



Companies and Intellectual
Property Commission

a member of **the dti** group

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

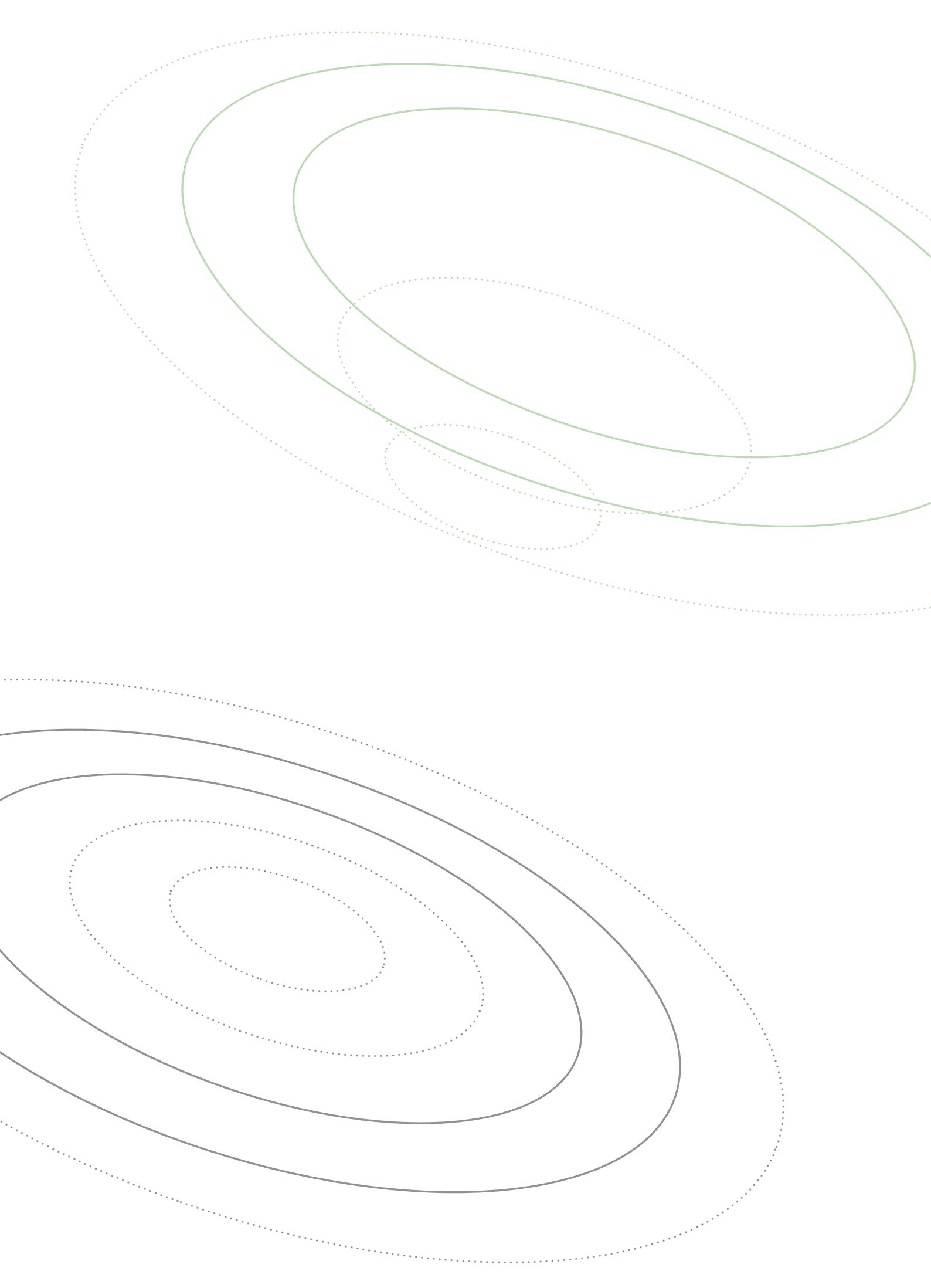
ANNUAL PERFORMANCE PLAN

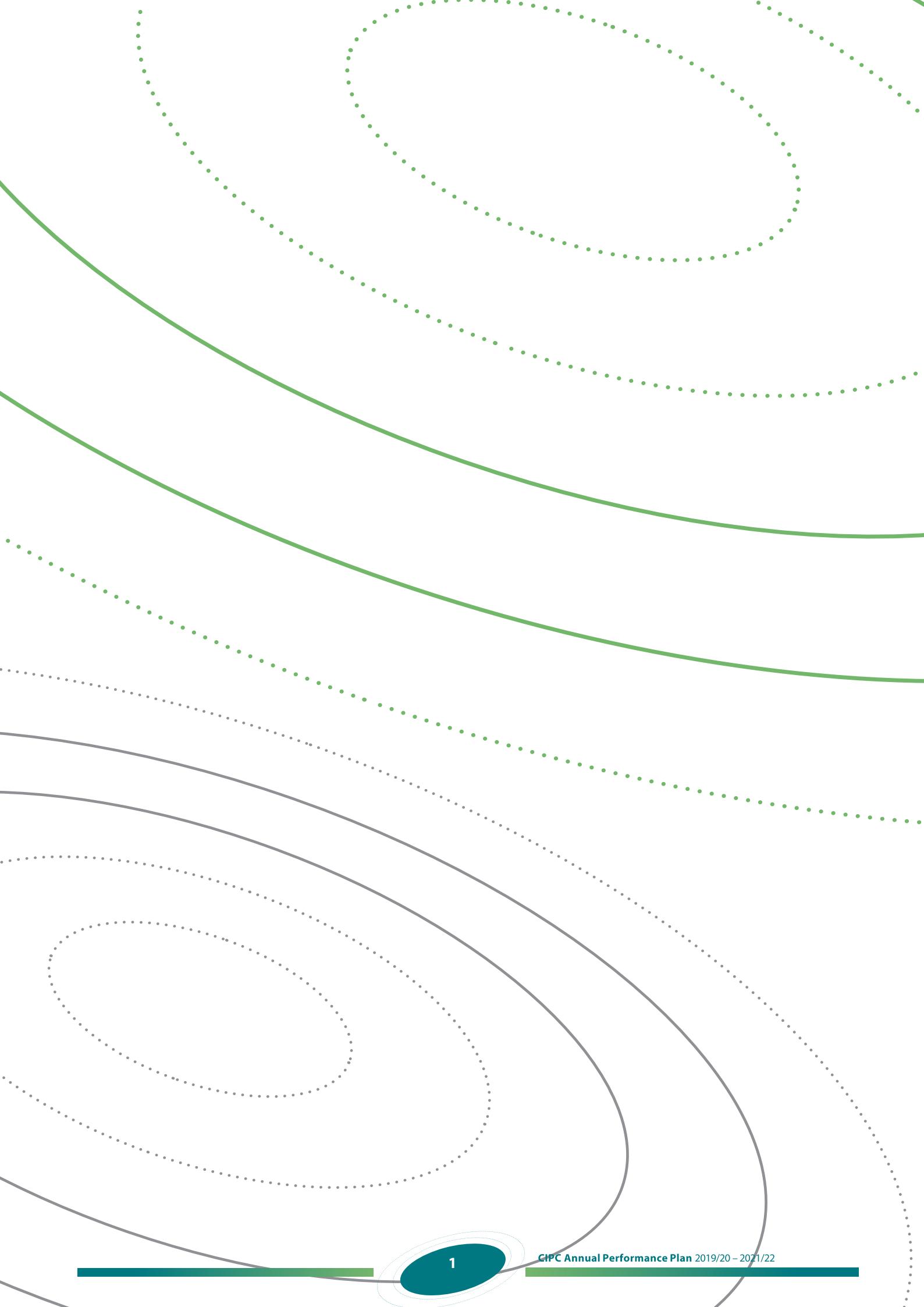
2019/20 – 2021/22



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PUBLIC ENTITY'S GENERAL INFORMATION

Registered name of the public entity

Companies and Intellectual Property Commission

Registration Numbers

Not applicable

Registered Office address

the dti campus (Block F - Entfutfukweni)
77 Meintjies Street
Sunnyside,
Pretoria

Postal Address

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Enquiries

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Website address

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External Auditors Information

Auditor-General South Africa (AGSA)
PO Box 446
Pretoria
0001

Bankers Information

ABSA
PO Box 4210
Pretoria
0001

Company Secretary

The CIPC does not have a Company Secretary

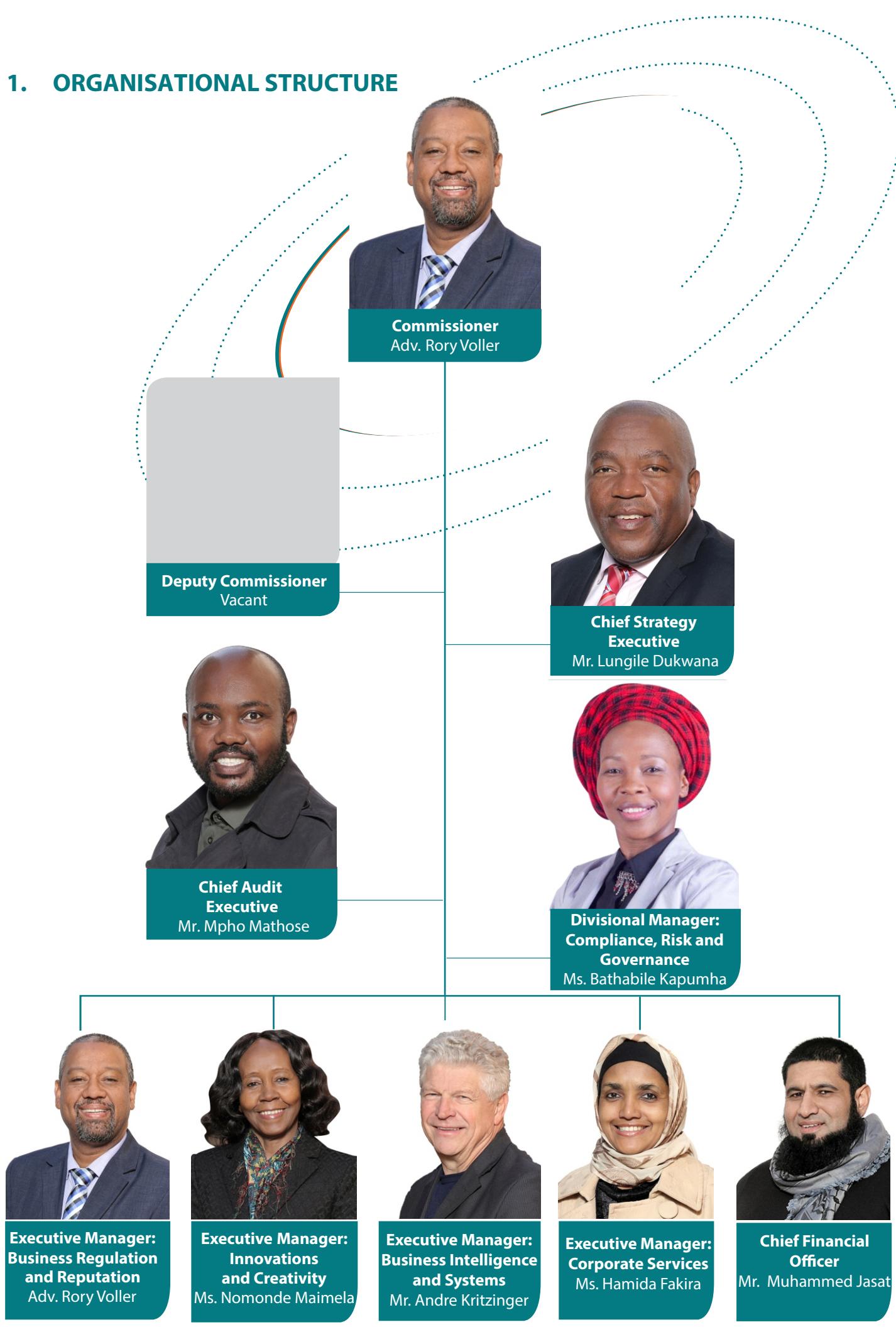
ABBREVIATIONS AND ACRONYMS

| Abbreviations | Description |
|----------------|--|
| AFS | Annual Financial Statements |
| AR | Annual Returns |
| BEE | Black Economic Empowerment |
| BISG | Business Information Services Group |
| BR | Business Rescue |
| CA | Chartered Accountants |
| CC | Close Corporation |
| CIPC | Companies and Intellectual Property Commission |
| CO | Company |
| CSR | Corporate Social Responsibility |
| DST | Department of Science and Technology |
| FSB | Financial Services Board |
| ICT | Information, Communication and Technology International |
| IFRS | Financial Reporting Standards |
| IP | Intellectual Property |
| IPAP | Industrial Policy Action Plan |
| IT | Information Technology |
| JSE | Johannesburg Stock Exchange |
| MOI | Memorandum of Incorporation |
| MP | Member of Parliament |
| NIS | National Innovation System |
| RIs | Reportable Irregularities |
| OECD | Organisation for Economic Co-operation and Development |
| OPC | Operational Performance Committee |
| PCT | People–Collaboration–Technology |
| PSCBC | Public Service Coordinating Bargaining Council |
| QRS | Query Resolution System |
| SCM | Supply Chain Management |
| SDIP | Service Delivery Improvement Plan |
| SMART | Specific, Measurable, Achievable, Realistic and Time Bound |
| SST | Self-service terminals |
| the dti | The Department of Trade and Industry |
| TIA | Technology Innovation Agency |
| TM | Trade mark |
| TORs | Terms of Reference |
| WIPO | World Intellectual Property Organisation |
| XBRL | eXtensible Business Reporting Language |

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1. ORGANISATIONAL STRUCTURE



2. Official Sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC), under the guidance of the Commissioner, Adv. Rory Voller
- Was prepared in line with the current Strategic Plan of the CIPC
- Accurately reflects the performance targets which the CIPC will endeavour to achieve, given the resources made available in the budget for 2019/20 – 2021/22

Signature: 

Muhammed Jasat, Mr

Chief Financial Officer

Date: 31 January 2019

Signature: 

Lungile Dukwana, Mr

Chief Strategy Executive

Date: 31 January 2019

Recommended for approval by:



Signature: _____

Rory Voller, Adv.

CIPC Commissioner

Date: 31 January 2019

3. Foreword by the Minister

The CIPC is in its second five year strategic period, since its establishment in May 2011 and it needs to optimise the implementation of the Companies Act and other relevant legislation to solidify its role as a reputable regulator. The CIPC should continue with innovations that reduce the regulatory burden especially for small businesses.

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

- The establishment of an Inter-Ministerial Committee to tighten up the necessary intra-governmental coordination to underpin the new One-Stop Investment Centres. InvestSA will be hosted by the CIPC, another was launched in Durban in 2017.
- A rapidly expanding partnership between the CIPC and all the major banks to provide official company registration facilities both within their branches and online.
- The Inventor Assistance Programme was launched in October 2017 in partnership with World Intellectual Property Organisation (WIPO). Its aim is to assist inventors in protecting their Intellectual Property (IP) with some assistance from IP lawyers and the WIPO.

I am confident that the 2019/20 – 2021/22 Annual Performance Plan outlines a plan that will direct the CIPC activities into creating a futuristic business and IP regulator environment that is conducive for entrepreneurship, enterprise development, and enterprise efficiency. This will contribute to investment, competitiveness and employment creation that is conducive for innovation, technology transfer, research and development, industrial development and more broadly - economic growth.



A handwritten signature in black ink, appearing to read "R. Davies". It is placed above a horizontal line.

Dr. Rob Davies, MP
Minister of Trade and Industry

Date: 31 January 2019

4. Overview by the Accounting Authority

I present the 2019/20 – 2021/22 CIPC Annual Performance Plan (APP) that outlines how the CIPC, as a regulator, will continue to create a conducive environment for business and IP owners to thrive encouraging investment, industrial development, competitiveness and employment creation that supports economic growth.

Most important in our plan is the enhancement of implementation of the Company and IP law, this contributes to **the dti's** objectives to "create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner" and "Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation". Our efforts are directed to making it easy to do business in South Africa, with a focus on entity and IP registration. We embrace the Fourth Industrial Revolution, seeing the digital explosion as an opportunity to improve our customers' experience and to make interactions as seamless as possible. We will ensure that we understand the business environment and our customers, use relentless innovation as our adopted strategy and collaborate with other organisations to offer integrated services.

We plan to digitise all our business processes to ensure ease and speed of transacting. We aim to enhance our online system, ensuring that CIPC services are available globally 24/7. We will develop our ICT infrastructure, systems and databases to ensure we are a trusted source of information in attracting reputable collaboration partners to achieve our goal of online one-stop shop for government integrated services. We are honoured to host a One-Stop-Investment Centre for foreign nationals as a collaboration partner of InvestSA, in Pretoria and Durban. We will continue to work with banks, offering other additional services to company registration and BEE applications.

We will develop the CIPC capability with reference to the IP protection system, in particular patent substantive examination. To build the required capacity in the CIPC to conduct patent substantive examination, it is crucial for the patent system to truly fulfil its intended purpose of effectively promoting innovation in South Africa. We will also engage in enforcement activities that deal with counterfeiting and piracy. We will also engage in focused IP education and awareness activities.

In preparing the internal organisational environment for the digital revolution, the CIPC will lead the way in government task force transformation into the public servants of the future. In doing this, the CIPC must use the People–Collaboration–Technology (PCT) approach:

- People – We will create competent teams and a working change management system to ensure organisational readiness in the implementation of strategic objectives
- Collaboration – We will collaborate internally and externally with partners to ensure better service delivery
- Technology – We will use technology to create solutions and optimise processes, and systems to achieve our set goals

We are positive in our focus towards achieving this plan.



Adv. Rory Voller CIPC
Commissioner Date:
31 January 2019





Companies and Intellectual
Property Commission

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PART A

STRATEGIC OVERVIEW

5. Vision

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

6. Mission

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

7. Corporate Values

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

8. Legislative and other mandates including constitutional mandates

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

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

| Legislation | Mandate |
|--|--|
| Companies Act, No 71 of 2008 | Register companies, business rescue practitioners and corporate names, maintain data, regulate governance of and disclosure by companies, accredit dispute resolution agents; educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice. Enforce the Companies Act, 2008 to promote voluntary resolution of disputes arising from this Act between companies and directors or shareholders as contemplated in Part C of Chapter 7. Monitor proper compliance with the Act, receiving or initiating complaints concerning alleged contravention of this Act, evaluating such complaints, and initiating investigations into complaints. |
| Close Corporations Act, No 69 of 1984 | Maintain data, regulate governance of and disclosure by close corporations |
| Co-operatives Act, No 14 of 2005 | Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives |
| Share Block Control Act, No 59 of 1980 | Regulate conduct and disclosure by share block schemes |
| Consumer Protection Act, No 68 of 2008 | Register business names |
| Trade Marks Act, No 194 of 1993 | Register trade marks, maintain data, resolve disputes |
| Merchandise Marks Act, No 17 of 1941 (Unauthorised Use of State Emblems Act, No 37 of 1961) | Prevent and enforce the unauthorised use of state emblems |
| Patents Act, No 57 of 1978 | Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents |
| Designs Act, No 195 of 1993 | Register designs, maintain data, resolve disputes |
| Copyright Act, No 98 of 1978 | Provide non-binding advice to the public |
| Registration of Cinematography Films Act, No 62 of 1977 | Register films, maintain data |
| Performers Protection Act, No 11 of 1967 | Accredit Collecting Societies; regulate their governance, conduct and disclosure |
| Counterfeit Goods Act, No 37 of 1997 | Conduct and co-ordinate search and seizure operations, oversee depots |

9. Overview of Strategic Outcome-Oriented Goals and Strategic Objectives

This section summarises the content and link between strategic outcomes-oriented goals, strategic objectives and strategic programmes detailed in the following sections.

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

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

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

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

| | |
|-----------------------------------|---|
| Strategic Objectives 1.3 | Intelligent, innovative, high-performance organisational environment. |
| Objectives statement | An intelligent, innovative, high-performance organisational environment that provides online based and automated products and services; and supports a reputable Business Regulation and IP Protection system. |
| What does this mean? | <ul style="list-style-type: none"> Achieved via modernisation through data analytics, organisational redesign (including reallocation of resources), training and up skilling of staff to ensure continuous improvement, maintain a responsive environment (IT, people, finances), employees to act as product/service champions to act as mentors to others, and foster innovative culture within the organisation. |
| Risks / Challenges | <ul style="list-style-type: none"> The following risks and challenges will be addressed to ensure that the strategic objective is achieved: change management, low morale of staff, employee engagement, alignment of skills, functions, policies and procedures, integrated planning, data and system integration. |
| Key Performance Indicators | <ul style="list-style-type: none"> Measure competency and skills level going forward A score between 1 and10 on the customer and stakeholder value index, (higher score indicating satisfaction with the CIPC) Modernisation, productivity, employee satisfaction (once a mechanism is established), financial performance and 360° evaluation of divisional performance |

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

| | |
|-----------------------------------|--|
| Strategic Objectives 2.2 | Improved compliance with the Company and IP Laws |
| Objectives statement | Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities. |
| What does this mean? | <ul style="list-style-type: none"> Determine a baseline for promoting improved compliance, identify compliance aspects to be monitored, develop a Compliance Monitoring Strategy. |
| Risks / Challenges | <ul style="list-style-type: none"> Percentage of public companies (entities with active business status) that have filed annual returns on time by end of the reporting period The number of CIPC-conducted education and awareness events on IP enforcement |
| Key Performance Indicators | <ul style="list-style-type: none"> Percentage of public companies (entities with active business status) that have filed annual returns on time by end of the reporting period The number of CIPC-conducted education and awareness events on IP enforcement |

10. Strategic Outcome-Oriented Goals

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

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

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

| | |
|--|---|
| Strategic Outcome - Oriented Goal 2 | A reputable Business Regulation and IP Protection environment in South Africa. |
| Goal Statement | The CIPC will ensure implementation and compliance with Company and IP Laws in order to create a reputable Business Regulation and IP Protection environment in South Africa. |
| Description | Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, and improved competitiveness, resulting in industrial development and employment creation. |
| Alignment to the dti | Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation. Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. |
| Strategic Objectives | <ul style="list-style-type: none"> 2.1 Increased knowledge and awareness on Company and IP laws. 2.2 Improved compliance with Company and IP laws. |

STRATEGIC OUTCOME-ORIENTED GOAL 1:

Reduced administrative compliance burden for companies and IP owners will be realised through three strategic objectives

1.1 24/7 access to all CIPC products and services.

1.2 Timely delivery of all CIPC products and services.

1.3 An intelligent, innovative and high performance organisational environment.

| | |
|-----------------------------------|--|
| Strategic Objectives 1.1 | 24/7 access to all CIPC products and services. |
| Objectives statement | 24/7 access to all CIPC products and services thereby providing ease, simplicity and flexibility in dealing with CIPC. |
| Baseline | <p>Channels and available products and services:</p> <p><u>Self-service centres 08:00 – 15:30</u></p> <p>Company Registration, Annual Returns, Tax Number application, BEE certificate, domain names</p> <p><u>Partners 08:00 – 15:30</u></p> <p>Company Registration</p> <p><u>Third Parties 08:00 – 15:30</u></p> <p>Company Registration</p> <p><u>E-mail 24/7</u></p> <p>Queries, Lodgements</p> <p><u>USSD 24/7</u></p> <p>Queries related to company registrations and amendments</p> <p><u>Website 24/7</u></p> <p>Customer Registration, Name Search, Name Reservation, Company Registration</p> |
| Five-year Target | Development of key capabilities for 24/7 access to all key CIPC products and services. |
| Key Performance Indicators | <ul style="list-style-type: none"> • Percentage of website performance for e-services 24/7 • Number of provinces where SSTs are installed and operational • Percentage of CIPC services with option to file electronically compared to services which may only be filed manually (See Annexure C) • Number of company business processes that are automated and/or optimised |

| | |
|-----------------------------------|--|
| Strategic Objectives 1.2 | Timely delivery of all CIPC products and services. |
| Objectives statement | Timely delivery of all CIPC products and services, by continually reducing time spent dealing with the CIPC. |
| Baseline | <p>Average turnaround times for key services</p> <p>Companies registration – 2</p> <p>Co-operatives registration – 3</p> <p>Trade marks application – 2</p> <p>Patents application – 4</p> <p>Designs application – 3</p> <p>Copyright in film applications – 3</p> |
| Five-year Target | Key capabilities for one-day service delivery for all key CIPC developed products and services. |
| Key Performance Indicators | <ul style="list-style-type: none"> Average number of days to register a company (from date of receipt to a completed application). Average number of days to register a co-operative (from date of receipt to a completed application). |

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

STRATEGIC-OUTCOME ORIENTED GOAL 2:

A reputable Business Regulation and IP Protection environment in South Africa, is realised through two strategic objectives:

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

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

| Strategic Objectives 2.2 | | Improved compliance with the Company and IP Laws |
|-----------------------------------|---|---|
| Objectives statement | Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities. | |
| Baseline | Compliance monitoring and enforcement activities conducted throughout the country also in partnerships with professional associations and enforcement agencies. | |
| Five-year target | All key internal capabilities developed | |
| Key performance indicators | <ul style="list-style-type: none"> • Percentage of public companies (entities with active business status) that have filed annual returns on time by end of the reporting period • Percentage of companies (entities with active business status) that have filed audited financial statements on time by end of the reporting period • Percentage of public companies (entities with active business status) that have filed audited financial statements on time by end of the reporting period • Number of CIPC-conducted education and awareness events on IP enforcement | |

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

| Strategic Goal | Strategic Objectives | the dti's key strategic focus areas |
|---|---|---|
| 1. Reduced administrative compliance burden for companies and IP owners. | 1.1 24/7 access to all CIPC products and services. 1.2 Timely delivery of all CIPC products and services. 1.3 Intelligent, innovative, high performance organisational environment. | Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner. |

| Strategic Goal | Strategic Objectives | the dti's key strategic focus areas |
|--|--|--|
| 2. A reputable Business Regulation and IP Protection environment in South Africa. | 2.2 Increased knowledge and awareness on Company and IP laws. 2.2 Improved compliance with Company and IP laws. | Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation. |

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

The **dti** policies and strategies are informed by the National Development Plan (NDP) and its implementation plan, the Medium Term Strategic Framework, specifically the Outcome 4:Economy Chapter, Outcome 5: Skills Chapter, Outcome 5: Skills Chapter, and Outcome 3: Safety Chapter (See **the dti** Annual Performance Plan (APP) for a detailed description. The CIPC, through its alignment to **the dti** policies and strategies contributes to the MTSF and hence the NDP.

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

As there are synergies between the legislative mandate of the CIPC and other policies and strategies of **the dti**, an opportunity presents itself for CIPC to define its role in enterprise development and industrial policy. The CIPC identified key issues in the policies and strategies of **the dti** relevant to its mandate:

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

The key policy areas identified by the Minister of Trade and Industry for the CIPC for the 2018/19 financial year and ahead were identified as follows:

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

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

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

12. Recent Court Rulings

Not applicable

13. Situational Analysis

A robust framework is used to conduct a comprehensive situational analysis that enables the CIPC, to dissect the present status quo. The five C's framework (Climate, Company, Customers, Competitors and Collaborators) develops an understanding of internal and external environments.

Figure 1: Five C's Framework



a. Climate

Climate analysis involves evaluating macro-environmental factors that affect the business. The PESTEL (Political, Economic, Social/Cultural, Technological, Environmental, and Legal factors) is adopted to analyse the macro-environment in which the CIPC operates. The macro-environmental factors examined are segmented according to the five PESTEL factors.

i. Political

Political factors describe the degree to which government may influence the economy or a particular industry. This includes, but not limited to government policy, political stability, foreign trade policy, tax policy, labour law, environmental law, and trade restrictions. The CIPC is influenced by government policy. Rules and regulations imposed by National Government are essential to the effective governance of the country. These rules and regulations need to be effectively managed and navigated to ensure effective delivery on the CIPC mandate and continued performance.

1. Direct Policy Environment

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

Table 1: Key policies and strategies of the dti

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

2. International Treaties and Agreements

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

Table 2: International Treaties and Agreements

| Treaties and Agreements | Summary of Policy |
|---|--|
| Paris Convention for the Protection of Industrial Property | The Paris Convention, adopted in 1883, applies to industrial property in the widest sense, including: patents, trade marks, industrial designs, utility models, service marks, trade names, geographical indications and repression of unfair competition. This international agreement was the first major step taken to help creators ensure their intellectual works were protected in other countries. South Africa's accession to the Paris Convention was in October 1947. |

| Treaties and Agreements | Summary of Policy |
|---|---|
| Patent Co-operation Treaty | The Patent Co-operation Treaty makes it possible to seek simultaneous invention patent protection in a large number of countries by filing an “international” patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. It may be filed generally with the national patent office of the Contracting State of which the applicant is a national or resident or, as an applicant’ option, with the International Bureau of WIPO in Geneva. South Africa’s accession to the treaty was in December 1998. |
| Berne Convention for the Protection of Literary and Artistic Works | Adopted in 1886, this convention deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters with the means to control how their works are used, by whom, and on what terms. It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. South Africa’s accession to the treaty was in October 1928. |
| Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure | Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process i.e microorganisms. All states party to the Treaty are obliged to recognise microorganisms deposited as a part of the patent procedure, irrespective of where the depositary authority is located. In practice, this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists. |
| TRIPs Agreement | The TRIPs Agreement is an international legal agreement between all the member nations of the World Trade Organisation (WTO). It sets down minimum standards for the regulation by national governments of many forms of intellectual property (IP) as applied to nationals of other WTO member nations. It stems from the desire to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. South Africa deposited its instrument of acceptance for the 2005 protocol amending the WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 23 February 2016. |

The South African government has dealt with increasing social unrest, which has implications for the South African economy which is examined more in detail in the following section.

ii. Economic

Economic factors refer to determinants of a country’s economic performance that impact the CIPC. These factors include, but limited to, economic growth, interest rates, exchange rates, inflation, consumer disposable income and businesses.

In the current globalised and hypercompetitive economy, a country’s reputation, wealth, competitiveness and growth potential is significantly influenced by its business activity, the economic inclusion of its citizens, and its level of innovation, as measured by intellectual property developed and registered by its citizens.

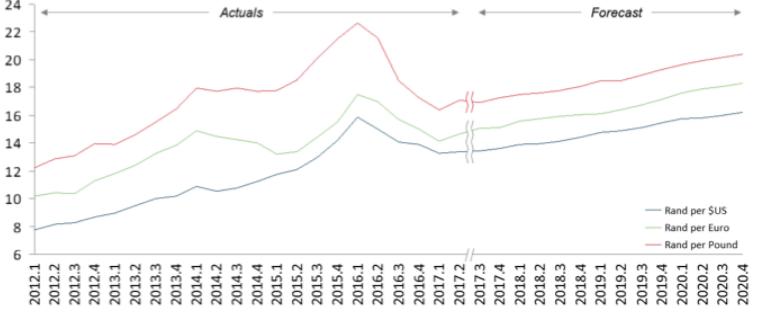
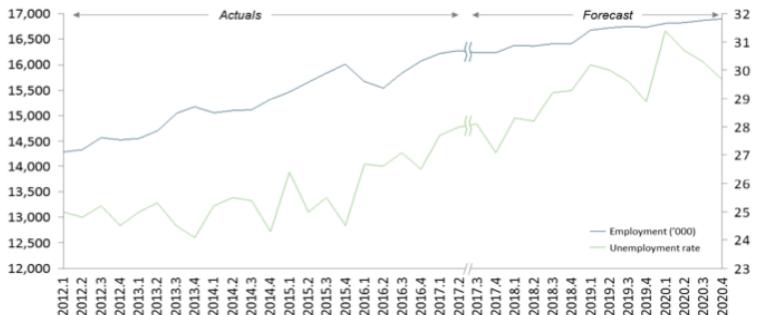
The South African economy continues to struggle on the back of a global economic downturn, falling commodity prices, and a host of local issues, such as the 2008 labour disputes, power supply problems, high levels of household debt, inflation, low business and consumer confidence, unemployment and political instability. The current economic landscape elevates the importance of the role that the CIPC is mandated to play in the countries' economy.

Over the past recent years, the government has faced increasing social unrest from communities as a result of low service delivery from government coupled with general dissatisfaction. Political instability and its associated implications will continue to have a major impact on society and the economy, affecting levels of poverty and unemployment in particular.

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

Table 3: Summary of key economic indicators and trends

| Economic Indicators | Trend | Key Insights |
|----------------------|-------|--|
| GDP and GDP growth | | <ul style="list-style-type: none"> Link between company registration and socio-economic and economic growth Dynamic relationship exists between economic growth and IP generation. (IP rights can contribute significantly to economic development) The CIPC can influence economic development through increasing IP protection and promoting company registration |
| Consumer Price Index | | <ul style="list-style-type: none"> South Africa's CPI has experienced a high and volatile trends which has had a negative impact on growth and the economy Exchange rate depreciation, leading to an export slump have been unexpected consequences of a high CPI Inflationary pressure has not had an adverse impact on company and IP registration |

| Economic Indicators | Trend | Key Insights |
|---|--|--|
| Rand Exchange Rate |  <p>The chart displays the Rand exchange rate against three major currencies from 2012.1 to 2020.3. The Y-axis represents the exchange rate, and the X-axis shows quarters. The 'Rand per US\$' (blue line) starts at approximately 8.5 and rises to about 15.5. The 'Rand per Euro' (green line) starts at approximately 10.5 and rises to about 17. The 'Rand per Pound' (red line) starts at approximately 12.5 and peaks at over 22 in 2016.1 before declining to around 19.5 by 2020.3.</p> | <ul style="list-style-type: none"> Consistent depreciation of the Rand against the three major currencies Weaker Rand can push up inflation as imported goods have become more expensive The weaker Rand will place strain on the SA economy and affect majority of currently operating and potential businesses negatively. The resultant, tough business environment may lead to an increase in company de-registrations and a decrease in new company registrations |
| Unemployment and Unemployment Rate |  <p>The chart tracks Employment ('000) and Unemployment rate from 2012.1 to 2020.4. The Y-axis has two scales: Employment ('000) on the left (12,000 to 17,000) and Unemployment rate on the right (23 to 32). Employment (blue line) grows from ~14,000 to ~17,000. The Unemployment rate (green line) starts at ~24% and rises sharply to ~31% by 2020.4.</p> | <ul style="list-style-type: none"> South Africa's unemployment rate has reached an all time high, and is expected to worsen Correlation between increased unemployment and increased entrepreneurship CIPC can support new entrepreneurs by means of education and awareness and business registration promotion in order to improve the current unemployment rates CIPC can assist in education by partnering with relevant organisations |

| Economic Indicators | Trend | Key Insights |
|---------------------|---|---|
| Prime Interest Rate | <p>The chart displays two data series: Employment ('000) and Unemployment rate. The X-axis represents time periods from 2012.1 to 2020.4. The left Y-axis represents Employment ('000) from 12,000 to 17,000. The right Y-axis represents the Unemployment rate from 23% to 32%. The 'Actuals' line (blue) shows employment rising from about 14,500 in 2012.1 to over 16,000 by 2019.4. The 'Forecast' line (green) continues this trend. The unemployment rate (green line) starts around 25% in 2012.1, dips, then rises sharply to a peak of 32% in Q1 2020, before showing a slight decline.</p> | <ul style="list-style-type: none"> Interest rates progressively increasing, making capital cost relatively more expensive Higher interest rates suggest that companies and individuals have less money to invest in IP and register companies |

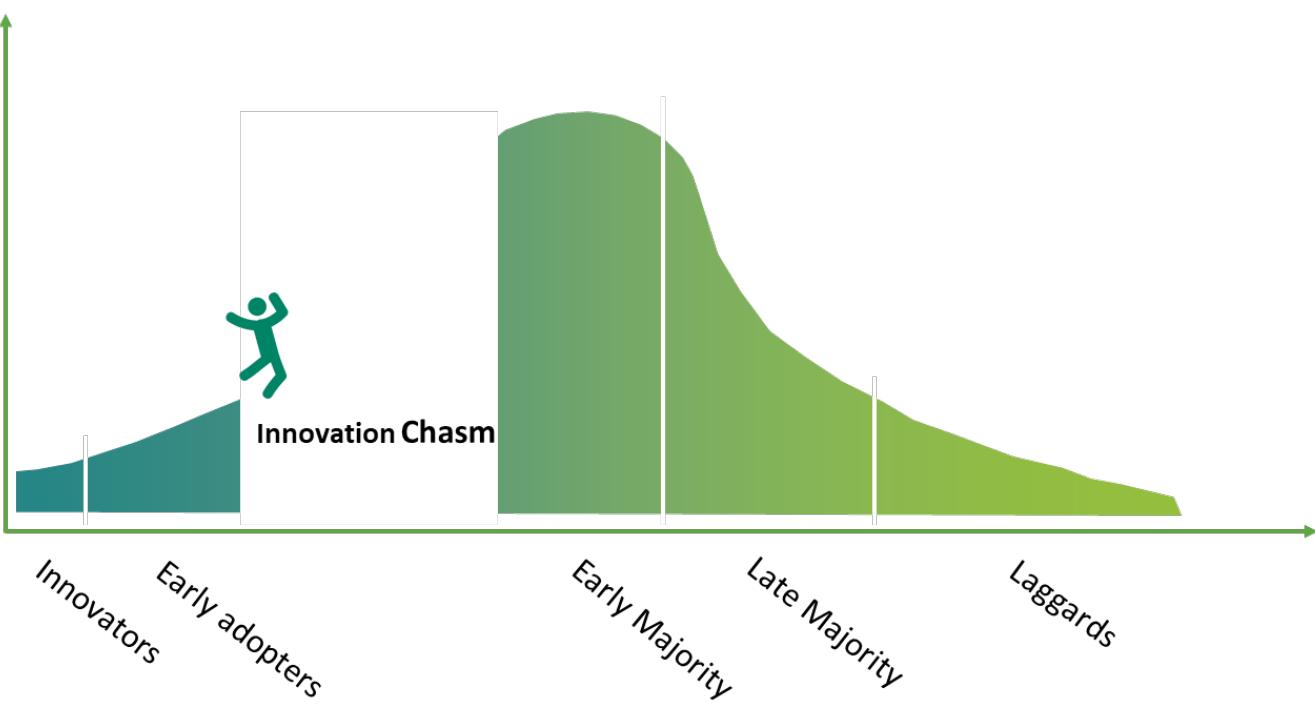
iii. Social

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

2. Innovation Culture

South Africa has a strong culture of innovation, supported by a well-established research base. In 2015 World Intellectual Property Organisation (WIPO) global innovation index, the country was ranked 60th and 2nd in Africa, after Mauritius (49th). The South African universities and research institutions have done exceptionally well in producing world-class research and publications in peer-reviewed journals. However, there is still a gap in the National Innovation System (NIS), as most of the research outputs have not translated to commercially-viable products and services and creation of new industries. This calls for a coherent strategy to close the innovation chasm.

Figure 2: The Innovation Chasm



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

2. ENTREPRENEURIAL CULTURE

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

The GEM is revisited in the section on Competitors as it allows South African entrepreneurship to be benchmarked against other global players, creating insights into some of the strengths and weaknesses of the local entrepreneurial environment.

3. THE HUMAN DEVELOPMENT INDEX AND ENTREPRENEURIAL CULTURE

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

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

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

Table 4: South African HDI position

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

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

iv. Technological

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

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

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

These technological advancements have the CIPC perfectly poised, as the CIPC has endeavoured to provide all services and products online, with a significant migration from manual to electronic registration of company and IP registrations.

Since inception five years ago, the CIPC has upgraded its systems. Out of 184 core CIPC processes, 38 processes (21%) are hybrid offerings (a combination of manual and automation), or fully automated services. This displays the CIPC's efforts to align with global technological advancements. The organisation is moving with the modern times, while providing the customer with strong service delivery. As technological modernisation continues to penetrate the South Africa market, it will become increasingly important that the CIPC continues to drive progress in modernising and upgrading their systems to be prepared for the changing technological landscape and consequent customer requirements.

v. Environmental

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

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

vi. Legal

Legal factors pertain to laws and regulations with which the CIPC must comply. The CIPC is responsible for administering all or part of 13 pieces of legislation relating to corporate and intellectual property regulation. Its key mandate encompasses companies, close corporations, co-operatives, trade marks, patents, designs, aspects of copyright legislation and enforcement of rules and regulations in most of these areas of law. The CIPC's primary institutional mandate derives from the Companies Act, 2008, which establishes CIPC as a juristic person. See Section 8 for pieces of legislation for which CIPC is responsible for.

b. Company

Company analysis studies an organisation's strengths and weaknesses. It is useful in understanding existing and potential problems within the business.

i. Strengths

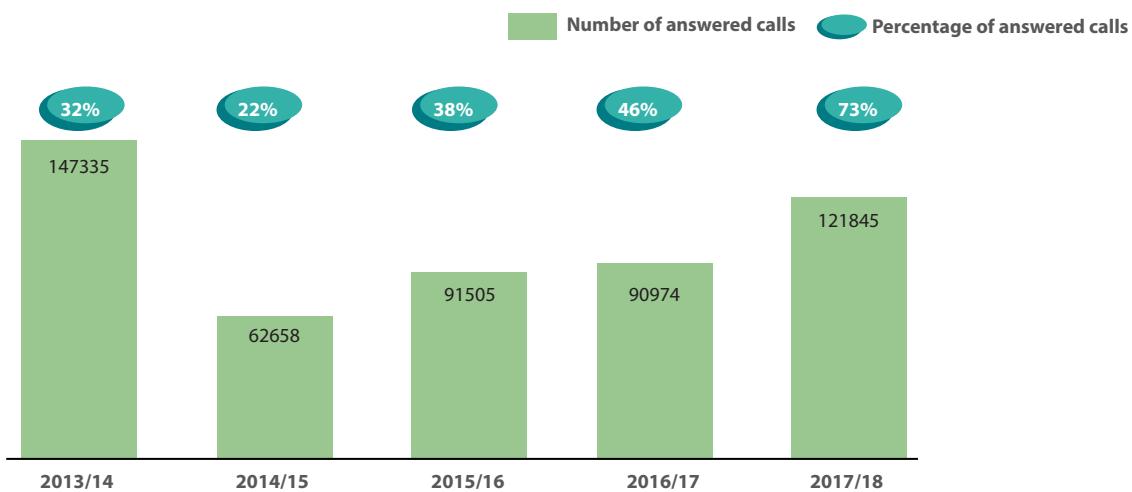
1. Structure of the business registries

The CIPC offer its services through partnerships and collaborative initiatives. It uses multiple channels including a third-party model, self-service terminals, self-service centres banks, Call centre, USSD, transacting website, a query resolution system and social media. This provides for ease in transacting and accessing the CIPC services countrywide.

2. Increased Call Centre Efficiency

The CIPC's call centre is an essential touch point for its customers. The call centre has improved its customer service over the past five years specifically, the call centre has experienced a 20% increase in call answer rates in the past five years. Key initiatives such as capacity building through recruitment of experienced call agents and continuous training have contributed to this improvement.

Figure 3: Total number of calls received and percentage of calls answered



3. Automation and Digitisation

The CIPC has made dramatic improvements to the automation and modernisation of the organisation. Automation has led to the CIPC's registration systems becoming faster and more cost-effective with enhanced data integrity, information security, registration system transparency, and verification of business compliance.

4. Integrated Registration System

ICT makes registration systems faster and more cost-effective. They enhance data integrity, information security, registration system transparency and verification of business compliance. Using technologies also assists countries with limited human resources to meet customer demand, as well as reducing administrative costs.

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

The CIPC has ventured into automating processes over the past five years, with significant strides made in achieving automation targets (26% of processes automated).

5. Distribution Channels

The CIPC has made great strides in collaboration and distribution channels, as illustrated in the figure:

Figure 4: Some of the CIPC Service Channels

| | |
|---|--|
|  | Partnerships Partnerships with public and private entities to enhance service access for all customer segments |
|  | Online Online registration facility assists in improving the turnaround time for service units |
|  | Self-service Terminal SST's increase accessibility for SMMEs and customers in general |
|  | Third Party Model Permits identified CIPC transactions using the DHA biometric requirements |

6. Standardised incorporation documents

Standard incorporation documents enable a number of key benefits:

- Enable entrepreneurs to ensure legality without resorting to notaries and lawyers;
- Eliminate applicant's cost burden for lawyer services;
- Decreases the commission's cost burden as the application processing is more efficient;
- Eases workload at the commissions or registries;
- Assists in preventing errors and expediting registration time.

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

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

7. Registration and administrative process

Company registration is an administrative, not a judicial matter involving courts in the registration process may take an entrepreneur, on average, 70% more time than if it were an administrative process. South Africa has always implemented the company registration process as an administrative process and not a legal process. It is, and always has been optional to involve a notary in the process and not a mandatory requirement by the Commission. The CIPC also aligns with international practice, as there is no requirement to register a company using the court system or a notary in South Africa. Intellectual property. The CIPC also aligns with international practice, as there is no requirement to register a company using the court system or a notary in South Africa.

8. Intellectual property

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

9. Financial Sustainability

The CIPC is funded purely by fees collected from registration services and annual returns. As such, the CIPC has maintained financial self-sustainability. However, future financial sustainability must be assessed, given the role of the CIPC within government. Research has shown a sustainable Government entity is one of the major keys to creating economic development and social value for the country's citizens.

10. Capital Requirement for Start-Ups

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

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

ii. Weaknesses

1. Call Centre

Although the call centre has made progress in the call answering rate over the past five years, further developments are necessary to meet customer requirements. The primary complaint on HelloPeter is that customers cannot get through to the call centre for assistance. This inefficiency may contribute to customers going to third party company registration entities. Performance is still significantly below industry best practice, as well as CIPC set targets. The centre also continues to face the challenge of low staff retention rates.

2. ICT Services

The Business Information Services Group (BISG) responsible for ICT services at the CIPC, struggles with continual high vacancy rates. In addition, the structure of the ICT department does not lend itself to efficient execution of its roles and responsibilities. This is currently being addressed.

3. Compliance

Currently, there are several pieces of legislation with which the CIPC is 100% compliant in some cases, a gap exists, between what CIPC currently addresses and its mandate. For example, the Patents Act, the Designs Act, the Performers Protection Act and the Copyright Act.

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

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

4. Registration

While the CIPC has successfully implemented a hybrid registration system, there are certain inefficiencies in the registration system, such as:

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

5. Document Management

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

6. Finance/Supply Chain Management Process

The Finance and Procurement Division consists of the finance department, supply chain management, and treasury and insurance. This department had not achieved optimal performance due to these efficiencies:

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

The CIPC is currently exploring ways to address these challenges.

7. Legislation and Policy

Although currently the CIPC is well aligned to various items of legislation, there are a number of inefficiencies in legislative adherence, including:

- Delays in finalising the Copyright Bill, and Intellectual Property Laws Amendment Act (IPLAA) regulations
- Fragmented IP system

8. Stakeholder Relations and Management

Synergies between various government departments and agencies handling IP issues need improvement.

9. Digitisation and Technology

While the CIPC has made strides in increasing automation and digitisation throughout the company, there is still room for improvement. Small inefficiencies exist, such as:

- Current service targets and turnaround times for lodgment are negatively impacted by glitches in the IT system. These result in huge back logs and in set targets not met
- Current human capital skill is not aligned to meeting technological advancement and future developments

c. Customers

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

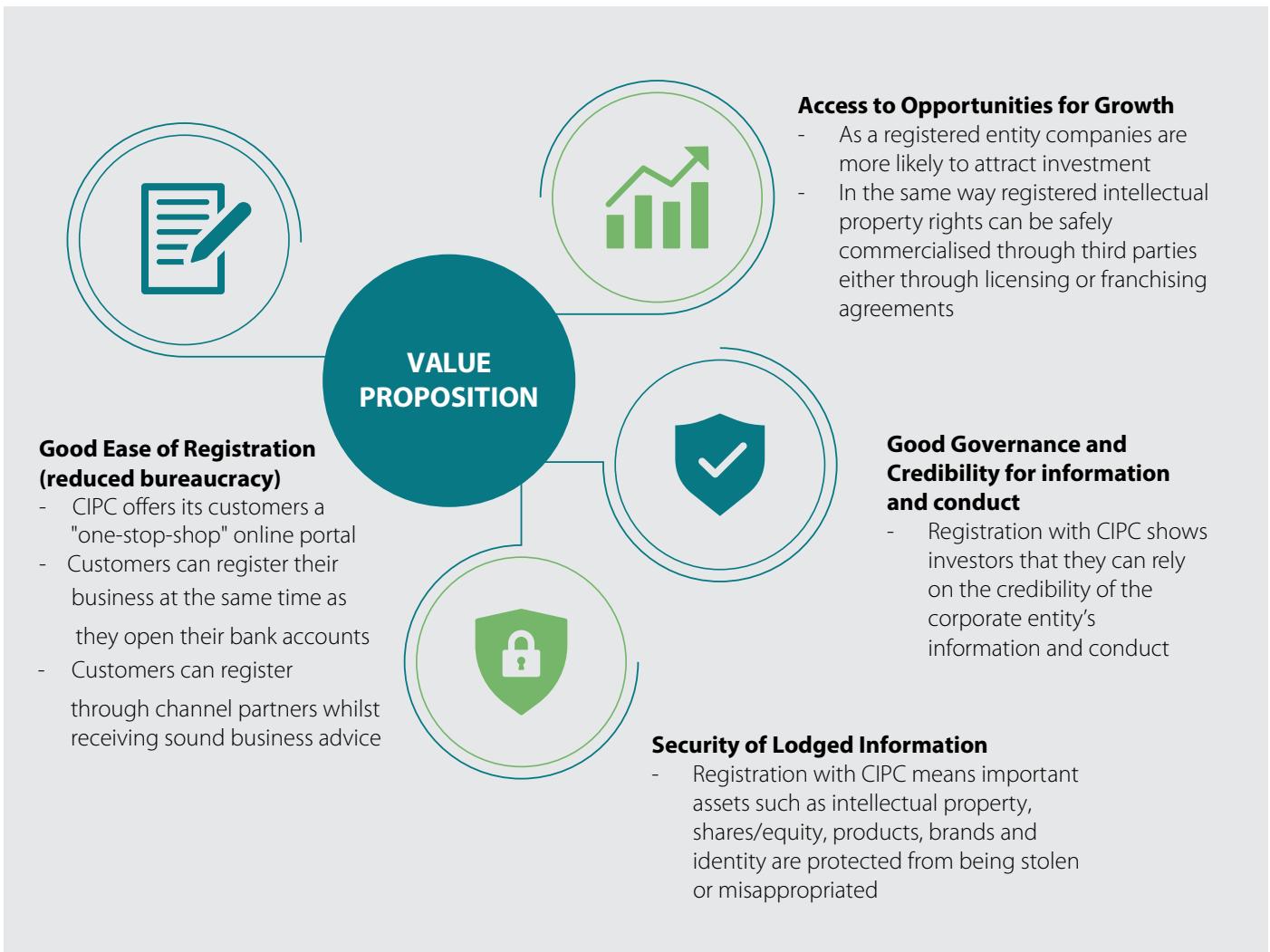
i. Value Proposition

CIPC customer value proposition is aspirational. It includes current benefits and future benefits developed over time by CIPC in association with its channel and strategic partners.

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

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

Figure 5: Elements of the CIPC's value proposition



ii. Segmentation

The CIPC makes use of behavioral segmentation by dividing its market according to needs. These segmentation categories include the following needs:

- Registration
- Information and Data
- Compliance
- Redress
- Maintenance

Figure below illustrates how the CIPC addresses these needs. The table below describes the various segments in detail.

Figure 6: CIPC Customer Segmentation

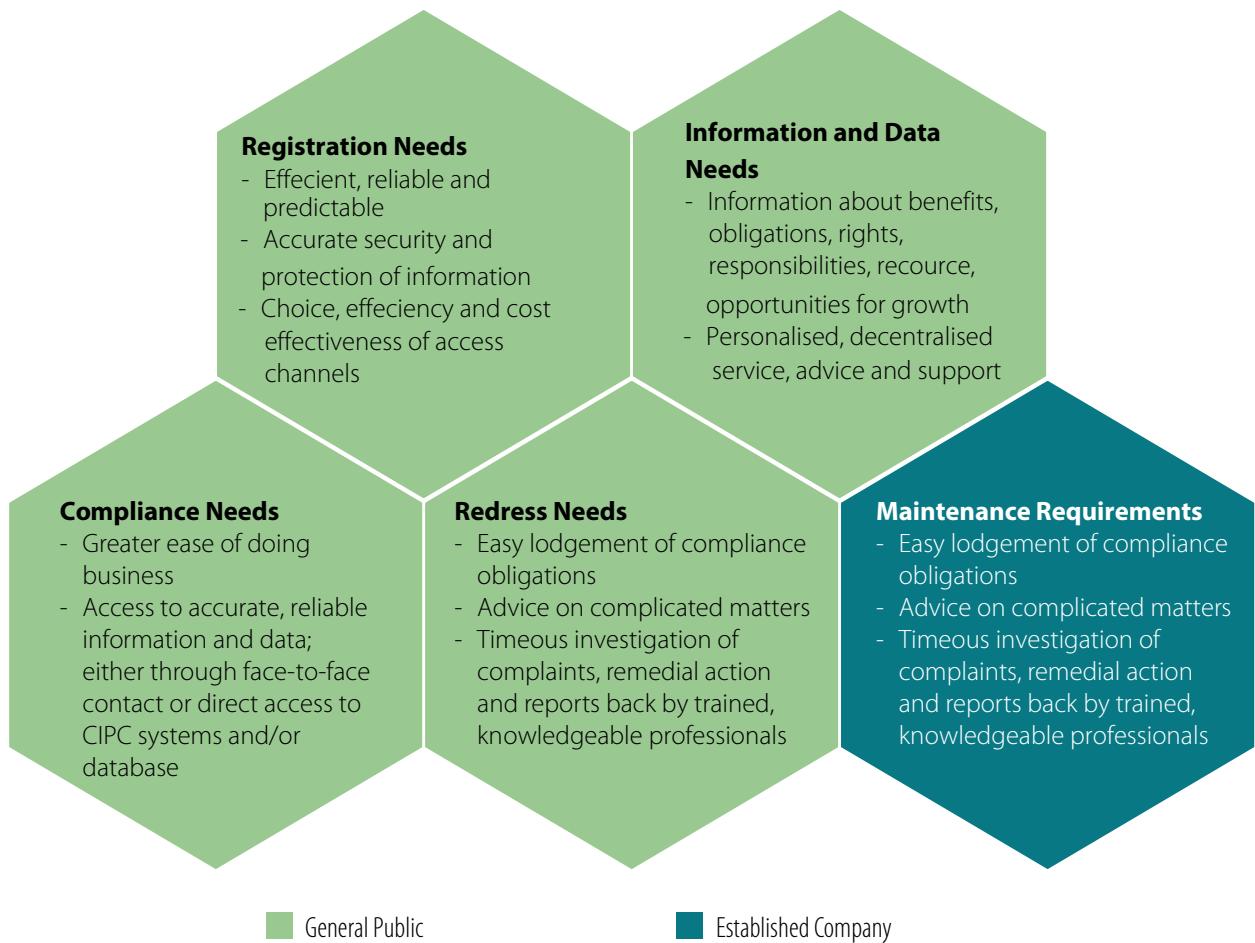


Table 6: Market Segmentation

| Segments | Products and service needs |
|---|--|
| Customers with registration needs: | <ul style="list-style-type: none"> • Efficient, predictable and reliable registration and amendment of registrations of entities and intellectual property rights • Accuracy, security and protection of registry information • Choice, efficiency and cost-effectiveness of access channels • Information about the benefits and obligations of registration and other rights, responsibilities and recourse • Information about growth opportunities • More personalised, decentralised service, advice and support face-to-face, agency or contact centre • Greater ease of doing business, e.g. integrated registration for tax, workman's compensation, bank account, etc. |

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

d. Competitors

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

i. Ease of Doing Business

Ease of doing business evaluates how easy, or difficult it is for a local entrepreneur to open and run a small to medium-sized business when complying with relevant regulations. South Africa currently ranks 82 out of 190 countries and it is ranked 125 in "Starting a business" in 2018.

ii. Global Competitiveness Report

Defined as the set of institutions, policies, and factors that determine an economy's productivity levels. South Africa currently scores 61st out of 138 countries is one of the most competitive countries, in the Sub-Saharan Africa, also ranked 39th amongst the most innovative in 2018. It dropped 14 positions from 2018.

iii. WIPO IP Indicators Report

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

Table 7: Ranking of Total Filing Activity

| Country | Patents | Trade marks | Designs |
|--|----------|-------------|----------|
|  South Africa | 37/+-100 | 47/+-100 | 39/+-100 |

iv. The Global Entrepreneurship Monitor

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

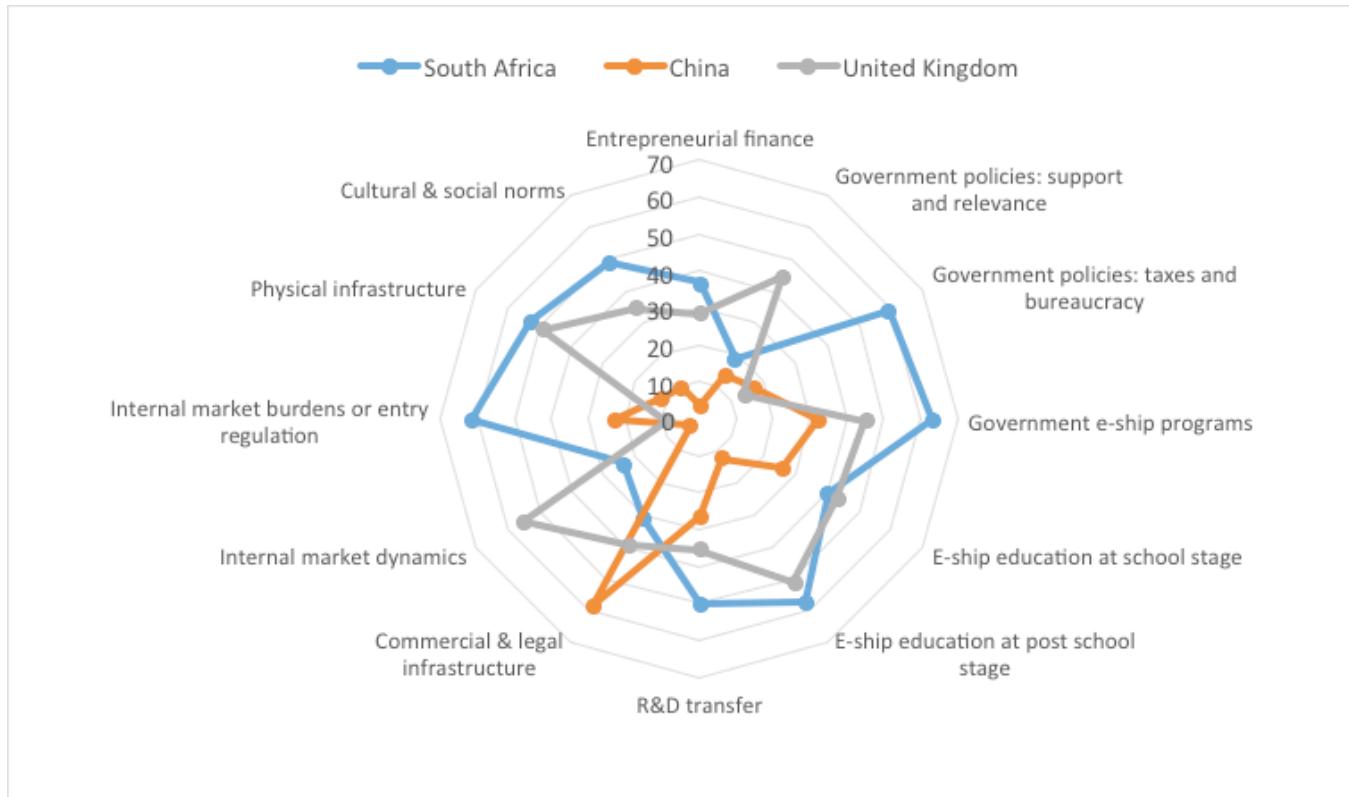
Table 8: Global ranking of South Africa, BRIC nations and best practice nations according to the sub-elements which make up the key entrepreneurship indicators from the GEM report

| | *Sub-Saharan Africa | BRIC Nations | | | | | Best-Practice Nation | OECD Benchmark |
|---|---------------------|--------------|--------------|-------------|-------------|--------------------|----------------------|----------------|
| Indicator | South Africa (/64) | Brazil (/64) | Russia (/64) | India (/64) | China (/64) | Burkina Faso (/64) | UK (/64) | |
| Self-perception about entrepreneurship | | | | | | | | |
| Perceived opportunities | 44 | 35 | 63 | 27 | 41 | 6 | 32 | |
| Perceived capabilities | 54 | 24 | 62 | 41 | 61 | 3 | 34 | |
| Undeterred by fear of failure | 44 | 34 | 10 | 30 | 6 | 64 | 37 | |
| Entrepreneurial intentions | 51 | 19 | 63 | 40 | 27 | 2 | 54 | |

| | *Sub-Saharan Africa | BRIC Nations | | | | Best-Practice Nation | OECD Benchmark |
|--|---------------------|--------------|----|----|----|----------------------|----------------|
| Entrepreneurial Activity | | | | | | | |
| Total Early-stage Entrepreneurial Activity (TEA) | 51 | 10 | 55 | 31 | 32 | 1 | 40 |
| Established business ownership rate | 60 | 4 | 46 | 50 | 27 | 1 | 40 |
| Entrepreneurial Employee Activity – EEA | 54 | 42 | 54 | 33 | 46 | 60 | 7 |
| Motivational Index | | | | | | | |
| Improvement-Driven Opportunity/Necessity Motive | 39 | 57 | 47 | 51 | 42 | 44 | 16 |
| Gender Equality | | | | | | | |
| Female/Male TEA Ratio | 21 | 2 | 12 | 43 | 22 | 18 | 55 |
| Female/Male Opportunity Ratio | 38 | 56 | 42 | 18 | 34 | 54 | 34 |
| Entrepreneurship Impact | | | | | | | |
| Job expectations (6+) | 17 | 62 | 40 | 61 | 19 | 45 | 15 |
| Innovation | 42 | 62 | 63 | 25 | 24 | 41 | 17 |
| Industry (% in Business Services Sector) | 37 | 57 | 47 | 53 | 40 | 64 | 4 |
| Societal Value About Entrepreneurship | | | | | | | |
| High status to entrepreneurs | 17 | - | 39 | 60 | 18 | 1 | 19 |
| Entrepreneurship a good career choice | 15 | - | 31 | 56 | 19 | 6 | 38 |

Entrepreneurial Eco-system: National Framework Conditions (NFCs)

Results presented in Figure 9 below



In summary, South Africa's entrepreneurial status should be bolstered by the following indicators:

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

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

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

v. Threats and Opportunities

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

Table 9: Threats and Opportunities for CIPC

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

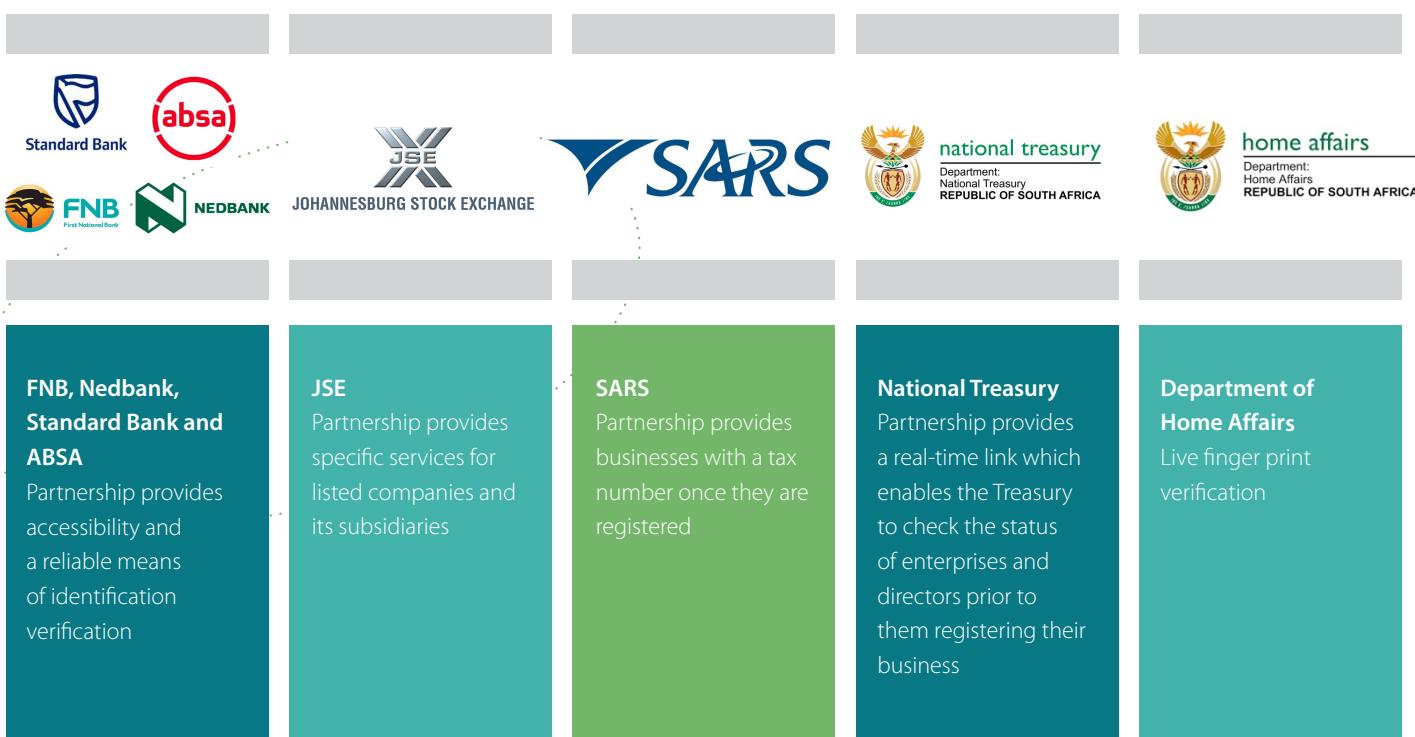
e. Collaborators

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

i. Partnerships

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

Figure 10: Indicative CIPC Partnerships



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

Key achievements of the bank partnerships were that five percent of all Private Company registrations were filed and processed through the bank channel. This channel also offered a wide range of CIPC products and services, including company registration, name reservation, payment integration and B-BBEE certificate application. Banks were specifically selected as they have an extensive branch network and online functionality that is internationally accessible. In addition they provide reliable identification verification.

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

The most recent development has been the partnership between CIPC and the National Treasury. The partnership provides a real-time link, enabling the Treasury to check the enterprise and director status prior to registration on the Central Supplier Database. This resulted in cost and time saving benefits to entrepreneurs, as they now have to register only once on the Central Supplier Database, not with individual entities and departments.

1. THIRD PARTY MODEL

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

14. Description of the Planning Process

The CIPC has conducted a five-year performance review of its strategy from 2012/13 – 2016/17. The outcomes are incorporated into the development of CIPC's long- term (2030) vision on which its 2017/18 – 2021/22 Strategic Plan is based. Strategic Review Sessions held on 17-18 August 2017 and 5-6 December 2017, enriched the situational analysis and the emerging CIPC 2030 vision. The vision, mission, outcome-oriented strategic goals, strategic objectives, and key initiatives for the 2017/18 – 2021/22 Strategic Plan were discussed and confirmed. A more detailed outline of the strategy development process is provided below:

The CIPC was established to play a vital role in South Africa's economy. It was established in May 2011 in terms of the Companies Act, 2008 (Act 71 of 2008 as amended) and aimed at establishing a modern, effective and enabling environment in companies could create jobs, while promoting economic growth and reducing inequality. It set out a framework for simplified company registration, enhanced governance and clarity on disclosure standards for businesses. The CIPC, despite being a new entity, is essentially a merger of the former Companies and Intellectual Property Registration Office (CIPRO) and a unit in **the dti's** Corporate and Consumer Regulation (CCRD) division, the Office of Companies and Intellectual Property Enforcement (OCIPe).

As the CIPC prepares for the next phase in its growth cycle, it is necessary for strategic review. During this period, the foundations on which a world-class commission is built are prepared.

The strategic review consisted of three phases. Each phase contains strategic activities:

- Phase I: Diagnosis and Early Design**

- Current strategy review
- Performance assessment
- Market force analysis
- Organisational design

- Phase II: Workshop Strategy Session**

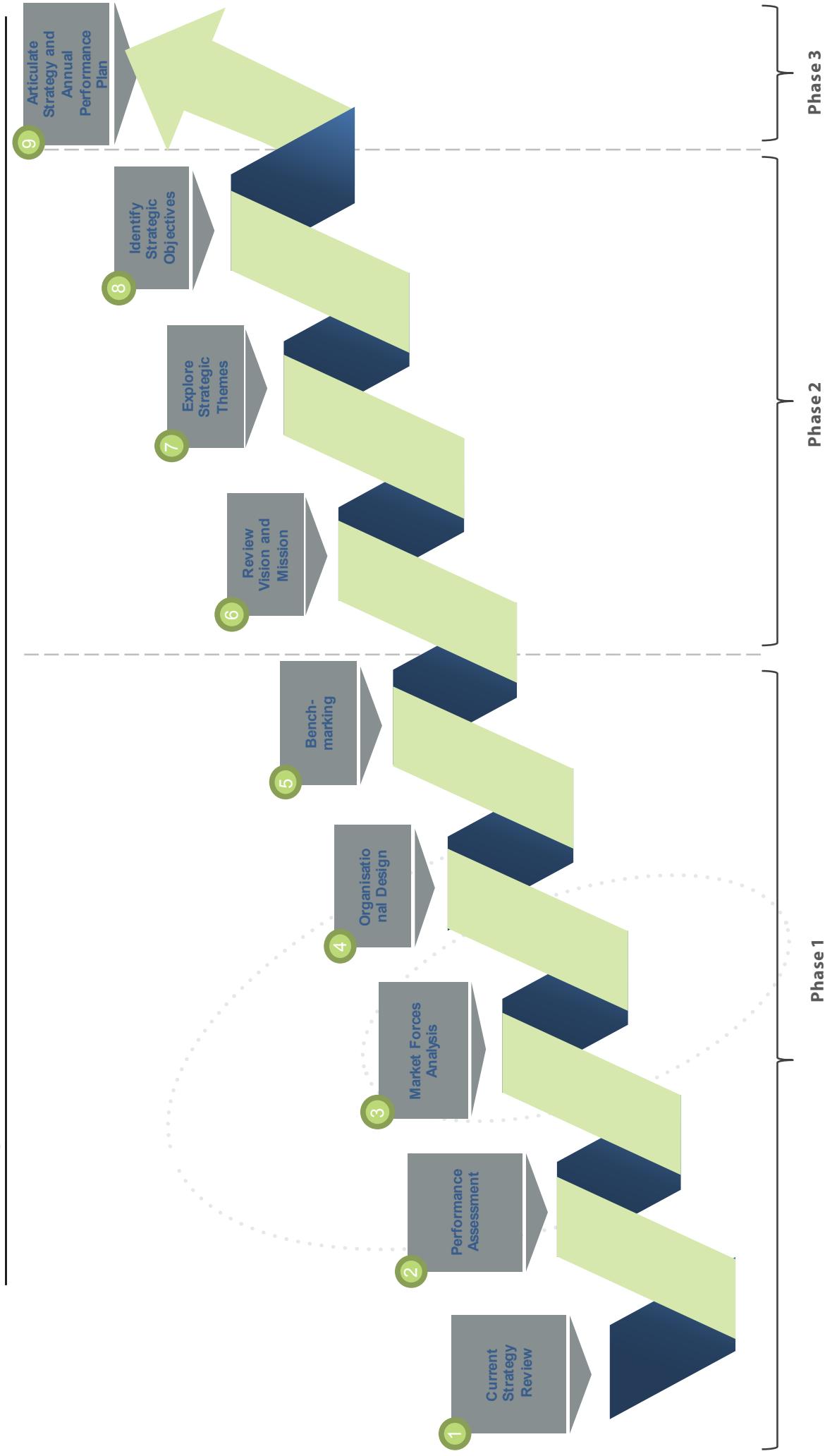
- Review vision and mission
- Problem solve and exploration of strategic themes
- Identify strategic objectives

- Phase III: Refine Design, Detail and package**

- Articulate strategy
- Refine Strategic Plan and Annual Performance Plan

The three-phased approach is shown in the figure below:

Robust Strategic Review Approach



15. Financial Plan

| FORECAST STATEMENT OF FINANCIAL PERFORMANCE | | | | | |
|---|---------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| Details | Audited Actual 2017/18 | Approved budget 2018/2019 Year 0 | Forecast 2019/20 Year 1 | Forecast 2020/21 Year 2 | Forecast 2020/21 Year 3 |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Operating Revenue | 597 051 | 553 774 | 605 657 | 662 449 | 724 617 |
| Companies | 89 930 | 92 797 | 100 221 | 108 238 | 116 897 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Co-ops | 2 812 | 3 173 | 3 427 | 3 701 | 3 997 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| IP | 53 670 | 57 616 | 62 225 | 67 203 | 72 580 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Corporate Information, data sales and other income | 25 594 | 21 139 | 22 830 | 24 657 | 26 629 |
| » Proposed revenue increase included above | | | 8% | 8% | 8% |
| Annual Returns | 319 413 | 331 152 | 364 267 | 400 694 | 440 763 |
| » Proposed revenue increase included above | | | 10% | 10% | 10% |
| Other Revenue (interest etc) | 105 632 | 47 897 | 52 687 | 57 955 | 63 751 |
| » Proposed revenue increase included above | | | 10% | 10% | 10% |
| Total Operating Revenue | 597 051 | 553 774 | 605 657 | 662 449 | 724 617 |
| <u>Operating Expenses</u> | | | | | |
| Employee Costs - Salaries (total package) | 310 760 | 307 306 | 331 890 | 358 442 | 387 117 |
| Other staff related costs (performance rewards) | 12 994 | 12 592 | 13 599 | 14 687 | 15 862 |
| Total Employee Costs | 323 754 | 319 898 | 345 490 | 373 129 | 402 979 |

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

| Details | Audited Actual 2017/18 | Approved budget 2018/2019 Year 0 | Forecast 2019/20 Year 1 | Forecast 2020/21 Year 2 | Forecast 2020/21 Year 3 |
|---|---------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| Advertisements | 4 157 | 9 255 | 9 995 | 10 795 | 11 659 |
| Communication | 4 799 | 15 752 | 17 012 | 18 373 | 19 843 |
| Computer Services | 5 124 | 7 010 | 7 571 | 8 176 | 8 831 |
| Consultants | 58 316 | 92 889 | 100 320 | 108 346 | 117 013 |
| Consumables and stationery | 1 238 | 2 905 | 3 137 | 3 388 | 3 659 |
| Repairs and maintenance | 855 | 1 550 | 1 674 | 1 808 | 1 953 |
| Operating leases | 26 210 | 29 954 | 32 350 | 34 938 | 37 733 |
| Travel | 5 538 | 5 640 | 6 091 | 6 578 | 7 105 |
| Gain/(loss) on disposal of assets | 102 | 0 | 0 | 0 | 0 |
| Other operating expenses (excl staff related costs add research, depreciation, audit fees, bank charges, temporary staff placements, litigation costs, training, award ceremony, telecom, bursaries, internship) | 47 285 | 68 921 | 74 435 | 80 389 | 86 821 |
| Total Operating Expenses | 477 378 | 553 774 | 598 076 | 645 922 | 697 596 |
| Net Operating Result: (Deficit) Surplus | 119 673 | 0 | 7 581 | 16 527 | 27 022 |
| Total of Special initiatives and once off cost to be funded from Retained Earnings | 25 435 | 79 300 | 80 172 | 81 054 | 81 946 |
| Special Initiatives and capital expenditure | 25 435 | 79 300 | 80 172 | 81 054 | 81 946 |
| Once off cost - New building: | | 0 | - | - | - |
| » Project management (re-arranging the building) | | 0 | - | - | - |

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

| Details | Audited Actual 2017/18 | Approved budget 2018/2019 Year 0 | Forecast 2019/20 Year 1 | Forecast 2020/21 Year 2 | Forecast 2020/21 Year 3 |
|--|------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| » Construction cost (15 000m ² office and 5000m ² filing) - Cost include purchase of suitable land | - | 0 | - | - | - |
| » ICT network and communication infrastructure | - | 0 | - | - | - |
| » furniture acquisition & special equipment | - | 0 | - | - | - |
| » building preparation (tenant installation) | - | 0 | - | - | - |
| » security systems (access control, CCTV, fire-detection, suppression etc.) | - | 0 | - | - | - |
| » move contractor, move materials (include move of files) | - | 0 | - | - | - |
| » pre-move clean-up & preparation | - | 0 | - | - | - |
| » building & office signage | - | 0 | - | - | - |
| Net Operating Result: (Deficit) Surplus | 119 673 | 0 | -72 591 | -64 528 | -54 924 |



Companies and Intellectual
Property Commission

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PART B

PROGRAMME PERFORMANCE

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

a. Purpose of the Programme

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

In order to ensure quality service delivery, the CIPC must focus on internal performance. It must act as an intelligent, innovative high-performance organisation where employee morale and development are emphasised.

b. Description of the Programme

The emphasis of the CIPC business model is equally on the quality of its service, the desired speed with which it delivers the services, and the value its products, services and solutions generate for customers. The focuses on the manner in which it delivers services, the quality of those services, the fees it charges to remain sustainable and the potential for value add.

c. Performance indicators and performance targets

Annual targets

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | |
|---|--|-----------------------------------|---------|-----------------------|-----------------------------|--|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | | 2019/20 | 2020/21 | 2021/22 |
| Strategic Objective 1.1: 24/7 access to all CIPC products and services. | | | | | | | | |
| Increase % in website performance for e-services 24/7 | % website performance for e-services 24/7 | 92% | 96% | 95% | 94% | 93% | 95% | 95% |
| Increase in % of CIPC services with option to file electronically compared to manually filed services | % of CIPC services with an option to file electronically compared to manually filed services (See Annexure C) | - | 18% | 20% | 26% | 27% (1% increase - See Annexure C and Technical Indicator Profile) | 28% | 50% |
| Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment. | | | | | | | | |
| Increase the score of the customer stakeholder value index | A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC | - | 6.3 | 6.95 (Not audited) | 7 | Not measured | 7.5 | 8 |

Quarterly Milestones

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | |
|--|--|----------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Output | Performance Indicator/Measure | Baseline | 2019/20 Annual Target | Quarterly Milestones | | | |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Strategic Objective 1.1: 24/7 access to all CIPC products and services. | | | | | | | |
| Increase of % in website performance for e-services 24/7 | % website performance for e-services 24/7 | 93% | 93% | 93% | 93% | 93% | 93% |
| Increase in % of CIPC services with option to file electronically, compared to manually filed services | % of CIPC services with an option to file electronically, compared to manually filed (See Annexure C) | 26% | 27% (1% increase - See Annexure C and Technical Indicator Profile) | 26% | 26% | 27% | 27% |
| Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment. | | | | | | | |
| Increase score of customer stakeholder value index | A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC | 7 | Not to be measured | - | - | - | - |

d. Financial Plan (Expenditure estimates for programme 1: Service Delivery and Access (Administration))

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

17. Programme 2: Innovation and Creativity Promotion

a. Purpose of the programme

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

b. Description of the programme

The primary function of the Innovation and Creativity Promotion Programme is to promote and support registration of:

- i patents
- ii designs
- iii film productions.

The group also registers patent attorneys who have passed the Patent Board Examination. Other functions of the programme includes, coordination of appropriate enforcement actions; education creating awareness of the requirements and benefits of registration of IP rights, available remedies and opportunities for commercialisation and industrial development through the efficient management of IP assets.

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

c. Performance indicators and performance targets per programme

Annual targets

| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | | |
|--|---|----------------------------|---------|---------|----------------------|---------------------|---------|---------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/16 | 2016/17 | 2017/18 | | 2019/20 | 2020/21 | 2021/22 |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | | |
| Increased IP knowledge and awareness | Number of education and IP awareness events conducted by the CIPC | - | - | 23 | 30 | 30 | 40 | 40 |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws | | | | | | | | |
| Increased IP knowledge and awareness | Number of education and IP awareness events conducted by the CIPC | - | - | 4 | 6 | 6 | 8 | 10 |

Quarterly milestones

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.

| Output | Performance Indicator/ Measure | Baseline | 2019/20 Annual Target | Quarterly Milestones | | | |
|---|---|----------|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | |
| Increased IP knowledge and awareness | Number of education and IP awareness events conducted by the CIPC | 20 | 30 | 8 | 15 (7) | 25 (10) | 30 (5) |

Strategic Objective 2.2: Improved compliance with the Company and IP Laws

| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa. | | | | | | | |
|--|---|----------|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Output | Performance Indicator/ Measure | Baseline | 2019/20 Annual Target | Quarterly Milestones | | | |
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Increased IP knowledge and awareness | Number of education and IP awareness events conducted by the CIPC | 4 | 6 | 2 | 3 (1) | 5 (2) | 6 (1) |

d. Financial Plan (Expenditure estimates for programme 2: Innovation and Creativity Promotion

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

18. Programme 3: Business Regulation and Reputation

a. Purpose of the programme

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

b. Description of the programme

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

- Maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, trade marks and company names and business names
- Accreditation of practitioners and intermediaries
- Educating business owners and practitioners on compliance with legislation as
- Promotion and enforcement of legislative compliance.

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

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

Complaints relating to Companies may be filed in writing with the CIPC. Upon receiving a complaint, the CIPC may resolve to:

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

After receiving an investigation report the Commission may:

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

c. Performance indicators and performance targets per programme

Annual targets

| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | |
|--|---|-----------------------------------|-------------|-------------|-----------------------------|----------------------------|-------------|-------------|
| Output | Performance Indicator/ Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
| | | 2015/ 16 | 2016/ 17 | 2017/ 18 | | 2019/ 20 | 2020/ 21 | 2021/ 22 |
| Strategic Objective 1.2: Timely delivery of all CIPC products and services. | | | | | | | | |
| Reduction in average number of days to register a company from date of receipt of complete application | Average number of days to register a company from the date of receipt of a complete application | 6 | 3 | 2 | 2 | 2 | 2 | 1 |

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.

| Output | Performance Indicator/Measure | Audited Actual Performance | | | Estimate Performance | Medium Term Targets | | |
|--|---|----------------------------|---------|---------|----------------------|---------------------|---------|---------|
| | | 2015/16 | 2016/17 | 2017/18 | | 2019/20 | 2020/21 | 2021/22 |
| Reduction in average number of days to register a co-operative from date of receipt of complete application. | Average of number of days to register co-operative from date of receipt of complete application | 15 | 3 | 3 | 2 | 3 | 2 | 1 |

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.

Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Increased level of awareness of Company Act and other related legislation | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation | - | - | - | 3 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|---|---|

Strategic Objective 2.2: Improved compliance with the Company and IP Laws.

| | | | | | | | | |
|---|---|-------------------|-------------------|-------------------|-----|-----|-----|-----|
| Increased % of companies (entities with an "active business" status) that have filed annual returns compared with previous years | % of public companies (entities with an active business status) that have filed annual returns on time by end of reporting period | 80% (Not audited) | 80% (Not audited) | 79% (Not audited) | 73% | 75% | 80% | 90% |
| Increased % of public companies (entities with an "active business" status) that have filed audited financial statements on time by the end of the reporting period | % of public companies (entities with an active business status) that have filed audited financial statements on time by the end of the reporting period | Not measured | Not measured | Not measured | 50% | 60% | 70% | 80% |

Quarterly Milestones

| Output | Performance Indicator/Measure | Baseline | 2019/20 Annual Target | Quarterly Milestones | | | | | | |
|---|---|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|--|--|
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter | | | |
| Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners. | | | | | | | | | | |
| Strategic Objective 1.2: Timely delivery of all CIPC products and services. | | | | | | | | | | |
| Reduction in the average number of days to register a company from the date of receipt of a complete application | The average number of days to register a company from the date of receipt of a complete application. | 2 | 2 | 2 | 2 | 2 | 2 | | | |
| Reduction in the average number of days to register a co-operative from the date of receipt of a complete application. | The average number of days to register a co-operative from the date of receipt of a complete application. | 2 | 3 | 3 | 3 | 3 | 3 | | | |
| Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa | | | | | | | | | | |
| Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws. | | | | | | | | | | |
| Increased level of awareness of Company Act and other related legislation | Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation | - | 3 | 0 | 1 | 2 (1) | 3 (1) | | | |
| Strategic Objective 2.2: Improved compliance with the Company and IP Laws. | | | | | | | | | | |
| Increased % of public companies (entities with an "active business" status) that have filed annual returns on time by the end of reporting period | % of public companies (entities with an active business status) that have filed annual returns on time by end of reporting period | 73% | 75% | 50% | 60% | 70% | 75% | | | |

| Output | Performance Indicator/Measure | Baseline | 2019/20 Annual Target | Quarterly Milestones | | | |
|---|---|----------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
| Increased % of public companies (entities with an "active business" status) that have filed audited financial statements on time by the end of the reporting period | % of public companies (entities with an active business status) that have filed audited financial statements on time by the end of the reporting period | 40% | 60% | 60% | 60% | 60% | 60% |

d. Financial Plan (Expenditure estimates for programme 3: Business Regulation and Reputation)

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



Companies and Intellectual
Property Commission

a member of **the dti** group

PART C

LINKS TO OTHER PLANS

19. Asset Management Plan

See expenditure estimates.

20. Annexure A - Service Delivery Improvement Plan

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

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

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

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

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

Identified areas of improvement were sent to responsible managers for input, in terms of target setting and confirmation, prior to approval.

The following stakeholders were consulted:

- Senior CIPC management
- The client through indirect interaction via analysis of client data, complaints and queries. This data analysis provided baseline information for planning in various areas of the organisation.

Problem statement

The CIPC has committed to offer its products and services, i.e. cooperative registration and the allocation of trade marks application numbers within certain set standards. The registration of cooperatives to the public is done within two working days, while allocation of a trade mark application is processed within two working days from date of receipt of an application. The committed turnaround times could be improved upon as a result of implementation of the e-filing intervention. In the same vein, improvement of efficiencies in cooperative registration could be achieved through optimal management and use of internal resources (ICT and human resources). These improvements are outlined in the SDIP performance targets matrix below.

Situational Analysis

The advent of the CIPC brought innovative and creative ways of interacting and servicing customers. This includes introduction of e-services, transactional website and decentralised call centre. However, these internal changes disrupted some customer expectations and satisfaction levels.

Co-operatives Registration

In 2013, the CIPC committed to process cooperative registrations within 21 working days for the date of tracking. Justification for the target was because system instability was a regular phenomenon immediately after the launch of the Commission.

This affected operations immensely. Operational efficiency may not be attributed to the role of ICT only, the complementary role of people is also critical in evaluating the overall impact of resource value when compared to performance improvement. In this context, allocation and optimal utilisation of resources in processing the cooperative registration has been observed.

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

Future areas of improvement

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

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

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

Process mapping

A process for co-operative registration



Allocation of a trade mark application number

The CIPC has developed internal and external service delivery standards as a commitment to provide products and services with desirable efficiency levels. Some of the efficiency services included the initial stages of trade mark registrations, (allocation of trade mark application numbers). In 2013, subsequent to the CIPC's establishment , allocation of trade mark application numbers was processed manually.

The value of a trade mark is to protect the identity of the business in the competitive market. As such, efficient allocation of trade mark application numbers is a critical step in the value chain of granting the trade mark registration certificate. Interventions to ensure this step is improved upon and measured were initiated through implementation of e-filing. When the CIPC made service delivery commitments to external stakeholders, it committed to allocate 90% of trade mark application numbers (both manual and online) within two working days. Since this commitment made, the CIPC has allocated more than 90% of trade marks application numbers within two working days.

It is imperative that the efficient provision of this service is maintained, despite variability of volume and resources.

SDIP Matrix

Key service: Registration of co-operatives

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

| Key Service | Service Beneficiaries | Current standard 2018/19 | | Desired standard 2019/20 | Desired standards 2020/21 |
|----------------------------|------------------------------|------------------------------------|---|--|--|
| Co-operative registration. | Public | Quantity | 90% processed within 5 days | 90% within 2 working days from the date of receipt, | 90% within 2 working days |
| | | Quality | Complaints and queries resolved within 10 working days. | Complaints and queries resolved within 7 working days. | Complaints and queries resolved within 5 working days. |
| | | Consultation | 49 educational and awareness events and exhibitions conducted. Three workshops conducted. | The division plans to host 9 workshops. Participate in a collaborative education and awareness campaign with entities within the Department of Trade and Industry. | Ad hoc invitations to events by the Minister and other stakeholders at which presentations and/or exhibitions will be done. The division plans to host 9 workshop. |
| | | Access | Website SST's | Website SST's | Website SST's |
| | | Courtesy | Monthly client survey | Monthly client survey | Monthly client survey |
| | | Information | CIPC website Provincial campaigns | CIPC website Provincial campaigns | CIPC website Provincial campaigns |
| | | Redress | Publish a notice of the intention to improve and redress. | Publish a notice of the intention to improve and redress. Review the standards and targets. | Publish a notice of the intention to improve and redress. Review the standards and targets. |
| | | Openness & Transparency | Develop and publish Annual Report | Publish Annual Report | Publish Annual report |
| | | Value for money | Formalise cooperatives into economy | Formalise of cooperatives into economy | Formalise of cooperatives into economy |
| | | Time | Register cooperative within 21 working days. | Process cooperative within 15 working days | Register cooperative within 10 working days. |
| | | Cost | R215 | R215 | R215 |
| | | Human Resources | 15 | 10 | 10 |

A service: Protect the identity of business entities through the allocation of a trade mark application number within five working days

| Key Service | Service Beneficiaries | Current standard 2017/8 | | Desired standard 2018/9 | Desired standards 2019/20 |
|--------------------|------------------------------|--|--|---|---|
| Trade Marks | Public | Quantity | 90% new applications allocated official application number within 5 working days from the date of receipt. | 90% within 2 working days from the date of receipt. | 90% within 2 working days from the date of receipt. |
| | | Quality | Complaints and queries resolved within 10 working days from receipt of file from storage. | Complaints and queries resolved within 10 working days from receipt of file from storage. | Complaints and queries resolved within 10 working days from receipt of file from storage. |
| | | Consultation Plans on outreach programme | N/A | N/A | N/A |
| | | Access | 98% website availability Website | 98% website availability | 98% website availability. |
| | | Courtesy | N/A | N/A | N/A |
| | | Information Brochures | 98% website availability | 98% website availability | 98% website availability |
| | | Redress | N/A | N/A | N/A |
| | | Openness & Transparency | N/A | N/A | N/A |
| | | Value for money | Protection of business entity in the market | Protection of an entity in the market competition. | Protection of business entities in the market competition. |
| | | Time | 5 working days | 5 working days | 5 working days |
| | | Cost | R 590 | R 590 | R 590 |

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

| Key Service | Service Beneficiarie | Current standard 2017/8 | Desired standard 2018/9 | Desired standard 2018/20 |
|-----------------------------|----------------------|--|--|---|
| Annual Financial Statements | Entities | Manual submission of Annual Financial Statements | 100% of Annual Financial Statements are submitted (manually via e-Mail) | 0,1% of entities submitting AFS electronically (Pilot Phase – JSE Listed Entities Only) |
| | | Quality | XBRL platform is inherently designed to validate information submitted by entities | 100% AFS quality assured by the system |
| | | Consultation Plans on outreach programme | Stakeholder management plan in place | Stakeholder management plan implemented |
| | | Access | Testing phase with software service providers using published taxonomy | Testing phase with the 1 st 100 companies through an e-filing portal |
| | | Courtesy | Stakeholder engagement | Quarterly client survey |
| | | Information | 98% website availability | 98% website availability |
| | | Redress | Provide instant support | Provide instant support |
| | | Openness & Transparency | Publish Annual Report | Publish Annual Report |
| | | Value for money | Corporate Compliance according to companies Act | Corporate Compliance according to companies Act |
| | | Time | Not Applicable | 5 working days |
| | | Cost | N/A | N/A |
| | | Human Resources | 12 AFS | 12 AFS |

21. Annexure B: Indicator Profile

| Indicator Title | % website performance for e-services 24/7 (1) |
|--|--|
| 1. Short Definition | Performance of CIPC website for our customers to transact, 24 hours a day, 7 days per week. |
| 2. Purpose/ Importance | Measure indicates the extent to which the CIPC is effective in providing 24/7 access to its services through its website. |
| 3. Source/collection of data | Systems reports |
| 4. Lead Branch/Division/Business Unit | Business Intelligence and Systems |
| 5. Method of calculation | We will regard any page on the e-services site taking longer than 4 seconds as unavailable. Monthly results are aggregated showing actual achievement as a percentage. Report should cover from 1st of the reporting period until last day of the month of reporting period. |
| 6. Data limitations | None |
| 7. Quality Assurance Strategy | <ul style="list-style-type: none"> i. Data manager extracts report, makes calculations and analysis. ii. Executive Manager: Business Intelligence and Systems quality checks the reports, calculations and analysis and availability of supporting evidence. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of calculations. iv. The Chief Strategy Executive reviews the report, and calculations. v. The Internal Audit Division audits the report, calculations, analysis and supporting evidence. |
| 8. Baseline | 94% |
| 9. Type of Indicator | Effectiveness |
| 10. Calculation type | Non-cumulative |
| 11. Reporting cycle | Quarterly and annually |
| 12. New Indicator | No |
| 13. Desired performance | A high percentage of website performance. |
| 14. Indicator responsibility | Executive Manager: Business Intelligence and Systems takes overall responsibility for the production and submission of reports. |

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

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

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

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

| Indicator Title | Average number of days to register a company from date of receipt of completed application (6). |
|--|---|
| 1. Short Definition | Average number of days taken to register a company from date customer submits complete application |
| 2. Purpose/ Importance | Measure indicates efficiency improvement in speedy processing of company registration lodgments. |
| 3. Source/collection of data | ERMS/INFORMIX |
| 4. Lead Branch/Division/Business Unit | Companies and CCs |
| 5. Method of calculation | <p>Instruct system to extract total number of companies registered within reporting period. Produce an Excel spread-sheet report that should include extract script and data limitations. Report should cover from the first day to the last day of the reporting period month. Number of transactions are summarised.</p> <p>Turnaround time is calculated for each transaction: FORMULA = NETWORKINGDAYS (CREATE/TRACKING/RECEIVED/RECORDING/LAST TIME PROC DATE*, DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). Average turnaround time is calculated by adding all numbers (turnaround time) then divided by the number of existing transactions(sum divided by count).</p> <p>Separate reports are extracted for manual and electronic (including bank) transactions, therefore weighted average is used. To calculate a weighted average, percentages of manual and electronic (including banks) of total company registration are calculated. Average TAT for manual transactions must first be multiplied by its percentage. This is done similarly for electronic transactions (including banks). All new values must be totaled to arrive at the weighted average (what is reported).</p> <p>* Manual - Create/Tracking Date; Banks – last proc date; Electronic - last time proc date</p> |
| 6. Data limitations | None |
| 7. Quality Assurance Strategy | <ol style="list-style-type: none"> i. Data manager extracts report. ii. Senior Manager: Information Assurance quality checks reports. iii. Senior Manager: Companies and CCs verifies accuracy of transactions makes calculations and analysis in report. iv. Strategy, Planning and Monitoring Unit verifies accuracy of the report, calculations and analysis. v. Internal Audit Division audits report/evidence |
| 8. Baseline | 2 |
| 9. Type of Indicator | Efficiency |
| 10. Calculation type | Non-cumulative |
| 11. Reporting cycle | Quarterly and annually |

| | |
|-------------------------------------|--|
| Indicator Title | Average number of days to register a company from date of receipt of completed application (6). |
| 12. New Indicator | No |
| 13. Desired performance | Reduction in average number of days to register a company from receipt date of a complete application. |
| 14. Indicator responsibility | Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing system reports. Senior Manager: Companies takes overall responsibility for accuracy of system reports, calculating performance, analysis and providing supporting evidence for performance report. |

| | |
|--|--|
| Indicator Title | Average number of days to register a co-operative from receipt date of complete application (7). |
| 1. Short Definition | Average number of days taken to register co-operative from date customer submits complete application. |
| 2. Purpose/ Importance | Measure shows efficiency improvement in co-operative registration process. |
| 3. Source/collection of data | Stakeholder and customer survey report |
| 4. Lead Branch/Division/Business Unit | Co-operatives |
| 5. Method of calculation | Instruct system to extract total number of co-operatives registered within reporting period. Produce an Excel spreadsheet report that should include extract script and data limitations. Report should cover from first day of to last day of reporting period month. Number of transactions are summarised. Turnaround time is calculated for each transaction: FORMULA = NETWORKDAYS (CREATE/TRACKING/ RECEIVED/RECORDING/LAST TIME PROC DATE*; DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/ January). Average turnaround time is calculated by adding all numbers (turnaround time) then divided by number of existing transactions (sum divided by count). |
| 6. Data limitations | None |
| 7. Quality Assurance Strategy | i. Data manager extracts the report. ii. Senior Manager: Information Assurance quality checks the reports. iii. Senior Manager: Co-operatives verifies accuracy of transactions, make calculations and analyses report. iv. Strategy, Planning and Monitoring Unit verifies the accuracy of report, calculations and analysis. v. Chief Strategy Executive reviews report, calculations and analysis. vi. Internal Audit Division audits report, calculations and analysis. |
| 8. Baseline | 2 |

| Indicator Title | Average number of days to register a co-operative from receipt date of complete application (7) |
|--|---|
| 10. Type of Indicator | Efficiency |
| 11. Calculation Type | Non-cumulative |
| 12. Reporting Cycle | Quarterly and annually as indicated in performance matrix |
| 13. New Indicator | No |
| 14. Desired performance | Reduction in number of days taken to register a co-operative from date customer submits a complete application. |
| 15. Indicator responsibility | Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing statistics. Senior Manager: Co-operatives takes overall responsibility for accuracy of the system reports, calculation of performance and analysis and provision of supporting evidence for performance report. |
| Indicator Title | Number of CIPC education and awareness events conducted on the Companies Act and related legislation (8) |
| 1. Short Definition | Education and awareness events on the Companies Act and related legislation |
| 2. Purpose/ Importance | Measure shows CIPC efforts to increase level of knowledge and awareness on the Companies Act and related legislation. |
| 3. Source/collection of data | Events reports |
| 4. Lead Branch/Division/Business Unit | Cooperative Education and Voluntary Compliance |
| 5. Method of calculation | Event reports and/or attendance registers detailing venue, date of these sessions are assessed, indicating number held during reporting period. Workshop reports approved and signed off by relevant person. |
| 6. Data limitations | None |
| 7. Quality Assurance Strategy | i. Official responsible for event compiles report and/or attendance register. ii. Supervisor of report compiler must sign off on report. iii. Strategy, Planning and Monitoring Unit verifies the accuracy of report/evidence. iv. Chief Strategy Executive reviews report/evidence. v. Internal Audit Division audits report/evidence. |
| 8. Baseline | 3 |
| 9. Type of Indicator | Output |

| Indicator Title | Number of CIPC education and awareness events conducted on the Companies Act and related legislation (8) |
|-------------------------------------|---|
| 10. Type of Indicator | Output |
| 11. Calculation Type | Cumulative |
| 12. Reporting Cycle | Quarterly and annually |
| 13. New Indicator | No |
| 14. Desired performance | Planned events to be conducted. |
| 15. Indicator responsibility | Senior Manager: Corporate Education takes overall responsibility for report provision and submission to Strategy and Planning Specialist. |

| Indicator Title | % public companies (with active business status) that have complied with filing of annual returns by end of reporting period (9) |
|--|--|
| 1. Short Definition | Public Companies (with an active business status) that have filed annual returns as regulated in Companies Act, 2008. |
| 2. Purpose/ Importance | Measure shows level of compliance of only public companies with active business status in relation to filing of annual returns. |
| 3. Source/collection of data | ERMS/INFORMIX/XBRL |
| 4. Lead Branch/Division/Business Unit | Company and CC |
| 5. Method of calculation | Projections table prepared every month for entities with active business status due to file annual returns. ERMS/INFORMIX instructed to produce an Excel report per month on which manual return were due of companies with active business status that have filed their annual returns. Actual achievements for the reporting period = number of public companies with active business status that have filed annual returns by end of reporting period/ number of public companies with active business status due to file annual returns *100 Report should cover the first to the last days of reporting period. |
| 6. Data limitations | Currently CIPC do not have capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after incorporation anniversary). CIPC is exploring how to achieve this. Currently compliance is measured from 1 April to end of each reporting period. |
| 7. Quality Assurance Strategy | <ul style="list-style-type: none"> i. (Data manager extracts report regarding public companies with an active business status as well as volume of public companies that filed annual returns.) ii. Senior Manager: Information Assurance quality checks reports regarding public companies with active business status and volume of public companies that filed annual returns |

| Indicator Title | % public companies (with active business status) that have complied with filing of annual returns by end of reporting period (9) |
|--------------------------------------|---|
| 7. Quality Assurance Strategy | <ul style="list-style-type: none"> iii. (Senior Manager: Companies verifies accuracy report transactions calculations and does report analysis of public companies with an active business status and volume of annual return filings. iv. Strategy, Planning and Monitoring Unit verifies accuracy report calculations v. Chief Strategy Executive reviews report, calculations and analysis. vi. Internal Audit Division audits report, raw data, calculations and analysis |
| 8. Baseline | 80% |
| 9. Type of Indicator | Efficiency |
| 11. Calculation Type | Cumulative |
| 12. Reporting Cycle | Quarterly and annually as indicated in the performance matrix |
| 13. New Indicator | Yes |
| 14. Desired performance | Increase in % public companies with an active business status that have complied with filing of annual returns and audited financial statements by end of reporting period |
| 15. Indicator responsibility | Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for system report. Senior Manager: Companies and CCs responsible for verifying system reports regarding volume of public companies, compilation and submission of performance report. |

| Indicator Title | % of public companies (with active business status) that have complied with filing of audited financial statements by end of the reporting period (10) |
|--|--|
| 1. Short Definition | Public Companies (with an active business status) that have filed audited financial statements as regulated in the new Companies Act, 2008. |
| 2. Purpose/ Importance | Measure shows level of compliance of only public companies with active business status in relation to filing of Annual Financial Statements. |
| 3. Source/collection of data | ERMS/INFORMIX/XBRL |
| 4. Lead Branch/Division/Business Unit | Corporate Disclosure Regulation and Compliance (CCDR) |
| 5. Method of calculation | <p>Projections table prepared every month for public companies with active business status due to file audited financial statements. XBRL is instructed to produce a Business Intelligence report of public companies with an active business status that filed their audited annual financial statements per month on which the annual returns were due.</p> <p>First actual achievement for the reporting period = number of public companies with active business status that have filed audited financial statements by end of reporting period / number of public companies with active business status that are due to file annual returns * 100.</p> <p>Report should cover the first to last days of reporting period.</p> |
| 6. Data limitations | Currently CIPC do not have capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after incorporation anniversary). CIPC is exploring how to achieve this. Currently compliance is measured from 1 April to end of each reporting period. |
| 7. Quality Assurance Strategy | <ul style="list-style-type: none"> i. Data manager extracts report regarding public companies with an active business status as well as volume of public companies that filed audited financial statements. ii. XBRL Business Intelligence office who will extract XBRL information iii. Senior Manager: Information Assurance quality checks the reports regarding public companies with active business status and volume of public companies that filed audited financial statements iv. Senior Investigator in AFS Stream who quality assures XBRL data. v. Senior Manager: Companies verifies accuracy report calculations and does report analysis of public companies with an active business status and volume of audited financial statements. vi. Senior Investigator in AFS Stream who assures correctness of transactions on XBRL.Strategy, Planning and Monitoring Unit verifies the accuracy of the report, and calculations vii. Chief Strategy Executive reviews the report, calculations and analysis viii. Internal Audit Division audits the report, raw data, calculations and analysis. |
| 8. Baseline | 40% |
| 9. Type of Indicator | Efficiency |
| 10. Calculation type | Cumulative |

| Indicator Title | % of public companies (with active business status) that have complied with filing of audited financial statements by end of the reporting period (10) |
|-------------------------------------|--|
| 12. Reporting Cycle | Quarterly and annually as indicated in the performance matrix |
| 13. New Indicator | Yes |
| 14. Desired performance | Increase in % public companies with an active business status that have complied with filing of audited financial statements by end of reporting period |
| 15. Indicator responsibility | <p>Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for system report production. Senior Investigator in the AFS Stream takes responsibility for XBRL</p> <p>Senior Investigator in the AFS Stream takes responsibility for verifying the XBRL system report regarding volume of public companies, compilation and submission of the performance report.</p> |

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

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|----|-----------|-----------------------------------|---|-------------|-----------------|
| 1 | CO and CC | COR30.3; CoR30.1; CK2B | AR Filing of Annual Returns | | 1 |
| 2 | CO and CC | COR123.1 | BR Entering into Business Rescue Proceedings | 1 | |
| 3 | CO and CC | CoR125.3 | BR Notice of Substantial implementation | 1 | |
| 4 | CO and CC | CoR125.2 | BR Notice of Termination | 1 | |
| 5 | CO and CC | CoR125.1 | BR Review of BR Progress Reports (CO&CC) | 1 | |
| 6 | CO and CC | COR15.1.A/B | CO and CC AR De-registration | | 1 |
| 7 | CO and CC | COR40.1 | CO and CC Liquidation | 1 | |
| 8 | CO and CC | CoR40.5 | CO and CC Re-instatements | 1 | |
| 9 | CO and CC | Letter | CO and CC Voluntary De-registration | 1 | |
| 10 | CO and CC | COR15.2 | CO Addition of ring fencing to the MOI | 1 | |
| 11 | CO and CC | COR15.2 | CO Amendment Change of Company Name | | 1 |
| 12 | CO and CC | COR18.1 | CO CC Conversion to a CO | 1 | |
| 13 | CO and CC | COR15.2; COR9.4 | CO Change of CO main business | 1 | |
| 14 | CO and CC | COR15.2 | CO Change of Company Shares | 1 | |
| 15 | CO and CC | COR25 | CO Change of Financial Year End | | 1 |
| 16 | CO and CC | COR15.2 | CO Change to the MOI (including JSE) | 1 | |
| 17 | CO and CC | COR15.2 | CO Conversion of a Company to another type of Company | 1 | |
| 18 | CO and CC | COR15.2; COR15.2 Annexure A | CO Conversion of par value shares | 1 | |
| 19 | CO and CC | CR 6 | CO Co-op conversion to a CO | 1 | |
| 20 | CO and CC | COR89 | CO Notice of amalgamation or merger of Companies | 1 | |
| 21 | CO and CC | COR21.1 | CO Notice of Change of Registered Office/Address | | 1 |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid & Auto |
|----|---------|-----------------------------------|---|-------------|---------------|
| 22 | CO & CC | COR22 | CO Notice of location of CO records | 1 | |
| 23 | CO & CC | 15.1B; COR14.1 | CO Registration Non-Profit CO with or without members with a long standard or customised MOI | 1 | |
| 24 | CO & CC | COR14.1 | CO Registration Non-Profit CO with or without members with a short standard or customised MOI | | 1 |
| 25 | CO & CC | COR20.1; COR14.1; COR14.1A | CO Registration of a Personal Liability with a Long standard or Customised MOI | 1 | |
| 26 | CO & CC | COR15.1B; COR14.1 | CO Registration of a Private CO with Long or customised MOI | 1 | |
| 27 | CO & CC | COR15.1A; COR20.1 | CO Registration of external CO | 1 | |
| 28 | CO & CC | COR15.1D; COR15.1E; COR14.1 | CO Registration of External Company with members with a customised MOI | 1 | |
| 29 | CO & CC | 15.1C; COR14.1 | CO Registration of State-Owned CO with long-or customised MOI | 1 | |
| 30 | CO & CC | COR15.1B; COR14.1 | CO Registration- Private Company with a customised MOI | | 1 |
| 31 | CO & CC | | CO Registration with BEE Certificate (SST) | | 1 |
| 32 | CO & CC | COR15.1B; COR14.1 | CO Standard Registration (including Banks) | | 1 |
| 33 | CO & CC | COR17.1 | CO Transfer Registration of Foreign CO | 1 | |
| 34 | CO & CC | COR9.1 | NR Defensive name reservation | 1 | |
| 35 | CO & CC | COR9.2 | NR Extend a name reservation | | 1 |
| 36 | CO & CC | | NR name search | | 1 |
| 37 | CO & CC | COR10.1 | NR Register defensive Name | 1 | |
| 38 | CO & CC | COR10.2 | NR Renew defensive name reservation | 1 | |
| 39 | CO & CC | COR9.4 | NR Reservation of Company or Business Name | | 1 |
| 40 | CO & CC | COR11.1 | NR Transfer of reserved or registered name | | 1 |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|----|---------------------------------------|-----------|---|-------------|-----------------|
| 41 | CO and CC DMP | COR 126.1 | BR Application to be licenced as a Business Rescue Practitioners | 1 | |
| 42 | CO and CC DMP | COR123.2 | BR Appointment of Business Rescue Practitioners | 1 | |
| 43 | CO and CC DMP | CoR21.2 | CO Change of Company Representatives | 1 | |
| 44 | CO and CC DMP | COR39 | CO Appointment, resignation or removal of Directors | | 1 |
| 45 | CO and CC DMP | CK2 | CC Appointment, resignation or removal of Members | | 1 |
| 46 | CO and CC DMP | COR44 | CO Auditor appointment, resignation or removal | | 1 |
| 47 | CO and CC DMP | COR44 | CO Appointment, resignation or removal of Audit Committee members and CO Secretary | 1 | |
| 48 | CO and CC DMP | CK2A | CC Appointment, resignation or removal of an Accounting Officer CORRRAO | 1 | |
| 49 | CO and CC DMP | CK2A | CC Change of address | | 1 |
| 50 | CO and CC DMP | COR44 | CO Auditor and CO Secretary change of address | 1 | |
| 51 | CO and CC DMP | CK2A | CC Change of Financial Year End | | 1 |
| 52 | CO and CC DMP | | CO Disqualified Directors Register | | 1 |
| 53 | CORPORATE LEGAL AND POLICY SUPPORT | | CLPS Provide policy and legal insight & advice & co-ordinate the prosecution of contraventions with NPA | 1 | |
| 54 | CORP EDUCATION & VOLUNTARY COMPLIANCE | | CEVC Advisory opinion | 1 | |
| 55 | CORP EDUCATION & VOLUNTARY COMPLIANCE | | CEVC Education Event | 1 | |
| 56 | CORP DISCLOSURE & COMPLIANCE | | CDC Annual Financial Statements | 1 | |
| 57 | CORP DISCLOSURE & COMPLIANCE | | CDC Independent Review | 1 | |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|----|--|------------------|---|-------------|-----------------|
| 58 | CORP DISCLOSURE and COMPLIANCE | | CDC Annual R29.12 Report | 1 | |
| 59 | CORP DISCLOSURE and COMPLIANCE | | CDC Reportable Irregularities | 1 | |
| 60 | CORP DISCLOSURE and COMPLIANCE | | CDC Prospectus Registration | 1 | |
| 61 | CORP GOV SURVEILLANCE and ENFORCEMENT | CoR131.1 | CO and CC Complaints resolution | 1 | |
| 62 | CO-OPS | CR1; CR8; or CR4 | Co-ops Amalgamation of Co-operatives (Amalgamation Agreement) | 1 | |
| 63 | CO-OPS | CR5 | Co-ops Amendment (of Statute) | 1 | |
| 64 | CO-OPS | CR8 | Co-ops Application for Exemption of Auditing Requirements | 1 | |
| 65 | CO-OPS | CR4 | Co-ops Appointment of an Auditor | 1 | |
| 66 | CO-OPS | CR4 | Co-ops Appointment, resignation and removal of auditors | 1 | |
| 67 | CO-OPS | CR6 | Co-ops Change Co-operative constitution | 1 | |
| 68 | CO-OPS | CR2; CR3; CR7 | Co-ops Change an old registration number to a new registration number | 1 | |
| 69 | CO-OPS | CR3 | Co-ops Change of address and contact particulars | 1 | |
| 70 | CO-OPS | CR6 | Co-ops Change of financial year end | 1 | |
| 71 | CO-OPS | CR6 | Co-ops Change of name | 1 | |
| 72 | CO-OPS | CR6 | Co-ops Change of registered address | 1 | |
| 73 | CO-OPS | CR6 | Co-ops Changes to co-operative share capital | 1 | |
| 74 | CO-OPS | CR6 | Co-ops Changes to the Board of Directors | 1 | |
| 75 | CO-OPS | CR7 | Co-ops Compliance | 1 | |
| 76 | CO-OPS | CR6 | Co-ops Conversion of a Co-ops to another kind of Co-op | 1 | |
| 77 | CO-OPS | CR1 | Co-ops Co-op Conversion of a Company to a Co-operative | 1 | |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|----|-------------|---------------|--|-------------|-----------------|
| 78 | CO-OPS | CR9 | Co-ops De-registration (Voluntary) | 1 | |
| 79 | CO-OPS | | Co-ops De-registration (Non- Compliance and by Court Order) | 1 | |
| 80 | CO-OPS | CR1 | Co-ops Division of Co-operatives (Amalgamation Agreement) | 1 | |
| 81 | CO-OPS | CR9 | Co-ops Liquidation of Co-op (voluntary and by court order) | 1 | |
| 82 | CO-OPS | CR2 | Co-ops Lodge a return relating to Directors | 1 | |
| 83 | CO-OPS | CR1; CR8; CR4 | Co-ops Registration of Co-operative (Primary, secondary, tertiary) | 1 | |
| 84 | CO-OPS | CR5 | Co-ops Registration of a Co-operative name | 1 | |
| 85 | TRADE MARKS | TM2 | TM Amendment of goods/services | 1 | |
| 86 | TRADE MARKS | TM2 | TM Amendment of Mark | 1 | |
| 87 | TRADE MARKS | TM1 | TM Application to register a Trade Mark | | 1 |
| 88 | TRADE MARKS | TM6 | TM Assignment of Trade Mark | 1 | |
| 89 | TRADE MARKS | TM2 | TM Association between Trade Marks | 1 | |
| 90 | TRADE MARKS | TM1 | TM Bulk application to register Trade Mark (CUBA) | | 1 |
| 91 | TRADE MARKS | TM2 | TM Certified extract from the Register of Trade Marks | 1 | |
| 92 | TRADE MARKS | TM2 | TM Change of address for service | 1 | |
| 93 | TRADE MARKS | TM2 | TM Change of name of applicant | 1 | |
| 94 | TRADE MARKS | TM2 | TM Change of physical address of applicant | 1 | |
| 95 | TRADE MARKS | | TM Conduct a preliminary search | | 1 |
| 96 | TRADE MARKS | TM2 | TM Correction of clerical error | 1 | |
| 97 | TRADE MARKS | TM2 | TM Dissolution of association | 1 | |
| 98 | TRADE MARKS | | TM Maintenance Before - same as after | 1 | |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|-----|-------------|------------|---|-------------|-----------------|
| 99 | TRADE MARKS | | TM Opposition | 1 | |
| 100 | TRADE MARKS | TM7 | TM Recordal of registered user | 1 | |
| 101 | TRADE MARKS | TM5 | TM Renewal of a Trade Mark | 1 | |
| 102 | TRADE MARKS | TM2 | TM Request a special search | 1 | |
| 103 | TRADE MARKS | TM2 | TM Request by applicant to enter an endorsement | 1 | |
| 104 | TRADE MARKS | TM2 | TM Restoration of a Trade Mark | 1 | |
| 105 | TRADE MARKS | | TM Certificates | 1 | |
| 106 | TRADE MARKS | | TM Acceptance | 1 | |
| 107 | PATENTS | | PT Advertising Design Applications on Patent Journal | | 1 |
| 108 | PATENTS | P12; P13 | PT Amendment of complete specification | 1 | |
| 109 | PATENTS | P11 | PT Amendment of provisional specification | 1 | |
| 110 | PATENTS | P4 | PT Application by patent attorney suspended or removed from register | 1 | |
| 111 | PATENTS | P1; P7; P8 | PT Application for patent with complete specification | | 1 |
| 112 | PATENTS | P1; P6 | PT Application for patent with provisional specification | | 1 |
| 113 | PATENTS | P10 | PT Application for extension of time to pay renewal fees | 1 | |
| 114 | PATENTS | P25 | PT Application for PCT | | 1 |
| 115 | PATENTS | | PT Application for perusal of file | 1 | |
| 116 | PATENTS | P20 | PT Application for revocation | 1 | |
| 117 | PATENTS | P4 | PT Application for revocation of independent patent and grant of patent of addition as independent patent | 1 | |
| 118 | PATENTS | P21 | PT Application for voluntary surrender | 1 | |
| 119 | PATENTS | P4 | PT Application of extension of time for acceptance of complete specification | 1 | |
| 120 | PATENTS | P4 | PT Application to amend or lodge fresh application | 1 | |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|-----|---------|-----------|--|-------------|-----------------|
| 121 | PATENTS | P4 | PT Application to extend period for publication of acceptance | 1 | |
| 122 | PATENTS | P4 | PT Application to extend privileges of patent attorney | 1 | |
| 123 | PATENTS | P4 | PT Application to rectify register | 1 | |
| 124 | PATENTS | | PT Bulk application to register a Patent (CUBA) | | 1 |
| 125 | PATENTS | P4 | PT Cancellation of notice of hypothecation | 1 | |
| 126 | PATENTS | P4 | PT Change of address for service | 1 | |
| 127 | PATENTS | P4 | PT Change of complete specification into provisional specification | 1 | |
| 128 | PATENTS | P4 | PT Claim priority | 1 | |
| 129 | PATENTS | P4 | PT Correction of clerical error | 1 | |
| 130 | PATENTS | P4 | PT Endorsement or cancellation of endorsement | 1 | |
| 131 | PATENTS | | PT Examination and acceptance | 1 | |
| 132 | PATENTS | P1 | PT Late claiming priority | 1 | |
| 133 | PATENTS | P5; P8 | PT Late lodgement of documents | 1 | |
| 134 | PATENTS | P19 | PT Lodging opposition | 1 | |
| 135 | PATENTS | P22 | PT Notice of future proceedings | 1 | |
| 136 | PATENTS | P10 | PT Patent renewal | 1 | |
| 137 | PATENTS | | PT Patent Restoration | | |
| 138 | PATENTS | P4 | PT Post-dating application | 1 | |
| 139 | PATENTS | | PT Public Patent Search | | 1 |
| 140 | PATENTS | P17 | PT Register as patent customer or attorney | 1 | |
| 141 | PATENTS | | PT Registration certificate | 1 | |
| 142 | PATENTS | P18 | PT Removal from register as patent customer or attorney | 1 | |
| 143 | PATENTS | P14; P16 | PT Supplementary disclosure in patent specification | 1 | |
| 144 | PATENTS | | PT Patent Journal Downloads | | 1 |
| 145 | DESIGNS | D5 | DS Addressing deficiencies in application | 1 | |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|-----|------------------------------|--------------------|---|-------------|-----------------|
| 146 | DESIGNS | | DS Advertising Design Applications on Patent Journal | | 1 |
| 147 | DESIGNS | | DS Application for copies of documents | 1 | |
| 148 | DESIGNS | | DS Application for perusal of file | 1 | |
| 149 | DESIGNS | D5 | DS Assignment of Design | 1 | |
| 150 | DESIGNS | | DS Bulk application to register Designs (CUBA) | | 1 |
| 151 | DESIGNS | D5 | DS Change of name of applicant | 1 | |
| 152 | DESIGNS | | DS Change of residential address or address for service | 1 | |
| 153 | DESIGNS | | DS Correction of errors in wording | 1 | |
| 154 | DESIGNS | | DS Correction of errors of representation | 1 | |
| 155 | DESIGNS | | DS Examination and Acceptance | 1 | |
| 156 | DESIGNS | D1; D3; D6; D8 | DS New design application | | 1 |
| 157 | DESIGNS | | DS Registration certificate | 1 | |
| 158 | DESIGNS | | DS Registration of design | | 1 |
| 159 | DESIGNS | D10 | DS Renew a design | 1 | |
| 160 | DESIGNS | | DS Restoration of a design | 1 | |
| 161 | COPYRIGHT and IP ENFORCEMENT | | CIPE Assessment of complaint | 1 | |
| 162 | COPYRIGHT and IP ENFORCEMENT | | CIPE Stakeholder training and capacity building | 1 | |
| 163 | COPYRIGHT | | CR Accreditation of Collecting Society | 1 | |
| 164 | COPYRIGHT | | CR Amendments of Films and Visual Recordings | | 1 |
| 165 | COPYRIGHT | | CR Bulk application to register Copyrights (CUBA) | | 1 |
| 166 | COPYRIGHT | | CR Copyright process | | 1 |
| 167 | COPYRIGHT | | CR Counter statement | 1 | |
| 168 | COPYRIGHT | | CR Notice of opposition | 1 | |
| 169 | COPYRIGHT | | CR Oppositions to Registration of Films and Visual Recordings | 1 | |
| 170 | COPYRIGHT | RF1; RF2; RF3; RF9 | CR Registration of Films and Visual Recordings | | 1 |

| # | Unit | Form Code | Process Name | Manual Only | Hybrid and Auto |
|-----|-------------|-----------|--|-------------|-----------------|
| 171 | OMBUD | | OMBUD Investigate and resolve service delivery and administration complaints | 1 | |
| 172 | GENERIC ALL | | CE Customer registration | | 1 |
| 173 | GENERIC ALL | | CE Password reset | | 1 |
| 174 | GENERIC ALL | | CE Customer transactions | | 1 |
| 175 | GENERIC ALL | | CE Document status | | 1 |
| 176 | GENERIC ALL | | Certificates and Disclosures | | 1 |
| 177 | GENERIC ALL | | Tracking/Indexing of Application | 1 | 1 |
| 178 | GENERIC ALL | | Disclosure Application for perusal of file | 1 | |
| 179 | GENERIC ALL | | Disclosure Application for copies of documents | 1 | |
| 180 | GENERIC ALL | | QRS: Enterprise enquiry | | 1 |
| | | | | 74% | 26% |

23. Annexure D: Information Technology Plan

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

| VISION | MISSION | GOALS | OBJECTIVES | ELEMENTS | KPI | INITIATIVES | ACTIONS (SUB-INITIATIVES) |
|--|---|---|--|-----------------------------|--|---|--|
| To be a reputable world class regulator of business entities and intellectual property | In partnership with others, we make it easy and attractive to do business in South Africa | Goal 1 Reduced administrative compliance burden | Objective 1.1 24/7 access to all CIPC services | % Uptime 24/7/365 Access | Enabling Technology and Infrastructure | Define Business Intelligence and Data Warehousing to provide improved performance information | Procure Business Intelligence and Data Warehousing Tools |
| | | | | | | | Implement SharePoint to improve document and content management |
| | | | | | | | Implement Data Management Workflows (ownership and responsibility) |

| VISION | MISSION | GOALS | OBJECTIVES | ELEMENTS | KPI | INITIATIVES | ACTIONS (SUB-INITIATIVES) |
|--------|---------|-------|---|---|---------------------------|---|--|
| | | | | | | Climate survey (BISG 3rd Party) | Conduct Survey |
| | | | | | | Implement recommendations Update Engagement Model and SLAs | Conduct Survey (implemented actions) |
| | | | | | | Conduct Survey (implemented actions) | Conduct Survey |
| | | | | | | Satisfaction rates Tools Support () Training and education() Engagement () | Implement recommendations Update Engagement Model and SLAs |
| | | | | | | User climate survey (3rd Party) | Conduct Survey (implemented actions) |
| | | | | | | Objective 1.3 An intelligent, innovative, high performance organisational environment | |
| | | | | Goal 1 Reduced administrative compliance burden | Enabling high performance | In partnership with others, we make it easy and attractive to do business in South Africa | |
| | | | To be a reputable world class regulator of business entities and intellectual property | | | | |

25. Annexure E: Materiality and Significant Framework

1. Definitions

- 1.1 Accounting Authority - *The Commissioner*
- 1.2 Executive Authority - *The Minister of the Department of Trade and Industry*
- 1.3 PFMA

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

2. Introduction

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

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

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

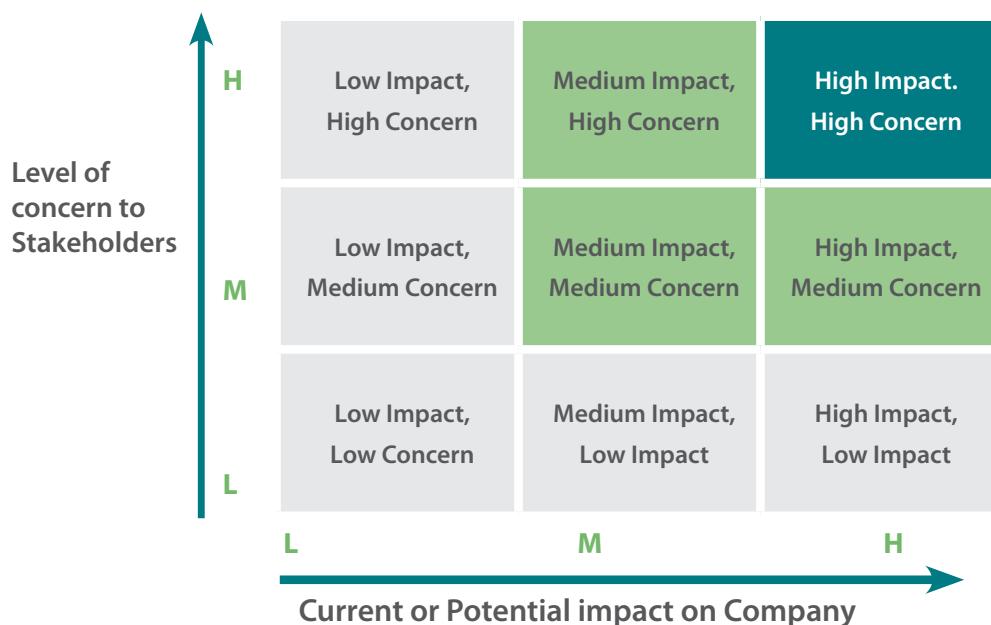
Accounting Standards Board (ASB) defines materiality as: “the magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced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

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

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

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

Materiality Matrix



Our Materiality Matrix

- This Matrix plots on a scale from low to high in terms of their impact on the CIPC and level of concern to stakeholders
- Reporting will be done on those issues with highest/medium impact concerns

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

3. Determination of Materiality

Accordingly, we will deal with this framework under two main categories, (quantitative and qualitative aspects).

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as a basis for calculating materiality.

| Basis | Acceptable Percentage Range |
|---------------|-----------------------------|
| Gross revenue | 0.25 – 1% |
| Gross profit | 1 – 2% |
| Net income | 2.5 – 10% |
| Equity | 2 – 5% |
| Total assets | 0.5 – 2% |

4. Quantitative Aspects

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

The materiality value for CIPC for the 2017/2018 financial year is thus calculated as follows:

| | |
|---|-------------------|
| • Total Revenue | R705 million |
| • Materiality basis | 1,00 % |
| • Materiality Value for the 2017/2018 financial year | R7 050 000 |

5. Qualitative Aspects

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

- New ventures into which CIPC has entered.
- Unusual, non-repetitive transactions disclosed purely due to their nature knowledge thereof affecting decision making of the financial statements users.
- Transactions that could result in reputation risk.
- Any fraudulent or dishonest behaviour by a CIPC officer or member or staff of CIPC at any level.
- Procedures/processes required by legislation or regulation (e.g. PFMA, the Treasury Regulations and other specific legislation applicable to CIPC).
- Significant under-achievement of operational performance targets. In terms of measuring significant under-performance against an achievement of less than 25% of the six monthly target or after 6 months into the financial year, and less than 70% of the annual target for the full year, will be considered significant.

6. Statutory Application (PFMA)

| Section | Requirement | Materiality indicator |
|----------------|---|---|
| Section 55 (2) | Material | |
| Section 55 (2) | The annual report and financial statements referred to in subsection 1 (d) must - | |
| Section 55 (2) | (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of incorrect financial results and lack of performance against predetermined objectives. High impact / High concern |

| Section | Requirement | Materiality indicator |
|----------------|---|---|
| Section 55 (2) | (b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern |
| Section 55 (2) | (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure are regarded as material due to the application of the nature of these losses High impact / High concern |
| Section 55 (2) | (iii) any losses recovered or written off; | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses recovered or written off. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern |
| Section 55 (2) | (iv) any financial assistance received from the state and commitments made by the state on its behalf; and | N/a the funds from the dti for establishing the Commission |
| Section 55 (2) | (v) any other matters that might be prescribed; and | Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of other matters that might be prescribed. High impact / Low concern |
| Section 55 (2) | (c) include financial statements of any subsidiaries. | N/A |
| Section 54 (2) | Significant | |

| Section | Requirement | Materiality indicator |
|----------------|--|---|
| Section 54 (2) | <p>(2) Before a public entity concludes any of the following transactions, accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for transaction approval;</p> <ul style="list-style-type: none"> (a) establishment or participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; and (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement. | <p>Specific level of significance defined per subsection:</p> <p>Each transaction separately – High impact / Low concern</p> <p>5% Deviation from Service Level Agreement – Low impact / Low concern</p> <p>N/a – Low impact / low concern</p> <p>15% of fixed assets – Low impact / Low concern</p> <p>Each transaction separately – Low impact / Low concern</p> <p>20% Deviation from original objectives – Low impact / Low concern</p> |

25. Annexure F: Risk Management and Fraud Prevention Plan

1. EXECUTIVE SUMMARY

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

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

2. PURPOSE OF THE DOCUMENT

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

3. OBJECTIVE

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

4. APPROACH

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

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

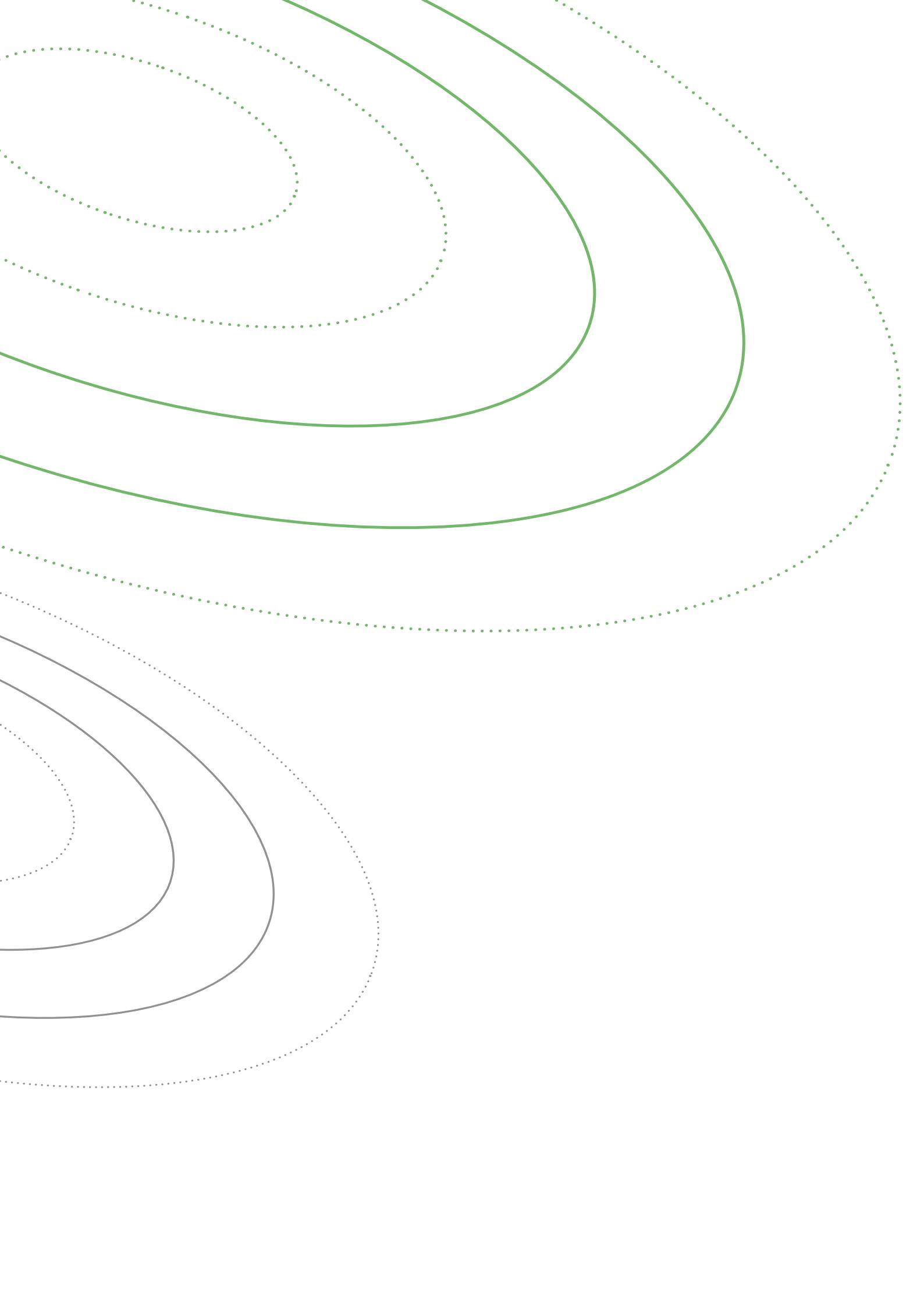
5. DETAILED PLAN

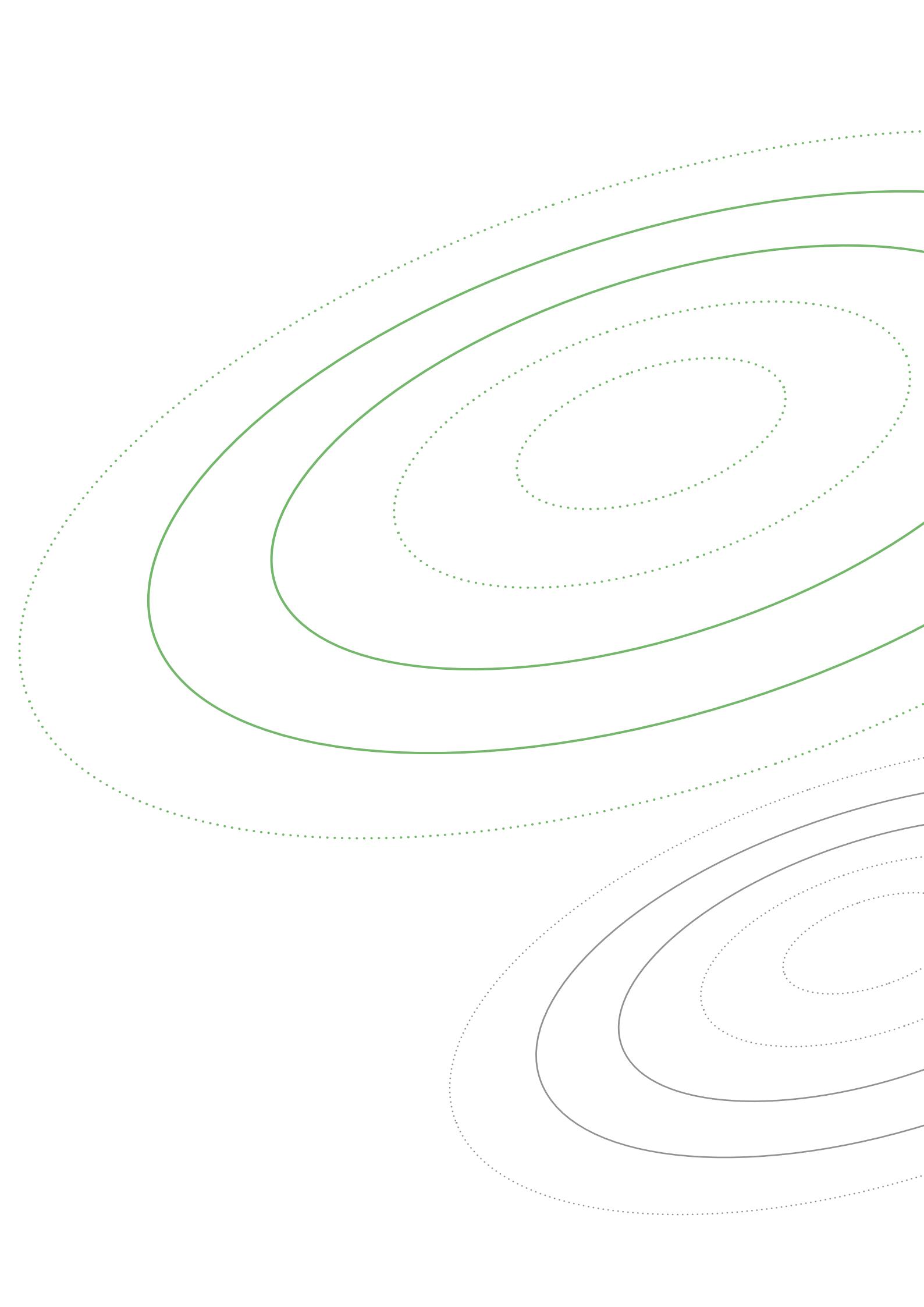
A five year risk management plan is included below. This is followed by a detailed 2019/20 annual implementation plan.

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

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

| RISK MANAGEMENT ACTIVITIES | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 |
|---|-------------|-------------|-------------|-------------|-------------|
| 2. Fraud Prevention | | | | | |
| 2.1 Review of fraud prevention plan | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.2 Fraud prevention policy review | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.3 Review of fraud prevention methodology/processes | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.3 Internal fraud awareness | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.4 Implement external fraud awareness initiatives | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.5 Facilitate the declaration of interest process by relevant employees in line with the approved policy | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.6 Maintain an effective case database | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.7 Conduct investigations and provide recommendations | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2.8 Compile and present Quarterly reports on fraud EXCO and Risk and ICT Committee | ✓ | ✓ | ✓ | ✓ | ✓ |







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