



Companies and Intellectual
Property Commission

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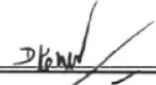
CIPC FIRST QUARTER PERFORMANCE REPORT

2024/25

Approval of the Report

Endorsement of Support by the Audit Committee

I hereby support the endorsement of the report.

Signature:  _____


Name: KEN KOWAR

Rank: CHAIRPERSON : AUDIT COMMITTEE

Date: 31 July 2024

Endorsement by the Accounting Authority

I hereby support the endorsement of the report.

Signature:  _____

Name: Adv RW Voller

Rank: Commissioner

Date: 31 July 2024

NB: For the purpose of this Report, **Accounting Officer** = the person responsible for the daily operations of the entity (e.g., CEO) and **Accounting Authority** = a person representing a body that provides oversight over the entity (e.g., Board / Tribunal Chairperson) and / or Minister's direct Reportee (e.g., Commissioner / CEO)

Acronyms

Abbreviation	Description
AG	Auditor General
AOGA	African Growth and Opportunity Act
AI	Artificial Intelligence
AOP	Annual Operating Plan
APP	Annual Performance Plan
AVE	Advertising Value Equivalent
ATAT	Average Turnaround Time
BBBEE	Broad-Based Black Economic Empowerment
BISG	Business Intelligent Services Group
BO	Beneficial Ownership
BRICS	Intergovernmental organisation comprising of Brazil, Russia, India, China, and South Africa
BRS	Business Requirements Specifications
CCDR	Corporate Compliance and Disclosures Regulation
CEO	Chief Executive Officer
CEVC	Companies Enforcement and Valuation Compliance
CGSE	Corporate Governance, Surveillance and Enforcement
CIO	Chief Information Officer
CIPC	Companies and Intellectual Property Commission
CSR	Corporate Social Responsibility
CSIR	Council for Scientific and Industrial Research
DEI	Diversity Equity and Inclusion
DMP	Directors, Members and Practitioners
DOJ	Department of Justice
DPE	Department of Public Enterprises
EE	Employment Equity
ELP	Experiential Learning Programme
EPMO	Enterprise Project Management Office
EPO	European Patent Office
ESG	Environmental, Social, and Governance
ESS	Employee Self-service
EUIPO	European Union Intellectual Property Office
EWP	Employee Wellbeing Programme
FAS	Financial Accountability Supplements
FASSETA	Financial and Accounting Sector Education and Training Authority
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FRS	Functional Requirement Specifications
FSCA	Financial Sector Conduct Authority
FY	Financial Year
GCIP	Global Cyber and IP
GRC	Governance Risk and Compliance

HC	Human Capital
HIPO	Heads of Intellectual Property Offices
HR	Human Resources
IAP	Inventor Assistance Programme
ICHIP	International Computer Hacking and IP
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAS	Intellectual Property Automation System
IPO	Initial Public Offering
IRBA	Independent Regulatory Board for Auditors
ISSB	International Sustainability Standards Board
IT	Information Technology
JD	Job Description
JE	Job Evaluation
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LEA	Law Enforcement Agency
MOA	Memorandum of Agreement
MOI	Memorandum of Incorporation
MOU	Memorandum of Understanding
NIPMO	National Intellectual Property Management Office
NPA	National Prosecuting Authority
NSG	National School of Government
OD	Organisational Design
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act
QRS	Query Resolution System
RFP	Request for Proposal
RFQ	Request for Quotation
RI	Reportable Irregularity
SA	South Africa
SARS	South African Revenue Service
SCM	Supply Chain Management
SDP	Skills Development Plan
SDS	Service Delivery Standards
SIU	Special Investigations Unit
SMME	Small, Medium and Micro Enterprises
SSC	Self-Service Centre
SSE	Substantive Search and Examination
SST	Self-Service Terminal
TAT	Turnaround Time
WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language

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1. Executive Summary

This document represents an overview of the Companies and Intellectual Property Commission's (CIPC) 2024/25 Quarter 1 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, the Annual Performance Plan (APP), and the Annual Operational Plan (AOP) for the 2024/25 reporting period. These are plans set against the legislative and policy mandate of the CIPC in terms of their contribution to broader national objectives.

The CIPC derives its mandate from the Companies Act 71 of 2008, which serves as a comprehensive legal framework with multiple objectives. It aims to align company law with the principles of South Africa's Constitution, specifically the Bill of Rights. Furthermore, the Act plays a pivotal role in fostering economic development by encouraging entrepreneurship, simplifying company formation, and promoting transparency and high corporate governance standards. It also seeks to drive innovation and investment in South African markets, reaffirm the significance of companies for economic and social benefits, and create conditions conducive to capital aggregation and risk management. Additionally, the Act supports non-profit companies, balances shareholder and director rights, and encourages the efficient and responsible management of companies, all contributing to the broader goal of enhancing the country's economic welfare and competitiveness.

The CIPC's strategic intent is to contribute to the well-being of the country by expressing the purpose of the Act. This is done by making it easy to do business in SA, regulating the business and IP environment, contributing to SA becoming an investment destination, and enabling the protection and commercialisation of innovation. In addition, the CIPC's goal is to leverage knowledge assets and networks to support third-party decision-making.

At the heart of CIPC's operations are its core values, derived from the Batho Pele principles:

1. **Passion for Service:** We work as one to seamlessly serve our customers with passion, commitment, and dedication.
2. **Integrity:** We live out fairness, impartiality, and respect in all our actions as individuals and as an organisation.
3. **Empowerment:** We recognise the value of our employees and partners and provide them with the discretion and tools to effectively deliver on their responsibilities.
4. **Accountability:** We hold one another accountable for our commitments. We are responsible and responsive in the execution of our duties.
5. **Collaboration:** We believe in the power of teams, teamwork, and collaborative effort to deliver exceptional service and execute our duties effectively.

This report represents the CIPC's move towards reporting on the regulator's impact on South Africa's economy, emphasising its dedication to significantly shaping the nation's economic landscape. The report, therefore, provides a comprehensive overview of the quarter's highlights and key achievements. It also highlights any significant changes, challenges, or opportunities that emerged during the quarter.

Quarter Highlights Against Strategic Objectives

Overall, in Quarter 1 of 2024/25, **11 of the 13** quarterly targets set for Quarter 1 were achieved. It should be noted that **5 indicators under Programme 1, 3 indicators under Programme 2, and 5 indicators under Programme 3** are included in the calculation for this reporting period.

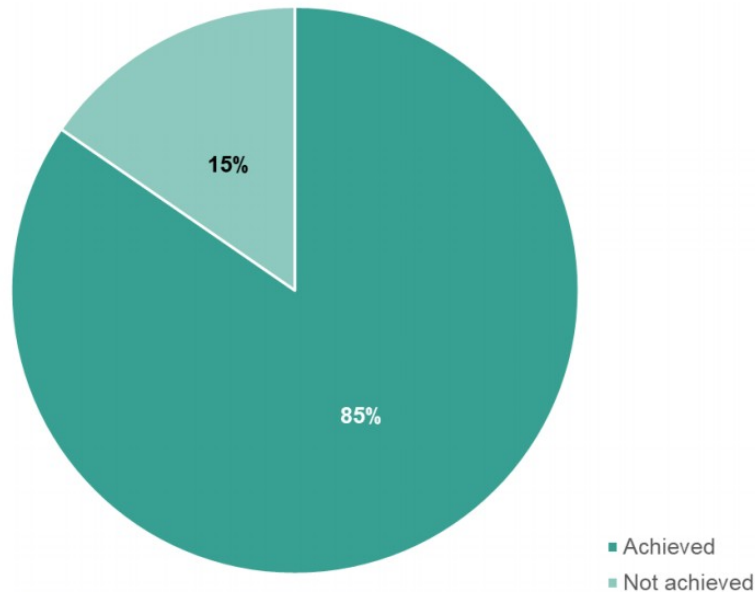


Figure 1: CIPC Overall Q1 Performance (FY2024/25)

As illustrated in Figure 2, **Programme 1** has achieved **80% (4 out of 5)** of its planned targets for the quarter. **Programme 1 (Service Delivery and Access)** has enhanced access to its services, ensuring security and operational excellence. Noteworthy achievements include the approval of its skills and training plan. Additionally, the CIPC drafted a robust data strategy and six new data policies, including a data sharing policy to ensure secure and transparent information exchange with stakeholders, highlighting the organisation's commitment to data security and effective management.

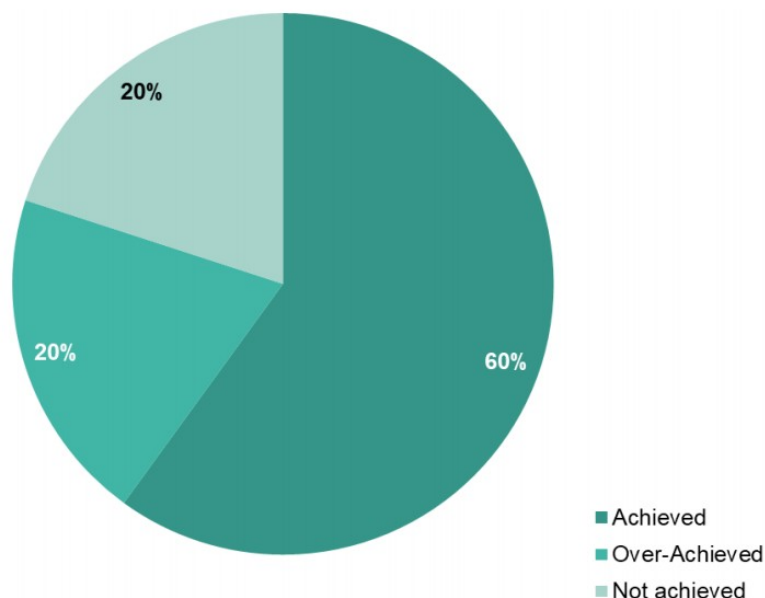


Figure 2: Programme 1 Performance, Q1 (FY2024/25)

In pursuit of **Programme 2 (Innovation and Creativity Promotion)** initiatives the CIPC has achieved **100% (3 out of 3)** of its planned targets, as observed in Figure 3. The CIPC has continued to foster local innovation through secure registries for patents, designs, and films. Key highlights include the implementation of the SSE Experiential Learning Programme, producing six non-binding work products and executing comprehensive SSE training. Notably, the CIPC has met all its predetermined targets in this reporting period.

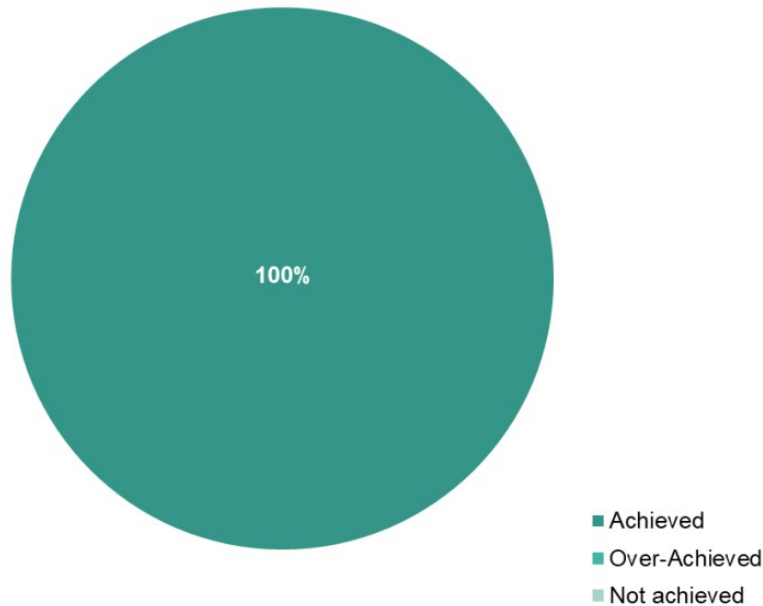


Figure 3: Programme 2 Performance, Q1 (FY2024/25)

Programme 3 (Business Regulation and Reputation) has demonstrated considerable in the quarter under review. As depicted in Figure 3, Programme 3 has achieved **80% (4 out of 5)** of its planned targets for the quarter by leveraging law enforcement collaborations to enhance proactive investigations and public education on regulatory compliance. The CIPC also conducted corporate education and awareness initiatives aimed at supporting SMMEs and tracking capital raised through IPOs.

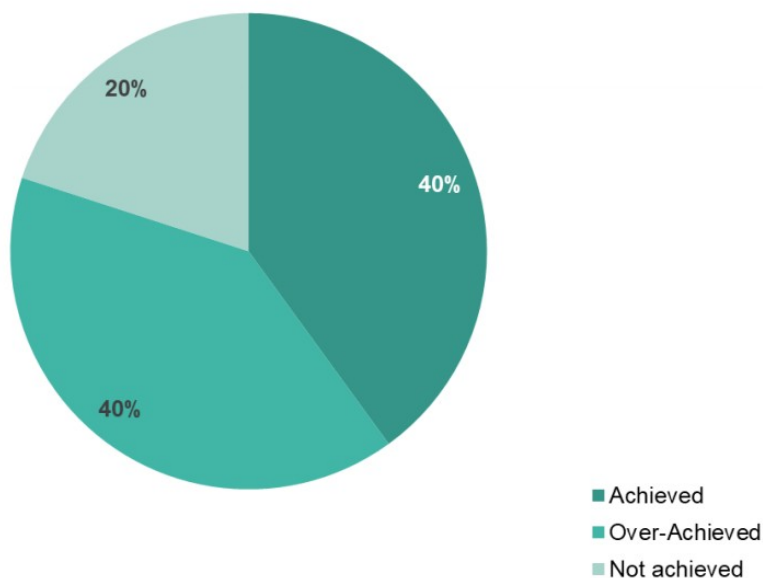


Figure 4: Programme 3 Performance, Q1 (FY2024/25)

Operational Highlights

During this quarter, the CIPC made substantial progress in several operational areas. In terms of corporate transparency, the CIPC advanced its commitment through initiatives such as presenting to the Uganda Registration Services Bureau on XBRL digital reporting and hosting XBRL Board meetings. These efforts promote better data management and accessibility, setting benchmarks for transparency and accountability.

For company registration and oversight, the CIPC took proactive measures to address compliance gaps, including notifying non-compliant entities and enhancing the Foreigner Assurance service to prevent money laundering and terror financing. In the realm of intellectual property and creative industries, the CIPC's leadership in the IP BRICS community strengthened international collaborations and contributed to the development of comprehensive IP frameworks. Initiatives like World Intellectual Property Day celebrations raised awareness about the importance of IP among university students, high school learners, and SMEs.

In the area of automation, significant progress was made in automating key processes, such as the verification of foreign nationals and the integration of the Annual Return Deregistration process. These measures enhance compliance and ensure accurate corporate data.

Challenges and Mitigations

Despite these successes, the CIPC faced operational challenges, particularly system instability and delays in service delivery. Measures to address these issues included enhancing ICT infrastructure to stabilise the K2 system and improve processing times for company registrations and reinstatements. An overtime project was also implemented to manage high volumes of re-instatement requests and annual returns.

Customer and Stakeholder Engagement

Efforts to build and maintain the CIPC's reputation included proactive media engagement and monitoring, as well as addressing verification challenges through inter-unit collaboration and dedicated management of verification-related enquiries. These initiatives aim to improve customer satisfaction and streamline service delivery.

The CIPC's performance in Quarter 1 of 2024/25 demonstrates its commitment to enhancing the business environment and supporting economic growth in South Africa. By addressing challenges and leveraging opportunities for improvement, the CIPC continues to align with its strategic objectives and uphold values of transparency, accountability, and excellence. As the CIPC moves into the next quarter, it remains focused on fostering a compliant, competitive, and innovative business environment for the benefit of all South Africans.

2. Performance Against Strategic Objectives

This section of the report provides a comprehensive overview of the CIPC's progress, focusing on the specific metrics and key performance indicators (KPIs) that demonstrate its achievements. The section highlights not only the strategic goals that were successfully met but also those that were exceeded, showcasing the CIPC's dedication to fulfilling its commitments. Furthermore, it emphasises the contributions made towards addressing the strategic imperatives, emphasising the pivotal role the CIPC's initiatives play in driving the organisation forward in line with its broader mission and vision.

The CIPC's strategic objectives are designed to promote economic growth and development through the efficient and effective regulation of businesses and the intellectual property system.

2.1 Programme 1: Service Delivery and Access

The purpose of Programme 1: Service Delivery and Access is to promote better access to the CIPC services by ensuring that its 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.

Achievements

In Quarter 1, the CIPC successfully produced case studies that highlighted the positive impact it has had on society. These case studies covered a wide range of the CIPC's services, including the enforcement of intellectual property rights, the promotion of sustainability, the maintenance comprehensive corporate registers, and the support and protection of innovation. The case studies not only demonstrate the CIPC's commitment to these areas but also showcase the practical applications and benefits of its services, emphasising its role in driving societal and economic progress.

The CIPC developed a comprehensive workplace skills plan (WSP), which in the quarter under review, has received approval from FASSETA. The implementation of the WSP is a crucial step in equipping the CIPC's workforce with the essential skills needed for the successful execution of the CIPC's organisational objectives.

Moreover, the CIPC has drafted a comprehensive data strategy aimed at enhancing data management practices across the organisation. The data strategy focuses on the secure and efficient collection, storage, and sharing of data, thereby supporting broader data sharing and improved decision-making processes. In addition, six new data policies were drafted and tabled for governance approval. Among these is the data sharing policy, which defines a framework for the secure, transparent, and responsible exchange of information with internal and external stakeholders. This policy outlines principles, procedures, and control mechanisms to ensure the appropriate handling of sensitive data, covering all data types and formats throughout their lifecycle, from collection to disposal. It governs data exchanges with various stakeholders, including government agencies, private entities, and the public, reinforcing the organisation's commitment to data security and transparency.

Table 1: Programme 1 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Skills and training plan developed and implemented	Percentage employee completion of training	New Indicator	50%	Finalised and approved skills and training plan	Skills and training plan finalised and approved	N/A	N/A
Clean audit achieved	Number of AGSA Audit outcome reports	Clean Audit	Clean audit	Not Measured	N/A	N/A	N/A
Implementation of stakeholder and customer satisfaction report recommendations	Percentage overall customer and stakeholder satisfaction	8 (equivalent to 80%)	Not measured	Not Measured	N/A	N/A	N/A
Case studies of firms, workers, entrepreneurs, professionals or communities impacted by CIPC activities	Number of Case Studies demonstrating the impact of CIPC activities on business and society	New indicator	30	0	4	Units submitting case studies on request and even before the deadline	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Participation in business forums aimed at supporting increased FDI, exports and outward investment	Percentage of planned Business Forums participated in	New indicator	80%	80%	0	Business Forum planned for Q1 was cancelled by <i>the dtic</i>	Liaise with <i>the dtic</i> to for further collaborations
CIPC Data Strategy Developed	Number of drafts of the CIPC Data Strategy developed	New Indicator	1	1	1 Draft data strategy developed	N/A	N/A
CIPC Data Policies developed	Number of quarterly progress reports indicating the stage of development of the data policies	New Indicator	4	1	1	N/A	N/A

2.2 Programme 2: Innovation & Creativity Promotion

Programme 2: Innovation and Creativity Promotion at the CIPC facilitates and encourages local innovation and creativity by managing accurate and secure registries for patents, designs, and cinematograph films. This involves maintaining up-to-date information on companies, foreign companies, and other juristic persons as per the Companies Act. The programme oversees the regulation of royalty distribution by accredited collecting agencies and plays a significant role in the enforcement of intellectual property (IP) laws, collaborating with law enforcement agencies when necessary. Additionally, the programme focuses on educating the public about the benefits of IP registration, available remedies, and opportunities for commercialisation and industrial advancement. It conducts in-depth research to identify gaps and assess the impact of IP rights, contributing valuable insights for future policy recommendations.

Achievements

In pursuit of these objectives, Programme 2 has successfully met the predetermined targets outlined for Quarter 1. Programme 2 has made notable strides in fostering innovation and enhancing its service delivery through the successful implementation of the SSE Experiential Learning Programme. A key highlight of this initiative was the production of six non-binding work products per examiner, including intern examiners, alongside the execution of a comprehensive SSE training initiative. These non-binding work products, comprising Written Opinions and Search Reports on patentability, play a crucial role in the experiential learning process, offering a practical glimpse into the patent examination procedure and interaction with patent attorneys, all under the adept guidance of the European Patent Office (EPO).

The CIPC has further demonstrated its ongoing commitment to transforming the economy and promoting innovation through the continued implementation of its Inventor Assistance Programme (IAP). In this regard an Inventor Assistance Programme Review Committee hearing was convened. This session was dedicated to meticulously screening applications, ensuring that only those with the potential for significant impact and alignment with the programme's objectives were advanced. Twelve applications were assessed in the meeting of which, three were recommended for pairing with a *pro bono* patent attorney. Notably, the IAP has seen a significant increase in the number of applications received for participation in the programme. This highlights the success of the promotional webinars that were hosted in previous quarters and the importance of continuing awareness around the programme. The programme has grown in terms of assistance and therefore adds value to inventors irrespective of the patentability of their creations.

Table 2: Programme 2 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	1 st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Implementation of Experiential Learning Project (ELP) with the SSE team	Number of non-binding work products issued per examiner ¹ in line with SSE Experiential Learning	24	24	6	6	N/A	N/A
	Number of SSE training initiatives	4	4	1	1	N/A	N/A
Sustainable job creation through implementation of Experiential Learning Project (ELP) via the SSE programme	Number of new sustainable permanent jobs created through implementation of the Experiential Learning Project (ELP) of the SSE Programme	-	20	-	Not Measured	N/A	N/A
SSE Internship Programme	Number of new interns employed biennially through implementation of the ELP via the SSE Programme	0	20	Not Measured	Not Measured	N/A	N/A

¹ Work product includes Search Report and a Written Opinion on patentability such a work product will in future be issued to an applicant

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	1 st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Inventor Assistance Programme (IAP) implemented	Number of IAP Review Committee meetings to screen applications	4	4	1	1	N/A	N/A
	Number of Annual Status Reports tracking the status of paired applications ²	1	1	Not Measured	N/A	N/A	N/A
Compliance with Regulations by Accredited Collecting Societies	Number of annual audit reports on promoting compliance with regulations by Collecting Societies conducted by the CIPC	1	1	Not Measured	N/A	N/A	N/A
Efficient and Effective collection and distribution of royalties for the benefit of local musicians	Rm Royalties distributed by Collecting Societies to local musicians	New Indicator	R100m	Not Measured	N/A	N/A	N/A

² The purpose of the report is to track the status of paired applications to ascertain whether the applications resulted in granted, enforced, licensing or commercialised inventions and to make recommendations for reconceptualisation of the programme.

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	1 st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Increase IP regulatory compliance monitoring capacity within Law Enforcement to enhance their capacity to deal with IP Crimes with the goal of creating a conducive environment for investment	Number of IP Enforcement Operations Report which specifies the impact on jobs and the investment environment	1	1	Not Measured	N/A	N/A	N/A

2.3 Programme 3: Business Regulation and Reputation

The purpose of Programme 3: Business Regulation and Reputation 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 identities have integrity and that a culture of corporate compliance and exacting standards of governance, disclosure, and corporate reputation is established. The programme also aims to provide policy and legal insight and advice on the coordination, implementation, and impact of the respective laws.

Achievements

In its quest to achieve its objectives, Programme 3 met and exceeded its corporate education and awareness target. The persistent focus on public education and awareness regarding regulatory compliance and the array of services offered by the CIPC has the potential to empower both the public and CIPC stakeholders, fostering a culture of understanding and adherence to legal frameworks essential for conducting business.

In consultation with the Senior Council, the Corporate Surveillance and Enforcement unit expanded the scope of its investigations in the quarter under review, significantly overachieving the target for the number of proactive investigations in response to contraventions of the Companies Act No 71 of 2008 by companies identified in the State Capture Report. This achievement has had a profound impact, enhancing the integrity of the CIPC's operations and contributing to the broader effort to restore public trust in corporate governance within South Africa.

In Quarter 1, a draft Gap Analysis Report on the adoption of ESG that assessed the Regulation 43 was developed, advancing the organisation's alignment with global standards and reinforcing its commitment to sustainable business practices. This initiative not only aligns with government initiatives to address climate change but also positions us as a leader in promoting environmental, social, and governance criteria, thereby enhancing transparency and accountability in corporate reporting

Shortcomings

Unfortunately, target proactive investigations was not achieved during this quarter due to a misalignment between the performance plans and operational plans of the unit. Upon review, it became evident that the performance plan did not accurately reflect the planned activities for the Corporate Governance, Surveillance and Enforcement (CGSE) unit during this period.

Table 3: Programme 3 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2024/2025	1 st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact statement #2: Ease of doing business							
Awareness initiatives aimed at SMMEs	Number of corporate education and awareness initiatives conducted	30	40	10	16	An influx of invitations to webinars and events, as well as, request from CIPC business units to host webinars on specific subjects	N/A
Impact Statement #3: Investor confidence in SA businesses and innovations							
Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report	Number of Pro-Active Investigations in response to contraventions of the Companies Act No 71 of 2008 by Companies identified in the State Capture Report	3	4	1	9	The initially investigation plan was to only pursue the delinquency application to only the directors that have direct evidence that link the to the gross negligence conduct but the senior counsel advised otherwise	N/A
Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	7	4	1	0	Operational plan did not accurately reflect performance plan milestones planned for the quarter	Revise planning documents to ensure alignment with divisional activities ³⁴

³ Pending the Minister's instruction to amend Annual Performance Plans

⁴ The annual target remains the same, however, 2 investigations are targeted for Q2, and 1 investigation is planned for Q3 and Q4 each respectively

Output	Performance Indicator /Measure	Baseline	Annual Target 2024/2025	1 st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Reports on Tracked Capital Raised through IPOs to promote regular tracking of investments	Number of Prospectus Reports (Quarterly monitoring and Annual Reporting of Capital Raised)	4 Quarterly and 1 Annual Reports on Capital Raised through IPO's	1 (4) ⁵	1	1	N/A	N/A
Incorporate ESG Taxonomy into our CIPC Base Taxonomy as an initiative to address climate change	Updated CIPC XBRL Taxonomy aligned with government initiatives to address climate change (Gap Analysis Report on adoption of ESG)	Phased Implementation of ESG reporting, 2-3 multi-year implementation	Approved Report confirming CIPC Position to adopt ESG standards	Gap Analysis Report on adoption of ESG, assessing Regulation 43	Draft Gap Analysis Report developed and circulated	N/A	N/A

⁵ The annual target in parentheses represents the cumulative target for Quarterly monitoring reports. Whereas the target outside of the parentheses represents the discrete annual target for the number of annual reports

3. Operational Highlights

This section of the quarterly report provides an overview of the CIPC's operational achievements, key activities, and service delivery highlights. It delves into the efforts to improve processes, including the significant strides made in automating key processes. Additionally, this section shines a spotlight on the CIPC's new partnerships, contracts, and noteworthy projects and how the organisation has leveraged existing partnerships, all contributing to the commission's continued growth and development.

The information represented in this section was gathered from the following units:

- (i) Applications and Architecture
- (ii) Companies and Closed Corporations
- (iii) Copyright
- (iv) Corporate Compliance and Disclosure Regulation
- (v) Corporate Education and Voluntary Compliance
- (vi) Directors, Members and Practitioners
- (vii) Innovation and Collaboration
- (viii) Innovation, Policy and Outreach
- (ix) Patents and Design

4.1 Operational Achievements

The CIPC's dedicated units have demonstrated significant strides in enforcement, technological advancements, and support systems aimed at fostering economic development and compliance.

Corporate Transparency

During the quarter under review, the CIPC continued to advance its commitment to enhancing corporate transparency through a series of strategic initiatives. On 11 June 2024, the CCDR presented to the Uganda Registration Services Bureau, showcasing the journey of XBRL within the CIPC and illustrating how XBRL can be effectively utilised as a digital reporting mechanism. The presentation aimed to share best practices and empower the CIPC's counterparts in Uganda to implement XBRL successfully, fostering improved digital reporting standards.

In addition, the CIPC hosted an XBRL Board meeting to deliberate on the future of XBRLSA. This meeting underscored ongoing efforts to lead and innovate in the realm of digital corporate reporting, setting a strategic direction for the broader adoption and implementation of XBRL standards across South Africa.

Moreover, the CCDR unit facilitated a hand-holding session with Stats SA, focusing on the practical application of XBRL data. Despite receiving XBRL data for the past four years, Stats SA had yet to harness its full potential. The hand-holding session was geared at providing Stats SA with the necessary tools and insights to use XBRL data productively, furthering their capacity to generate valuable insights and data-driven decision making.

Through these initiatives, the CIPC has reinforced its role as a leader in digital corporate reporting, facilitating better data management and accessibility, and setting a benchmark for corporate transparency and accountability in the region.

Company Regulation and Oversight

In the CIPC's effort to ensure robust company oversight, the organisation has taken proactive measures to address compliance gaps among registered entities. This includes identifying companies that do not meet legislative requirements regarding the minimum number of

directors, as well as business rescue practitioners who have not submitted progress reports in a timely manner. Moreover, records show instances where companies in business rescue proceedings lack designated business rescue practitioners.

To rectify these issues, a targeted approach has been initiated by sending notifications to these entities, urging them to remedy their non-compliance promptly. This initiative aims not only to uphold regulatory standards but also to foster a business environment where adherence to legal requirements is paramount.

Intellectual Property and Creative Industries

The recent shift in leadership to ROSPATENT-Russia marked a period of intense engagement among focal point coordinators, further amplified by the entry of five new member states. This engagement was exemplified through two coordination group meeting (CGM) meetings and a series of critical email exchanges, culminating in key decisions on the 2024 IP BRICS calendar of events, substantive issues, and agreed pathways forward.

Significant progress was made with the finalisation of the agenda for the Geneva meeting in July, following comprehensive discussions on pivotal agenda matters. Leadership was well-briefed with detailed notes prepared for commissioners. Concurrently, meticulous travel arrangements and the acquisition of appropriate gifts underscored the commitment to diplomatic protocols.

Preparations for the 16th Heads of Intellectual Property Offices (HIPO) meeting commenced in earnest. Survey questions focusing on Youth and IP in the SMME sector were engaged upon, resulting in a final adopted version circulated to BRICS members for completion and return by mid-August 2024. Additionally, internal engagement on the IP horizons surveys led to their dispatch to India.

In response to a request from China for patent information, amendments to the existing Memorandum of Understanding were initiated, showcasing dedication to collaborative international relations. A collaboration request from a ROSPATENT stakeholder were also addressed, highlighting a proactive approach to fostering global partnerships.

The CIPC has demonstrated substantial progress across various operational dimensions. Its continued commitment to enhancing regulatory frameworks, improving compliance, and supporting innovation is evident in the strides made this quarter. While these achievements are celebrated, focus remains on areas requiring further improvement. These efforts are integral to the mission of fostering a robust economic environment in South Africa.

4.2 Significant Projects

World Intellectual Property Day

In Quarter 1, the CIPC through its Copyright unit, in partnership with National Intellectual Property Management Office (NIPMO), Technology Innovation Agency (TIA), Small Enterprise Development Agency (SEDA), *the dtic*, Department of Science and Innovation (DSI), and North West University, successfully hosted the World Intellectual Property Day celebrations on the Mafikeng and Potchefstroom campuses on 25 and 26 April 2024. These events were designed to highlight the importance of intellectual property (IP) to university students, high school learners, and SMEs in the North West Province.

The celebrations aimed to create awareness and foster understanding of IP's pivotal role in fostering innovation and economic growth. By engaging directly with these key audiences, the CIPC sought to inspire the next generation of innovators and entrepreneurs to recognise and leverage the value of intellectual property in their pursuits.

In addition, the CIPC featured as a panellist at the annual sitting of the Society of Collective Management of Performing Artists' Rights (SCAPR) organised by SAMPRA and the World

Intellectual Property Organisation on 29 May 2024 in Johannesburg, Gauteng province. This participation underscored the importance of regulating Collecting Societies and promoting the South African approach to the collective management of neighbouring rights.

By demonstrating its regulatory efforts and sharing best practices on an international platform, the CIPC reinforced its commitment to protecting the rights of artists and creators. This engagement not only highlighted the CIPC's role in ensuring fair compensation for artists but also showcased South Africa's leadership in IP management.

These initiatives reflect the CIPC's ongoing dedication to enhancing the IP landscape, ensuring robust protection and management of intellectual property, and fostering an environment conducive to innovation and creativity.

Enhancing Integrity of the Companies Registration Process

The CIPC's commitment to enhancing the integrity and security of the company registration process has been significantly strengthened through the automatic verification of foreign nationals against the Financial Intelligence Centre (FIC) target sanctions lists. This proactive measure targets individuals suspected of money laundering and terror financing, ensuring that such individuals are not appointed to new companies. As of the end of Quarter 1, the Foreigner Assurance service, along with electronic new company registration checks, rigorously screens against these targeted sanctions lists. Additionally, a manual check process is in place for external company registrations and director amendments. This dual approach aims to limit the exploitation of companies by known or suspected money launderers and terror financiers, effectively mitigating low-risk abuse while continuing stringent verification for manually submitted new companies.

In parallel, the integration of the Annual Return Deregistration process was implemented to reinforce compliance and transparency. The Beneficial Ownership Declaration has transitioned to a hard stop requirement as of the end of Quarter 1. Previously, starting in December 2023, it served as a soft stop, merely reminding customers to submit their Beneficial Ownership Declaration before filing Annual Returns. Now, this hard stop means that customers cannot submit their Annual Returns without first filing the latest Beneficial Ownership information. This decisive measure ensures greater compliance and enables us to maintain more accurate and reliable corporate data. The impact of this new requirement will be closely monitored throughout Quarter 2 to assess its effectiveness and compliance rate.

Through these initiatives, the CIPC continues to align its processes with international compliance standards, enhancing the security and reliability of its corporate registration system.

IP in School Curriculum

The initiative to integrate IP into the national schools' programme represents a strategic endeavour aimed at fostering economic growth, advancing Sustainable Development Goals (SDGs), tackling unemployment, and nurturing a culture of innovation among youth from an early age. Despite challenges encountered along the way, including issues with service providers and delays in securing expected participation from key stakeholders such as the Deputy Minister, significant progress has been made.

Efforts to engage with World Intellectual Property Office (WIPO) for guidance and support have been ongoing, though responses have not met initial expectations. Nevertheless, persistent pursuit of WIPO's involvement remains a priority, recognising their potential to play a crucial role in project success.

Collaboration with the Department of Basic Education (DBE) has been actively pursued, culminating in a scheduled meeting set for 2 July. This partnership underscores the project's commitment to integrating IP education seamlessly into the national curriculum, leveraging DBE's influence as a key stakeholder.

Additionally, outreach to the SA BRICS Youth Agency (SABYA) for collaboration on youth-focused IP initiatives aligns with broader goals to engage young minds in understanding and applying IP concepts effectively.

Looking ahead, the project aims to capitalise on these collaborations to empower high school learners with comprehensive IP training and opportunities to showcase their creativity through innovative projects. This includes plans for competitions among participating schools, designed to highlight and reward outstanding IP projects that demonstrate both substance and effective presentation skills.

In summary, the initiative's strategic focus remains steadfast on embedding IP education into the fabric of the national education system, guided by partnerships with key stakeholders and a commitment to fostering a generation of creative thinkers equipped to drive economic and societal advancement through intellectual property.

4.3 Partnerships and Collaborations

Effective partnerships and collaborations, both local and international, are essential for enhancing efficiency, harnessing the resources of its valued partners, and facilitating the sharing of information and resources where relevant. This association involves sharing best practices, engaging in collaborative efforts, targeted capacity-building programmes, and initiatives to raise awareness about intellectual property. It also entails keeping abreast of international developments to support the modernisation of IP legislation and regulations, ultimately leading to improved efficiency and service delivery.

Collaboration empowers the CIPC and CIPC partners to work harmoniously, pooling knowledge, expertise, and resources towards shared objectives. This cooperative spirit yields benefits such as heightened productivity, enhanced efficiency, improved communication, cost savings, a culture of innovation, and the nurturing of stronger business relationships.

Business collaboration at the CIPC takes various forms, with options including strategic alliances and joint ventures. In the current quarter, CIPC has diligently cultivated and leveraged partnerships in alignment with its mandate to become a world-class regulator, thereby enhancing the ease of doing business in South Africa.

Enforcement Partnerships

The CIPC has proactively engaged with key national agencies to bolster regulatory compliance and enforcement efforts. Notably, collaborative initiatives have been established with the South African Revenue Service (SARS) and the National Prosecuting Authority (NPA). These partnerships focus on ongoing investigations targeting directorial delinquency and disqualification court applications.

The CIPC's collaboration with SARS and NPA signifies a strategic alignment to strengthen regulatory oversight and ensure stringent enforcement measures against corporate malpractice. By leveraging these partnerships, the CIPC aim to enhance transparency, uphold corporate governance standards, and safeguard the integrity of South Africa's business environment.

This unified effort underscores the commitment to fostering a robust regulatory framework that deters misconduct and promotes ethical business practices. Together with its partners, the CIPC is dedicated to safeguarding the interests of stakeholders and promoting a culture of compliance across the corporate landscape.

Inventor Assistance Programme

In the past financial year, the CIPC strategically leveraged partnerships to advance its mission in promoting innovation and supporting small and medium-sized enterprises (SMMEs) through robust IP rights initiatives. Key among these partnerships is the Inventor Assistance Program (IAP), which is locally implemented through a screening committee comprising *the dtic*,

SEDA, NIPMO, and TIA, with the CIPC serving as the chair. This collaborative framework not only strengthens local innovation ecosystems but also enhances the CIPC's capacity to support inventors and innovators across South Africa.

Additionally, through its partnership with WIPO, the CIPC facilitated the training of Patent Examiners on Substantive Search and Examination of Patents, demonstrating a commitment to enhancing expertise and efficiency in patent processes. These initiatives underscore the CIPC's proactive approach in fostering a conducive environment for intellectual property development and protection. By engaging with international bodies like WIPO, the CIPC reinforces its role in global IP governance while contributing to South Africa's broader strategic goals in innovation and economic growth.

4. Challenges and Mitigations

Reflecting upon the dynamic nature of the CIPC's operational environment, ongoing examination of the challenges, obstacles, and lessons learned is essential to facilitating continuous improvement. These challenges not only demonstrate our commitment to addressing complex issues but also highlight our dedication to driving progress. The CIPC firmly believes that a candid assessment of these obstacles is essential for a genuine appreciation of the progress achieved in our endeavours.

The following section focuses on the challenges encountered during Quarter 1 of the 2024/25 financial year. Acknowledging and addressing these obstacles directly is crucial, as they provide valuable opportunities for growth and innovation.

This section will interpret not only the challenges that have arisen but also the proactive strategies employed to mitigate their impact. It will examine how the various divisions and units identified these challenges and harnessed their collective expertise to mitigate them, or lack thereof. It will also explore the lessons learned in the process and the improvements that have been implemented to strengthen the CIPC's approach.

The information represented herein was gathered from the following divisions:

- (i) Client Engagement
- (ii) Co-operatives
- (iii) Companies and Closed Corporations
- (iv) Corporate Compliance and Disclosure Regulation (CCDR)
- (v) Corporate Governance, Surveillance and Enforcement (CGSE)
- (vi) Disclosures
- (vii) Innovation, Policy and Outreach
- (viii) IP Enforcement

In the current reporting quarter, The CIPC's operational landscape during this quarter has been marked by system instability, ICT challenges, and significant delays across various services. While some progress has been made in addressing these issues, persistent problems continue to impact productivity and service delivery.

K2 System and Operational Challenges

During the current reporting quarter, the CIPC faced significant operational hurdles due to the instability of the K2 system, which has adversely impacted productivity within both the Cooperatives and Companies and Closed Corporations. The challenges with the K2 system, include, among others, challenges in processing card payments, which have disrupted the processing of name reservations and associated approvals. These disruptions caused delays in importing name reservations for search and approval, further affecting the Service Delivery System (SDS). These disruptions not only caused delays in importing name reservations for

search and approval but also led to mixed dates on the receipt of applications into our processing queues and the duplication of applications. Customers, believing their applications were not successfully filed or received, often resubmitted them. The situation was compounded by delays in dispatch, especially over public holidays, and the accrual of leave credits necessitating staff leave during June 2024, which further delayed search and approval processes.

Delays in Processing New Company Registrations

The registration of new companies encountered significant delays. Hybrid new company registrations were hampered by continuous service disruptions and ICT challenges, though some issues have been addressed. Fully automated new company registrations also experienced delays, suspected to be due to customers' delayed card payments for services. The Foreigner Assurance service faced delays and high rejection rates, which were addressed through front-end and back-end enhancements, issuing notices, and training team members on certification requirements. Despite these efforts, the service remains sensitive to accurate information submission and certification compliance, leading to a high rejection rate. Additionally, the deactivation of the Online Enquiry Management System prevented address sampling of electronic new companies.

Delays in Processing Re-instatements

Processing delays for reinstatements were notable at the start of the quarter, primarily due to high incoming volumes following the final deregistration of over 1.7 million companies and close corporations. Although an overtime project was initiated to mitigate these delays, the accrual of leave credits in June 2024 reduced internal capacity, causing a recurrence of processing delays. Furthermore, the non-referral back from re-instatement to final deregistration due to unfiled annual returns was identified. An investigation revealed that this issue had persisted since 2021. The system has now been corrected to refer companies and close corporations back to final de-registrations if they fail to file annual returns within 30 business days of re-instatement processing.

Decline in Annual Returns Filing

The gross filing rate for Quarter 1 significantly dropped below the 2021-2022 levels. Poor economic conditions and the absence of a key CIPC-controlled driver, namely the referral of non-compliant companies and close corporations for Annual Return De-registrations, contributed to this decline. This referral process is essential to reducing the number of active-status entities required to file Annual Returns, directly impacting the compliance rate. While the filing rate for this quarter remained consistent with the previous year, the compliance rate dropped due to the increased number of entities required to file. The full impact of the Beneficial Ownership Declaration hard stop on Annual Returns remains unclear, though it had minimal effect during Quarter 1.

5. Customer and Stakeholder Engagement

The information represented herein was gathered from the following divisions:

- (i) Client Engagement
- (ii) E-Communications
- (iii) Strategic Communications

The CIPC has been making efforts to build and maintain its reputation as a credible and reputable registrar and regulator of companies. Efforts to build and protect its reputation are related not only to media management but also to the way in which CIPC interacts with its customers and stakeholders.

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

5.1 Successes

During the reporting period (1 April to 31 June 2024), 11% of the overall media coverage received for the CIPC generated a positive media sentiment, followed by negative (9%), and mixed (4%) coverage. The remaining 76% was attached to a neutral tonality which had no direct impact on the CIPC's brand or reputation. Online sources generated the highest volume of coverage during the measurement period (57%), followed by print publications (36%), and broadcast mentions which contributed 7% of the overall media coverage received. *Sharenet* was identified as the highest contributing media source with 20 media pieces. This was followed by *IOL* (14 articles), *ENCA* (12 mentions) and *News24* (7 articles). The editorial media coverage amounted to an advertising value equivalent (AVE) of R 29 363 556.

5.2 Challenges

Despite the CIPC's ongoing efforts to improve service delivery, several challenges have emerged that impact operations and customer satisfaction. The introduction of the new verification process and issues with access to the Department of Home Affairs (DHA) system have significantly increased call volumes in the last quarter of the 2023/24 financial year and continued into the first quarter of 2024/25. These operational changes, including the rollout of new systems and automation, inevitably affect the number of calls received by our call centre.

Additionally, a backlog of enquiries in mailboxes has led to customers seeking follow-ups through the call centre, further straining resources. Customers frequently call with inquiries beyond the expertise of call centre agents, compounding the issue. Specific challenges include difficulties with K2 payments, login issues, and the need to update customer codes, passports, and international numbers. Some of these requests have been pending for more than three months, resulting in significant frustration and desperation among customers.

These challenges underscore the need for continuous improvement in the processes and more effective communication with stakeholders to manage expectations and enhance customer satisfaction.

5.3 Recommendations

To address these challenges, the CIPC is actively working toward implementing the following steps:

- **Inter-Unit Collaboration:** The Client Engagement unit conducted two podcasts in collaboration with the Education and Awareness, Innovation and Collaboration, and e-Communication units. These podcasts addressed verification challenges and customer code/password reset issues, ensuring a broad reach and effective communication with stakeholders.
- **Dedicated Verification Enquiries Management:** The client engagement unit took responsibility for managing the Enquiries mailbox for verification-related queries. To enhance efficiency, a cross-functional team was created, comprising staff from Intellectual Property, Directors, Members and Practitioners, Client Engagement and e-Communication, Co-operatives, and Directors, Members and Practitioners (DMP). The Customer Services Manager oversaw this initiative, ensuring a coordinated approach to managing the high volume of queries.
- **Overtime Project:** To address the increased volume of queries within the mailbox, an overtime project was launched. This initiative aimed to ensure timely responses and maintain high service levels by dedicating additional resources to handle the workload effectively.

The table below demonstrates the overall performance of the CIPC's customer contact platforms

Table 4: Customer Contact: Call Centre, QRS, and social media

Platform	Number	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Call centre	Calls received	95459			
	Calls answered	46799			
	Calls abandoned	48445			
	Lost calls	215			
	% calls answered	50%			
Query Resolution System	Queries received	N/A ⁶			
	Queries closed	N/A ⁶			
	Queries closed within 10 days	N/A ⁶			
	Average Turnaround Time (ATAT)	N/A ⁶			
Facebook	Queries received	17566			
	Queries resolved (%)	16357			
	Average Turnaround Time (ATAT)	2h10m11s			
	SDS (24 hrs)	98%			
Twitter	Queries received	4370			
	Queries resolved (%)	4252			
	Average Turnaround Time (ATAT)	2h15m13s			
	SDS (24 hrs)	98%			

⁶ Due to the deactivation of the QRS in Quarter 4 FY23/24, system data is unavailable for Quarter 1

6. Conclusion

This report outlines the CIPC's 2024/25 Quarter 1 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, the Annual Performance Plan (APP). For the quarter in review, the CIPC has made significant strides towards achieving its strategic goals and objectives. In pursuit of its objectives, the CIPC has achieved 11 out of 13 of its strategic milestones for Quarter 1. Notably, 1 of the unmet milestones were part of Programme 1: Service Delivery and Access. Additionally, 1 unmet milestone was part of Programme 3: Business Regulation and Reputation.

The CIPC's operational achievements in this quarter reflect a commitment to regulatory excellence and service enhancement. The automation of key processes and the integration of advanced verification systems have fortified the integrity and security of the company registration process. Additionally, the proactive engagement in international collaborations and partnerships has positioned the CIPC as a leader in digital corporate reporting and intellectual property management.

Despite these successes, the CIPC faced challenges, particularly with system instability and ICT disruptions, which impacted productivity and service delivery. However, the CIPC has demonstrated resilience by implementing targeted measures to address these issues, including the enhancement of the K2 system and the introduction of the Beneficial Ownership Declaration hard stop requirement. These actions are expected to improve compliance and operational efficiency in the subsequent quarters.

The CIPC's performance in Quarter 1 has had a tangible impact on the everyday lives of South African citizens. By streamlining business processes, promoting innovation, and ensuring robust regulatory compliance, the CIPC has contributed to job creation, economic growth, and improved service delivery. The integration of intellectual property education into the national curriculum and the support for small businesses and inventors underscore the CIPC's role in fostering a culture of innovation and entrepreneurship, which is vital for the country's socio-economic development.

As the CIPC moves forward, it remains dedicated to its mission of creating a compliant, competitive, and innovative business environment. The achievements and lessons learned from this quarter provide a solid foundation for continuous improvement, ensuring that the CIPC continues to make a positive impact on both the business environment and the lives of South African citizens.

Ancillary Tables – For the purpose of gathering data

The table below illustrates performance in key service areas in terms of volume, average Turnaround Time (TAT), and percentage of transactions processed in line with Service Delivery Standards (SDS).

Based on the below, it is worth noting:

- The applications and registration volumes indicated herein may be used as an indicative measure, but the value lies in the indication of the economic and social contribution post-engagements with the CIPC. Therefore, the volumes serve as indicators of the efficiency of the CIPC in executing its mandate.

Demand for Services

Table 5: Key Services – Volumes, Average TAT and SDS

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Patent applications	Number(Local)	351			
	Number (Foreign)	2265			
	Number (Total)	2616			
	ATAT (working days)	2			
	SDS (2 working days)	99.53%			
Patent Application Types	Provisional Applications	272			
	Complete Applications	391			
	Convention Applications	416			
	Patent Cooperation Treaty (PCT) Application	1527			
Patent Certificate	Number	1527			
	ATAT (working days)	19			
	SDS (44 working days)	100%			
Patents Renewal	Number (Manual)	8208			
	Number (Online)	5680			
	Number (Total)	13888			
	ATAT (working days)	1			
	SDS (3 working days)	98.37%			
Design Application	Number (Local)	157			
	Number (Foreign)	192			
	Number (Total)	349			
	ATAT (working days)	2			
	SDS (2 working days)	97.12%			
Designs Certificates	Number	334			
	ATAT (working days)	13			
	SDS (3 working days)	100%			
Designs Renewals	Number (Manuals)	1060			
	Number (Online)	940			
	Number (Total)	2000			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	SDS (3 working days)	Not Available at the time of reporting			
Copyright in film applications	Number	0			
	ATAT (working days)	N/A			
	SDS (44 working day)	N/A			
Copyright in film registrations	Number	11			
	ATAT (working days)	Not available at the time of reporting			
	SDS (22 working days)	Not available at the time of reporting			
Trademark applications	Number	11003			
	ATAT (working days)	3			
	SDS (3 working days)	93%			
Trademark registrations	Number	7462			
	ATAT (working days)	180			
	SDS (90 days + 90 days)	88%			
Trademark Official Action	Number	8868			
	ATAT (working days)	304 days			
	SDS (10 months/304 days)	88%			
Trademark Renewals	Number	7664			
	ATAT (working days)	3			
	SDS (3 working days)	92%			
Name reservations	Number	133331			
	ATAT (working days)	1.6			
	SDS	43%			
Companies Registrations	Number	117592			
	ATAT (working days)	1.17			
	SDS	86%			
BBBEE Certificates	Number	106670			
	ATAT (working days)	Immediate			
	SDS	100%			
Short Standard Private and Non Profit without members (CoR15.1A and CoR15.1C)	Number (e-services)	117141			
	ATAT (working days)	1			
	Percentage within SDS (2 working days)	86%			
Close Corporation to Company Conversions (CoR18.1)	Number	180			
	ATAT (working days)	2			
	Percentage within SDS (5 working days)	88%			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Mergers or Amalgamation (CoR89)	Number	18			
	ATAT (working days)	1			
	Percentage within SDS (5 working days)	100%			
External Company Registration (CoR20.1)	Number	37			
	ATAT (working days)	3			
	Percentage within SDS (5 working days)	86%			
MOI amendments for JSE applications (CoR15.2)	Number	16			
	ATAT (working days)	4			
	Percentage within SDS	63%			
MOI amendments on shares (CoR15.2)	Number	428			
	ATAT (working days)	1			
	Percentage within SDS (5 working days)	100%			
Company address changes (CoR21.1)	Number	26442			
	ATAT (working days)	1			
	Percentage within SDS	96%			
Company financial year end (CoR25)	Number	1122			
	ATAT (working days)	1			
	Percentage within SDS	100%			
Location of company records (CoR22)	Number	809			
	ATAT (working days)	3			
	Percentage within SDS	70%			
Company and Close corporation voluntary Deregistration	Number	4350			
	ATAT (working days)	4			
	Percentage within SDS (5 working days)	62%			
Company and Close Corporation Solvent (CoR40.1) and Insolvent Liquidation (CM26Liq)	Number	890			
	ATAT (working days)	1			
	Percentage within SDS (3 working days)	96%			
Amendments - Manual MOI (CoR15.2)	Number	382			
	ATAT (working days)	4			
	Percentage within SDS (5 working days)	87%			
Company and CC reinstatements	Number	10198			
	ATAT (working days)	7			
	Percentage within SDS (3 working days)	23%			
	Annual	367310			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Annual Returns (Service Delivery Standards)	ATAT (working days)	Immediate			
	Percentage within SDS (3 working days)	100%			
Company and Close Corporation Annual Return Final De-registration	Number	None			
Annual Returns	Annual Returns Due	664217			
	Annual Returns Filed	136756 (21%)			
Co-operative Registrations	Number	893			
	ATAT (working days)	1			
	SDS (3 days)	Not Available at the time of reporting			
Director Amendments	Number (Electronic/OTP)	51479			
	Number (Manual)	1457			
	ATAT (Electronic/OTP)	Immediate			
	ATAT (Manual)	2			
	Percentage within SDS (OTP)	100%			
	Percentage within SDS (Manual)	100%			
Member Amendments	Number (Electronic/OTP)	4193			
	Number (Manual)	1192			
	ATAT (working days)	1			
	ATAT (Manual)	1			
	Percentage within SDS (Electronic)	99%			
	Percentage within SDS (Manual)	99%			
Company Name Changes	Number	Not available at the time of reporting			
	ATAT	Not available at the time of reporting			
	SDS	Not available at the time of reporting			
Company Financial Year End Changes	Number	1122			
	ATAT (working days)	1			
	Percentage within SDS	100%			
	Number	89			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Business Rescue Cases Registered (New)	ATAT (working days)	2			
	Percentage within SDS	Not Available at the time of reporting			
Business Rescue Practitioners Registrations/Licensing	Number (Applications)	85			
	Number (Approved)	42			
	ATAT (working days)	2			
	Percentage within SDS	Not Available at the time of reporting			
Disclosures: Paper Based	Number	4290			
	ATAT (working days)	12			
	Percentage within SDS (10 days)	89%			
	Expenditure/Cost	R97 979.69			
State Department	Number of Requests Received	2477			
	ATAT (working days)	3			
	Inside SDS (10 working days)	100%			
	Outside SDS (10 working days)	0%			
Mailroom	Mail received from Post Office	250			
	Mail collected from Divisions	3777			
	Revenue Collected	R26 768.25			
Disclosure Billing: Paper Base	Disclosure Request received	4290			
	Disclosure request completed	3791 (88%)			
	Outstanding ticket	499			
	Disclosure request billed	2027 (47%)			
Disclosure Billing: State Department	Disclosure Request received	2563			
	Disclosure Requests completed	2380 (93%)			
	Duplicate requests	183			
	Outstanding	0			

Annexure A – Internal Audit Report

AUDIT FINDINGS TRACKING SUMMARY REPORT FOR THE QUARTER ENDED 31 JUNE 2024

1. Purpose of the Report

This report provides a high-level summary of progress made with regard to the implementation of corrective actions to address previously reported audit findings. The report covers findings emanating from the audit conducted by the Auditor General (AG) for the 2022/23 financial year as well as findings and observations from internal audits conducted in the 2019/2020, 2020/2021, 2021/2022, 2022/23 and 2023/24 financial years. Details of progress are contained in the respective registers attached to this report.

2. Summary of all Unresolved Internal Audit Findings

Audits assignment involved = **26**

Total findings at the beginning of Q1 of 2024/2025 = 93

Total findings resolved/addressed/ Risk accepted = 31 (33%)

Total findings in progress/Partially addressed = 50 (54%)

Total findings not addressed = 12 (13%)

The graph below depicts the percentage of action taken by management to address Internal Audit findings which were previously reported:

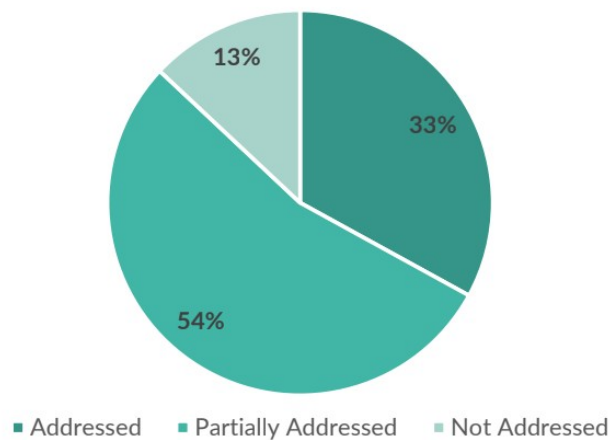


Figure 5: Implementation Status of Internal Audit findings

3. Internal Audit Findings

3.1 2019/2020

Audit Assignment	Total outstanding findings at beginning of Q1 2024/2025	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Disclosure	1	1	0	0
TOTAL	1	1	0	0

3.2 2020/2021

Audit Assignment	Total outstanding findings at beginning of Q1 2024/2025	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Training	2	0	2	0
TOTAL	2	0	2	0

3.3 2021/2022

Audit Assignment	Total outstanding findings at beginning of Q1 2024/2025	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Recruitment	2	0	2	0
Telecommuting	1	1	0	0
TOTAL	3	1	2	0

3.4 2022/2023

Audit Assignment	Total outstanding findings at beginning of Q1 2024/2025	Addressed and risk accepted – Total	Partially Addressed	Not Addressed - Total
Facilities Management	1	0	1	0
Staff Performance Management	1	1	0	0
Labour Relations	2	0	0	2
Cyber Security	4	3	1	0
Disaster Recovery	3	1	2	0
Call Logging & Incident Management	4	1	3	0
TOTAL	15	6	7	2

2023/24 Non-ICT

Audit Assignment	Total outstanding findings at beginning of Q1 2024/2025	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Co-operatives	5	2	0	3
Ethics Management	2	0	2	0
Staff Establishment and Maintenance	4	0	2	2
Payroll	2	2	0	0
Supply Chain Management	1	1	0	0
Corporate Governance Surveillance & Enforcement	7	2	5	0
Director Amendments	3	3	0	0
Service Delivery Standards	1	0	1	0
Substantive Search and Examination	7	1	6	0
Training & Development	7	4	2	1
Trade Marks	5	3	2	0
Business Continuity Management (Non-ICT)	5	0	5	0
ICT Project Management	10	1	9	0
Application Controls on eServices	4	0	0	4
Cyber Security Review	3	2	1	0
IT General Controls Review	6	2	4	0
TOTAL	72	23	39	10

4. Auditor General Findings

Opening findings balance at beginning of Q1 2024/2025 = 06
 Addressed and risk accepted in Q1 of 2024/2025 = 3
 In progress = 05
 Not addressed = 0

Audit Assignment	Q1 2024/2025 opening balance	Addressed and risk accepted in Q1 of 2024/2025	In progress	Not Addressed
AG: Management report findings	6	1	5	0
% Total	100%	17%	83%	0

The graph below depicts the percentage of action taken by management to address Internal Audit findings which were previously reported:

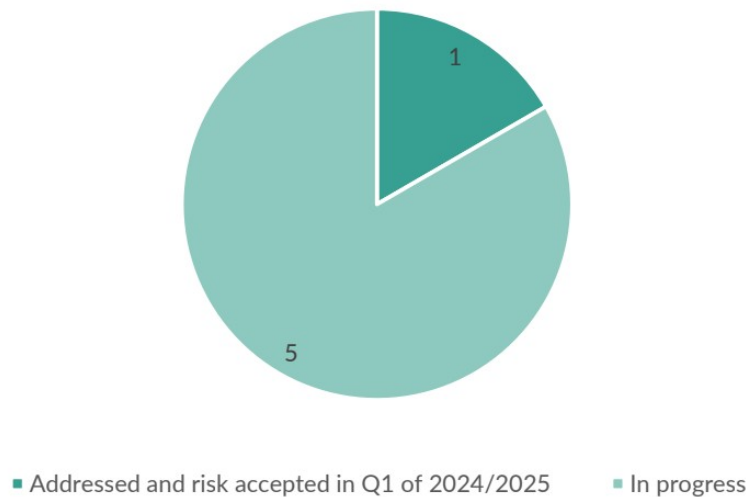


Figure 6: Implementation Status for AG Significant findings

Annexure B - Governance Risk and Compliance Risk

1. Purpose

This report provides a summary of the work carried out by the GRC division during quarter 1 of the 2024/2025 financial year.

2. Highlights

1.1 Summary of achievements for the quarter

- Reviewed third-party framework.
- Reviewed GRC strategy, functions and capacity.

3. Governance and Ethics

3.1 Governance Framework

Implementation of the approved governance framework is ongoing. Based on the outcomes of the governance committee assessment and the resolution by Exco to further review framework, responsibilities, functions and authority of internal committees will be aligned.

3.2 Ethics

An ethics awareness plan for the financial year has been discussed and the program reviewed. Ethics awareness sessions customized for the CIPC environment are planned.

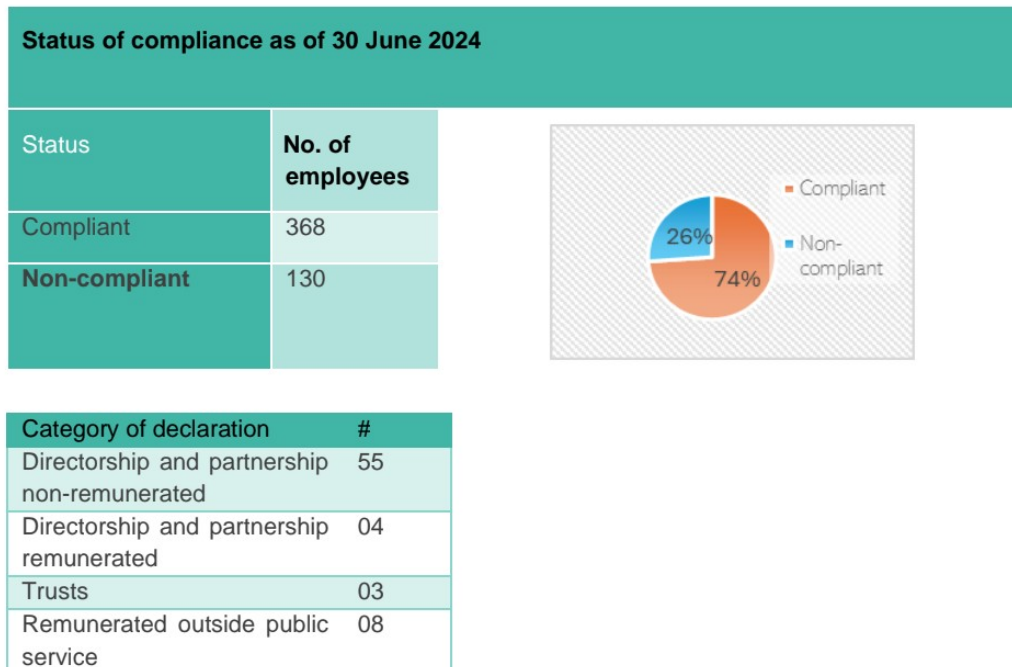
3.3 Declaration of Interest

The due date for submission of all declarations was 31 May 2024. There were challenges with the submission process via the Signiflow platform resulting in submission delays by some employees.

- For the period under review, all employees, including interns had submitted their declaration forms.
- A high-level verification exercise identified some gaps and risks in the verification process:
 - Manual declaration system resulting in adequate proactive detection of possible and actual conflict of interest.
 - Credibility of disclosures information- Incorrect information submitted and information omissions
 - Employee relational dynamics and the complex nature of the process- increased difficulty in managing the process.

Administrative burden of the verification process

Figure 1



3.4 Status of Policies - 30 June 2024

Figure 2

Comparison	No of policies	Up to date	Due for review	New Policies	In progress
Division	No of policies	Up to date	Due for review	New policies	In progress
HR	16	7	5	1	3
BISG	10	8	1	1	0
Finance	9	7	0	0	2
Facilities and security	4	4	0	0	0
Client engagement	1	1	0	0	0
GRC	7	7	0	0	0
Strategy	4	2	0	2	0
TOTAL	51	36	6	4	5

The review for three policies has commenced but has not been concluded. Most HR policies are undergoing consultation with organized labour.

Policy age analysis

Human Capital	Finance	BISG
Hospitalization, Funeral & Bereavement (Dec 23)	Debtors Management policy (Review in progress)	1. ICT project management Policy (Sep 22)
Disciplinary Policy and procedure (Apr24)	Travel Management Policy (review in progress)	
Grievance Policy and Procedure (Apr 24)		
Internship policy (Jun 24)		
Sports and Recreation Policy (Jun 24)		
Recruitment and Selection and Placement Policy (Oct 19)		
Resettlement Policy		
Voluntary Early Retirement Policy (Mar 24)		
Learning and Development (review in progress)		

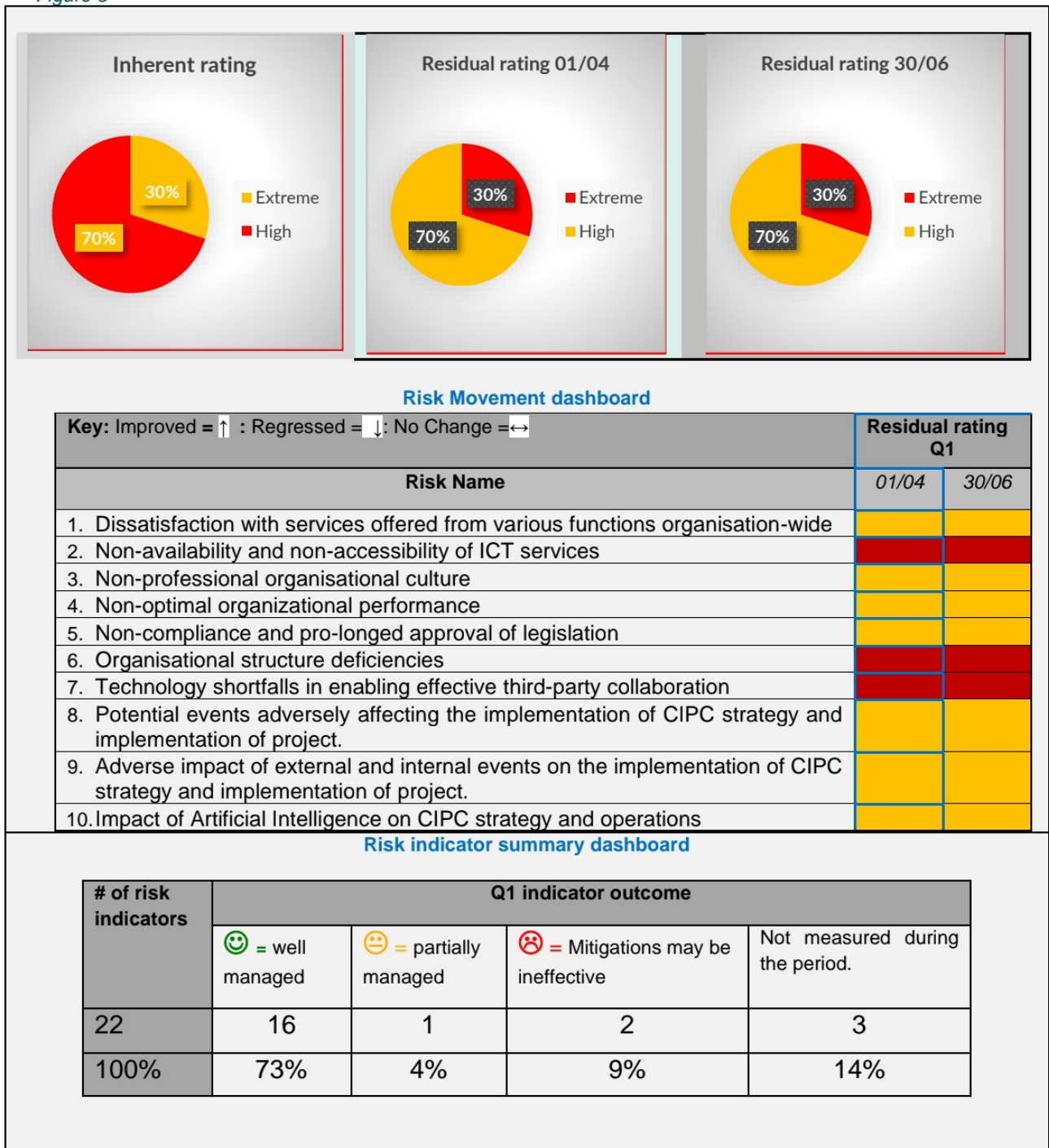
4. Risk Management

4.1 Overview

This section provides progress on the management of strategic risks during the reporting period. Implementation of strategic mitigating actions for Q1 is summarised under 5.2 below.

4.2 Strategic Risk Dashboard

Figure 3



4.5 Materialised Risk

The organisation experienced a security breach during the reporting period. ICT security was identified as one of the high risks faced by the CIPC. Measures to reduce the likelihood and impact of the risk are being implemented. A detailed report on the security incident and associated risks and mitigation plans will be provided by the ICT Division.

4.6 Emerging Risks

To be discussed in the meeting.

- Consider including security breach as a stand-alone risk.

5. Progress on Implementation of Risk and Fraud Plan

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

Figure 4

Activities		2024/25	Q1	Status
1. Risk Management				
1.1	Risk management plan development and approval	□□	□	□
1.2	Strategic risk register annual review	□□	□	□
1.3	Risk appetite statement and tolerance levels review	□□	□	□
1.6	Operational strategic and operational root cause analysis	□□	□	□
1.7	Quarterly monitoring, review and reporting on strategic and operational risks	□□	□□	□
1.8	Operational and fraud risk review for all divisions	□□	□	□
1.9	Implementation of 3rd party framework	□	□	□
1.9	Conduct risk management awareness	□□	□	□
1.10	BCM Implementation	□□	□□	□
1.11	BCM risk register review	□□	□	□
2. Fraud Prevention Plan				
2.1	Fraud prevention plan review and approval for 2025/26	□□	□	□
2.2	Fraud Risk Register review	□□	□□	□
2.3	Implementation of the ethics plan in line with the ethics framework	□□	□□	□
2.4	Fraud data analysis and reporting	□□	□□	□
2.5	Fraud awareness and education	□□	□□	□
2.6	Facilitate the declaration of interest process in line with the approved policies	□□	□□	□
2.7	Maintain an effective fraud complaints case database	□□	□□	□
2.8	Conduct investigations	□□	□□	□
2.9	Quarterly reporting on fraud prevention to relevant governance structures	□□	□□	□

Key:

Complete	In progress	Not done	Not planned for the period
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Q1 performance = 60%.

6. FRAUD PREVENTION

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

6.1 Complaints received- 01 Apr– 30 June

Figure 5

Balance 31/03	Adjustment (cold cases)	Balance 01/04	01 Calls logged	Feedback Requests	Resolved	Balance 30/06
39	(24)	15	101	(2)	(35)	79

6.1.1 The number of complaints logged increased by 24 compared to the previous quarter.

6.1.2 Historically, the first quarter of the financial year records a lower number of complaints, which increases gradually as the year progresses. The period under review is an anomaly as it recorded double the number compared to the same period last year and exceeded each quarter of the previous financial year. It is anticipated that the number of complaints for the current year may be much higher.

6.2 Status of Open Cases- 30/06

Figure 6

Total	Under investigation	Pending investigation
79	(38)	41

6.3 Summary – Reporting Channels

Figure 7

#	Channel	Received Cases
1	Hotline	92
2	Emails	9
Total		101

6.4 Summary - Nature of Cases

Figure 8

#	Types of cases	Q1	
		No. of cases	%
1	Fraudulent removal or addition of directors	57	56%
2	Misuse of clients' accounts	06	6%
3	Fraudulent use of customer details to register a company	06	6%
4	Implicating CIPC employees	02	1%
5	Other- Not fraud related	22	22%
6	Other: Feedback request/ additional information	09	9%
Total		101	100%

6.5 Complaint Age Analysis

The average number of days taken to resolve complaints showed a steady decrease. While some complaints remain above the resolution period of 30 days, the number complaints resolved within the threshold increased significantly. The average number of days increased to 44.

7. COMPLIANCE MANAGEMENT

7.1 Legislative Compliance

Figure 10

Compliance Universe	Total Assessed in Q1	Compliance issues	Violations and penalties
59	20	0	0

A comprehensive review of the compliance framework and universe is underway. The primary objective is to identify critical provisions necessitating implementation and ongoing monitoring.

7.2 Compliance with GRC Policies

There are no incidents of non-compliance with GRC and related policies reported for the period.

8. Business Continuity Risk Management

Adequate implementation of BCM programme is dependent on allocation of dedicated resources. There is no BCM position on the structure. However, GRC is collaboration with other operational units to implement some of the BCM function. A committee has been appointed in collaboration with other operation units to address among other function, business continuity risk.

A review of the third-party risk management framework has been concluded. Implementation is planned for Q2 and Q3

9. RESOURCE MANAGEMENT

The process to appoint additional resources to manage complaints and conduct investigations is underway. The GRC implemented a four-pillar strategy to ensure optimal utilisation of resources.

Figure 11

No.	Pillar	Ongoing solutions
1.	Existing resources	<ul style="list-style-type: none">• Performance Management• Job enrichment• Job rotation of staff.• In-house knowledge sharing
2.	Secondment	<ul style="list-style-type: none">• Suitable employees from other business units on voluntary basis.• In house training and upskilling• Performance management
3.	Interns	<ul style="list-style-type: none">• Implementation of intense internship program• Identification of skills• Ongoing assessments
4.	External Resources	<ul style="list-style-type: none">• Sourcing and management of external service providers

10. Focus for the Next Quarter

- Ethic awareness program implementation
- Compliance assessment
- Finalisation of operational risk review.
- Finalisation and implementation revised complaints handling process.
- Implementation of Third-Party Framework
- Verification of declarations

CIPC Q1 2024/25 PFMA CHECKLIST FOR PUBLIC ENTITIES

CORPORATE MANAGEMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	49	Accounting Authority	In terms of section 49(3) the relevant treasury, in exceptional circumstances, may approve that a functionary other than the board or CEO be the AA of the public entity. In this regard, has the Auditor-General been informed in writing of any such approval or instruction?			X	
2.	TR 27.3.1	Chief Financial Officer	In the case of a 3A or 3C public entity, has a chief financial officer been appointed to head the finance division?	X			
3.	56(1)	Delegations of Authority	Have the powers entrusted or delegated to the accounting authority been delegated to other officials within the public entity?	X			
4.	51(1)(a)(i)	Internal Control	Does the public entity have: an effective, efficient and transparent system of financial and risk management and internal control?	X			
	51(1)(a)(ii)		a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?	X			
	TR 27.1.1		Is the audit committee a sub-committee of the accounting authority?	X			
	77(a)		Does the audit committee consist of at least 3 persons?	X			
	77(b)		Does the audit committee meet at least twice a year?	X			
	TR 27.1.6		Does the audit committee operate in terms of a written terms of reference?	X			
	TR 27.1.6		Are the terms of reference reviewed at least annually to ensure its relevance?	X			

