplier Database, and not register with individual entities and departments.

ii. Third Party Model

Over the 2016/2017 financial year, CIPC introduced a new distribution model known as the Third-Party Model. This delivery model permits identified CIPC transactions using the Department of Home Affairs biometric authentication. While this distribution channel is new, it has made positive progress in becoming a key channel of access for the CIPC. In the short year since implementation, the third-party model has managed to register 530 third party partners, with approximately 108 partners currently active and have achieved approximately 4881 company registrations.

14. Description of the Planning Process

CIPC finds itself at an interval in time that is limited and crucial to success, a pivotal juncture to create a conducive environment for business and IP owners to thrive, encourage investment, industrial development, competitiveness and employment creation that supports economic growth.

With the pace of technology change continuing to increase, the window of opportunity is small and requires decisiveness to pivot the organisation to reflect the pivotal impact of digitalisation and seize the opportunities created by the 4IR. Whilst simultaneously transitioning the internal organisation to the future fit by building new service offerings, up skilling individuals and introducing new ways of working.

To this end we are seeking to increase organisational agility and responsiveness. By looking forward to 2030 training our individual and collective minds to think differently and move into a growth mindset

Vision 2030 has been formulated through a series of collaborations we consultative workshops held with senior and middle management, organized labour representatives and subject matter experts. With the purpose of creating a strategic framework to inform future strategic and operational planning.

The majority of the value gained through the workshop sessions can be attributed to team engagement and discussions which has helped to shift and align organisational thinking towards an emerging future.

A critical output from the Vision 2030 sessions is a long term Business Case for CIPC, constructed with four key sections as outlined below:

Direction Setting:

What are the emerging Vision Principles?

Theory of Change – What impact will we have?

Customers, Products and Channels

Who will be our customers?

What problem will CIPC be solving?

What job will need to be done?

Organisational Design, Capabilities and Skills

What are our organisational design principles?

What skills, capabilities and competencies will be required?

Implementation Principles

What is the backlog of work to be done?

What is our view on sequencing??

15. 15 Financial Plan

| FORECAST STATEMENT OF FINANCIAL PERFORMANCE | | | | | |
|--|----------------|--|-------------------------------|-------------------------------|-------------------------------|
| Details | Audited | Approved budget 2018/2019 Year 0 | Forecast 2019/20 Year 1 | Forecast 2020/21 Year 2 | Forecast 2020/21 Year 3 |
| | Actual | | | | |
| | 2017/18 | | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Operating Revenue | 597 051 | 553 774 | 605 657 | 662 449 | 724 617 |
| - | | | | | |
| Companies | 89 930 | 92 797 | 100 221 | 108 238 | 116 897 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Co-ops | 2 812 | 3 173 | 3 427 | 3 701 | 3 997 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| IP | 53 670 | 57 616 | 62 225 | 67 203 | 72 580 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Corporate Information, data sales and other income | 25 594 | 21 139 | 22 830 | 24 657 | 26 629 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Annual Returns | 319 413 | 331 152 | 364 267 | 400 694 | 440 763 |
| » Proposed revenue increase included above | | | 10% | 10% | 10% |
| Other Revenue (Interest etc.) | 105 632 | 47 897 | 52 687 | 57 955 | 63 751 |
| » Proposed revenue increase included above | | | 10% | 10% | 10% |
| Total Operating Revenue | 597 051 | 553 774 | 605 657 | 662 449 | 724 617 |
| Operating Expenses | | | | | |
| Employee Costs - Salaries (total package) | 310 760 | 307 306 | 331 890 | 358 442 | 387 117 |
| Other Staff related costs (Performance rewards) | 12 994 | 12 592 | 13 599 | 14 687 | 15 862 |
| Total Employee costs | 323 754 | 319 898 | 345 490 | 373 129 | 402 979 |
| Advertisements | 4 157 | 9 255 | 9 995 | 10 795 | 11 659 |
| Communication | 4 799 | 15 752 | 17 012 | 18 373 | 19 843 |
| Computer Services | 5 124 | 7 010 | 7 571 | 8 176 | 8 831 |
| Consultants | 58 316 | 92 889 | 100 320 | 108 346 | 117 013 |
| Consumables and stationery | 1 238 | 2 905 | 3 137 | 3 388 | 3 659 |
| Repairs and Maintenance | 855 | 1 550 | 1 674 | 1 808 | 1 953 |
| Operating Leases | 26 210 | 29 954 | 32 350 | 34 938 | 37 733 |
| Travel | 5 538 | 5 640 | 6 091 | 6 578 | 7 105 |
| Gain/(loss) on disposal of assets | 102 | 0 | 0 | 0 | 0 |
| Other Operating Expenses (excl. staff related costs add research, depreciation, audit fees , bank charges, temporary staff placements, litigation costs, training, award ceremony, telecom, bursaries, internship) | 47 285 | 68 921 | 74 435 | 80 389 | 86 821 |
| Total Operating Expenses | 477 378 | 553 774 | 598 076 | 645 922 | 697 596 |

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

| Details | Audited | Approved budget 2018/2019 Year 0 | Forecast 2019/20 Year 1 | Forecast 2020/21 Year 2 | Forecast 2020/21 Year 3 |
|--|----------------|--|-------------------------------|-------------------------------|-------------------------------|
| | Actual | | | | |
| | 2017/18 | | | | |
| Net Operating Result: (Deficit) Surplus | 119 673 | 0 | 7 581 | 16 527 | 27 022 |
| Total of Special initiatives and once off cost to be funded from Retained Earnings | 25 435 | 79 300 | 80 172 | 81 054 | 81 946 |
| Special Initiatives and Capital Expenditure | 435 25 | 79 300 | 80 172 | 81 054 | 81 946 |
| Once off cost - New building:- | | 0 | | | |
| →project management (re-arranging the building) | | 0 | | | |
| →Construction cost (15 000m ² office and 5000m ² filing) - Cost include purchase of suitable land. | | 0 | | | |
| →ICT network and communication infrastructure | | 0 | | | |
| →furniture acquisition & special equipment | | 0 | | | |
| →building preparation (tenant installation) | | 0 | | | |
| →security systems (access control, CCTV, fire-detection, suppression. etc.) | | 0 | | | |
| →move contractor, move materials (include move of files) | | 0 | | | |
| →pre-move clean-up & preparation | | 0 | | | |
| →building & office signage | | 0 | | | |
| Net Operating Result: (Deficit) Surplus | 119 673 | 0 | -72 591 | -64 528 | -54 924 |

Part B: Programme Performance

16. Programme 1: Service Delivery and Access (Administration)

a. Purpose of the Programme

The purpose of the programme is to promote better access to and service delivery by CIPC by ensuring that our access channels are secure and easily accessible to all, that the institution has sufficient and appropriate organisational resources to deliver the best possible service and that operational excellence is established in all areas of the organisation.

In order to ensure quality service delivery, the CIPC must place focus on its internal performance. The CIPC must act as an intelligent, innovative high-performance organisation in which employee morale and development is emphasised.

b. Description of the Programme

The emphasis of the CIPC business model is equally on the quality of the services it provides, the acceptable speed with which it delivers them and the value that its products, services and solutions generate for Customers. The CIPC's business model focuses on the manner in which it will deliver services, the quality of those services, the fees it will charge to be sustainable and the potential for value addition.

c. Performance Indicators and Performance Targets

Annual Targets

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | |
|--|--|----------------------------|---------|---------------------------------|----------------------|---|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Strategic Objective 1.1: 24/7 access to all CIPC products and services. | | | | | | | | |
| Increase % in website performance for e-services 24/7 | % website performance for e-services 24/7 | 92% | 96% | 95% | 94% | 93% | 95% | 95% |
| Increase in % of CIPC services with an option to file electronically compared to manually filed services | % of CIPC services with an option to file electronically compared to manually filed (See Annexure C) | - | 18% | 20% | 26% | 27% (1% increase – See Annexure C and the Technical Indicator Profile)) | 28% | 50% |
| Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment. | | | | | | | | |
| 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 with the CIPC | - | 6.3 | 6.95 (Not audited) ¹ | 7 | Not measured | 7.5 | 8 |

¹ Last measured in 2016/17 but not reported in the APP, as a result not audited.

Quarterly Milestones

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | |
|--|--|----------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Output | Performance Indicator/Measure | Baseline | 2020/21 Annual Target | Quarterly Milestones | | | |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Strategic Objective 1.1: 24/7 access to all CIPC products and services. | | | | | | | |
| Increase of % in website performance for e-services 24/7 | % website performance for e-services 24/7 | 93% | 93% | 93% | 93% | 93% | 93% |
| Increase in the % of CIPC services with an option to file electronically compared to manually filed services | % of CIPC services with an option to file electronically compared to manually filed services (See Annexure C) | 26% | 27% (1% increase – See Annexure C and the Technical Indicator Profile) | 26% | 26% | 27% | 27% |
| Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment. | | | | | | | |
| 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 with the CIPC | 7 | Not to be measured | - | - | - | - |

d. Financial Plan

| Programme Name: Administration (Service Delivery and Access) | | | | | |
|--|---------------------|-------------------|----------------------------------|-------------------|-------------------|
| Economic classification | Expenditure Outcome | Approved Budget | Medium-Term Expenditure Estimate | | |
| | 2017/18 R '000 | 2018/19 R '000 | 2019/20 R '000 | 2020/21 R '000 | 2021/22 R '000 |
| Current payment Compensation of employees and Goods & services, etc. | 358 034 | 415 331 | 448 557 | 484 441 | 523 197 |
| Payments of capital assets Building and other fixed structure Machinery & equipment | 25 435 | 79 300 | 80 172 | 81 054 | 81 946 |
| Other classifications | 383 469 | 494 631 | 528 729 | 565 496 | 605 143 |

Expenditure estimates for Programme 1: Service Delivery and Access (Administration)

17. Programme 2: Innovation and Creativity Promotion

a. Purpose of the programme

The purpose of the programme is to support and promote local innovation and creativity by maintaining accurate and secure registries of patents, designs, film productions and creative works. Under this programme, the CIPC also supervises and regulates the distribution of collected royalty by accredited collecting agencies. In addition, the programme is responsible for providing policy inputs and legal advisory opinion on the coordination, implementation and impact of the respective IP laws. Furthermore, the group ensures that the implementation of the national IP regime is in alignment with the international IP system.

b. Description of the programme

The primary function of the Innovation and Creativity Promotion Programme is to promote and support the registration of i) patents, ii) designs and iii) film productions. The group also registers patent attorneys that have passed the Patent Board Examination. Other functions of the Programme include, the coordination of appropriate enforcement actions; education and creating awareness of the requirements and benefits of registration of IP rights, the remedies available and the opportunities for commercialisation and industrial development through efficient management of IP assets.

The group also provides policy and legal insights on the implementation and impact of the relevant IP legislation. Thus, additional functions in this programme include in-depth research to identify gaps and to analyse the impact of IP rights registration forming a basis for further IP policy inputs. The programme is also responsible for monitoring the unauthorised use of private and public IP rights, with a particular focus on the protection of IP rights holders in the creative industries.

c. Performance Indicators and Performance Targets

Annual Targets

| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | | |
|--|--|----------------------------|---------|---------|----------------------|---------------------|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | | 2018/19 | 2019/20 | 2020/21 |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | | |
| Increased IP knowledge and awareness | Number of education and awareness events on IP conducted by the CIPC | - | - | 23 | 30 | 30 | 40 | 40 |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws | | | | | | | | |
| Increased IP knowledge and awareness on IP Enforcement | Number of education and awareness events on IP enforcement conducted by the CIPC | - | - | 4 | 6 | 6 | 8 | 10 |

Quarterly milestones

| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | |
|--|--|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Output | Performance Indicator/Measure | Baseline | 2020/21 Annual Target | Quarterly Milestones | | | |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | |
| Increased IP knowledge and awareness | Number of education and awareness events on IP conducted by the CIPC | 20 | 30 | 8 | 15 (7) | 25 (10) | 30 (5) |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws | | | | | | | |

| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | |
|--|--|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Output | Performance Indicator/Measure | Baseline | 2020/21 Annual Target | Quarterly Milestones | | | |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Increased IP knowledge and awareness on IP Enforcement | Number of education and awareness events on IP enforcement conducted by the CIPC | 4 | 6 | 2 | 3 (1) | 5 (2) | 6 (1) |

d. Financial Plan

| Programme Name: Innovation and creativity promotion | | | | | |
|--|---------------------|-------------------|----------------------------------|-------------------|-------------------|
| Economic classification | Expenditure outcome | Approved Budget | Medium-Term Expenditure Estimate | | |
| | 2017/18 R '000 | 2018/19 R '000 | 2019/20 R '000 | 2020/21 R '000 | 2021/22 R '000 |
| Current payment Compensation of employees and Goods & services, etc. | 47 738 | 55 377 | 59 808 | 64 592 | 69 760 |
| Payments of capital assets Building and other fixed structure Machinery & equipment | - | - | - | - | - |
| Other classifications | 47 738 | 55 377 | 59 808 | 64 592 | 69 760 |

Expenditure estimates for Programme 2: Innovations and Creativity Promotion

18. Programme 3: Business Regulation and Reputation

a. Purpose of the programme

The purpose of the Business Regulation and Reputation Programme is to enhance the reputation of South African businesses and the South African business environment by ensuring that the registers of corporate entities, their managers and their identity have integrity and that a culture of corporate compliance and high standards of governance, disclosure and corporate reputation is established. The programme also aims to provide policy and legal insight and advice on the co-ordination, implementation and impact of the respective laws.

b. Description of the programme

The following functions, amongst others, fall within this programme:

- maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, and trade marks as well as company names and business names,
- accreditation of practitioners and intermediaries,
- educating business owners and practitioners on compliance of the legislation as well as,
- promote and enforce compliance with the legislation.

The CIPC is required to monitor compliance with certain requirements of the legislation, such as the submission of annual returns, the rotation of auditors and disclosures in terms of the financial reporting standards and the requirements for prospectuses. Furthermore, the CIPC investigates complaints and enforces the provision of the Companies Act, the Close Corporations Act, the Share Block Companies Act and the Co-operatives Act relating to governance and disclosure.

The Business Regulation and Reputation Programme also incorporate a focus on corporate policy and legal matters. This includes support for the prosecution of offences, the interpretation of laws, as well as the proposal of amendments to legislation and regulations. The function also entails continuously tracking international developments in the areas of corporate governance, disclosure, corporate registration and enforcement and trade marks.

Complaints relating to Companies may be filed in writing with the Companies and Intellectual Property Commission ("CIPC"), upon receiving a complaint, the CIPC may resolve:

- (i) not to investigate,
- (ii) to refer it to the Companies Tribunal or Accredited Agency or other appropriate regulatory authority or
- (iii) to direct an investigator or inspector to investigate.

After receiving an investigation report the Commission may

- (i) excuse a respondent
- (ii) refer the complaint to the Companies Tribunal;
- (iii) issue a notice of non-referral to complainant, advising the complainant of any rights to seek a remedy in court;
- (iv) propose that the complainant and any affected person meet with the Commission or with the Tribunal, to resolve matter by consent order;
- (v) commence proceedings in a court in the name of the complainant, if the complainant—
 - has a right to apply to a court; and
 - has consented to the Commission to do so;
- (vi) refer the matter to the NPA, or other regulatory authority, if Commission alleges that a person has committed an offence in terms of this Act or any other legislation; or
- (vii) issue a compliance notice in terms of section 171.

c. Performance indicators and performance targets per programme

Annual targets

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | |
|--|--|----------------------------|-------------------|-------------------|----------------------|---------------------|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Strategic Objective 1.2: Timely delivery of all CIPC products and services. | | | | | | | | |
| 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. | 6 | 3 | 2 | 2 | 2 | 2 | 1 |
| Reduction in the average number of days to register a co-operative 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. | 15 | 3 | 3 | 2 | 3 | 2 | 1 |
| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | | |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | | |
| Increased level of awareness of Company Act and other related legislation | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation | - | - | - | 3 | 3 | 4 | 5 |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws. | | | | | | | | |
| Increased % of public companies (entities with an "active business" status) that have | % of public companies (entities with an active business status) that have filed annual returns on time | 80% (Not audited) | 80% (Not audited) | 79% (Not audited) | 73% | 75% | 80% | 90% |

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | |
|--|---|----------------------------|--------------|--------------|----------------------|---------------------|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| filed annual returns on time by the end of the reporting period | by the end of the reporting period | | | | | | | |
| Increased % of public companies(entities with an "active business" status) that have filed audited financial statements on time by the end of the reporting period | % of public companies (entities with an active business status) that have filed audited financial statements on time by the end of the reporting period | Not measured | Not measured | Not measured | 50% | 60% | 70% | 80% |

Quarterly Milestones

| Output | Performance Indicator/Measure | Baseline | 2020/21 Annual Target | Quarterly Milestones | | | |
|---|---|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | |
| Strategic Objective 1.2: Timely delivery of all CIPC products and services. | | | | | | | |
| 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 | 2 | 2 | 2 | 2 |
| Reduction in the average number of days to register a co-operative from the date of receipt of a complete application. | The average number of days to register a co-operative from the date of receipt of a complete application. | 2 | 3 | 3 | 3 | 3 | 3 |
| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa | | | | | | | |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | |
| Increased level of awareness of Company Act and other related legislation | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation | - | 3 | 0 | 1 | 2 (1) | 3 (1) |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws. | | | | | | | |
| Increased % of public companies (entities with an "active business" status) that have filed annual returns on time by the end of the reporting period | % of public companies (entities with an active business status) that have filed annual returns on time by the end of the reporting period | 73% | 75% | 50% | 60% | 70% | 75% |
| Increased % of public companies (entities with an "active | % of public companies (entities with an active business status) that have filed audited | 40% | 60% | 60% | 60% | 60% | 60% |

| Output | Performance Indicator/Measure | Baseline | 2020/21 Annual Target | Quarterly Milestones | | | |
|---|---|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| business" status) that have filed audited financial statements on time by the end of the reporting period | financial statements on time by the end of the reporting period | | | | | | |

d. Financial Plan

| Programme Name: Business Regulations and Reputation | | | | | |
|--|---------------------|-------------------|----------------------------------|-------------------|-------------------|
| Economic classification | Expenditure Outcome | Approved Budget | Medium-Term Expenditure Estimate | | |
| | 2017/18 R '000 | 2018/19 R '000 | 2019/20 R '000 | 2020/21 R '000 | 2021/22 R '000 |
| Current payment Compensation of employees and Goods & services, etc. | 71 607 | 83 066 | 89 711 | 96 888 | 104 639 |
| Payments of capital assets Building and other fixed structure Machinery & equipment | - | - | - | - | - |
| Other classifications | 71 607 | 83 066 | 89 711 | 96 888 | 104 639 |

Expenditure Estimates for Programme 3: Business Regulation and Reputation

Part C: Links to other plans

19. Asset Management Plan (To be updated)

20. Annexure A- Service Delivery Improvement Plan

The process for the development of the service delivery improvement plan (SDIP) for the (CIPC)

The Strategy Office within the Office of the Commissioner is responsible for the development of the strategy and monitoring of organizational performance. The process of developing strategy and planning entails the identification of strategic indicators which must be reported against the strategy. To ensure the alignment of the strategy to operations, service delivery standards, as operational indicators have to be developed. The process by which service delivery standards targets are developed requires the use of a Specific, Measurable, Achievable, Realistic and Time bound (SMART) criteria.

Operational Excellence Business Unit within the Strategy Division is responsible to facilitate and coordinate the development, monitoring and review of the service delivery standards. The service delivery standards are a commitment to the public about the time it takes to render its products and services. These standards are monitored on a monthly basis. The other elements of the Service Delivery Standards are expressed in the form of divisional targets in the business plan. As such the development and monitoring of the SDIP is an integral part of the organizational planning process.

The process of development of SDIP begins with the analysis of performance from the previous financial year. This is informed by the analysis of monthly service standards to the CIPC Management Committee (MANCO). Divisional managers are consulted to make inputs on the review of their service standards and targets. Subsequent to their approval, the reviewed performance and new targets are deliberated and recommended in this committee for approval by EXCO. The standards would be published internally and externally through the website, and monitored on a monthly basis. The reporting framework used to monitor service standards on a monthly basis should also be monitor SDIP targets.

It is important to note that the CIPC has resolved to maintain operational performance target of 90% and respective service standards for the period 2018/19 financial year.

The identified areas of improvement were sent to the responsible managers for inputs, in terms of target setting and confirmation, before approval.

The following stakeholders were consulted:

- Senior Management of the CIPC
- Indirect interaction with the client through the analysis of client data, complaints and queries. This analysis of this data has provided the baseline information for planning in various areas of the organization.

Problem statement

CIPC has committed to offer its products and service, such as cooperative registration and the allocation of Trade Marks application number within certain set standards. The registration of cooperative to the public is done within 2 working days, while the allocation of a trade mark application is processed within 2 working days from the date of receipt of an application. The committed turnaround times could be improved as a result of the implementation of e-filing intervention. On the same vein, improvement of efficiencies in cooperative registration could be achieved through the optimal management and utilisation of internal resources (ICT and human resources). These improvements will be outlined in the SDIP performance targets matrix below.

Situational Analysis

The advent of the CIPC brought innovative and creative ways of interacting and servicing the customers. This includes the introduction of e-services, transactional website and decentralised call centre. These internal changes, however, brought some jolt to customers' expectations and satisfaction levels.

Co-operatives Registration

Since 2013, CIPC has committed to process cooperative registrations within 21 working days for the date of tracking. The justification for the target was that the system instability was a regular phenomenon immediate after the launch of the Commission, and affected the operations immensely. The operational performance may not be attributed only to the role of ICT, the complementary role of people is also critical to get an overall impact of the resource value to performance improvement. In this context, the allocation and optimal utilisation of resources in processing the cooperative registration has been observed.

The analysis focused on the distribution of cooperative transactions that were registered within the 21 working days. The criteria for analysis for within 21 working days was those transactions with high frequency distribution for over a period of a year (2016). From quarter one (1) to four (4) the number of cooperative transactions that were processed within 5 working days were higher compared to those processed after 5 working within the committed standard of 21 working. The result of this analysis indicates that the CIPC has adopted the best in class approach to using data analytics to make performance improvement decisions. The service performance for cooperatives will be improved from 5 to 2 working days.

Future areas of improvement

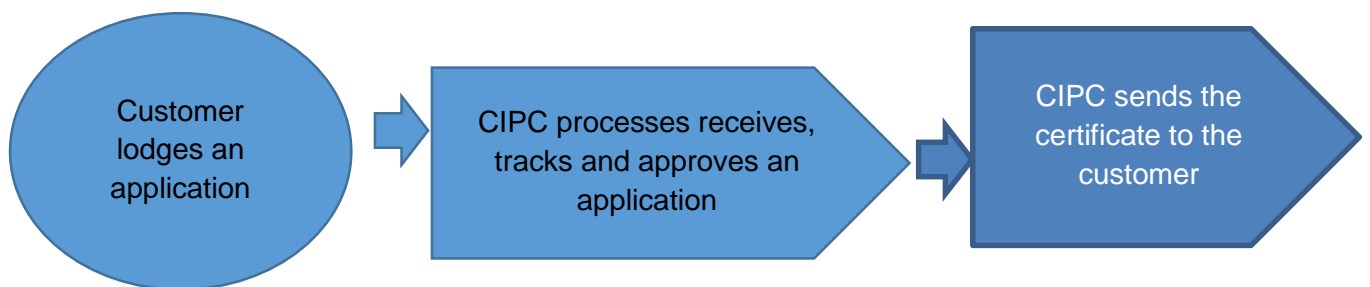
It has been observed throughout the financial year that setting service standards, targets and monitoring requires management to pay high premium on the role and effectiveness of the available resources capability. This is critical for applying the principle of managing for performance to achieve the desired outcomes. Thus, achieving stakeholder satisfaction requires an internal focus on coordination and effectiveness of resources.

To further improve the efficiency of processes, e- services, and other forms of automation should be considered. This would improve efficiency, customer satisfaction ratings and ease of access to services.

The performance of one key service or product is not indicative of overall performance on other related and supportive processes such as change of directors, etc., that may not be measured and reported concurrently. As such, the optimal management of resources should not be used mainly to categorically satisfy customer's efficiency needs of one process over others.

Process mapping

A process for co-operative registration



Allocation of a trade mark application number

The CIPC has developed internal and external service delivery standards as a commitment to provide its products and services with desirable efficiency levels. Some of the efficiency services included the initial stages of Trade marks registration, which is the allocation of trade marks application number. In 2013, subsequent to the establishment of the Commission (CIPC), allocation of trade mark application number was processed manually.

The value of a trade mark is to protect the identity of the business in the competitive market, and as such the efficient allocation of trade mark application number is one of the critical steps to customers in the value chain of granting the trade mark registration certificate. Interventions to ensure this step is improved and measured were initiated through the implementation of e-

filling. When the CIPC made service delivery commitments to the external stakeholders, it has committed to allocate 90% of trade marks application number for both manual and online within 2 working days. Since this commitment was made, CIPC has allocated more than 90% of trade marks applications numbers within 2 working days.

It is imperative that the efficient provision of this service should be maintained due to variability of volumes and resources.

SDIP Matrix

Key service: Registration of cooperatives

Service beneficiary: Private and public customers, government departments and entities, and general business community

| Key Service | Service Beneficiaries | Current standard 2018/19 | | Desired standard 2019/20 | Desired standards 2020/21 |
|---------------------------|-----------------------|--------------------------|---|---|---|
| | | | | | |
| Cooperative registration. | Public | Quantity | 90% processed within 5 days | 90% within 2 working days from the date of receipt, | 90% within 2 working days |
| | | Quality | Complaints and queries resolved within 10 working days. | Complaints and queries resolved within 7 working days. | Complaints and queries resolved within 5 working days. |
| | | Consultation | 49 events on education and awareness, and exhibitions conducted. 3 workshops conducted. | The division plans to host 9 workshops. Participate in a collaborative education and awareness campaign with entities within the Department of Trade and Industry. | Ad hoc invitations to events by the Minister and other stakeholders at which presentations and/or exhibitions will be done. The division plans to host 9 workshop. |
| | | Access | Website SST's | Website SST's | Website SST's |
| | | Courtesy | Monthly client survey | Monthly client survey | Monthly client survey |
| | | Information | CIPC website Provincial campaigns | CIPC website Provincial campaigns | CIPC website Provincial campaigns |
| | | | | | |

| Key Service | Service Beneficiaries | Current standard 2018/19 | | Desired standard 2019/20 | Desired standards 2020/21 |
|-------------|-----------------------|--------------------------|---|--|--|
| | | | | | |
| | | Redress | Publish a notice of the intention to improve and redress. | Publish a notice of the intention to improve and redress. Review the standards and targets. | Publish a notice of the intention to improve and redress. Review the standards and targets. |
| | | Openness & Transparency | Develop and publish Annual Report | Publish Annual Report | Publish Annual report |
| | | Value for money | Formalisation of cooperatives into the economy | Formalisation of cooperatives into the economy | Formalisation of cooperatives into the economy |
| | | Time | Register cooperative within 21 working days. | Process cooperative within 15 working days | Register cooperative within 10 working days. |
| | | Cost | R215 | R215 | R215 |
| | | Human Resources | 15 | 10 | 10 |

A service: Protect the identity of business entities through the allocation of a Trade mark application number within 5 working days.

| Key Service | Service Beneficiaries | Current standard 2017/8 | | Desired standard 2018/9 | Desired standards 2019/20 |
|-------------|-----------------------|--|--|---|---|
| Trade Marks | Public | Quantity | 90% new applications allocated official application number within 5 working days from the date of receipt. | 90% within 2 working days from the date of receipt. | 90% within 2 working days from the date of receipt. |
| | | Quality | Complaints and queries resolved within 10 working days from receipt of file from storage. | Complaints and queries resolved within 10 working days from receipt of file from storage. | Complaints and queries resolved within 10 working days from receipt of file from storage. |
| | | Consultation Plans on outreach programme | N/A | N/A | N/A |
| | | Access | 98% website availability Website | 98% website availability | 98% website availability. |
| | | Courtesy | N/A | N/A | N/A |
| | | Information Brochures | 98% website availability | 98% website availability | 98% website availability |
| | | Redress | N/A | N/A | N/A |
| | | Openness & Transparency | N/A | N/A | N/A |

| Key Service | Service Beneficiaries | Current standard 2017/8 | | Desired standard 2018/9 | Desired standards 2019/20 |
|-------------|-----------------------|-------------------------|---|--|--|
| | | Value for money | Protection of business entity in the market | Protection of an entity in the market competition. | Protection of business entities in the market competition. |
| | | Time | 5 working days | 5 working days | 5 working days |
| | | Cost | R 590 | R 590 | R 590 |

A service: eXtensible Business Reporting Language (XBRL) is a platform created for entities to file their Annual Financial Statements.

| Key Service | Service Beneficiaries | Current standard 2017/8 | | Desired standard 2018/9 | Desired standard 2018/20 |
|-----------------------------|-----------------------|--|--|---|---|
| Annual Financial Statements | Entities | Manual submission of Annual Financial Statements | 100% of Annual Financial Statements are submitted (manually via e-Mail) | 0,1% of entities submitting AFS electronically (Pilot Phase – JSE Listed Entities Only) | 40% of entities submitting AFS electronically |
| | | Quality | XBRL platform is inherently designed to validate information submitted by entities | 100% AFS quality assured by the system | 100% AFS quality assured by the system |
| | | Consultation Plans on outreach programme | Stakeholder management plan in place | Stakeholder management plan implemented | Stakeholder management plan implemented |
| | | Access | Testing phase with software service providers using published taxonomy | Testing phase with the 1 st 100 companies through a e-filing portal | 40% of entities should be able to submit their AFS online |
| | | Courtesy | Stakeholder engagement | Quarterly client survey | Quarterly client survey |
| | | Information | 98% website availability | 98% website availability | 98% website availability |
| | | Redress | Provide instant support | Provide instant support | Provide instant support |
| | | Openness & Transparency | Publish Annual Report | Publish Annual Report | Publish Annual Report |

| Key Service | Service Beneficiaries | Current standard 2017/8 | | Desired standard 2018/9 | Desired standard 2018/20 |
|-------------|-----------------------|-------------------------|---|---|---|
| | | Value for money | Corporate Compliance according to companies Act | Corporate Compliance according to companies Act | Corporate Compliance according to companies Act |
| | | Time | Not Applicable | Not Applicable | 5 working days |
| | | Cost | N/A | N/A | N/A |
| | | Human Resources | 12 AFS | 12 AFS | 12 AFS |

21. Annexure B: Indicator Profiles

| | |
|---------------------------------------|---|
| 1. Indicator Title | % website performance for e-services 24/7 (1) |
| 2. Short Definition | Performance of CIPC website for our Customers to transact, 24 hours a day, 7 days a week. |
| 3. Purpose/Importance | This measure shows the extent to which CIPC is effective in providing 24/7 access to its services through its website. |
| 4. Source/collection of data | Systems Reports |
| 5. Lead Branch/Division/Business Unit | Business Intelligence and Systems |
| 6. Method of calculation | We will regard any page on the e-services site taking longer than 4 seconds as unavailable. The results are aggregated for a month showing actual achievement as a percentage. The report should cover from the 1st of the reporting period until the last day of the month of the reporting period. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> i. The data manager extracts the report, make calculations and analysis. ii. The Executive Manager: Business Intelligence and Systems quality checks the reports, calculations and analysis and availability of supporting evidence. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of calculations. iv. The Chief Strategy Executive reviews the report, and calculations. v. The Internal Audit Division audits the report, calculations, analysis and supporting evidence. |
| 9. Baseline | 93% |
| 10. Type of Indicator | Effectiveness |
| 11. Calculation type | Non-cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | A high percentage of website performance. |
| 15. Indicator responsibility | The Executive Manager: Business Intelligence and Systems takes overall responsibility for the production and submission of reports. |

| | |
|---------------------------------------|--|
| 1. Indicator Title | % of CIPC services with an option to file electronically compared to services which may only be filed manually (see annexure C) (3) |
| 2. Short Definition | CIPC services with an option to file electronically compared to services which may only be filed manually (electronically means applications are not captured by CIPC) |
| 3. Purpose/ Importance | This measure shows effectiveness in increasing electronic services with the aim to improve access to its services. |
| 4. Source/collection of data | Executive Report by Business Intelligence Systems Group |
| 5. Lead Branch/Division/Business Unit | Business Intelligence Systems |
| 6. Method of calculation | A list of services is provided which shows how services are offered - manually, electronically, hybrid. These are summed up and the % calculated. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> i. The data manager prepares the report, and makes calculations and evidence. ii. The Divisional Manager: Enterprise Information Management and Assurance quality checks and verifies the correctness of the report and evidence. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report and calculations. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations. |
| 9. Baseline | 26% |
| 10. Type of Indicator | Output |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | An increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually |
| 15. Indicator responsibility | The Divisional Manager: Enterprise Information Management and Assurance is responsible for producing and submission the report |

| | |
|---------------------------------------|---|
| 1. Indicator Title | A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with CIPC (5) |
| 2. Short Definition | The customer and stakeholder value index measure the customer and stakeholder satisfaction and perception of CIPC. |
| 3. Purpose/ Importance | This measure establishes how effective CIPC efforts, in meeting the stakeholder and customer expectations are. |
| 4. Source/collection of data | Stakeholder and customer survey report |
| 5. Lead Branch/Division/Business Unit | Strategic Communications |
| 6. Method of calculation | The results will be extracted from the survey report. The calculations will be done as outlined in the proposal. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | The Senior Manager: Strategic Communication will verify the correctness of the report and sign it off. |
| 9. Baseline | 7 |
| 10. Type of Indicator | Effectiveness |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and Annually |
| 13. New Indicator | No |
| 14. Desired performance | An increase of the score. |
| 15. Indicator responsibility | The Senior Manager: Strategic Communications takes responsibility for reporting on this measure. |

| | |
|---------------------------------------|--|
| 1. Indicator Title | Number of education and awareness events on IP conducted by CIPC (6) |
| 2. Short Definition | Education and awareness events on patent, design, and copyright in film conducted by CIPC |
| 3. Purpose/Importance | This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IP. |
| 4. Source/collection of data | Events reports |
| 5. Lead Branch/Division/Business Unit | Innovation and Creativity |
| 6. Method of calculation | Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence |
| 9. Baseline | 30 |
| 10. Type of Indicator | Output |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | Events planned to be conducted. |
| 15. Indicator responsibility | The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report. |

| | |
|---------------------------------------|--|
| 1. Indicator Title | Number of education and awareness events on IP enforcement conducted by the CIPC (7) |
| 2. Short Definition | Education and awareness events on creativity and visible IP enforcement conducted by the CIPC |
| 3. Purpose/Importance | This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IP enforcement. |
| 4. Source/collection of data | Events reports |
| 5. Lead Branch/Division/Business Unit | Innovation and Creativity |
| 6. Method of calculation | Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | The supervisor of the person compiling the report must sign off the report. |
| 9. Baseline | 6 |
| 10. Type of Indicator | Output |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | Events planned conducted. |
| 15. Indicator responsibility | The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report. |

| | |
|---------------------------------------|---|
| 1. Indicator Title | The average number of days to register a company from the date of receipt of a complete application (8). |
| 2. Short Definition | The average number of days it takes to register a company from the date the customer submits a complete application. |
| 3. Purpose/ Importance | This measure shows the efficiency improvement in company registration process for speedy processing of company registration lodgments. |
| 4. Source/collection of data | ERMS/INFORMIX |
| 5. Lead Branch/Division/Business Unit | Companies and CCs |
| 6. Method of calculation | <p>Instruct the system to extract total companies registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (CREATE/TRACKING/RECEIVED/RECORDING/LAST TIME PROC DATE*; DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is then calculated by adding all the numbers (Turnaround time) and then it is divided by the number of transactions that exists. In other words, the sum divided by the count.</p> <p>Because separate reports are extracted for manual and electronic (including banks) transactions, weighted average is used. To calculate a weighted average, percentages of manual and electronic (including banks) of the total company registration are calculated and the average TAT for manual transactions must first be multiplied by its percentage. This is done similarly for electronic transactions (including banks). All of these new values must then be added together to arrive at the weighted average, which is what will be reported.</p> <p>* Manual - Create/Tracking Date; Banks – last proc date; Electronic - last time proc date</p> |
| 7. Data limitations | None. |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Companies and CCs verifies the correctness of the transactions, make calculations and analysis in the report. (iv) The Strategy, Planning and Monitoring Unit verifies the correctness of the report, calculations and analysis. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The Internal Audit Division audits the report, calculations and analysis. |
| 9. Baseline | 2 |

| | |
|------------------------------|---|
| 1. Indicator Title | The average number of days to register a company from the date of receipt of a complete application (8). |
| 10. Type of Indicator | Efficiency |
| 11. Calculation type | Non-cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | Reduction in the average number of days to register a company from the date of receipt a complete application. |
| 15. Indicator responsibility | <p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing system reports.</p> <p>The Senior Manager: Companies takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p> |

| | |
|---------------------------------------|--|
| 1. Indicator Title | The average number of days to register a co-operative from the date of receipt of a complete application (9). |
| 2. Short Definition | The average number of days it takes to register a co-operative from the date the customer submits a complete application. |
| 3. Purpose/ Importance | This measure shows the efficiency improvement in co-operatives registration process for speedy processing of co-operatives registration. |
| 4. Source/collection of data | ERMS/INFORMIX |
| 5. Lead Branch/Division/Business Unit | Co-operatives |
| 6. Method of calculation | Instruct the system to extract total co-operatives registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (RECEIVED DATE/TRACKING DATE, CREATE DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average number of days is then calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count. |
| 7. Data limitations | None. |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> i. The data manager extracts the report. ii. The Senior Manager: Information Assurance quality checks the reports. iii. The Senior Manager: Co-operatives verifies the correctness of the transactions, make calculations and analysis of the report. iv. The Strategy, Planning and Monitoring Unit verifies the correctness of the report, calculations and analysis. v. The Chief Strategy Executive reviews the report, calculations and analysis. vi. The Internal Audit Division audits the report, calculations and analysis |
| 9. Baseline | 2 |
| 10. Type of Indicator | Efficiency |
| 11. Calculation type | Non-cumulative |
| 12. Reporting cycle | Quarterly and annually as indicated in the performance matrix |

| | |
|------------------------------|---|
| 1. Indicator Title | The average number of days to register a co-operative from the date of receipt of a complete application (9). |
| 13. New Indicator | No |
| 14. Desired performance | Reduction in the number of days it takes to register a co-operative from the date the customer submits a complete application. |
| 15. Indicator responsibility | <p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the statistics.</p> <p>The Senior Manager: Co-operatives takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p> |

| | |
|---|---|
| 1. Indicator Title | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation (10) |
| 2. Short Definition | Education and awareness events on the Companies Act and related legislation |
| 3. Purpose/ Importance | This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on the Companies Act and related legislation. |
| 4. Source/collection of data | Events reports |
| 5. Lead Branch/Division/ Business Unit | Cooperate Education and Voluntary Compliance |
| 6. Method of calculation | Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person. |
| 7. Data limitations | None |
| 8. Quality Assurance Strategy | <ul style="list-style-type: none"> i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence. |
| 9. Baseline | 3 |
| 10. Type of Indicator | Output |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | Events planned to be conducted. |
| 15. Indicator responsibility | The Senior Manager: Corporate Education takes overall responsibility for provision of the report on this performance measure and submission of the report to the Strategy and Planning Specialist. |

| | |
|--|---|
| 1. Indicator Title | % of public companies (with an active business status) that have complied with the filing of annual returns by the end of the reporting period (11) |
| 2. Short Definition | Public Companies (with an active business status) that have filed annual returns as regulated in the Companies Act, 2008. |
| 3. Purpose/Importance | The measure shows the level of compliance of only public companies with active business status in relation to filing of annual returns. |
| 4. Source/collecti on of data | ERMS/INFORMIX/XBRL |
| 5. Lead Branch/Divisio n/Business Unit | Company and CC |
| 6. Method of calculation | <p>A projections table for public companies with active business status that were due to file annual returns, for every month is prepared. ERMS/INFORMIX is instructed to produce an excel report of public companies with active business status that have filed their annual returns per month on which the annual returns were due.</p> <p>Actual achievements for the reporting period = $\frac{\text{The number of public companies with active business status that have filed annual returns by the end of the reporting period}}{\text{The number of public companies with active business status that are due to file annual returns}} * 100$</p> <p>The report should cover the 1st of the reporting period until the last day of the month of the reporting period.</p> |
| 7. Data limitations | <p>Currently CIPC do not have the capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after the incorporation anniversary). CIPC is exploring how this could be achieved.</p> <p>Compliance is currently measured from 1 April to the end of each reporting period.</p> |
| 8. Quality Assurance Strategy | <p>(i) The data manager extracts the report regarding public companies with an active business status as well as volume of public companies that filed annual returns.</p> <p>(ii) The Senior Manager: Information Assurance quality checks the reports regarding public companies with active business status and volume of public companies that filed annual returns.</p> <p>(iii) The Senior Manager: Companies verifies the correctness of the transactions in the report, calculations and do analysis of the report regarding public companies with an active business status and volume of annual return filings.</p> <p>(iv) The Strategy, Planning and Monitoring Unit verifies the correctness of the report, and calculations.</p> <p>(v) The Chief Strategy Executive reviews the report, calculations and analysis.</p> <p>(vi) The Internal Audit Division audits the report, raw data, calculations and analysis.</p> |
| 9. Baseline | 80% |

| | |
|------------------------------|---|
| 1. Indicator Title | % of public companies (with an active business status) that have complied with the filing of annual returns by the end of the reporting period (11) |
| 10. Type of Indicator | Efficiency |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually as indicated in the performance matrix |
| 13. New Indicator | Yes |
| 14. Desired performance | Increase in the % of public companies with an active business status that have complied with the filing of annual returns and audited financial statements by the end of the reporting period |
| 15. Indicator responsibility | <p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the system report.</p> <p>The Senior Manager: Companies and CCs is responsible for verification of the system reports regarding volume of public companies, and compilation and submission of the performance report.</p> |

| | |
|--|---|
| 1. Indicator title | % of public companies (with an active business status) that have complied with the filing of audited financial statements by the end of the reporting period (12) |
| 2. Short Definition | Public Companies (with an active business status) that have filed audited financial statements as regulated in the new Companies Act, 2008. |
| 3. Purpose/Importance | The measure shows the level of compliance of only public companies with active business status in relation to filing of Annual Financial Statements. |
| 4. Source/collecti on of data | ERMS/INFORMIX/XBRL |
| 5. Lead Branch/Divisio n/Business Unit | Corporate Disclosure Regulation and Compliance (CCDR) |
| 6. Method of calculation | <p>A projections table for public companies with active business status that were due to file audited financial statements, for every month is prepared. XBRL is instructed to produce a Business Intelligence report of public companies with an active business status that filed their audited annual financial statements per month on which the annual returns were due.</p> <p>First actual achievement for the reporting period = the number of public companies with active business status that have filed audited financial statements by the end of the reporting period / the number of public companies with active business status that are due to file annual returns * 100.</p> <p>The report should cover the 1st of the reporting period until the last day of the month of the reporting period.</p> |
| 7. Data limitations | <p>Currently CIPC do not have the capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after the incorporation anniversary). CIPC is exploring how this could be achieved.</p> <p>Compliance is currently measured from 1 April to the end of each reporting period.</p> |
| 8. Quality Assurance Strategy | <p>(vii) The data manager extracts the report regarding public companies with an active business status as well as volume of public companies that filed audited financial statements.</p> <p>(viii) XBRL Business Intelligence office who will extract XBRL information</p> <p>(ix) The Senior Manager: Information Assurance quality checks the reports regarding public companies with active business status and volume of public companies that filed audited financial statements</p> <p>(x) Senior Investigator in AFS Stream who quality assures XBRL data.</p> <p>(xi) The Senior Manager: Companies verifies the correctness of the transactions in the report, calculations and do analysis of the report regarding public companies with an active business status and volume of audited financial statements.</p> <p>(xii) Senior Investigator in AFS Stream who assures correctness of transactions on XBRL.</p> |

| | |
|------------------------------|--|
| 1. Indicator title | % of public companies (with an active business status) that have complied with the filing of audited financial statements by the end of the reporting period (12) |
| | (xiii) The Strategy, Planning and Monitoring Unit verifies the correctness of the report, and calculations. (xiv) The Chief Strategy Executive reviews the report, calculations and analysis. (xv) The Internal Audit Division audits the report, raw data, calculations and analysis. |
| 9. Baseline | 40% |
| 10. Type of Indicator | Efficiency |
| 11. Calculation type | Cumulative |
| 12. Reporting cycle | Quarterly and annually as indicated in the performance matrix |
| 13. New Indicator | Yes |
| 14. Desired performance | Increase in the % of public companies with an active business status that have complied with the filing of audited financial statements by the end of the reporting period |
| 15. Indicator responsibility | The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the system report. .Senior Investigator in the AFS Stream takes responsibility for XBRL Senior Investigator in the AFS Stream takes responsibility for XBRL verification of the system reports regarding volume of public companies, and compilation and submission of the performance report. |

22. Annexure C: Statistics for Manual vs. Automated Business Processes

List of business processes

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|---|---------|--------------------------------|--|-------------|---------------|--|
| 1 | CO & CC | COR3 0.3; CoR30 .1; CK2B | CO&CC AR Filing of Annual Returns | | 1 | Fully automated process. Customers may submit manually. |
| 2 | CO & CC | COR1 23.1 | CO&CC BR Entering into Business Rescue Proceedings | 1 | | |
| 3 | CO & CC | CoR12 5.3 | CO&CC BR Notice of Substantial implementation | 1 | | |
| 4 | CO & CC | CoR12 5.2 | CO&CC BR Notice of Termination | 1 | | |
| 5 | CO & CC | CoR12 5.1 | CO&CC BR Review of BR Progress Reports (CO&CC) | 1 | | |
| 6 | CO & CC | No form | CO&CC AR Deregistration | | 1 | Automated as part of the AR Filing process Referral into deregistration is automated while the extraction of the lists and referral for posting is still manual. |
| 7 | CO & CC | COR4 0.1/ CM26 LIQ | CO&CC Liquidation | 1 | | This is an end to end process that starts with a liquidation form or court order being filed with CIPC to notification of dissolution by the Master. It also includes the set aside of the liquidation process by court order and publication of |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|---------|-------------------------------|---|-------------|---------------|---|
| | | | | | | the information. |
| 8 | CO & CC | COR4 0.5 | CO&CC Re-instatements | 1 | | |
| 9 | CO & CC | Letter | CO&CC Voluntary Deregistration | 1 | | |
| 10 | CO & CC | COR1 5.2, COR1 5.2 Annexure A | CO Amendment of MOI - Addition of ring fencing to the MOI (incl JSE) | 1 | | |
| 11 | CO & CC | COR1 5.2, COR9.4 | CO Amendment of MOI - Change of Company Name (incl JSE) | | 1 | Fully automated process. Customers may submit manually. |
| 12 | CO & CC | COR1 5.2 | CO Amendment of MOI - Change of CO main business (incl JSE) | 1 | | |
| 13 | CO & CC | COR1 5.2 | CO Amendment of MOI - Change of Company Shares (incl JSE) | | 1 | Incorporates CO Conversion of Par Value Shares #17 |
| 14 | CO & CC | COR1 5.2 | CO Amendment of MOI - Conversion of a Company to another type of Company (incl JSE) | 1 | | |
| 15 | CO & CC | COR1 5.2 | CO Amendment of MOI - Conversion of par value shares (incl JSE) | | 1 | Incorporated with CO Change of Company Shares #14 |
| 16 | CO & CC | COR1 8.1 | CO CC Conversion to a CO | 1 | | |
| 17 | CO & CC | COR2 5 | CO Change of Financial Year End | | 1 | Fully automated process. Customers may submit manually. |
| 18 | CO & CC | CR 6 | CO Co-op conversion to a CO | 1 | | Starts with Co-operatives Special Resolution |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|---------|------------------------------|---|-------------|---------------|---|
| 19 | CO & CC | COR8 9 | CO Notice of amalgamation or merger of Companies | 1 | | |
| 20 | CO & CC | COR2 1.1 | CO Notice of Change of Registered Office/Address | | 1 | Fully automated. Customers may submit manually. |
| 21 | CO & CC | COR2 2 | CO Notice of location of CO records | 1 | | |
| 22 | CO & CC | COR1 4.1, COR1 5.1D | CO Registration Non-Profit CO with or without members with a long standard or customised MOI | 1 | | |
| 23 | CO & CC | COR1 4.1, COR1 5.1C | CO Registration Non-Profit CO with or without members with a short standard or customised MOI | | 1 | Fully automated. No choice of manual process |
| 24 | CO & CC | COR1 4.1, COR1 5.1B | CO Registration of a Personal Liability with a Long standard or Customised MOI | 1 | | |
| 25 | CO & CC | COR1 5.1B; COR1 4.1 | CO Registration of a Private CO with a Long or customised MOI | 1 | | |
| 26 | CO & CC | COR2 0.1, COR2 1.1 | CO Registration of external CO | 1 | | |
| 27 | CO & CC | COR1 5.1B; COR1 4.1 | CO Registration of State-Owned CO with long-or customised MOI | 1 | | |
| 28 | CO & CC | COR1 5.1B; COR1 4.1 | CO Registration- Private Company with a Customised MOI | | 1 | |
| 29 | CO & CC | | CO Registration with BEE Certificate (SST) | | 1 | |
| 30 | CO & CC | COR1 5.1A; COR1 4.1 | CO Standard Registration (including Banks, SST, Third party) | | 1 | |
| 31 | CO & CC | COR1 7.1 | CO Domestication of Foreign CO | 1 | | |
| 32 | CO & CC | COR9. 1 | NR Reservation of a Company, Close Corporation or Co-operative name or business name | - | 1 | |
| 33 | CO & CC | COR9. 2 | NR Extend a Name reservation | | 1 | Automated (hybrid) |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|---------|-----------|--|-------------|---------------|--|
| 34 | CO & CC | | NR Name search | | 1 | This is more of a disclosure function than a processing function. I will recommend to put it under general. |
| 35 | CO & CC | COR1 0.1 | NR Register a Defensive Name | 1 | | |
| 36 | CO & CC | COR1 0.2 | NR Renew defensive name reservation | 1 | | |
| 37 | CO & CC | COR1 1.1 | NR Transfer of reserved or registered name | | 1 | Customers may submit manually |
| 38 | CO & CC | No form | CO&CC BR discontinuation of business rescue proceedings (via set aside court order, nullity etc) | 1 | | New |
| 39 | CO & CC | CoR40 .2 | CO Transfer to foreign jurisdiction | 1 | | New |
| 40 | CO & CC | COR1 5.2 | CO Amendment of MOI - Adoption of new MOI (incl JSE) | 1 | | Not previously on list |
| 41 | CO & CC | COR1 5.3 | CO Amendments of MOI - Other changes (example is deletion or adding of a clause)(incl JSE) | 1 | | Not previously on list |
| 42 | CO & CC | COR1 6.1 | CO Notice of Company Rules | 1 | | Not previously on list |
| 43 | CO & CC | COR1 6.2 | CO Results of Vote on Company Rules | 1 | | Not previously on list and have no workflow for this form. Use CoR16.1 but such is a risk due to the fact that CoR16.2 is a fee carrying form while CoR16.1 does not have a fee. |
| 44 | CO & CC | COR1 5.3 | CO Alteration of MOI | 1 | | Not previously on list This form is meant for the correction of errors within a MOI. |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|-----|-------------|-----------|--|-------------|---------------|--|
| 45 | CO & CC | COR1 5.4 | CO Translation of MOI | 1 | | Not previous on list before. Can be tracked but not tested yet. Haven't received one in two years. Low priority |
| 46 | CO & CC | COR1 5.5 | CO Consolidation of MOI | 1 | | Not previously on list |
| 48 | CO & CC | CoR12 .1 | Allegation of Name Reservation System Abuse | 1 | | No process yet since it is a more investigative option - not sure where this needs to reside e.g. names or investigations. |
| 49 | CO & CC DMP | CK2 | CC Principle Business Change | 1 | | Not on the list before. Process owner is actually Companies not DMP. |
| 50 | CO & CC DMP | CK2 | CC Name Change (including shortened name registration and registration of a translation) | 1 | | Not on the list before. Process owner is actually Companies not DMP. |
| 51 | CO & CC DMP | COR 126.1 | CO BR Application to be licenced as a Business Rescue Practitioner | 1 | | |
| 52 | CO & CC DMP | COR1 23.2 | CO BR Appointment of Business Rescue Practitioner | 1 | | |
| 53 | CO & CC DMP | CoR21 .2 | CO Change of Company Representatives | 1 | | |
| 54 | CO & CC DMP | COR3 9 | CO Appointment, resignation or removal of Directors | | 1 | Fully automated process. Customers may submit manually. |
| 187 | CO&CC:DMP | | Update Directors Details | | 1 | Splinter of DMP COR39 process which is automated |
| 55 | CO & CC DMP | CK2 | CC Appointment, resignation or removal of Members | | 1 | Automated process with manual intervention (hybrid). |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|------------------------------------|-----------|---|-------------|---------------|--|
| | | | | | | Customers may submit manually. |
| 56 | CO & CC DMP | COR44 | CO Auditor appointment, resignation or removal | | 1 | Fully automated process. Customers may submit manually. |
| 57 | CO & CC DMP | COR44 | CO Appointment, resignation or removal of Audit Committee members and CO Secretary | 1 | | |
| 58 | CO & CC DMP | CK2A | CC Appointment, resignation or removal of an Accounting Officer CORRRAO | 1 | | |
| 59 | CO & CC DMP | CK2A | CC Change of address | | 1 | Process owner is actually Companies not DMP. Fully automated process. Customers may submit manually. |
| 60 | CO & CC DMP | COR44 | CO Auditor and CO Secretary change of address | 1 | | Automated (hybrid) process. Customers may submit manually. |
| 61 | CO & CC DMP | CK2A | CC Change of Financial Year End | | 1 | Process owner is actually Companies not DMP. Fully automated process. Customers may submit manually. |
| 62 | CO & CC DMP | | CO Disqualified Directors Register | | 1 | |
| 63 | CORPORATE LEGAL AND POLICY SUPPORT | | CLPS Provide policy and legal insight & advice & co-ordinate the prosecution of contraventions with NPA | 1 | | |
| 64 | CORPORATE LEGAL AND POLICY SUPPORT | COR168 | CLPS | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|---------------------------------------|------------------|---|-------------|---------------|--|
| 65 | CORP EDUCATION & VOLUNTARY COMPLIANCE | | CEVC Advisory opinion | 1 | | |
| 66 | CORP EDUCATION & VOLUNTARY COMPLIANCE | | CEVC Education Event | 1 | | |
| 67 | CORP DISCLOSURE & COMPLIANCE | | CDC XBRL Filing of Annual Financial Statements | | 1 | |
| 68 | CORP DISCLOSURE & COMPLIANCE | | CDC Independent Review | 1 | | |
| 69 | CORP DISCLOSURE & COMPLIANCE | | CDC Annual R29.12 Report | 1 | | Annual reports from Independent Review Professional Bodies |
| 70 | CORP DISCLOSURE & COMPLIANCE | | CDC Reportable Irregularities | 1 | | |
| 71 | CORP DISCLOSURE & COMPLIANCE | | CDC Prospectus Registration | 1 | | |
| 72 | CORP GOV SURVEILLANCE & ENFORCEMENT | COR1 31.1 | CO & CC Complaints resolution | | 1 | Compliance Checklist on e-Services 2 Internal processes follow: Investigation; and Determination of complaint |
| 73 | CO-OPS | CR1; CR8; or CR4 | Co-ops Amalgamation of Co-operatives (Amalgamation Agreement) | 1 | | |
| 74 | CO-OPS | CR5 | Co-ops Amendment (of Statute) | 1 | | |
| 75 | CO-OPS | CR8 | Co-ops Application for Exemption of Auditing Requirements | 1 | | |
| 76 | CO-OPS | CR4 | Co-ops Appointment of an Auditor | 1 | | |
| 77 | CO-OPS | CR6 | Co-ops Change Co-operative constitution | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|----|-------------|---------------------|---|-------------|---------------|--|
| 78 | CO-OPS | CR2; CR3; CR7 | Co-ops Change an old registration number to a new registration number | 1 | | |
| 79 | CO-OPS | CR3 | Co-ops Change of address and contact particulars | 1 | | |
| 80 | CO-OPS | CR6 | Co-ops Change of financial year end | 1 | | |
| 81 | CO-OPS | CR6 | Co-ops Change of name | 1 | | |
| 82 | CO-OPS | CR6 | Co-ops Change of registered address | 1 | | |
| 83 | CO-OPS | CR6 | Co-ops Changes to co-operative share capital | 1 | | |
| 84 | CO-OPS | CR6 | Co-ops Changes to the Board of Directors | 1 | | |
| 85 | CO-OPS | CR7 | Co-ops Compliance | 1 | | Annual Financial Statement |
| 86 | CO-OPS | CR6 | Co-ops Conversion of a Co-ops to another kind of Co-op | 1 | | |
| 87 | CO-OPS | CR1 | Co-ops Co-op Conversion of a Company to a Co-operative | 1 | | |
| 88 | CO-OPS | CR9 | Co-ops Deregistration (Voluntary) | 1 | | |
| 89 | CO-OPS | | Co-ops Deregistration (Non Compliance and by Court Order) | 1 | | Annual Financial Statements |
| 90 | CO-OPS | CR1 | Co-ops Division of Co-operatives (Amalgamation Agreement) | 1 | | |
| 91 | CO-OPS | CR9 | Co-ops Liquidation of a Co-op (voluntary & by court order) | 1 | | |
| 92 | CO-OPS | CR2 | Co-ops Lodge a return relating to Directors | 1 | | |
| 93 | CO-OPS | CR1; CR8; CR4 | Co-ops Registration of a Co-operative (Primary, secondary, tertiary) | 1 | | |
| 94 | CO-OPS | CR5 | Co-ops Registration of a Co-operative name | 1 | | |
| 95 | TRADE MARKS | TM2 | TM Amendment of goods/services | 1 | | |
| 96 | TRADE MARKS | TM2 | TM Amendment of the Mark | 1 | | |
| 97 | TRADE MARKS | TM1 | TM Application to register a Trade Mark | | 1 | Fully automated. Customers may choose to file manually |
| 98 | TRADE MARKS | TM6 | TM Assignment of a Trade Mark | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|-----|-------------|-----------|---|-------------|---------------|---|
| 99 | TRADE MARKS | TM2 | TM Association between Trade Marks | 1 | | |
| 100 | TRADE MARKS | TM1 | TM Bulk application to register Trade Mark (CUBA) | | 1 | Fully automated. Customers may choose to file individually/manually |
| 101 | TRADE MARKS | TM2 | TM Certified extract from the Register of Trade Marks | 1 | | |
| 102 | TRADE MARKS | TM2 | TM Change of address for service | 1 | | |
| 103 | TRADE MARKS | TM2 | TM Change of name of applicant | 1 | | |
| 104 | TRADE MARKS | TM2 | TM Change of physical address of applicant | 1 | | |
| 105 | TRADE MARKS | | TM Conduct a preliminary search | | 1 | Fully automated |
| 106 | TRADE MARKS | TM2 | TM Correction of clerical error | 1 | | |
| 107 | TRADE MARKS | TM2 | TM Dissolution of association | 1 | | |
| 108 | TRADE MARKS | | TM Maintenance Before - same as after | 1 | | |
| 109 | TRADE MARKS | | TM Opposition | 1 | | Manual lodgement only (email and physical paper-based) |
| 110 | TRADE MARKS | TM7 | TM Recordal of a registered user | 1 | | |
| 111 | TRADE MARKS | TM5 | TM Renewal of a Trade Mark | | 1 | |
| 112 | TRADE MARKS | TM2 | TM Request a special search | 1 | | |
| 113 | TRADE MARKS | TM2 | TM Request by applicant to enter an endorsement | 1 | | |
| 114 | TRADE MARKS | TM2 | TM Restoration of a Trade Mark | 1 | | Manual lodgement only (email and physical paper-based) |
| 115 | TRADE MARKS | | TM Certificates | 1 | | |
| 116 | TRADE MARKS | | TM Acceptance | 1 | | Issuing of Notice of Acceptance automated |
| 117 | PATENTS | | PT Advertising Design Applications on Patent Journal | | 1 | |
| 118 | PATENTS | P12; P13 | PT Amendment of complete specification | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|-----|---------|------------|---|-------------|---------------|---|
| 119 | PATENTS | P11 | PT Amendment of provisional specification | 1 | | |
| 120 | PATENTS | P4 | PT Application by patent attorney who has been suspended or removed from register | 1 | | |
| 121 | PATENTS | P1; P7; P8 | PT Application for a patent with a complete specification | | 1 | |
| 122 | PATENTS | P1; P6 | PT Application for a patent with a provisional specification | | 1 | Hybrid with back office intervention. Customers may file manually |
| 123 | PATENTS | P10 | PT Application for extension of time to pay renewal fees | 1 | | |
| 124 | PATENTS | P25 | PT Application for PCT | | 1 | Automated. Through WIPO (Attorneys). Can be filed manually |
| 125 | PATENTS | | PT Application for perusal of file | 1 | | |
| 126 | PATENTS | P20 | PT Application for revocation | 1 | | |
| 127 | PATENTS | P4 | PT Application for revocation of independent patent and grant of patent of addition as independent patent | 1 | | |
| 128 | PATENTS | P21 | PT Application for voluntary surrender | 1 | | |
| 129 | PATENTS | P4 | PT Application of extension of time for acceptance of complete specification | 1 | | |
| 130 | PATENTS | P4 | PT Application to amend or lodge a fresh application | 1 | | |
| 131 | PATENTS | P4 | PT Application to extend period for publication of acceptance | 1 | | |
| 132 | PATENTS | P4 | PT Application to extend privileges of patent attorney | 1 | | |
| 133 | PATENTS | P4 | PT Application to rectify register | 1 | | |
| 134 | PATENTS | | PT Bulk application to register a Patent (CUBA) | | 1 | Fully automated. Customers may choose to file manually |
| 135 | PATENTS | P4 | PT Cancellation of notice of hypothecation | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|-----|---------|-----------|--|-------------|---------------|---|
| 136 | PATENTS | P4 | PT Change of address for service | 1 | | |
| 137 | PATENTS | P4 | PT Change of complete specification into provisional specification | 1 | | |
| 138 | PATENTS | P4 | PT Claim priority | 1 | | |
| 139 | PATENTS | P4 | PT Correction of clerical error | 1 | | |
| 140 | PATENTS | P4 | PT Endorsement or cancellation of endorsement | 1 | | |
| 141 | PATENTS | | PT Examination and acceptance | 1 | | |
| 142 | PATENTS | P1 | PT Late claiming priority | 1 | | |
| 143 | PATENTS | P5; P8 | PT Late lodgement of documents | 1 | | |
| 144 | PATENTS | P19 | PT Lodging opposition | 1 | | |
| 145 | PATENTS | P22 | PT Notice of future proceedings | 1 | | |
| 146 | PATENTS | P10 | PT Patent renewal | 1 | | |
| 147 | PATENTS | | PT Patent Restoration | | | |
| 148 | PATENTS | P4 | PT Post-dating application | 1 | | |
| 149 | PATENTS | | PT Public Patent Search | | 1 | |
| 150 | PATENTS | P17 | PT Register as a patent customer or attorney | 1 | | |
| 151 | PATENTS | | PT Registration certificate | 1 | | |
| 152 | PATENTS | P18 | PT Removal from register as patent customer or attorney | 1 | | |
| 153 | PATENTS | P14; P16 | PT Supplementary disclosure in patent specification | 1 | | |
| 154 | PATENTS | | PT Patent Journal Downloads | | 1 | |
| 155 | DESIGNS | D5 | DS Addressing deficiencies in the application | 1 | | |
| 156 | DESIGNS | | DS Advertising Design Applications on Patent Journal | | 1 | |
| 157 | DESIGNS | | DS Application for copies of documents | 1 | | |
| 158 | DESIGNS | | DS Application for perusal of file | 1 | | |
| 159 | DESIGNS | D5 | DS Assignment of Design | 1 | | |
| 160 | DESIGNS | | DS Bulk application to register Designs (CUBA) | | 1 | Fully automated. Customers may choose to file individually/manually |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|-----|----------------------------|----------------|--|-------------|---------------|---|
| 161 | DESIGNS | D5 | DS Change of name of applicant | 1 | | |
| 162 | DESIGNS | | DS Change of residential address or address for service | 1 | | |
| 163 | DESIGNS | | DS Correction of errors in wording | 1 | | |
| 164 | DESIGNS | | DS Correction of errors of representation | 1 | | |
| 165 | DESIGNS | | DS Examination and Acceptance | 1 | | |
| 166 | DESIGNS | D1; D3; D6; D8 | DS New design application | | 1 | Automated. Customer can choose to file manually |
| 167 | DESIGNS | | DS Registration certificate | 1 | | |
| 168 | DESIGNS | | DS Registration of a Design | | 1 | |
| 169 | DESIGNS | D10 | DS Renew a design | 1 | | |
| 170 | DESIGNS | | DS Restoration of a design | 1 | | |
| 171 | COPYRIGHT & IP ENFORCEMENT | | CIPE Assessment of complaint | 1 | | |
| 172 | COPYRIGHT & IP ENFORCEMENT | | CIPE Stakeholder training and capacity building | 1 | | |
| 173 | COPYRIGHT | | CR Accreditation of Collecting Society | 1 | | |
| 174 | COPYRIGHT | | CR Amendments of Films and Visual Recordings | | 1 | Automated (hybrid). Customer can choose to file manually |
| 175 | COPYRIGHT | | CR Bulk application to register Copyrights (CUBA) | | 1 | Fully automated. Customers may choose to file individually/manually |
| 176 | COPYRIGHT | | CR Copyright process | | 1 | Automated (hybrid). Customer can choose to file manually |
| 177 | COPYRIGHT | | CR Counter statement | 1 | | |
| 178 | COPYRIGHT | | CR Notice of opposition | 1 | | |
| 179 | COPYRIGHT | | CR Oppositions to Registration of Films and Visual CR Recordings | 1 | | |

| # | UNIT | FORM CODE | PROCESS NAME | MANUAL ONLY | HYBRID & AUTO | COMMENTS |
|--|-----------------|-----------------------------|--|-------------|---------------|--|
| 180 | COPYRIGHT | RF1; RF2; RF3; RF9 | CR Registration of Films and Visual Recordings | | 1 | Automated (hybrid) Customer can choose to file manually |
| 181 | OMBUD | | OMBUD Investigate & resolve service delivery & administration complaints | 1 | | |
| 182 | CLIENT SERVICES | | CE Customer registration | | 1 | Generic: all domains |
| 183 | CLIENT SERVICES | | CE Password reset | | 1 | Generic: all domains |
| 184 | CLIENT SERVICES | | CE Customer transactions | | 1 | Generic: all domains |
| 185 | CLIENT SERVICES | | CE Document status | | 1 | Generic: all domains |
| 186 | CLIENT SERVICES | | Certificates and Disclosures | | 1 | Generic: all domains |
| 188 | CLIENT SERVICES | | Top up | 1 | | Top up of balance in customer account. Interim solution until payment model is deployed to all processes |
| 189 | GENERIC ALL | | Tracking/Indexing of Application | 1 | 1 | Related to online, and manual lodgements |
| 190 | GENERIC ALL | | Disclosure Application for perusal of file | 1 | | Request via email or telephonically |
| 191 | GENERIC ALL | | Disclosure Application for copies of documents | 1 | | Request via email or telephonically |
| 192 | GENERIC ALL | | QRS: Enterprise enquiry | | 1 | |
| Total number of Business Processes | | | | 140 | 50 | 190 |
| Percentage of manual vs automated Business Processes | | | | 74% | 26% | 100% |

23. Information Technology Plan – Annexure D

ICT Strategic Focus for 2018/2019 - “Leveraging and Optimising ICT Investment”

| VISION | MISSION | GOALS | OBJECTIVES | ELEMENTS | KPI | INITIATIVES | ACTIONS (SUB-INITIATIVES) |
|--|---|---|--|-----------------|----------|--|--|
| To be a reputable world class regulator of business entities and intellectual property | In partnership with others, we make it easy and attractive to do business in South Africa | Goal 1 Reduced administrative compliance burden | Objective 1.1 24/7 access to all CIPC services | 24/7/365 Access | % Uptime | Data Integrity, Archiving and Security | Monitor ISMS & Optimise Cyber Security Intelligence Services |
| | | | | | | | Implement optimised Continuity Plan, Policy & Programme |
| | | | | | | | High Availability Infrastructure Continuous Improvement and Upgrade Programme |
| | | | | | | | High Availability Infrastructure Continuous Improvement and Upgrade Programme |
| | | | | | | | Implement Enterprise Architecture for identified components (data, technology, security, processes, standards) |
| | | | | | | | As-Is processes; and To-Be processes |
| | | | | | | Enabling Technology & Infrastructure | Application Systems and Data Model Modernisation Programme to support FutureView 2030 |
| | | | | | | | Business Data Warehousing and Intelligence Programme to provide improved performance information |
| | | | | | | | Continuous Improvement of SharePoint to improve document and content management |
| | | | | | | | Continuous improvement and upgrade of CIPC Applications and Systems Monitoring and Management Programme |

| VISION | MISSION | GOALS | OBJECTIVES | ELEMENTS | KPI | INITIATIVES | ACTIONS (SUB-INITIATIVES) |
|--|---|---|---|---------------------------|---|---|---|
| To be a reputable world class regulator of business entities and intellectual property | In partnership with others, we make it easy and attractive to do business in South Africa | Goal 1 Reduced administrative compliance burden | Objective 1.3 An intelligent, innovative, high performance organisational environment | Enabling high performance | Stakeholder Satisfaction Rates <ul style="list-style-type: none"> • Service Levels • Support • Training, Education & Awareness • Engagement Model implemented | Organisational Design and Review Programme | ICT Skills, Capacity and Competency Assessment and Development Programme. |
| | | | | | | | BSIG Strategy and Structural Review to define OD Input. |
| | | | | | | | BSIG OD Project Participation |
| | | | | | | Service Catalogue, Engagement and Service Level Programme | Application Systems and Data Model Modernisation Programme to support FutureView 2030. |
| | | | | | | | Continuous improvement and upgrade of CIPC Applications and Systems Monitoring and Management Programme |

24. Materiality and Significant Framework- Annexure E

1. Definitions

1.1 Accounting Authority - The Commissioner

1.2 Executive Authority - The Minister of the Department of Trade and Industry

1.3 PFMA

The Public Finance Management Act (Act 1 of 1999, amended by Act 29 of 1999). Materiality and Significance as referred to in Sections 55(2) and 54(2) of the PFMA. Sections 54(2) and 55(2) of the PFMA is applicable, to the extent indicated, to all public entities, listed in Schedule 2 or 3 of the PFMA. CIPC as a Schedule 3 A Public Entity is required to prepare a Materiality Framework for the organisation. As part of the objective to maintain a high level of corporate governance in CIPC a materiality framework has been developed for the 2011/2012 financial year.

2. Introduction

This document was developed to give effect to the amended Treasury Regulations issued in terms of the Public Finance Management Act, 1999, March 2005, whereby the following new requirement was placed on **public entities**:

Section 28.3.1 – “For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant executive authority.”

Material issues are those things that could make a major difference to an organization's performance. Material information provides the basis for stakeholders and management to make sound judgments about the things that matter to them, and take actions that influence the organization's performance.

Accounting Standards Board (ASB) defines materiality as: “the magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.”

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements (IASB Framework).

Materiality therefore relates to the significance of transactions, balances and errors contained in the financial statements. Materiality defines the threshold or cut-off point after which financial information becomes relevant to the decision making needs of the users. Information contained in the financial statements must therefore be complete in all material respects in order for them to present a true and fair view of the affairs of the entity.

| | Interpretation | Reporting |
|---|---|---|
| Material issues | <p>Issues critical to the success of the business strategy and to its stakeholders.</p> <p>Issues should be central to management systems and key performance indicators.</p> | <p>Issues emphasized in reporting, making clear how they link to business strategy.</p> <p>Performance indicators are likely to be clearly defined; however there may be subsidiary issues where materiality and information needs are more contested.</p> |
| Significant but not strategically material | <p>Relevant as:</p> <ul style="list-style-type: none"> • compliance requirements • operational performance issues • stakeholder perception issues <p>but not central to business strategy. Some issues may inform future strategy development, particularly where stakeholder concern is rising.</p> | <p>Often associated in practice with the interpretation 'report on in the annual report', but this is only the most basic analysis.</p> <p>Reporting on these issues might mean reporting to specific interested stakeholder groups or contributing to emerging debate.</p> |
| Not material | <p>Low priority.</p> <p>Issues do not warrant significant action or reporting on at this stage. However, should continue to be monitored.</p> | <p>No detailed reporting on issues in this zone, although the issues themselves should be disclosed.</p> |

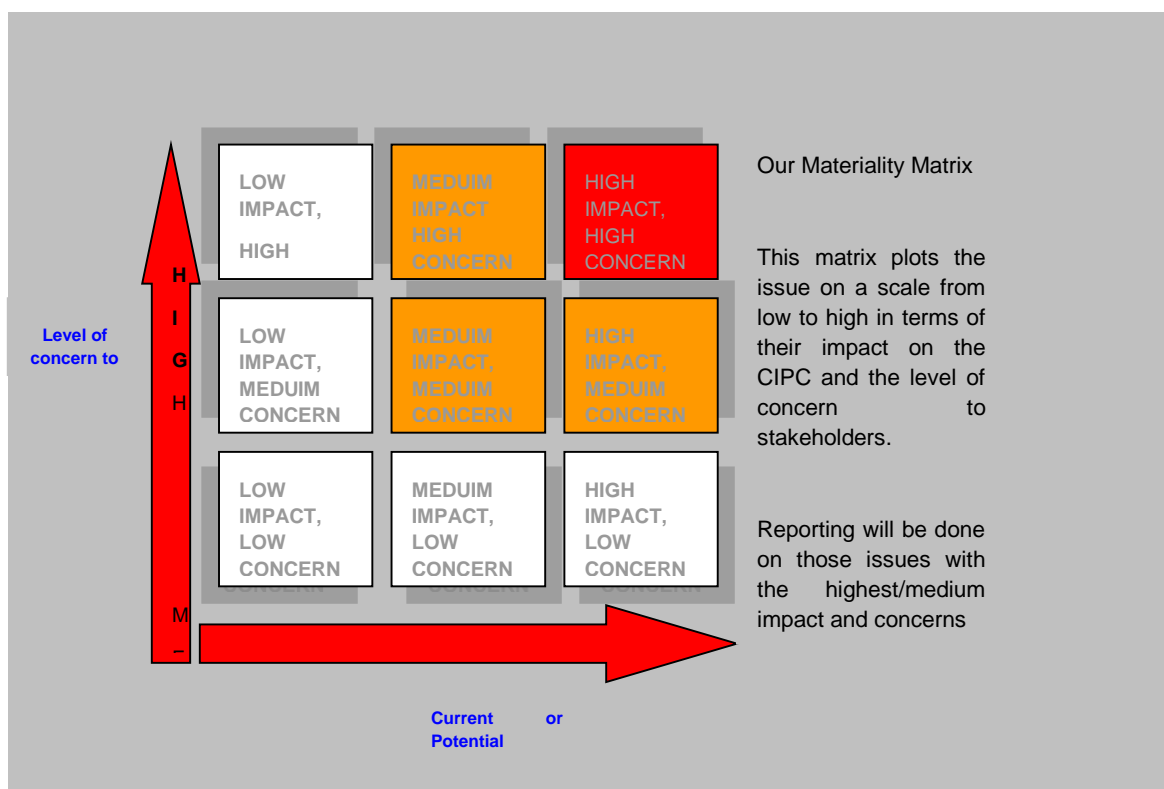


Figure1: Materiality Matrix

For purpose of material (section 50(1), 55(2) and 66(1) of the PFMA and significant (section 54(2) of the act) the accounting authority must develop and agree a framework of acceptance of levels of materiality and significance with the relevant Executive Authority in consultation with the External auditors.

3. Determination of Materiality

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects. Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as a basis for calculating materiality.

| Basis | Acceptable Percentage Range |
|---------------|-----------------------------|
| Gross revenue | 0.25 – 1% |
| Gross profit | 1 – 2% |
| Net income | 2.5 – 10% |
| Equity | 2 – 5% |

| Basis | Acceptable Percentage Range |
|--------------|-----------------------------|
| Total assets | 0.5 – 2% |

4. Quantitative Aspects

Due to the non-capital intensive business nature of the CIPC, the best indicator with regard to business activity is revenue. For this reason the materiality value is based on the budgeted revenue. Given the current business environment and taken into consideration the institutional challenges that CIPC faces 1.0% of revenue is selected as the materiality value.

The materiality value for CIPC for the 2019/2020 financial year is then calculated as follows:

- Total Revenue R596.7 million
- Materiality basis 0,5 %
- **Materiality Value for the 2019/20 financial year R2 983 500**

5. Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a “reasonable” user’s judgment. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:

- New ventures that CIPC has entered into.
- Unusual transactions entered into that are not of a repetitive nature and are disclosed purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- Transactions entered into that could result in reputation risk.
- Any fraudulent or dishonest behaviour of an officer or staff of CIPC at any level.
- Procedures/processes required by legislation or regulation (e.g. PFMA, the Treasury Regulations and other specific Legislation applicable to CIPC)
- Significant under-achievement of operational performance targets. In terms of measuring significant under-performance against an achievement of less than 25% of the six monthly target or after 6 months into the financial year, and less than 70% of the annual target for the full year, will be considered significant.

6. STATUTORY APPLICATION (PFMA)

| Section | Requirement | 1.4 <i>Materiality indicator</i> |
|-----------------------|---|---|
| Section 55 (2) | Material | |
| Section 55 (2) | The annual report and financial statements referred to in subsection 1 (d) must - | |
| Section 55 (2) | (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of incorrect financial results and lack of performance against predetermined objectives. High impact / High concern |
| Section 55 (2) | (b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern |
| Section 55 (2) | (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses High impact / High concern |
| Section 55 (2) | (iii) any losses recovered or written off; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses recovered or written off. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern |
| Section 55 (2) | (iv) any financial assistance received from the state and commitments made by the state on its behalf; and | N/a The funds from the DTI for establishing the Commission? |

| Section | Requirement | 1.4 <i>Materiality indicator</i> |
|-----------------------|---|--|
| Section 55 (2) | (v) any other matters that might be prescribed; and | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of other matters that might be prescribed. High impact / Low concern |
| Section 55 (2) | (c) include the financial statements of any subsidiaries. | N/A |
| Section 54 (2) | Significant | |
| Section 54 (2) | (2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction; (a) establishment or participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; and (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement. | Specific level of significance defined per subsection: Each transaction separately – High impact / Low concern 5% Deviation from Service Level Agreement – Low impact / Low concern N/a – Low impact / low concern 15% of fixed assets – Low impact / Low concern Each transaction separately – Low impact / Low concern 20% Deviation from original objectives – Low impact / Low concern |

25. Risk Management and Fraud Prevention Plan – Annexure F

1. EXECUTIVE SUMMARY

The Companies and Intellectual Property Commission (CIPC) acknowledges the need to implement a holistic and structured process of corporately managing its exposure to risk, to this end, a risk management policy and framework were developed and approved.

This action plan seeks to explain how and when these documents will be translated into practical effect through processes which as far as possible actively involve CIPC internal and external stakeholders.

2. PURPOSE OF THE DOCUMENT

This document sets out the risk management (inclusive of the fraud prevention plan) five year rolling and annual implementation plans.

3. OBJECTIVE

The primary objective of the risk management plan is to facilitate the execution of risk management within the CIPC. This plan is developed in compliance with the sections 51(1) (a) of the PFMA and 27.2.1 of the Treasury Regulations and gives effect to the implementation of the risk management policy and framework of the CIPC. Furthermore, it provides a roadmap for the embedding of risk management within the CIPC and sets out activities planned for the identified periods in line with the strategic plan and details the activities and timelines for the 2019/20 financial year.

4. APPROACH

In developing the plan, the following were taken into account:

- ✓ The risk management policy
- ✓ Risk management framework
- ✓ Current and envisaged resources requirements (available and external resources required)
- ✓ Urgency and quick wins

5. DETAILED PLAN

A five-year risk management plan is included below. This is followed by a detailed 2019/20 annual implementation plan.

5.1 Five year rolling plan 2019/20-2023/24

| Risk Management Activities | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 |
|--|----------|----------|----------|----------|----------|
| 1. Risk Management | | | | | |
| 1.1. Develop a risk management plan | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.2. Revision of risk management policy. | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.3. Review the risk framework and methodology | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.4. Conduct a risk management maturity assessment | | ✓ | | ✓ | |
| 1.5. Develop a strategic risk register | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.6. Facilitate the revision of the risk appetite statement and tolerance levels | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.7. Conduct a root cause analysis of identified risks | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.8. Monitor, review and report on strategic risks | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.9. Develop and review operational risks for all divisions | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.10. Monitor, review and report on operational risks | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.11. Conduct risk management training for CIPC employees | ✓ | ✓ | | | ✓ |
| 1.12. Quarterly risk management report to the EXCO and Risk Committee | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.13. Develop risk indicators | | ✓ | ✓ | ✓ | ✓ |
| 1.14. Facilitate and ensure alignment of risk management with individual performance | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. Fraud Prevention | | | | | |
| 2.1 Review of fraud prevention plan | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.2 Fraud prevention policy review | ✓ | ✓ | ✓ | ✓ | ✓ |

| Risk Management Activities | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2.3 Review of fraud prevention methodology/processes | | ✓ | ✓ | ✓ | ✓ |
| 2.3 Internal fraud awareness | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.4 Implement external fraud awareness initiatives | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.5 Facilitate the declaration of interest process by relevant employees in line with the approved policy | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.6 Maintain an effective case database | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.7 Conduct investigations and provide recommendations | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.8 Compile and present Quarterly reports on fraud EXCO and Risk and ICT Committee | ✓ | ✓ | ✓ | ✓ | ✓ |

5.2 2019/20 Risk Management Implementation Plan

| Risk Management Activities | 2019/20 | Q1 | Q2 | Q3 | Q4 |
|--|----------------|-----------|-----------|-----------|-----------|
| Risk Management | | | | | |
| 1.1 Develop a risk management plan | ✓ | ✓ | | | |
| 1.2 Revision of Risk Management policy. | ✓ | ✓ | | ✓ | |
| 1.3 Review the risk framework and methodology | ✓ | | | ✓ | |
| 1.4 Revision of the a strategic risk register | ✓ | | | ✓ | |
| 1.5 Facilitate the revision of the risk appetite statement and tolerance levels | ✓ | | | | ✓ |
| 1.6 Conduct a root strategic risks root cause analysis. | ✓ | | ✓ | ✓ | |
| 1.7 Monitor, review and report on strategic risks | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.8 Review divisional operational risks | ✓ | ✓ | | | ✓ |
| 1.9 Monitor, and report on operational risks | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.10 Facilitate the embedding of risk management through quarterly risk management awareness initiatives | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.11Facilitate risk champion quarterly network sessions | ✓ | ✓ | ✓ | ✓ | ✓ |
| 1.12 Quarterly risk management report to the EXCO and Risk Committee | ✓ | ✓ | ✓ | ✓ | ✓ |

| Risk Management Activities | 2019/20 | Q1 | Q2 | Q3 | Q4 |
|---|----------------|-----------|-----------|-----------|-----------|
| 2 Fraud Prevention | | | | | |
| 2.1 Review of fraud prevention plan | ✓ | | | ✓ | |
| 2.2 Fraud prevention policy review | ✓ | ✓ | | | |
| 2.2 Review of fraud methodology/processes | ✓ | ✓ | | | |
| 2.4 Create Internal fraud awareness: Quarterly staff awareness messages and feedback on reported cases - through various channels | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.5 External fraud awareness: Quarterly fraud messages posted on CIPC website | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.6 Facilitate the declaration of interest process by relevant employees | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.7 Review and maintain an effective case database | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.8 Conduct investigations and provide recommendations | ✓ | ✓ | ✓ | ✓ | ✓ |