

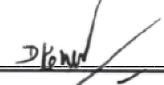


Companies and Intellectual
Property Commission

a member of **the dtic** group

CIPC
SECOND 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: <u></u>
Name: <u>IAIN KOWAR</u>
Rank: <u>CHAIRPERSON: AUDIT COMMITTEE</u>
Date: <u>29 October 2024</u>
Endorsement by the Accounting Authority
I hereby support the endorsement of the report.
Signature: _____
Name: _____
Rank: _____
Date: _____

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
AGSA	Auditor General South Africa
AOP	Annual Operating Plan
APP	Annual Performance Plan
AR	Annual Report
ATAT	Average Turn Around Time
BASA	Banking Association of South Africa
BBBEE	Broad-Based Black Economic Empowerment
BI	Business Intelligence
BISG	Business Intelligent Services Group
BO	Beneficial Ownership
BRP	Business Rescue Projects
CC	Close Corporations
CCDR	Corporate Compliance and Disclosures Regulation
CEO	Chief Executive Officer
CGSE	Corporate Governance, Surveillance and Enforcement
CIPC	Companies and Intellectual Property Commission
CNIPA	China National Intellectual Property Administration
DBE	Department of Basic Education
DMP	Directors, Members and Practitioners
ELP	Experiential Learning Programme
EPO	European Patent Office
ESG	Environmental, Social, and Governance
FATF	Financial Action Task Force
IIAP	Inventor Assistance Programme
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IP	Intellectual property
IPO	Initial Public Offering
IPR	Intellectual Property Rights
ISSB	International Sustainability Standards Board
JPO	Japan Patent Office
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LAN	Local Area Network
LEA	Law Enforcement Agency
MOI	Memorandum of Incorporation
NB	Nota Bene
NGFW	Next Generation Firewall
NSG	National School of Government
OTP	One Time Password
PC	Patent Cooperation

Abbreviation	Description
PCT	Patent Cooperation Treaty
QRS	Query Resolution
SA	South Africa
SDG	Sustainable Development Goals
SDS	Service Delivery Standards
SMME	Small Medium Enterprises
SOP	Standard Operational Plan
SSE	Substantive Search Examination
SSP	Software Service Provider
TAT	Turn Around Time
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 2 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 No. 71 of 2008, as amended, 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:

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.

Significant Events in Quarter 2

The CIPC's operating environment in FY2024/25 has been shaped by several significant events, particularly in Quarter 2. These developments have direct implications for the CIPC's mandate and strategic direction.

Approval of the Co-operatives Funding Policy

The approval of the Co-operatives Funding Policy by the South African Cabinet marks a substantial shift in the landscape for small businesses and cooperatives. The policy aims to enhance access to finance and increase the number of small enterprises, especially in underserved areas such as townships and rural areas. Additionally, it seeks to transform ownership patterns and reduce monopolies across sectors, while advocating for a compliance-light environment for small enterprises.

This development signals potential growth in the registration of cooperatives and small businesses, as access to finance improves and entrepreneurship becomes more accessible. The CIPC may experience an uptick in transactions related to company and cooperative registrations, necessitating a focus on optimising registration processes to handle increased volumes efficiently. Additionally, the push for a "compliance-light" environment aligns with the CIPC's efforts to streamline and simplify registration requirements through its modernisation and automation programme.

Signing of the First and Second Companies Amendment Bills

The **Companies Amendment Act, 2024** (Act No. 16 of 2024) and the **Companies Second Amendment Act, 2024** (Act No. 17 of 2024), herein after referred to as Companies Amendment Act, and the Second Amendment, were published on 30 July 2024 in the Government Gazette No. 50991 & 50992, Volume 709 of July 2024, following their signing by President Cyril Ramaphosa. This marks a significant milestone in the South African regulatory landscape. These amendments aim to streamline business operations, increase corporate accountability, and implement recommendations aimed at curbing misconduct.

These legislative changes introduce significant compliance responsibilities for the CIPC. The heightened disclosure requirements and enhanced transparency measures will necessitate more rigorous monitoring and reporting systems. Additionally, the push to simplify business operations aligns with the CIPC's mandate to facilitate company registrations and related services efficiently. The extension of timelines for pursuing director delinquency and liability also places the CIPC at the forefront of efforts to uphold corporate governance, particularly in the aftermath of state capture revelations.

These amendments position the CIPC as a key player in ensuring that South Africa's corporate environment is both conducive to business growth and rooted in transparency and accountability.

Beneficial Ownership

The CIPC has made notable strides in its ongoing enhancement of the Beneficial Ownership (BO) register in the quarter under review, marked by significant progress in automating and improving functionality. Other notable achievements include developing a detailed step-by-step guide, back-office system integration with STRATE and other stakeholders, and enabling Law Enforcement Agency (LEA) access to the register.

The enforcement mechanisms have led to a marked increase in the number of entities complying with BO filings, with Q2 surpassing all previous months. Notably, the progress report on BO compliance was presented to the Financial Action Task Force (FATF), resulting

in an upgrade of one of the CIPC’s remedial action items related to sanctions. This demonstrates the Commission’s dedication to enhancing South Africa’s standing in the global regulatory environment and increasing confidence in the country’s investment environment. South Africa has largely addressed most of the outstanding FATF action items.

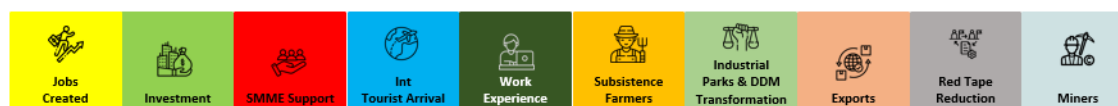
Toward 5.4% Growth Plan – Measuring Our Progress

South Africa witnessed a modest increase in employment (up by 42,000 jobs) and a GDP growth of 0.4% in Q2, driven by sectors such as finance, manufacturing, and trade. These positive economic indicators suggest that structural reforms and a reduction in red tape are yielding results, improving the business climate and potentially positioning South Africa as a more attractive investment destination.

With South Africa positioning itself as an attractive destination for investment, the CIPC may see increased registrations from both local entrepreneurs and foreign investors. Additionally, the focus on removing red tape aligns with the CIPC’s ongoing efforts to improve service delivery and transaction turnaround times, particularly in key services like company and trademark registrations.

Indicator	Description	Trend	Related Pillar
Business Confidence	<ul style="list-style-type: none"> RMB/BER Business Confidence index rose from 30 (Q1) to 35 (Q2) Follows stable electricity supply and formation of GNU 	▲	
Consumer Confidence	<ul style="list-style-type: none"> FNB/BER Consumer Confidence Index rose five points in Q2 to -5 from -10 in Q1 The increase was driven by several factors, including the formation of the Government of National Unity (GNU), the absence of load shedding, a stronger rand, and significant fuel price reductions 	▲	
Employment	<ul style="list-style-type: none"> Formal Employment grew by 42,000 (0.4%) The positive developments mean that government’s structural reforms are unlocking the bottlenecks and removing red tape to drive inclusive growth and job creation 	▲	
Investment	<ul style="list-style-type: none"> Foreign Direct Investment (FDI) inflow have decreased from R 24.4 b in Q1 to R 16.6 b in Q2 inflows were notably driven by a non-resident company increasing its equity investment in a domestic broadcasting company This decline was primarily due to portfolio investment outflows of ZAR 20.1 billion 	▼	
Export and Trade	<ul style="list-style-type: none"> The trade surplus grew to ZAR 187.4 billion in Q2, up from ZAR 165.8 billion in Q1 	▼	
Inflation	<ul style="list-style-type: none"> Consumer inflation fell below 4.5% Lower annual rates were seen in transport, housing, and restaurants & hotels 	▲	
GDP Growth	<ul style="list-style-type: none"> Economy grew by 0.4% in Q2 2024 	▲	

Pillars of the 5.4% Growth Plan



Service Delivery Environment

The service delivery environment of the CIPC, based on the trends reveals a dynamic transacting environment marked by shifts in volumes across key areas and improvements in meeting service delivery standards (SDS)

Overall, the CIPC has experienced fluctuating volumes across its services. For example, Name Reservations saw a 12% increase from 133,331 in Q1 to 149,823 in Q2, reflecting heightened entrepreneurial activity. Similarly, while Company Registrations declined from 117,592 in Q1 to 102,182 in Q2, this drop could be attributed to seasonal factors impacting company formation. Other services, like BBBEE certificates and Trade Marks, experienced relatively stable or minor decreases, indicating steady demand despite market fluctuations.

A key area of success lies in the CIPC's ability to meet and improve its SDS targets. For instance, Company registrations in Q2 achieved a remarkable 100% adherence to SDS, improving from 86% in Q1, while maintaining an average turnaround time (ATAT) of just over a day. This trend demonstrates that, despite a reduction in volume, the CIPC has optimised operational efficiency, processing transactions faster and more effectively.

In services such as BBBEE Certificates and Trade Marks, performance was consistently strong, with instant ATAT and 100% adherence to SDS for BBBEE Certificates across both quarters. Additionally, improvements were seen in trademarks, where adherence to SDS for applications rose from 93% in Q1 to 94% in Q2, alongside a consistent ATAT of two days.

These trends highlight the organisation's commitment to streamlining processes and optimising service delivery, ensuring that it continues to meet the needs of its stakeholders while navigating market dynamics. The consistent improvements in SDS adherence, particularly in high-volume services, underscore a positive trajectory in the CIPC's operational performance.

Quarter Highlights Against Strategic Objectives

Overall, in Quarter 2 of 2024/25, the CIPC met 100% of its quarterly targets set for Quarter 2. It should be noted that **12 of the 12** of the Q2 targets were achieved. This includes **5 indicators under Programme 1, 3 indicators under Programme 2, and 5 indicators under Programme 3** this reporting period.

Notably, 25% of the targets (3 out of 12) were exceeded:

- Programme 2: Additional SSE training initiatives were conducted in collaboration with the Japanese Patent Office (JPO).
- Programme 3: In response to increased demand, additional corporate education and awareness events were held.
- Programme 3: The CGSE unit utilised data and intelligence from the Compliance Checklist, leading to an increase in investigations.

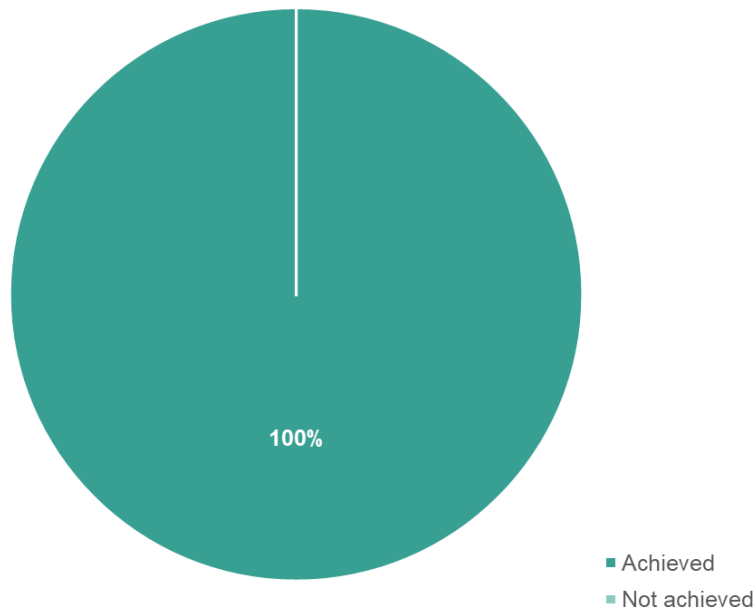


Figure 1: CIPC Overall Q2 Performance (FY2024/25)

As illustrated in Figure 2, **Programme 1 (Service Delivery and Access)** achieved 100% (5 out of 5) of its planned targets for the quarter. Notable accomplishments in Q2 include successful case studies that demonstrate the programme’s positive impact on society. These case studies highlight the enforcement of intellectual property rights, promotion of sustainability, maintenance of corporate registers, and support for innovation.

Additionally, Programme 1 has commenced the implementation of the CIPC Workplace Skills Plan. A facilitator has been appointed, and service providers have been procured to deliver the plan, reinforcing the commitment to equipping the workforce with the necessary skills to meet the organisation’s objectives.

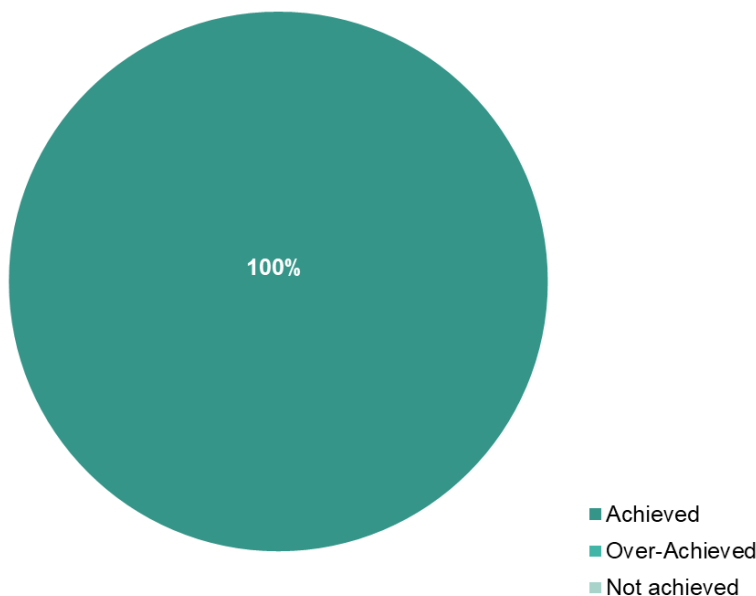


Figure 2: Programme 1 Performance, Q2 (FY2024/25)

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 copyrights in films. Key highlights include the implementation of the SSE Experiential Learning

Programme, producing six non-binding work products and executing comprehensive SSE training facilitated by the Japanese Patent Office. Moreover, the Programme has continued to implement the Inventor Assistance Programme (IAP), wherein 12 applications were assessed with five being recommended for pairing with a *pro bono* patent attorney

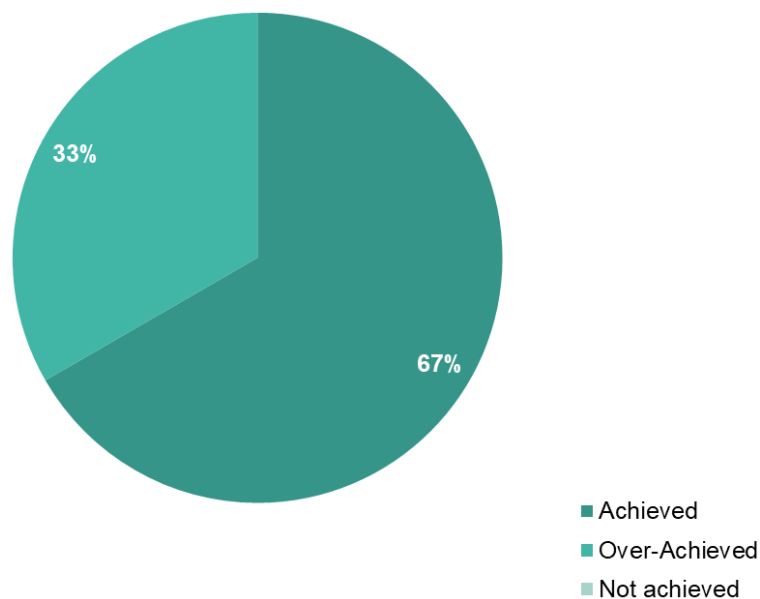


Figure 3: Programme 2 Performance, Q2 (FY2024/25)

Programme 3 (Business Regulation and Reputation) has shown significant progress during the quarter under review. As illustrated in Figure 3, it successfully achieved 100% (5 out of 5) of its planned targets by utilising data analysis on Compliance Checklist filings to identify and address non-compliance. Additionally, the CIPC conducted corporate education and awareness initiatives, supporting SMMEs and tracking capital raised through IPOs.

Programme 3 (Business Regulation and Reputation) has demonstrated considerable in the quarter under review. As depicted in Figure 3, Programme 3 has achieved **100% (5 out of 5)** of its planned targets for the quarter. Key highlights of Programme 3 include:

- Exceeding public education and awareness targets aimed at promoting regulatory compliance and enhancing service delivery.
- The Enforcement Team surpassed the proactive pre-investigation targets, thanks to their effective use of data analysis on Compliance Checklist filings to detect and address non-compliance.
- As part of public consultations on incorporating environment, social and governance (ESG), referred to as Sustainability Reporting, into the CIPC's base taxonomy, the CIPC published draft models and options to address gaps and shortcomings in its Sustainability Reporting components.

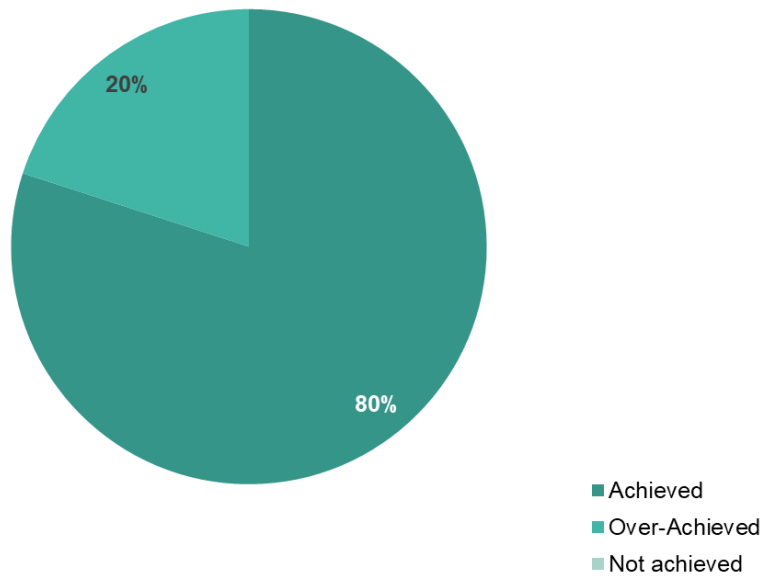


Figure 4: Programme 3 Performance, Q2 (FY2024/25)

Operational Highlights

The CIPC made substantial operational strides during the quarter, focusing on automation, process improvements, and compliance enforcement. Key achievements include:

- **Process Automation:** The automation of Business Rescue Projects and Annual Return deregistration streamlined processes and enhanced compliance. Further, the filing of accounting officer reports electronically reduced processing times and costs.
- **Beneficial Ownership Compliance:** The introduction of enforcement mechanisms, such as the "hard stop" functionality, saw a significant increase in compliance, with the highest-ever filings for Beneficial Ownership during this period. The CIPC's presentation of progress to the Financial Action Task Force (FATF) resulted in the recognition of these efforts.
- **Sustainability Reporting:** The rollout of an ESG taxonomy for non-financial reporting positions the CIPC as a leader in sustainability reporting, garnering international attention from other jurisdictions.

Challenges and Mitigations

Despite these successes, the CIPC faced operational challenges, particularly with legacy systems and human resource constraints:

- **Legacy Systems:** Persistent ICT issues related to server capacity and outdated systems hampered productivity. The Commission has prioritised modernising these systems to reduce delays and disruptions.
- **Human Resources:** Specialist skills shortages impacted several divisions, including Corporate Legal. The CIPC is addressing these challenges through recruitment processes.

Customer and Stakeholder Engagement

The CIPC's engagement efforts, improving media visibility and closely monitoring performance at the call centre, the CIPC hopes to solidify its role as a trusted regulator and business partner. However, addressing capacity constraints in the call centre will be crucial to maintaining and furthering this impact, ensuring that businesses continue to receive timely and accurate support.

The CIPC's performance in Quarter 2 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 2, 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.

Table 1: Programme 1 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	2nd 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%	Secure resources including WSP facilitator, etc.	WSP facilitator appointed, including service providers to implement WSP initiatives	N/A	N/A
Clean audit achieved	Number of AGSA Audit outcome reports	Clean Audit	Clean audit	Not Measured	Clean Audit	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	7	7	N/A	N/A
CIPC Data Strategy Developed	Number of drafts of the CIPC Data Strategy developed	New Indicator	1	1	1	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2024/2025	2nd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
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 (LEAs) 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 2. 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, five 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 has also led to more applications being accepted for *pro bono* pairing. 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	2 nd 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	3	Training opportunity availed by the JPO	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	2 nd 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	R176.8m	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	2 nd 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.

Through the analysis of compliance checklist data, the Corporate Surveillance and Enforcement unit identified and targeted areas of non-compliance, utilising data insights to proactively drive investigations. This approach has enabled the team to remain agile, enhancing business intelligence to support timely, informed decisions on compliance enforcement, leading to the unit overachieving on the annual target four times over.

In Quarter 2, the CIPC published draft models of the CIPC Taxonomy for consultation with (SSP) and other key stakeholders to gather insights on sustainability reporting standards. As part of this public consultation, the 2024 Draft Taxonomy Model was released to ensure alignment with International Financial Reporting Standards (IFRS) S1 and S2 standards, supporting the early adoption of sustainability disclosures. This consultation provided stakeholders with access to critical draft models for scrutiny, addressing gaps between the IFRS Accounting and CIPC Taxonomies, particularly regarding the International Sustainability Standards Board's (ISSB's) approach to ESG disclosures. This approach aids stakeholders in adapting their software for enhanced taxonomy integration, while remaining consistent with CIPC's taxonomy structure and objectives.

Table 3: Programme 3 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2024/2025	2 nd 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	20	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	0	Annual target was achieved in the previous quarter	N/A
Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	7	4	2	16	The team leveraged the use of data analysis on the Compliance Checklist filings to detect the non-compliance	Plan to remain agile and enhance on the business intelligence gathering for better decision making on pro-active investigations
Reports on Tracked Capital Raised through IPOs	Number of Prospectus Reports (Quarterly)	4 Quarterly and 1 Annual Reports on	1 (4) ³	1 (2) ³	1(2) ³	N/A	N/A

³ The annual

Output	Performance Indicator /Measure	Baseline	Annual Target 2024/2025	2 nd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
to promote regular tracking of investments	monitoring and Annual Reporting of Capital Raised)	Capital Raised through IPO's					
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	Publish Options for the market as part of public consultations on ESG	Options were published on the CIPC for consultation from the public on gaps and issues in Sustainability Reporting	N/A	N/A

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.

Process Improvements

During the quarter under review, the CIPC has seen steady progress in streamlining its Service Delivery Standards (SDS) and Turnaround Time (TAT). A key improvement this quarter was the analysis of name reservations, which enhanced the overall efficiency in this area. While this analysis is ongoing, improvements in dispatch responsiveness and the implementation of Business Intelligence (BI) reporting for daily monitoring of manual new company and MOI applications have already been realised. These enhancements demonstrate the CIPC's focus on leveraging data-driven approaches to improve service delivery.

Additionally, an assessment of team member technology needs led to the implementation of remote PCs and LAN cable replacements on the 3rd floor, contributing to more stable connectivity. However, some challenges persist due to the reliance on legacy systems, underscoring the need for continued technological investment to achieve seamless operations.

Beneficial Ownership Compliance

The CIPC continues to make significant strides in enforcing Beneficial Ownership (BO) filing requirements. The quarter under review saw the highest number of appointments to investigate non-compliance, supported by the introduction of a "hard stop" functionality. This mechanism ensures that entities are prevented from completing other CIPC processes until their annual return filings, including BO requirements, are met.

The enforcement mechanisms have led to a marked increase in the number of entities complying with BO filings, with Q2 surpassing all previous months. Notably, the progress report on BO compliance was presented to the Financial Action Task Force (FATF), resulting in an upgrade of one of the CIPC's remedial action items related to sanctions. This demonstrates the Commission's dedication to enhancing South Africa's standing in the global regulatory environment and increasing confidence in the country's investment environment.

Automation and the Ease of Doing Business

A key highlight of Q2 is the further automation of CIPC's processes, which continues to reduce the administrative burden on businesses while increasing efficiency. A major achievement in this regard was the automation of Business Rescue Projects (BRP). This allows businesses to monitor compliance with BRP filings and ensure progress, contributing to greater transparency and accountability in business rescue operations.

Additionally, the automation of Annual Return (AR) deregistration was implemented in September 2024, streamlining the referral of non-compliant companies and close corporations for deregistration. Approximately 1,000 companies and close corporations are referred daily, illustrating the scale of this initiative. Although the AR filing rate is impacted by the number of non-compliant entities yet to be referred, this automation is a significant step forward in maintaining up-to-date business records.

Moreover, the filing of Accounting Officer reports, previously submitted via certified post, can now be filed electronically. This change represents substantial cost savings for filers and a reduction in processing times.

Policy Development

In Quarter 2, the CIPC made significant contributions to policy development, particularly in relation to the Patents Bill and the accompanying draft Patents Regulations. A round-table discussion with the drafters of the Bill identified areas of the Regulations requiring revision to align with the intended implementation of the new legislation.

Additionally, the CIPC has been instrumental in the development of the Omnibus Bill 2024, which aims to empower the Commission to impose administrative penalties for BO non-compliance. The CIPC also contributed to the development of regulations under the Companies Act, focusing on the new Companies Amendment Bills recently signed into law. These legislative efforts will strengthen the Commission's ability to enforce compliance and ensure that corporate governance in South Africa aligns with international best practices.

4.2 Significant Projects

Sustainability Reporting

A major milestone this quarter was the inclusion of an ESG (Environmental, Social, and Governance) taxonomy in the CIPC's baseline taxonomy, rolled out on 1 October 2024. As the first jurisdiction in Africa to allow for voluntary filing of non-financial reports, including S1 and S2 reports, as part of normal XBRL filings, the CIPC has garnered international attention. This development underscores the CIPC's balanced approach to enabling business growth while ensuring regulatory compliance, furthering its role in promoting sustainability reporting in South Africa. The Belize Financial Services Commission has benchmarked its own XBRL journey and ESG reporting plans against the CIPC's achievements, highlighting the Commission's influence in this domain.

Beneficial Ownership Register Enhancement

The ongoing enhancement of the Beneficial Ownership (BO) register reached its final stages this quarter, marking significant progress in automating and improving functionality. Notable achievements include developing a detailed step-by-step guide, back-office system integration with STRATE and other stakeholders, and enabling Law Enforcement Agency (LEA) access to the register. However, technical challenges remain, particularly with ID validation through the Department of Home Affairs and finalising discrepancy reporting agreements with key stakeholders such as the Banking Association of South Africa (BASA). These issues are being addressed as the project moves toward completion.

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. 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.

The project has completed five key chapters through an external service provider. These chapters were consolidated into a summary report and submitted to the Department of Basic Education (DBE). Formal requests for consultation with the Minister's Office have been initiated to advance this project, although a portion of the payment has been reserved to accommodate further stakeholder engagement.

CIPC Learning Academy

Another strategic initiative was the development of the CIPC Learning Academy. The quarter under review saw the formalisation of a Memorandum of Understanding (MoU) with the National School of Government (NSG). The MoU is currently at the signing stage, marking a significant step in establishing a formal learning platform to upskill and develop both internal and external stakeholders in regulatory and business-related competencies.

Media Campaign

The CIPC's media campaign was a pivotal project for strategic communication this quarter. The campaign included a combination of media buying and exhibitions aimed at enhancing the CIPC's visibility and engagement with diverse demographics. A key achievement was the successful flighting of billboards across eight provinces, completed without any major challenges. This campaign has played a crucial role in positioning the CIPC as a central player in business regulation and innovation.

Next Generation Firewall Implementation

To bolster its cybersecurity framework, the CIPC successfully implemented the Next Generation Firewall (NGFW) project during the reporting quarter. This initiative significantly enhanced the security of CIPC's ICT environment by filtering and blocking potentially harmful network traffic. Although some applications were not initially compatible with the new security appliances, causing minor delays, the project was completed through a collaborative effort between CIPC resources and service providers. The NGFW project represents a critical advancement in safeguarding the Commission's digital infrastructure against cyber threats.

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.

Innovation Support and Protection

A landmark achievement this quarter was the conclusion of a Memorandum of Understanding (MoU) between the CIPC and the China National Intellectual Property Administration (CNIPA). This strategic partnership facilitates high-level exchanges between the two organisations, enabling them to keep each other informed about the latest developments in IP. The MoU promotes the sharing of best practices and facilitates knowledge exchange, empowering both the CIPC and CNIPA to enhance their regulatory frameworks and strengthen their roles in the global IP ecosystem. This collaboration underscores the CIPC's proactive approach to staying at the forefront of international IP developments, positioning it as a key player in innovation support and protection.

Substantive Search and Examination

The CIPC's partnership with the Japan Patent Office (JPO) played a pivotal role in enhancing the Commission's capacity for substantive search and examination. During the quarter under review, three intensive training programs were conducted in Japan, focusing on various aspects of IP examination. These programs, which included the JPO/IPR Training Course on Design Substantive Examination, Accession to the Hague Agreement, and Patent Examination Practices for South Africa, were tailored to the specific needs of CIPC examiners.

The training provided CIPC examiners with valuable insights into international patent examination practices, allowing them to refine their skills through case studies and advanced search techniques. The partnership with the JPO has been instrumental in elevating the CIPC's ability to perform substantive examinations with greater accuracy and efficiency, aligning its practices with international standards and furthering its goal of becoming a world-class regulatory body.

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 2 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

Availability of Specialist Skills

A recurring challenge across several divisions has been the availability of specialist skills. The need for specialised knowledge, coupled with extensive training requirements, has placed strain on human resources. The Corporate Legal division, in particular, has faced difficulties in accessing expert legal advice and representation in a timely manner. These delays impact the CIPC's ability to act swiftly on critical legal matters.

Mitigation strategies have been implemented to address these issues, including the exploration of appointing interns to build a pipeline of talent in specialised areas. Additionally, the CL division has advertised a tender for a skilled Panel of Attorneys to support corporate and employment law matters. This tender is now in its final stages and will alleviate the legal capacity constraints once implemented.

Moreover, the CIPC has encountered inefficiencies related to the enforcement of expired compliance notices due to delays with the State Attorney's Office. In response, Corporate Services has taken proactive steps by issuing a tender to source a pool of corporate attorneys, aimed at improving enforcement efforts and ensuring timely legal intervention.

System Challenges and Legacy Systems

The persistence of legacy systems continues to present a significant barrier to operational efficiency. Various ICT-related challenges, including server capacity issues, missing images, and broken LAN points, have affected the Companies and Close Corporations (CCs) units. These challenges, particularly those linked to disk space and system infrastructure, have resulted in delays, including the production of blank applications.

In the Directors, Members, and Practitioners (DMP) unit, outdated systems have contributed to delays in production. Although processes are in place to address these issues, legacy systems remain a persistent challenge. These systems are prone to errors and require ongoing support from the BISG to mitigate further delays and disruptions.

To address these system limitations, the CIPC is actively working on fast-tracking the transition away from legacy platforms and implementing modernised solutions to streamline operations. However, the reliance on older systems continues to impact day-to-day operations and service delivery.

Decline in Annual Returns Filing

The filing of annual returns has posed an ongoing challenge this quarter, with a notable decrease in gross filing rates compared to previous years. While last year's filing rates were abnormally high due to the pending final deregistration of non-compliant entities, the current filing rate remains at a five-year low. This decline has resulted in a backlog of companies and close corporations being placed back into final deregistration, as customers fail to complete the reinstatement process by filing outstanding returns.

Customers are required to file their annual returns within 30 days after reinstatement, and failure to do so triggers a second application for reinstatement. This repetitive cycle not only strains CIPC resources but also causes frustration for customers, many of whom face deregistration multiple times.

Mitigation measures to address this challenge include enhanced communication efforts to educate customers about the importance of timely filings and streamlining the reinstatement process. Additionally, the CIPC is exploring options to automate reminders and introduce penalties for late filings to incentivise compliance.

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

The CIPC continually invests in regular training for staff to ensure they remained informed about new developments and adhered to best practices. Refresher courses are implemented to maintain accuracy in the information provided to customers. Furthermore, ongoing coaching by team leaders ensures that agents uphold professional telephone etiquette and follow established procedures. The fruit of this effort will be seen in the call centre maintaining a strong customer satisfaction score, averaging 80. This score reflects client satisfaction with the quality of service provided by individual call centre agents.

5.2 Challenges

Despite these successes, the call centre faced significant challenges due to capacity constraints. The increased volume of calls exceeded the available capacity, resulting in an inability to address all client inquiries in a timely manner. The situation was further exacerbated by staff vacancies, as several team members transitioned to other roles within the organisation. The CIPC responded by advertising three vacant positions, with plans to fill these roles in the third quarter. Additionally, discussions with Human Capital and the Commissioner have been initiated to explore solutions for the ongoing capacity issues, including the possibility of expanding the team.

5.3 Recommendations

To further enhance client engagement, it is recommended that any changes to business unit processes, standard operating procedures (SOPs), or system updates be communicated to all front-facing staff before being shared with customers. This approach will ensure that the call centre and other client-facing teams remain fully informed and able to provide accurate and timely information. Ensuring clear and prompt internal communication will be critical as the CIPC continues to optimise its service delivery.

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	93018		
	Calls answered	46799	45125		
	Calls abandoned	48445	47696		
	Lost calls	215	197		
	% calls answered	50%	48,4%		
Query Resolution System	Queries received	N/A ⁴	N/A		
	Queries closed	N/A ⁴	N/A		
	Queries closed within 10 days	N/A ⁴	N/A		
	Average Turnaround Time (ATAT)	N/A ⁴	N/A		
Facebook	Queries received	17566	11471		
	Queries resolved (%)	93.11%	93.86%		
	Average Turnaround Time (ATAT)	2H10m11s	4h2m4s		
	SDS (24 hrs)	98%	95.70%		
Twitter	Queries received	4370	3437		
	Queries resolved (%)	97.39%	93.83%		
	Average Turnaround Time (ATAT)	2h15m13s	4h23m17s		
	SDS (24 hrs)	98%	95.70%		

⁴ 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 2 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, and 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 12 out of 12 of its strategic milestones for Quarter 2.

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. These actions are expected to improve compliance and operational efficiency in the subsequent quarters.

The CIPC's performance in Quarter 2 has had a tangible impact on the everyday lives of South African citizens. By streamlining business processes, promoting innovation, and ensuring robust regulatory compliance, we believe that 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	354		
	Number (Foreign)	2265	1998		
	Number (Total)	2616	2352		
	ATAT	2	2		
	SDS (2 working days)	99.53%	99.83%		
Patent Application Types	Provisional Applications	272	276		
	Complete Applications	391	382		
	Convention Applications	416	401		
	Patent Cooperation Treaty (PCT) Application	1527	1293		
Patent Certificate	Number	1527	1306		
	ATAT	19	19		
	SDS (44 working days)	100%	100%		
Patents Renewal	Number (Manual)	8208	7351		
	Number (Online)	5680	4629		
	Number (Total)	13888	11980		
	ATAT	1	1		
	SDS(3 working days)	98.37%	99.07%		
Design Application	Number (Local)	157	102		
	Number (Foreign)	192	240		
	Number (Total)	349	342		
	ATAT	2	2		
	SDS (2 working days)	97.12%	100%		
Designs Certificates	Number	334	312		
	ATAT	13	14		
	SDS (3 working days)	100%	100%		
Designs Renewals	Number (Manuals)	1060	834		
	Number (Online)	940	1075		
	Number (Total)	2000	1909		

	ATAT	2	2		
	SDS (3 working day)	98.7%	98.17%		
Copyright in film applications	Number	0	0		
	ATAT	1	1		
	SDS (44 working day)	100%	100%		
Copyright in film registrations	Number	11	2		
	ATAT	0			
	SDS (22 working days)	100%	100%		
Trademark applications	Number	11003	11378		
	ATAT	3	2		
	SDS (3 working days)	93%	94%		
Trademark registrations	Number	7462	5308		
	ATAT	180	180		
	SDS (90 days + 90 days)	88%	94%		
Trademark Official Action	Number	8868	8573		
	ATAT	10 Months	10 Months		
	SDS (10 months/304 days)	88%	96%		
Trademark Renewals	Number	7664	6503		
	ATAT	3 Days	2		
	SDS (3 working days)	92%	96%		
Name reservations	Number	133331	149823		
	ATAT	1.6	1.63		
	SDS	43%	64%		
Companies Registrations	Number	117592	102182		
	ATAT	1.17	1.01		
	SDS	86%	100%		
BBBEE Certificates	Number	106670	104240		
	ATAT	Immediate	immediate		
	SDS	100%	100%		
Company Name Changes	Number	Not available at the time of reporting	14879		
	ATAT	Not available at the time of reporting	0.01		
	SDS	Not available at the time of reporting	87%		
Short Standard Private and Non Profit without members (CoR15.1A and CoR15.1C)	Number (e-services)	117141	101310		
	ATAT	1	1		
	Percentage within SDS(2 working days)	86%	100%		
Private Company and Non Profit Company	Number	238	872		

with customised MOI, Public Company, State Owned Company and Incorporated Company (CoR15.1B, D and E)	ATAT	2	2		
	Percentage within SDS (5 working days)	81%	88%		
Close Corporation to Company Conversions (CoR18.1)	Number	180	503		
	ATAT	2	2		
	Percentage within SDS (5 working days)	88%	95%		
Mergers or Amalgamation (CoR89)	Number	18	21		
	ATAT	1	1		
	Percentage within SDS (5 working days)	100%	100%		
External Company Registration (CoR20.1)	Number	37	41		
	ATAT	3	3		
	Percentage within SDS (5 working days)	86%	79%		
MOI amendments for JSE applications (CoR15.2)	Number	16	Report not Available		
	ATAT	4	Report not Available		
	Percentage within SDS	63%	Report not Available		
MOI amendments on shares (CoR15.2)	Number	428	603		
	ATAT	1	1		
	Percentage within SDS (5 working days)	100%	100%		
Company address (CoR21.1)	Number	26442	31485		
	ATAT	1	1		
	Percentage within SDS	96%	96%		
Company financial year end (CoR25)	Number	1122	1265		
	ATAT	1	1		
	Percentage within SDS	100%	88%		
Location of company records (CoR22)	Number	809	485		
	ATAT	3	3		
	Percentage within SDS	70%	85%		

Company and Close corporation voluntary Deregistration	Number	4350	3756		
	ATAT	4	4		
	Percentage within SDS (5 working days)	62%	55%		
Company and Close Corporation Solvent (CoR40.1) and Insolvent Liquidation (CM26Liq)	Number	890	1003		
	ATAT	1	1		
	Percentage within SDS (3 working days)	96%	97%		
Amendments - Manual MOI (Cor15.2)	Number	382	427		
	ATAT	4	4		
	Percentage within SDS (5 working days)	87%	90%		
Company and CC reinstatements	Number	10198	8669		
	ATAT	7	5		
	Percentage within SDS (3 working days)	23%	31%		
Annual Returns (Service Delivery Standards)	Annual	367310	597346		
	ATAT	N/A	N/A		
	Percentage within SDS (3 working days)	Immediate	Immediate		
Company and Close Corporation Annual Return Final De-registration	Number	None	None		
Annual Returns	Annual Returns Due	664217	1305080		
	Annual Returns Filed	136756	275601		
Co-operative Registrations	Number	893	1877		
	ATAT	1	1		
	SDS (3 days)	1	1		
Director Amendments	Number (Electronic/OTP)	51479	51859		
	Number (Manual/Back Office)	1457	1531		
	ATAT (Electronic/OTP)	instant	instant		
	ATAT (Manual/Back Office)	2	2		
	Percentage within SDS (OTP)	100%	100%		
	Percentage within SDS (Back Office)	100%	98%		

Member Amendments	Number (Electronic/OTP)	4193	3710		
	Number (Manual/Back Office)	1192	1712		
	ATAT	1	1		
	ATAT (Manual/Back Office)	1	1		
	Percentage within SDS	99%	99%		
	Percentage within SDS (Back Office)	99%	99%		
Business Rescue Cases Registered (New)	Number	89	42		
	ATAT	2	2		
	SDS	2	2		
Business Rescue Practitioners Registrations/Licensing	Number	85 license applications & 42 were approved	45 licenses were issued		
	ATAT	2	2		
	SDS	2	2		
Disclosures: Paper Based	Number	4290	4215		
	ATAT	12 days	9 days		
	SDS	89%	89%		
	Revenue Collected	13.30%	60.00%		
	Expenditure/Cost	R97 979.69	R114 166.72		
State Department	Number of Requests Received	2477	2424		
	ATAT	3 Days	8 days		
	Inside TAT	100%	65%		
	Outside TAT	0%	35%		
Mailroom	Mail received from Post Office	250	2197		
	Mail collected from Divisions	3777	4141		
	Revenue Collected	R26 768.25	R23 299.32		
Disclosure Billing: Paper Base	Disclosure Request received	4290	4215		
	Disclosure request completed	3791	3812		
	Outstanding ticket	499	403		
	Disclosure request billed	2027	670		
Disclosure Billing: State Department	Disclosure Request received	2563	2424		

	Disclosure Requests completed	2380	2326		
	Duplicate requests	183	8		
	Outstanding	0	1077		

Annexure A – Internal Audit Report

AUDIT FINDINGS TRACKING SUMMARY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 2023/24 financial year as well as findings and observations from internal audits conducted in the 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

Total findings at the beginning of Q2 of 2024/2025 = 62

Total findings resolved/addressed/ Risk accepted = 12 (19%)

Total findings in progress/Partially addressed = 46 (74%)

Total findings not addressed = 4 (7%)

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

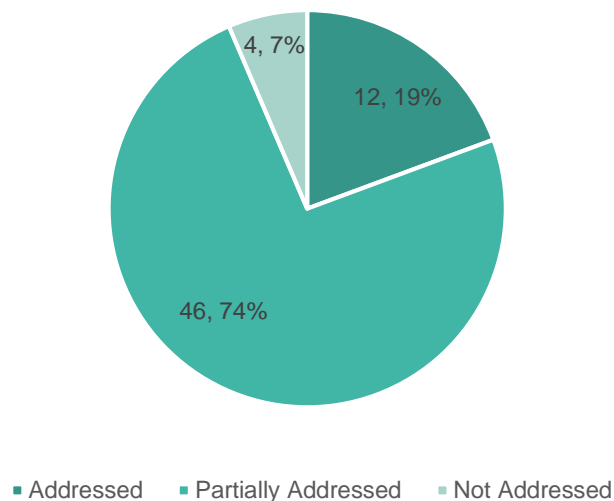


Figure 5: Implementation status of Internal Audit findings

3. Internal Audit Findings

3.1 2020/2021

Executive Summary - Internal Audit Findings 2020/2021

Audit Assignment	Total outstanding findings at beginning of Q2 2024/2025	Addressed and risk accepted - Total	In Progress	Not Addressed - Total
Training	2	0	2	0
TOTAL	2	0	2	0
%	100%	0%	100%	0%

3.2 2021/2022

Executive Summary - Internal Audit Findings 2021/2022

Audit Assignment	Total outstanding findings at beginning of Q2 2024/2025	Addressed and risk accepted - Total	In Progress	Not Addressed - Total
Recruitment	2	1	1	0
TOTAL	2	1	1	0
%	100%	50%	50%	0%

3.3 2022/2023

Executive Summary - Internal Audit Findings 2022/2023

Audit Assignment	Total outstanding findings at beginning of Q2 2024/2025	Addressed and risk accepted - Total	In Progress	Not Addressed - Total
Labour Relations	2	0	1	1
Facilities	1	0	1	0
Cyber Security	1	0	1	0
Disaster Recovery	2	0	2	0
Call Logging & Incident Management	3	0	3	0
TOTAL	9	0	8	1
%	100%	0%	89%	11%

Executive Summary - Internal Audit Findings 2023/2024

Audit Assignment	Total outstanding findings at beginning of Q2 2024/2025	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Co-Operatives	3	3	0	0
Ethics	2	0	2	0
Staff Establishment	4	0	2	2
CGSE	5	2	3	0
Service Delivery Standards	1	0	1	0
Substantive Search Examination	5	0	5	0
Training & Development	3	2	1	0
TradeMarks	2	0	1	1
BCM (Non-IT)	5	0	5	0
ICT Project Management	10	1	9	0
Application Controls on eServices	4	2	2	0
Cyber Security Review	1	1	0	0
IT General Controls Review	4	0	4	0
TOTAL	49	11	35	3
	100%	22%	71%	6%

4. Auditor General Findings 2023/24

Opening findings balance at beginning of Q2 2024/2025 = 17

Addressed and risk accepted in Q2 of 2024/2025 = 14

In progress = 0

Not addressed = 3

Audit Assignment	Q2 2024/2025 opening balance	Addressed and risk accepted in Q2 of 2024/2025	In progress	Not Addressed
AG: Management report findings	17	14	0	3
% Total	100%	82%	0%	18%

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

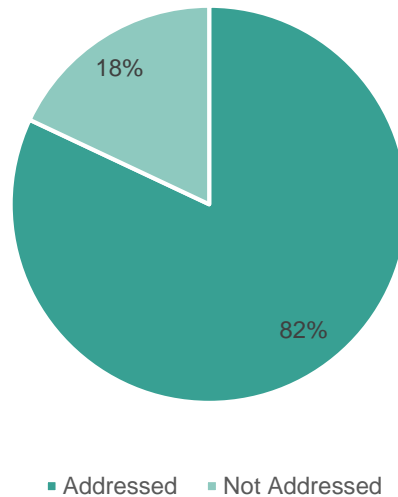


Figure 6: Implementation Status of AG findings

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 2 of the 2024/2025 financial year

2. HIGHLIGHTS

Summary of achievements for the quarter.

- Ethics awareness campaign
- Improved fraud case resolution.
- Reviewed operational and fraud risk registers
- Reviewed risk policy and framework
- Developed incident management processes

3. Governance and Ethics

3.1 Governance Framework

Implementation of the approved governance framework is ongoing. The alignment of governance committees' responsibilities will follow the ongoing benchmark and review with other entities.

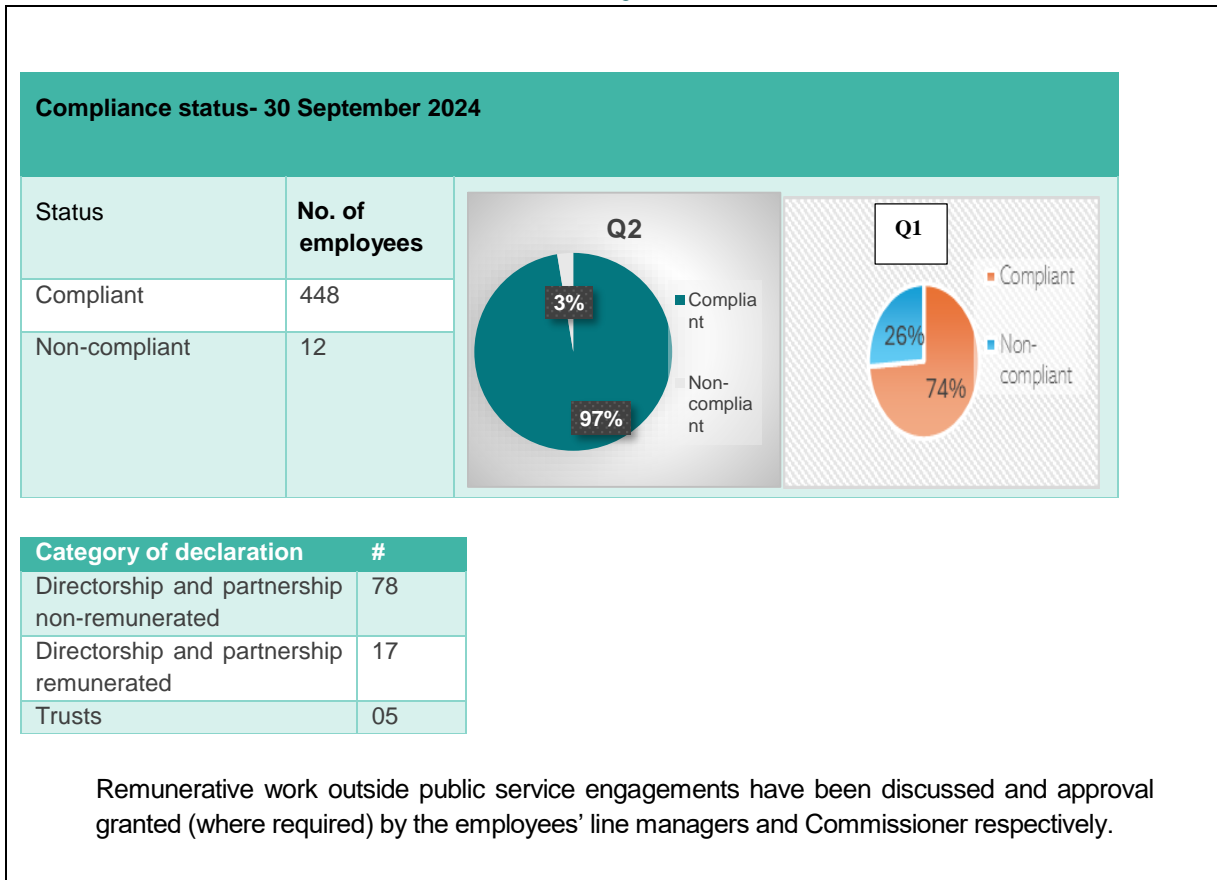
3.2 Ethics

As part of the ongoing ethics program, ethics awareness remains a key. This campaign, which started in September is due to be completed in November 2024. Regional office sessions have been successfully concluded for all four offices, with the last session held on 11 October 2024. Head office sessions are planned for the third quarter. A survey is conducted at the end of each session with a view to measuring the impact and identifying areas of improvement.

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 employees.

Figure 1



3.4 Status of Policies - 30 September 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	6	9	1	0
BISG	10	7	1	1	1
Finance	9	8	0	1	0
Facilities and security	4	4	0	0	0
Client engagement	1	1	0	0	0
GRC	7	6	0	0	1
Strategy	4	2	0	2	0
TOTAL	51	36	5	4	6

Consultation with organized labour on HR policies is ongoing.

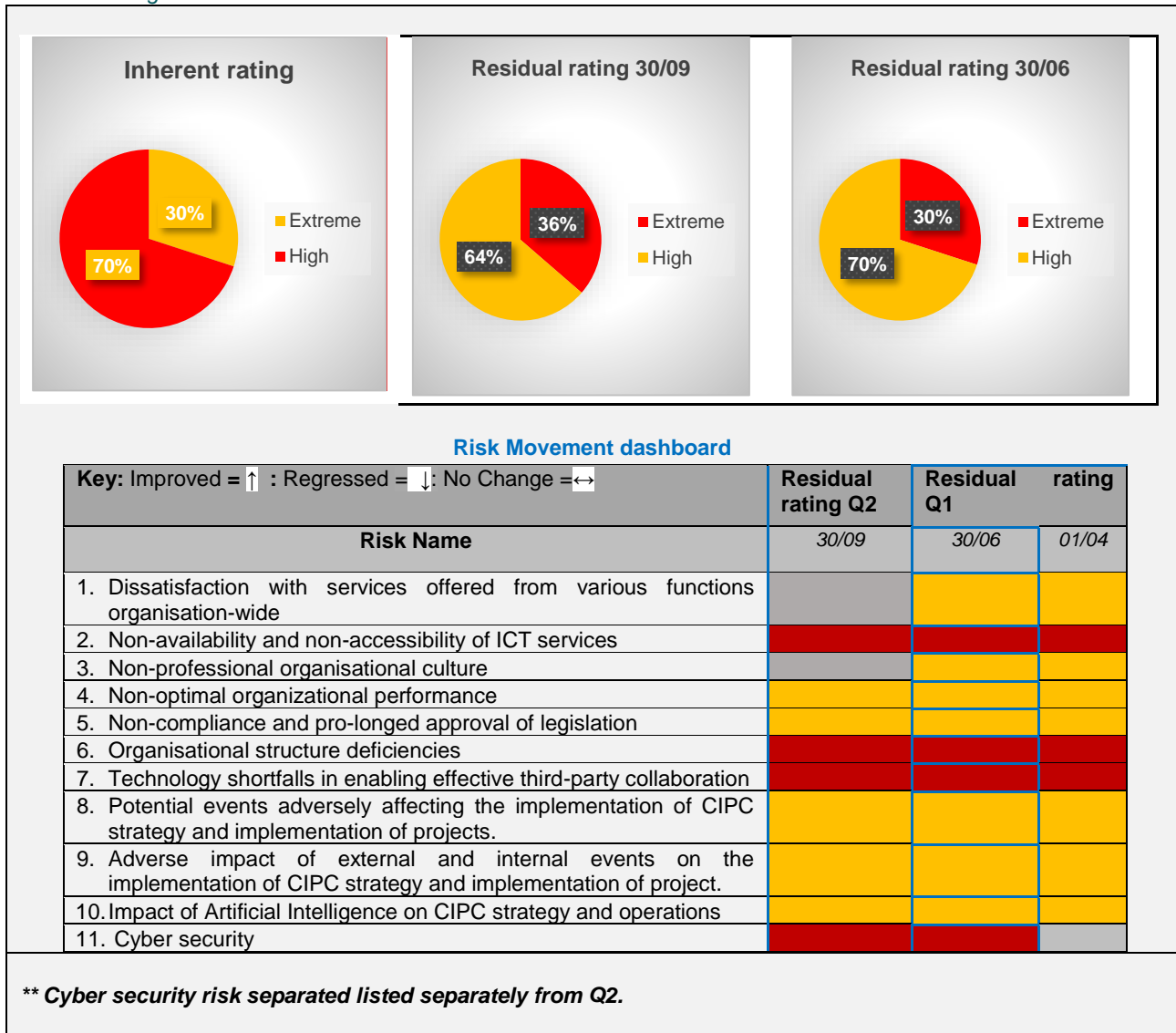
4. Risk Management

4.1 Overview

This section provides progress on the management of strategic risks during the reporting period. Implementation of strategic mitigating actions for Q2 is summarised under 5.2 below.

4.2 Strategic Risk Dashboard

Figure 3



Risk indicator summary dashboard

# of risk indicators	Q2 indicator outcome			
	😊 = well managed	😐 = partially managed	😞 = Mitigations may be ineffective	Not measured during the period.
22	16	1	2	3
100%	73%	4%	9%	14%

4.5 Materialised Risk

No materialised risks were identified or reported the period.

4.6 Emerging Risks

- To be discussed in the meeting.

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

Activity	2024/25	Q1	Q2	Status
1. Risk Management				
1.1 Risk management plan development and approval	a			
1.2 Strategic risk register annual review	a			
1.3 Risk appetite statement and tolerance levels review	a			
1.6 Operational strategic and operational root cause analysis	a			
1.7 Strategic and operational risk quarterly review and monitoring.	a	a		
1.8 Operational and fraud risk review for all divisions	a		a	
1.9 Implementation of third-party framework	a		a	
1.9 Conduct risk management awareness	a		a	
1.10 BCM Implementation	a	a	a	
1.11 BCM risk register review	a		a	
2. Fraud Prevention Plan				
2.1 Fraud prevention plan review and approval for 2025/26	a			
2.2 Fraud risk register review	a	a	a	
2.3 Implementation of the ethics plan	a	a	a	
2.4 Fraud data analysis and reporting	a	a	a	
2.5 Fraud awareness and education	a	a	a	
2.6 Declaration of interest process facilitation	a	a	a	

2.7	Maintain an effective fraud complaints case database	a	a	a	
2.8	Conduct investigations	a	a	a	
2.9	Fraud prevention progress quarterly report –	a	a	a	

Key:

Complete	In progress	Not done	Not planned for the period
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Q2 performance improved to 86%.

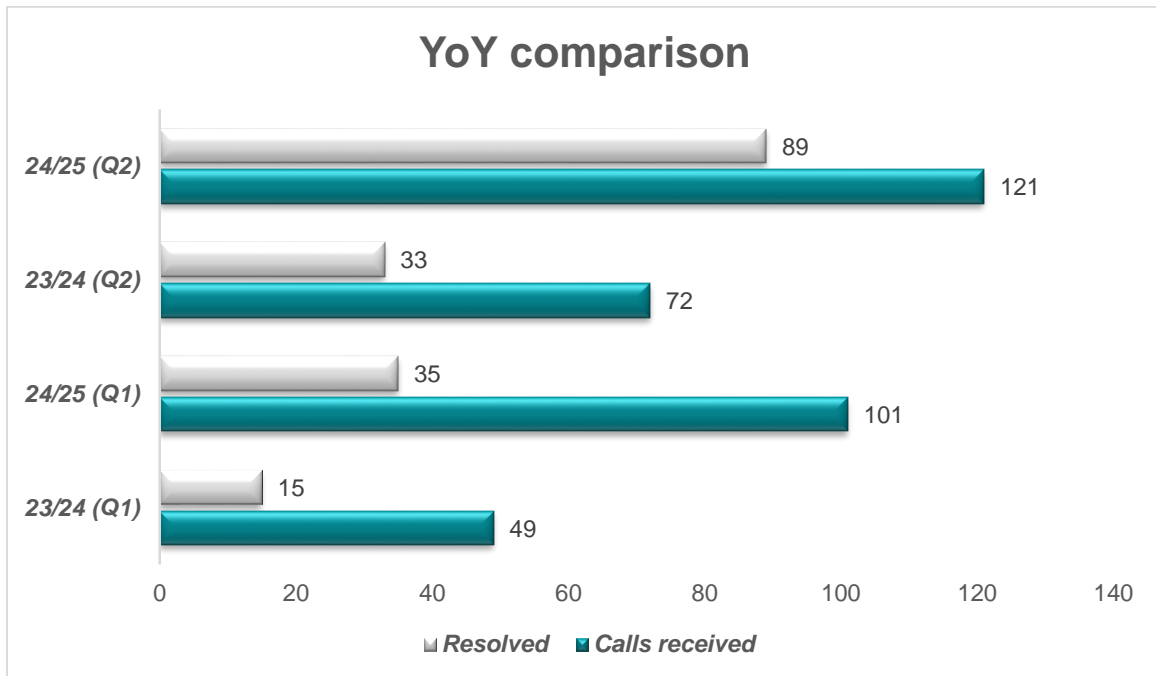
6. Fraud Prevention

This section provides information and progress on the implementation of fraud prevention initiatives. It further outlines fraud cases statistics for the reporting period.

6.1 Complaints received.

Figure 5 01 Jul– 30 Sep

Balance 01/07	Calls logged	Feedback Requests	Resolved	Balance 30/09
79	121	(19)	(89)	92



6.1.1 The number of complaints logged increased slightly, compared to the previous quarter. As forecasted in the previous quarter, the number of complaints has been rising incrementally over the years, as evidenced by Q1 and Q2 of the current year.

6.2 Status of Open Cases- 30/09

Figure 6

Total	Under investigation	Pending investigation
92	(48)	44

6.3 Summary – Reporting Channels

Figure 7

#	Channel	Received Cases
1	Hotline	110
2	Emails	11
Total		121

6.4 Summary - Nature of Cases

Figure 8

#	Types of cases	Q1		Q2	
		No. of cases	%	No. of cases	%
1.	Fraudulent removal or addition of directors	57	56%	56	46%
2.	Misuse of clients' accounts	06	6%	10	8%
3.	Fraudulent use of customer details to register a company	06	6%	20	17%
4.	Implicating CIPC employees	02	1%	00	0%
5.	Other- Not fraud related	22	22%	21	17%
6.	Other: Feedback request/ additional information	09	9%	14	12%
Total		101	100%	121	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.

6.5 Awareness initiatives

6.5.1 During the quarter, the division embarked on a comprehensive awareness drive focusing on CIPC existing and potential customers with a view of better

understanding the exposure areas and create awareness on the availability reporting mechanisms through which issues could be reporting.

6.5.2 Fraud and ethics awareness material distributed to self service centres.

6.5.3 Collaboration with other business units to ensure fraud prevention and awareness is part of the corporate education awareness initiative.

7. Compliance Management

7.1 Legislative Compliance

Figure 10

Compliance Universe	Total Assessed in Q2	Compliance issues	Violations and penalties
59	20	0	0

The compliance policy, framework and universe are undergoing a comprehensive review. The primary objective is to identify critical provisions necessitating implementation and ongoing monitoring. Additionally, the unit will assess the impact of non-compliance through self-assessment by management.

7.2 Compliance with GRC Policies

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

8. Business Continuity Risk Management

Adequate implementation of BCM programme is dependent on allocation of dedicated resources. There is currently no BCM position on the organogram. However, GRC is collaboration with other operational units to implement some of the BCM function. Implementation of the reviewed third-party risk management framework has begun.

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.	Permanent resources	<ul style="list-style-type: none"> • Performance Management • Job enrichment • Job rotation of staff. • In-house knowledge sharing

2.	Secondments	<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 • Ongoing assessments
4.	External Resources	<ul style="list-style-type: none"> • Usage of external service providers

10. Focus for the Next Quarter

- Strategic risk and appetite review
- Review of risk and fraud prevention plan
- Ethics awareness program implementation
- Compliance assessment
- Revision of complaints handling process.
- Third-party framework implementation.
- Declarations verification.