

# Companies and Intellectual Property Commission

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## STRATEGIC PLAN 2017/18 – 2021/22



Companies and Intellectual  
Property Commission

a member of **the dti** group

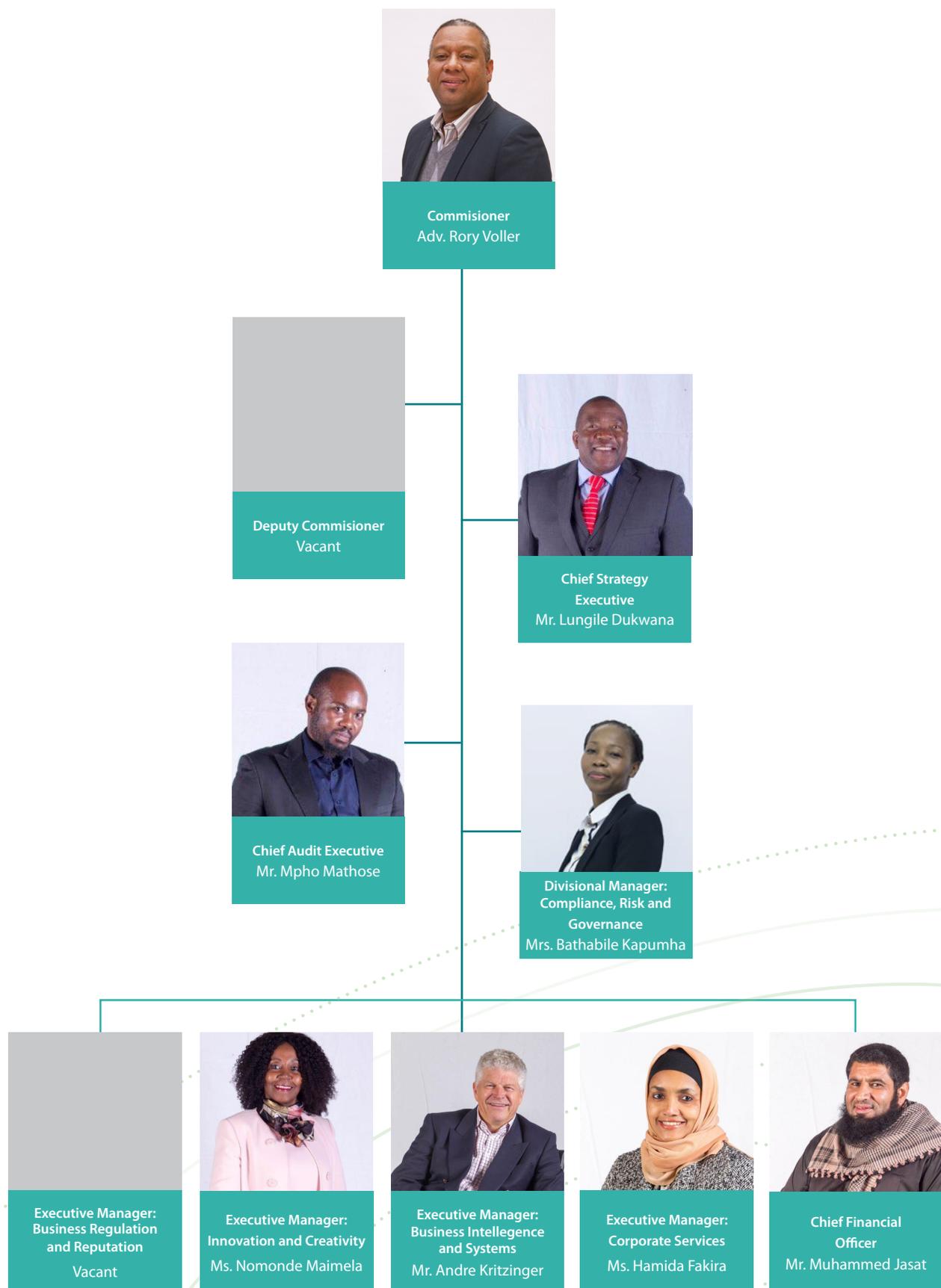
# Abbreviations and Acronyms

Abbreviations	Description
AFS	Annual Financial Statements
AR	Annual Returns
BEE	Black Economic Empowerment
BR	Business Rescue
CA	Chartered Accountants
CC	Close Corporation
CIPC	Companies and Intellectual Property Commission
CO	Company
DST	Department of Science and Technology
FSB	Financial Services Board
ICT	Information, Communication and Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IT	Information Technology
JSE	Johannesburg Stock Exchange
MOI	Memorandum of Incorporation
MP	Member of Parliament
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

## Table of Contents

Abbreviations and Acronyms.....	2
1. Organisational Structure.....	4
2. Official Sign-Off.....	5
3. Foreword by the Minister.....	6
4. Overview by the Accounting Authority.....	7
Part A: Strategic Overview.....	8
5. Vision.....	9
6. Mission.....	9
7. Corporate Values.....	9
8. Legislative and Other Mandates Including Constitutional Mandates.....	10
9. Situational Analysis.....	11
10. Description of the of the Planning Process.....	35
11. Strategic Outcome Oriented Goals.....	37
12. Products and/or services provided by the CIPC.....	38
Part B: Strategic Objectives and Programmes.....	39
13. Strategic Objectives.....	40
14. Key programmes.....	42
15. Organisational Understanding of Strategic objectives.....	44
16. Alignment to the dti's priorities (Outlined by the Minister).....	47
17. Financial Plan.....	48
18. Strategic Risk Register containing ratings and mitigating actions – Annexure A.....	51
19. Risk Management and Fraud Prevention Plan – Annexure B.....	61

# 1. Organisational Structure



## 2. Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Commissioner, Adv. Rory Voller.
- Takes into account all the relevant policies, legislation and other mandates for which the CIPC is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the CIPC will endeavour to achieve over the period 2017/18 – 2021/22.

Mr. Muhammed Jasat  
Chief Financial Officer  
Date: 31 January 2018

Signature:  \_\_\_\_\_

Mr. Lungile Dukwana  
Chief Strategy Executive  
Date: 31 January 2018

Signature:  \_\_\_\_\_

Recommended for approval by:

Adv. Rory Voller  
Commissioner  
Date: 31 January 2018

Signature:  \_\_\_\_\_

### 3. Foreword by the Minister



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

Industrial Policy Action Plan (IPAP) 2017/18 – 2020/21, the latest annual iteration of a continuous action plan to reindustrialise our economy, sets out the implementation tasks. The plan stresses the pressing need for structural change in the economy. CIPC must explore how it would achieve programme alignment with other Government departments and agencies, and what are the key institutional arrangements that can achieve this. It should also look beyond government, at how it can strengthen

collaborative work 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 2017 and is demonstrated by three major initiatives:

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

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

A handwritten signature in black ink, appearing to read 'Rob Davies', written over a horizontal line.

Dr. Rob Davies, MP  
Minister of Trade and Industry  
Date: 31 January 2018

## 4. Overview by the Accounting Authority



I present to you the 2017/18 – 2021/22 CIPC Strategic Plan that outlines how the CIPC as a regulator will create a conducive environment for business and IP owners to thrive, encouraging investments, industrial development, competitiveness and employment creation to support economic growth.

Most important in our plan is the enhancement of the implementation of the Company and IP Law, contributing to **the dti** 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 will be directed to make it easy to do business in South Africa with a focus on entity

and IP registration. We are embracing the Fourth Industrial Revolution, seeing the digital explosion as an opportunity to improve our customers’ experience, 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 digitize all our business processes to ensure ease and speed of transacting. We aim to enhance our on-line system that will ensure that CIPC services are available anywhere in the world, 24/7. We will develop our ICT infrastructure, systems and databases to ensure that we are a trusted source of information to attract reputable collaboration partners towards the goal of creating on-line 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 to be partners in the Durban InvestSA office. We will continue to work with Banks, offering other additional services to company registration and BEE applications.

We will develop the CIPC capability with respect to the IP protection system, in particular patent substantive examination. To capacitate the CIPC as an IP registry 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 continue with enforcement activities dealing with counterfeiting and piracy. We will also continue engaging in focused IP education and awareness activities.

In preparing the internal organizational environment for the digital revolution in mind, CIPC must use the People–Collaboration–Technology (PCT) approach:

- People – We will create competent teams and a working change management system to ensure readiness of the organization to implement its strategic objectives.
- Collaboration – We will continue to collaborate internally as well as externally with partners to ensure better service delivery.
- Technology – We will continue to use technology to create solutions and optimize processes, and systems to achieve our set goals.

We are positive that our minds are geared towards achieving this plan.

A handwritten signature in black ink, appearing to read 'Rory Voller', written over a horizontal line.

Adv. Rory Voller  
CIPC Commissioner  
Date: 31 January 2018

# Part A: Strategic Overview

**"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."**

*- Warren Buffett*

## 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

Table 1: Corporate Values

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

## 8. Legislative and Other Mandates Including Constitutional Mandates

Table 2: Legislative that CIPC is responsible for

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
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 trademarks, 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. Situational Analysis

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

Figure 1: Five C's Framework



### Climate

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

### Political

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

## Direct Policy Environment

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

**Table 3: Key policies and strategies of the dti**

the dti policies relevant to CIPC	Summary of Policy
the dti Medium Term Strategic Plan 2015 - 2020	To promote structural transformation, towards a dynamic industrial and globally competitive economy and to broaden participation in the economy to strengthen economic development.
Industrial Policy Action Plan 2017/18 – 2019/20	To facilitate diversification by promoting increase value-addition per capita and intensification of South Africa’s industrialization process.
Strategy on the Promotion of Entrepreneurship and Small Enterprise	To increase supply for financial and non-financial support services and creating demand for small enterprise products and services through the reduction of small enterprise regulatory constraints.
Corporate Law Reform Policy	To promote growth, employment, innovation, stability, good governance, confidence in the South African business environment, as well as increase international competitiveness.
Co-operatives Development Policy for South Africa	Create an enabling environment for co-operative enterprises which reduces the disparities between urban and rural businesses and is conducive to entrepreneurship and to promote the development of economically sustainable co-operatives.
Integrated Strategy for the Development and Promotion of Co-operatives	To grow all forms and types of co-operatives and the co-operatives movement, as well as increase its contribution to the country’s GDP growth rate, economic transformation and social impact.

## International Treaties and Agreements

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

**Table 4: 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, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition. This international agreement was the first major step taken to help creators ensure that their intellectual works were protected in other countries. South Africa's accession to the Paris Convention was in October 1947.
Patent Co-operation Treaty	The Patent Co-operation treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant's option, with the International Bureau of WIPO in Geneva. South Africa's accession to the treaty was in December 1998.
Berne Convention for the Protection of Literary and Artistic Works	Adopted in 1886, deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters etc. with the means to control how their works are used, by whom, and on what terms. It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. South Africa's accession to the treaty was in October 1928.
Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure	Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process: microorganisms. All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. In practice, this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists.
TRIPs Agreement	The TRIPs Agreement is an international legal agreement between all the member nations of the World Trade Organization (WTO). It sets down minimum standards for the regulation by national governments of many forms of intellectual property (IP) as applied to nationals of other WTO member nations. It stems from the desire to reduce distortions and impediments to international trade and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. South Africa deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 23 February 2016.

## Economic

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

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

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

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

**Table 5: Summary of key economic indicators and trends**

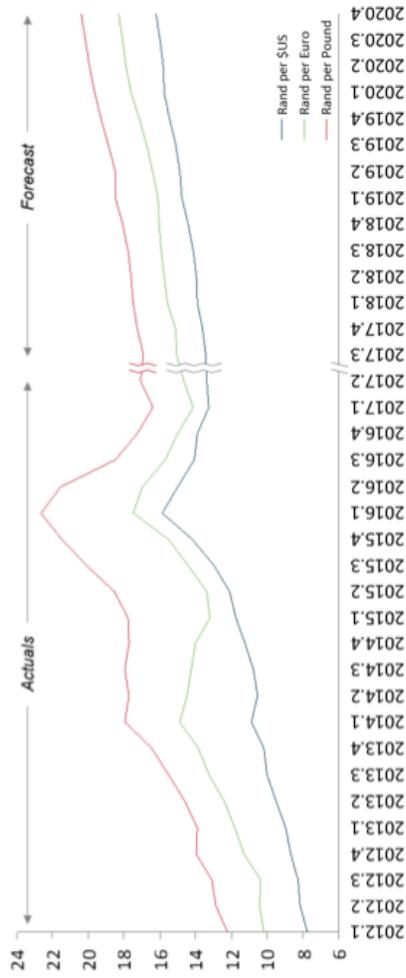
Economic Indicators	Trend	Key Insights
<p><b>GDP and GDP growth</b></p>		<ul style="list-style-type: none"> <li>• Link between company registration and socio-economic and economic growth</li> <li>• Dynamic relationship exists between economic growth and IP generation. (IP rights can contribute significantly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

## Economic Indicators

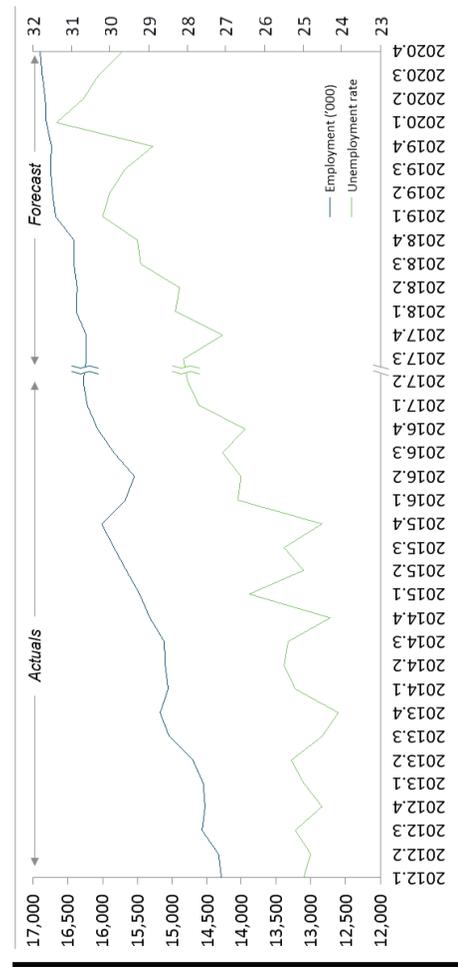
## Trend

## Key Insights

### Rand Exchange Rate



### Prime Interest Rate

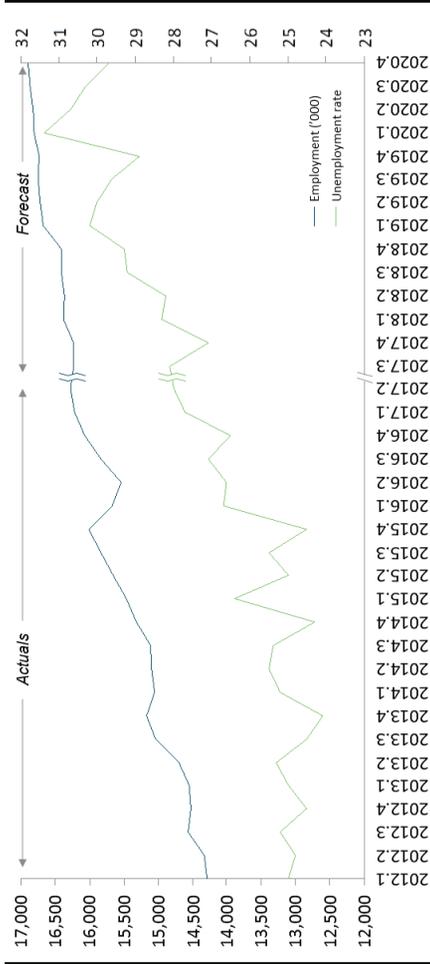


- Consistent depreciation of the Rand against the three major currencies
- Weaker Rand can push up inflation as imported goods have become more expensive
- The weaker rand will place strain on the SA economy and affect majority of currently operating and potential businesses negatively.
- The resultant, tough business environment may lead to an increase in company de-registrations and a decrease in new company registrations

- 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

## Economic Indicators

### Unemployment and Unemployment Rate



## Trend

## Key Insights

- 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

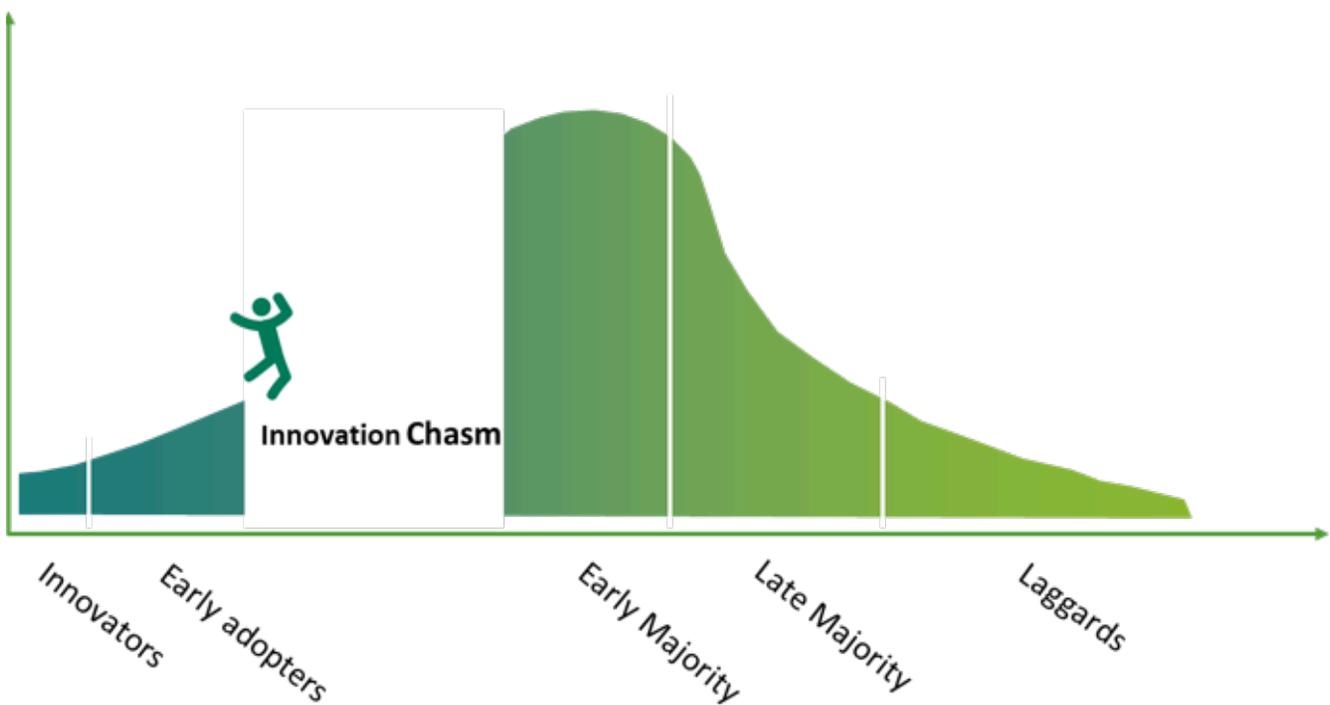
## Social

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

### Innovation Culture

South Africa has a strong culture of innovation, supported by a well-established research base. In the 2015 World Intellectual Property Organization (WIPO) global innovation index, the country was ranked 60th and 2nd in Africa, after Mauritius (49<sup>th</sup>). 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 the creation of new industries. This calls for a coherent strategy to close the innovation chasm.

Figure 2: The Innovation Chasm



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

### Entrepreneurial Culture

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

Evidence from the GEM report indicates that South Africa is a relatively poor entrepreneurial nation. In terms of the sub-indicators making up Self-perception about Entrepreneurship and Entrepreneurial

Activity, South Africa is positioned within the bottom 30% of benchmarked countries. South Africans do not feel that there are adequate opportunities in entrepreneurship, do not have self-belief in their ability to be entrepreneurs and have a high fear of failure, all of which contribute to a low proportion of the surveyed population having intentions to become entrepreneurs.

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

### The Human Development Index and Entrepreneurial Culture

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

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

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

**Table 5: South African HDI position**

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

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

## Technological

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

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

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

These technological advancements have the CIPC perfectly poised as they have endeavoured to provide all services and products online and have seen a significant migration from manual registration to electronic registration of both company registration and IP application processes. Since inception five years ago, the CIPC has managed to upgrade its systems. Out of the 180 CIPC core processes, 44 processes (24%) are offered through hybrid (combination of manual and automation) or fully automated services. This displays the CIPCs efforts to be aligned with technological advancements globally. The organisation is moving with the modern times, whilst still providing the customer with strong service delivery. As technological modernisation continues to penetrate the South Africa market, it will become increasingly important that the CIPC continue to drive progress in modernising and upgrading their systems in order to be prepared for the changing technological landscape and consequent customer requirements.

## Environmental

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

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

## Legal

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

The table in section 8 summarises the pieces of legislation that the CIPC are responsible for partially or wholly administering.

## Company

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

## Strengths

### *Structure of the business registries*

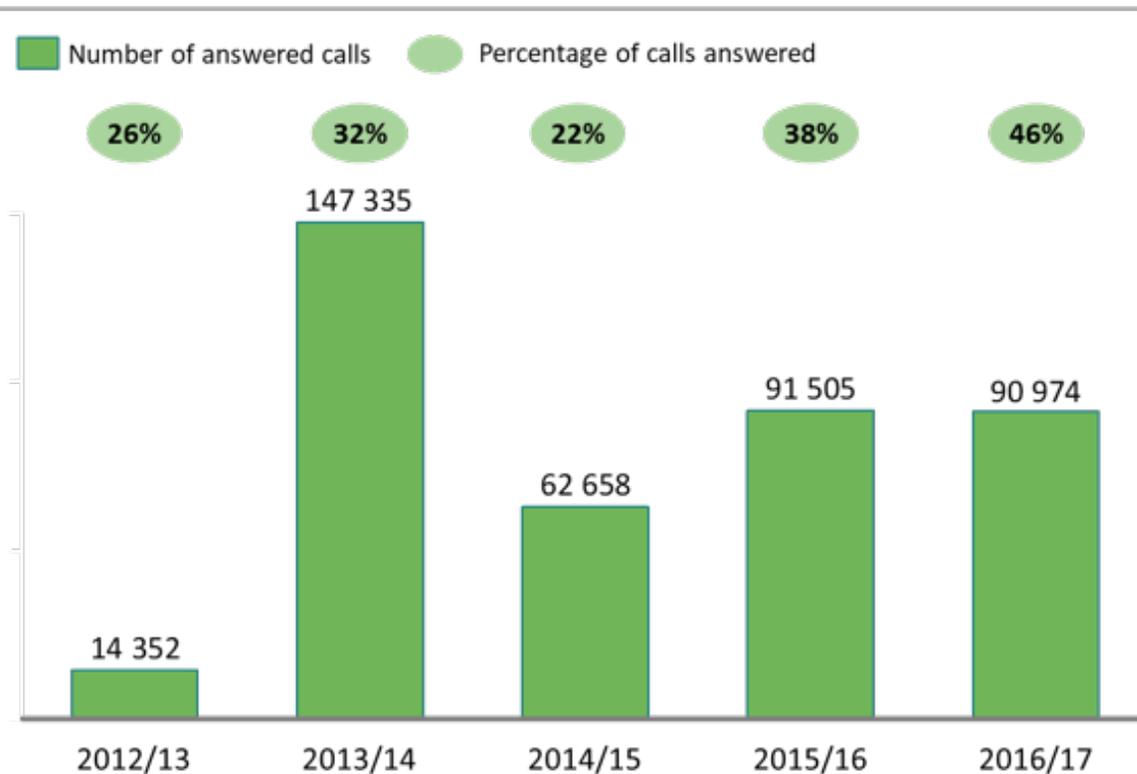
The CIPC offer its services through partnerships and collaborative initiatives, using multiple channels including a Third-Party Model, Self-Service Terminals, Self-Service Centres and Banks. This provides for ease in transacting and accessing the CIPC services throughout the country.

### *Increased Call Centre Efficiencies*

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

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

### **Total number of calls answered and percentage calls answered** *Number/Percentage*



### *Automation and Digitization*

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

### Integrated Registration System

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

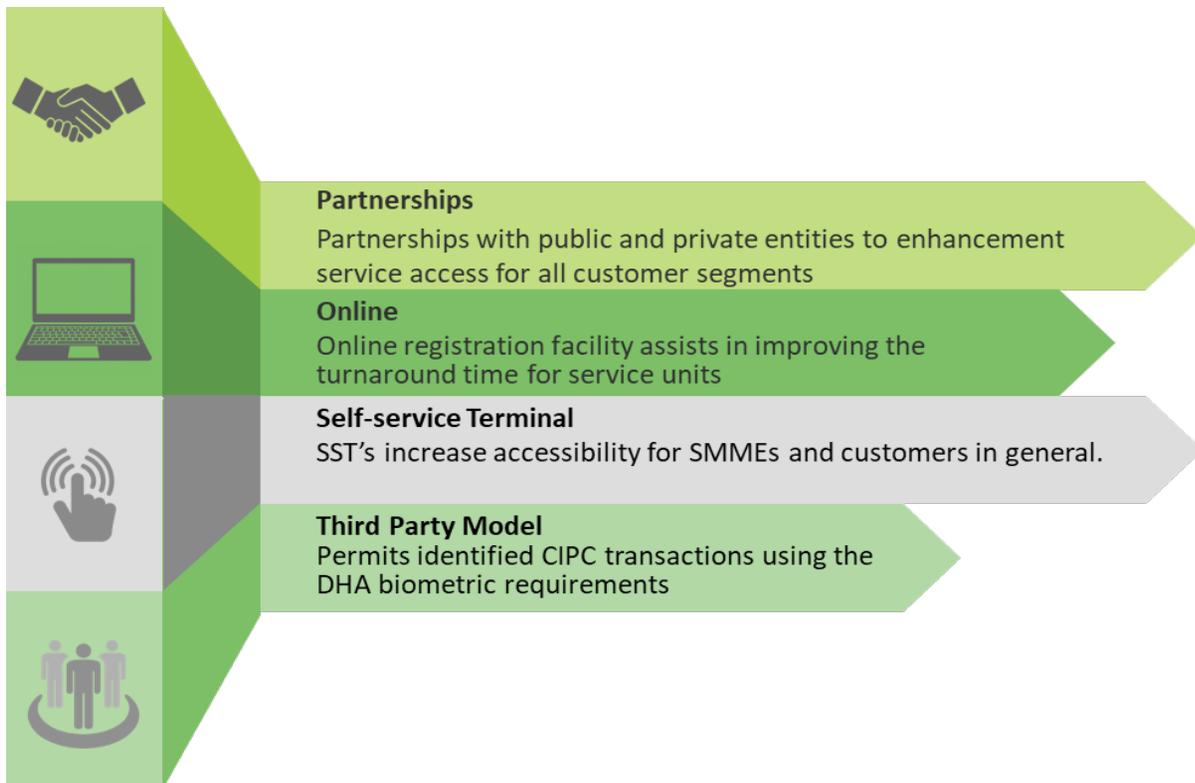
An ICT-led registration system is crucial for both the virtual and physical One-Stop-Shops. Physical shops can deliver services faster and more efficiently by using ICT for the back-office workflows. ICT can also play an essential role in developing integrated systems.

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

### Distribution Channels

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

Figure 4: CIPC Service Channels



### Standardised Incorporation Documents

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

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

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

#### *Registration and Administrative Process*

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

#### *Intellectual Property*

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

#### *Financial Sustainability*

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

#### *Capital Requirement for Start-Ups*

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

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

### **Weaknesses**

#### *Call Centre*

Although the call centre has made progress in the call answering rate over the past five years, further developments are necessary in order to meet customer requirements. The primary complaint on

HelloPeter is the fact that customers cannot get through to the call centre for assistance. This inefficiency may contribute to customers going to third party company registration entities. Thus, the performance is still significantly below industry best practice, as well as CIPC set targets. Additionally, the centre continues to face the challenge of low staff retention rate.

#### *ICT Services*

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

#### *Compliance*

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

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

- Basic and advanced International Financial Reporting Standards (IFRS) skills
- Investigative and regulatory skills
- Data analytics capabilities
- Case management systems

#### *Registration*

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

- System instability
- Slow rate of final deregistration for non-compliant companies and close corporations
- Inefficient manual processing systems

#### *Document Management*

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

#### *Finance/Supply Chain Management Processes*

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

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

The CIPC is currently exploring ways to address these challenges.

#### *Legislation and policy*

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

- Delays in finalization of Copyright Bill
- Fragmented IP system

#### *Stakeholder Relations and Management*

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

#### *Digitization and Technology*

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

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

#### *Customers*

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

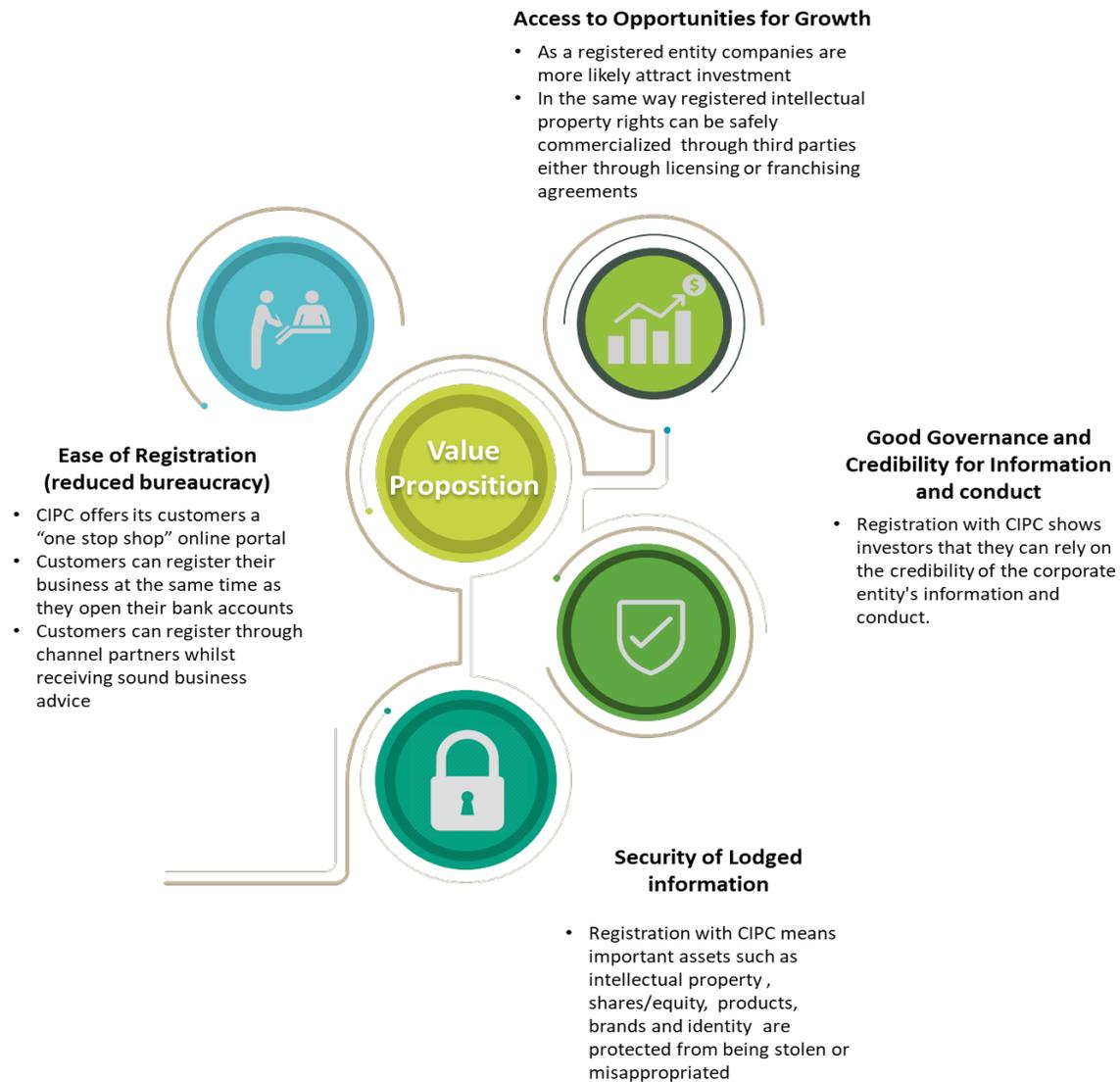
#### *Value Proposition*

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

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

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

Figure 5: Elements of the CIPC's value proposition

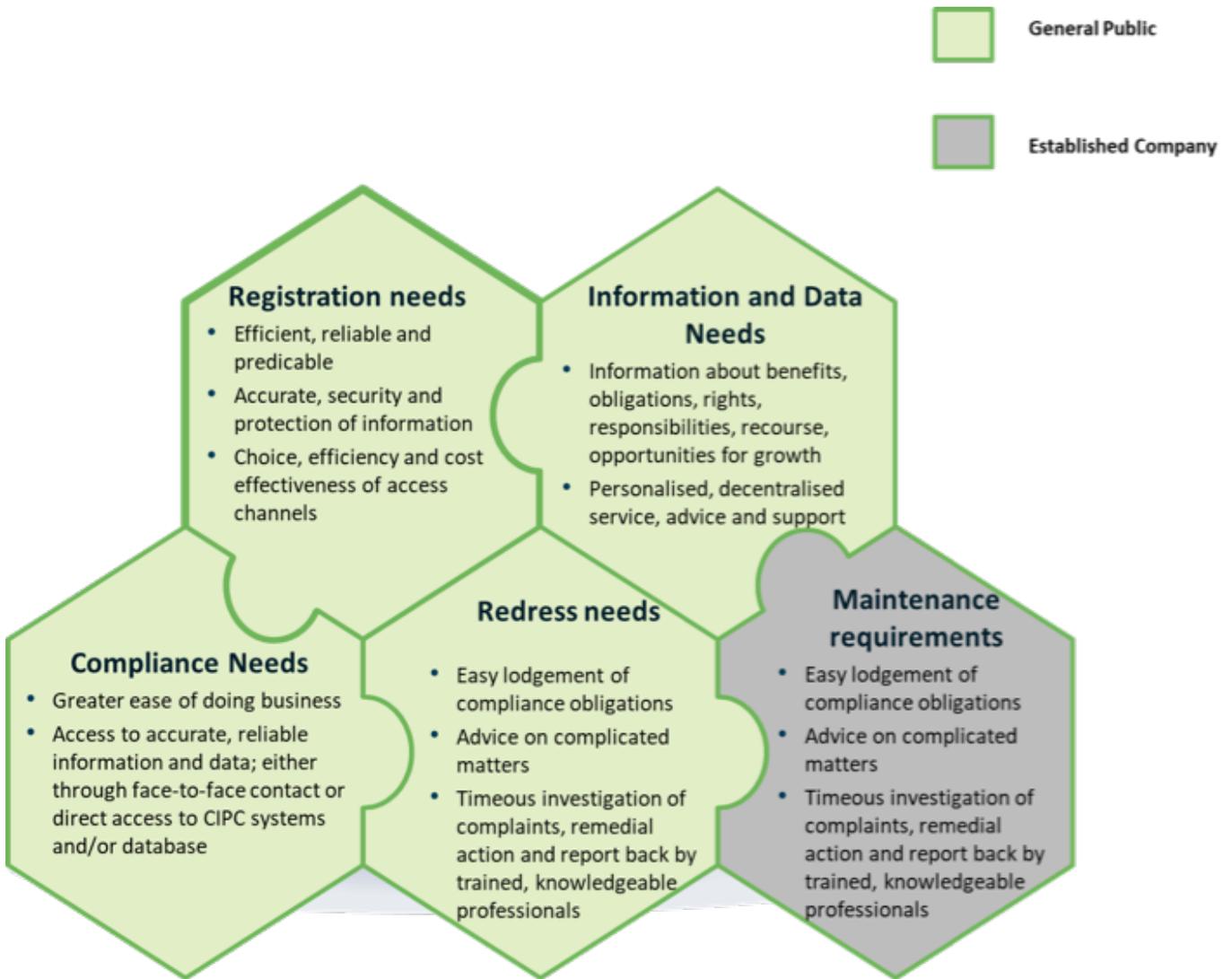


**Segmentation**

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

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

Figure 6: CIPC Customer Segmentation



**Table 6: Market Segmentation**

Segments	Products and service needs
<p><b>Customers with registration needs:</b></p> <ul style="list-style-type: none"> <li>• Customers who interact with and access the CIPCs services directly or indirectly through one of the CIPCs partner intermediary. This segment includes both the existing customer base, as well as all potential customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient, predictable and reliable registration and amendment of registrations of entities and intellectual property rights</li> <li>• Accuracy, security and protection of registry information</li> <li>• Choice, efficiency and cost-effectiveness of access channels</li> <li>• Information about the benefits and obligations of registration and other rights, responsibilities and recourse</li> <li>• Information about opportunities for growth</li> <li>• More personalized, decentralized service, advice and support – face to face, agency or contact centre</li> <li>• Greater ease of doing business, e.g. integrated registration for tax, workman’s compensation, bank account, etc.</li> </ul>
<p><b>Customers with information and data needs:</b></p> <ul style="list-style-type: none"> <li>• Government agencies, institutions, banks, international business entities, international bodies such as (WIPO), other regulators and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Access to policy information about business activity, conduct and impact of regulation on enterprise formation and sustainability, innovation and creativity in specific sectors</li> </ul>
<p><b>Customers with compliance needs:</b></p> <ul style="list-style-type: none"> <li>• Registered entities or holders of renewable IP rights</li> </ul>	<ul style="list-style-type: none"> <li>• Easily accessible information about the compliance obligations and requirements</li> <li>• Advice on complicated matters</li> <li>• Easy lodgement of compliance obligations</li> <li>• Minimal interaction with CIPC</li> </ul>
<p><b>Customers with redress needs:</b></p> <ul style="list-style-type: none"> <li>• Individual or corporate investors, directors, IP rights holders, acting alone or through intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>• Timeous investigation of complaints;</li> <li>• Professional investigation, remedial action and report back by trained, knowledgeable professionals</li> <li>• Credible, reliable findings</li> <li>• Reversal of illegal actions and possible damages</li> </ul>
<p><b>Businesses with maintenance requirements;</b></p> <ul style="list-style-type: none"> <li>• Company detail amendments (changes in directors, address etc.)</li> <li>• Annual return submission</li> <li>• Business rescue application/ procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient and reliable amendments</li> <li>• More personalized, decentralized service, advice and support – face to face, agency or contact centre</li> </ul>

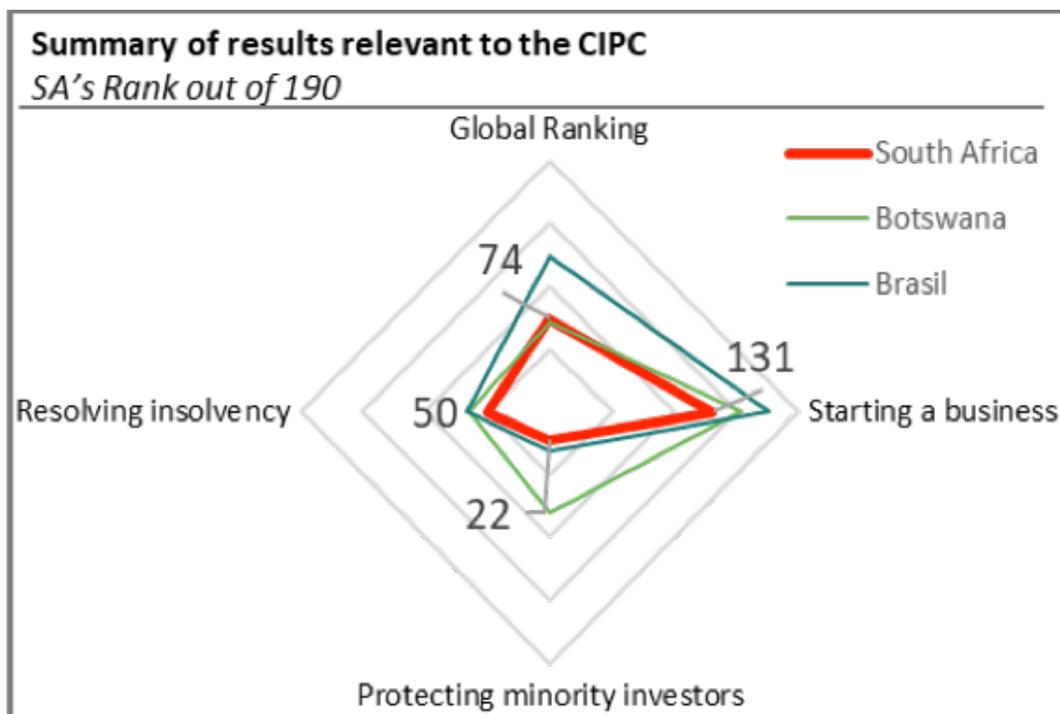
## Competitors

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

## Ease of Doing Business

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

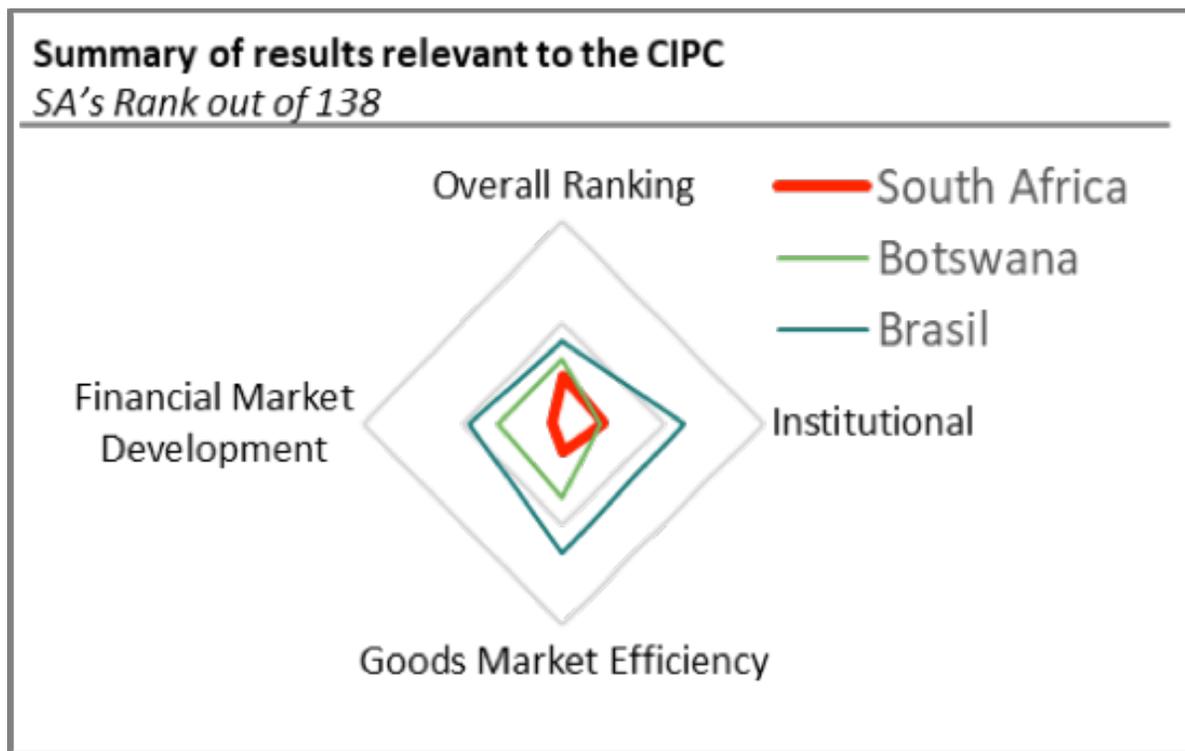
Figure 7: CIPC Ease of Doing Business Results



## Global Competitiveness Report

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

Figure 8: Global Competitiveness Report



*WIPO IP Indicators Report*

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

**Table 7: Ranking of Total Filing Activity**

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

## The Global Entrepreneurship Monitor

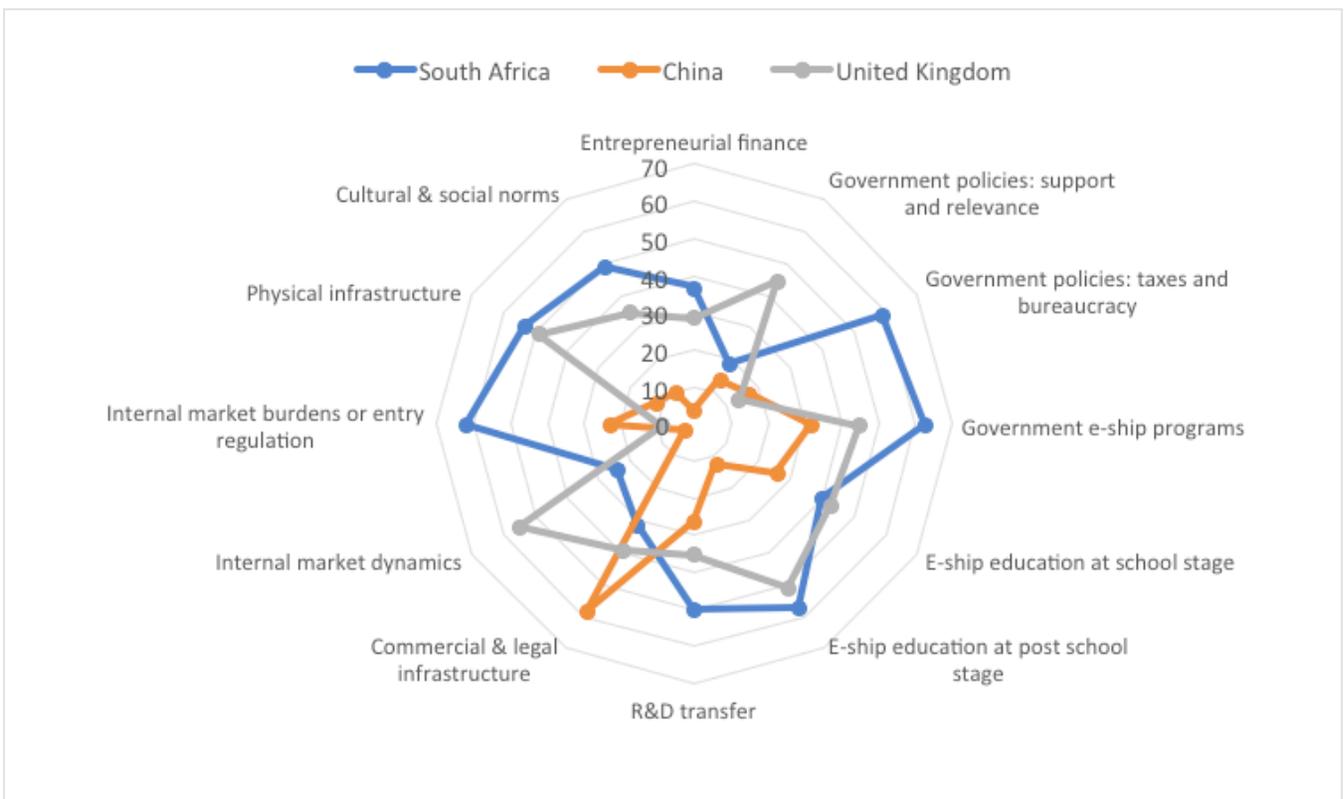
The GEM is a benchmarking tool aimed at identifying the strengths and weaknesses of the local entrepreneurial environment. The GEM was addressed earlier in the “Climate” section as it speaks to Social factors in South African environment. The GEM is used here as a means to compare South Africa’s entrepreneurial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

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

	Sub-Saharan Africa	BRIC Nations				Best-Practice Nation	OECD
Indicator	South Africa (/64)	Brazil (/64)	Russia (/64)	India (/64)	China (/64)	Burkina Faso (/64)	UK (/64)
<b>Self-perception about entrepreneurship</b>							
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
<b>Entrepreneurial Activity</b>							
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
<b>Motivational Index</b>							
Improvement-Driven Opportunity/Necessity Motive	39	57	47	51	42	44	16
<b>Gender Equality</b>							
Female/Male TEA Ratio	21	2	12	43	22	18	55
Female/Male Opportunity Ratio	38	56	42	18	34	54	34

	Sub-Saharan Africa	BRIC Nations				Best-Practice Nation	OECD
<b>Entrepreneurship Impact</b>							
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
<b>Societal Value About Entrepreneurship</b>							
High status to entrepreneurs	17	-	39	60	18	1	19
Entrepreneurship a good career choice	15	-	31	56	19	6	38

Figure 8: Entrepreneurial Eco-system: National Framework Conditions (NFCs)



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

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

- **Gender Equality:** South Africa is positioned within the bottom 50% of benchmarked countries

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

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

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

## Collaborators

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

## Partnerships

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

Figure 9: Indicative CIPC Partnership

**FNB, Nedbank, Standard Bank and ABSA**  
Partnership provides accessibility and a reliable means of identification verification

**JSE**  
Partnership provides specific services for listed companies and its subsidiaries

**SARS**  
Partnership provides a tax number once they are registered

**National Treasury**  
Partnership provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering their business

**Department of Home Affairs**  
Live finger print verification



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

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

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

The most recent development has been the partnership between CIPC and the National Treasury. The partnership provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering the business on the Central Supplier Database. This has resulted in entrepreneurs' deriving cost and time saving benefits as they now only have to register once on the Central Supplier Database, and not register with individual entities and departments.

## Third Party Model

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

## 10. Description of the of the Planning Process

CIPC conducted a five-year performance review of the Strategic Plan for the period 2012/13 – 2016/17 which has been incorporated into this document, 2017/18 – 2021/22 Strategic Plan. A 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.

The Companies and Intellectual Property Commission (CIPC) was established in May 2011 in terms of the Companies Act, 2008 (Act 71 of 2008 as amended) aimed to establish a modern, effective and enabling environment for companies in order to create jobs, whilst simultaneously 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, called the Office of Companies and Intellectual Property Enforcement (OCIPE). The CIPC was established to play a pivotal role in South Africa's economy.

As CIPC now prepares for the next phase in its growth cycle, it is necessary to enter a period of strategic review. During this review period it is necessary to prepare the foundations on which to build a world-class commission.

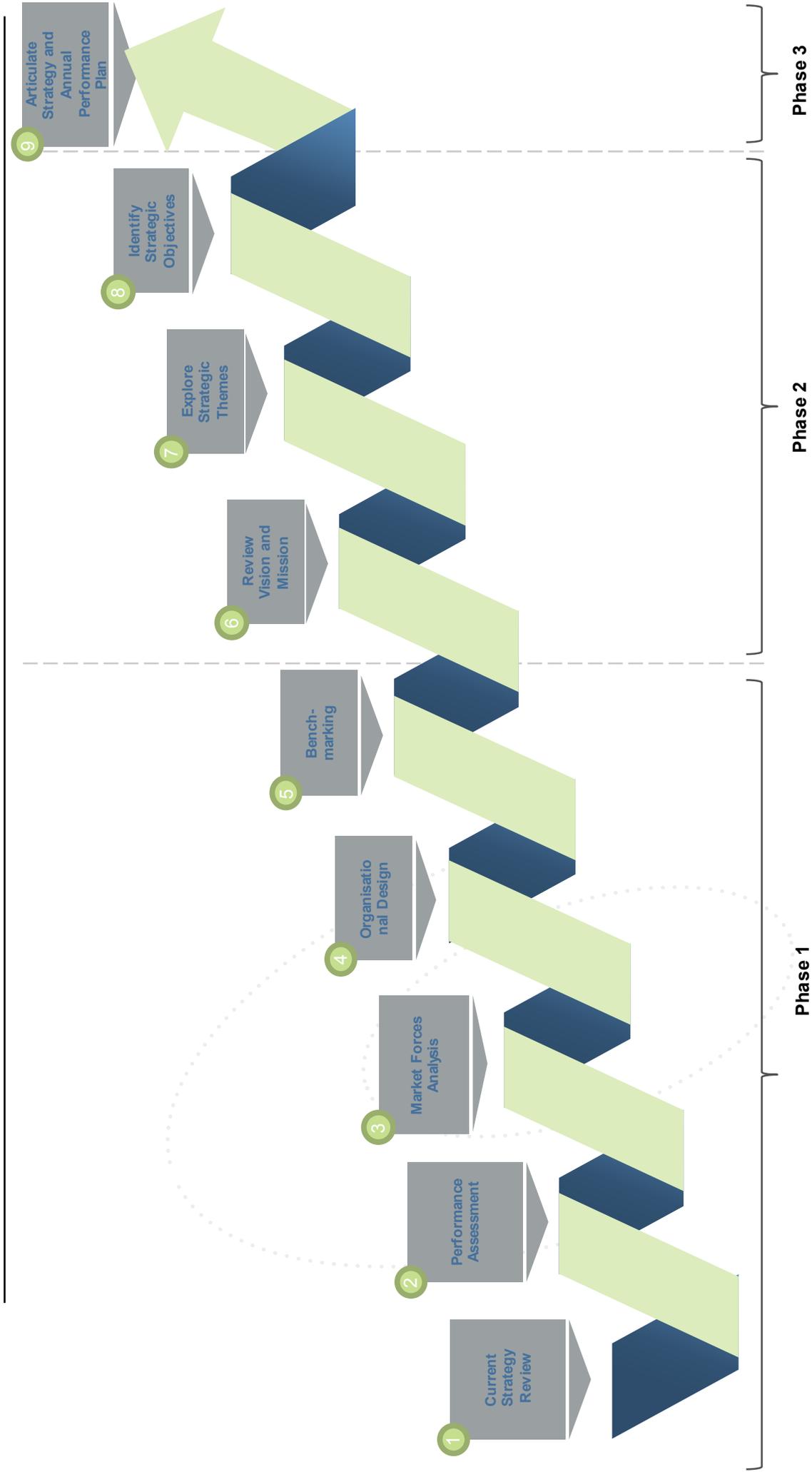
The strategic review consisted of three phases with each phase containing strategic activities:

- **Phase I: Diagnosis and Early Design**
  - Current Strategy Review
  - Performance Assessment
  - Market Forces Analysis
  - Organisational Design
- **Phase II: Workshop Strategy Session**
  - Review vision and mission
  - Problem solve and explore 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:

Figure 10: The three-phased strategic approach

### Robust Strategic Review Approach



## 11. Strategic Outcome Oriented Goals

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

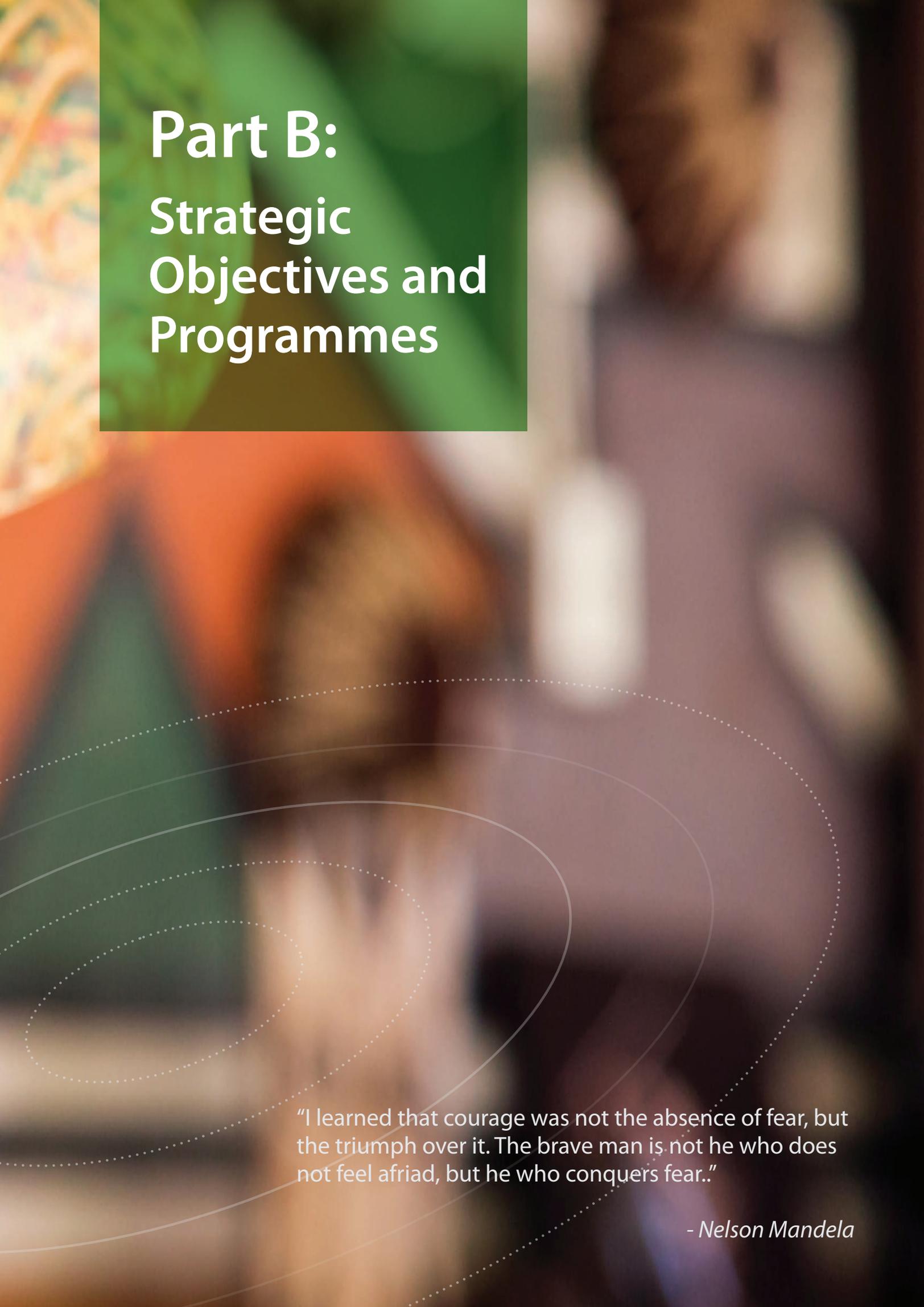
1. Reduced administrative compliance burden for companies and IP owners, and
2. A reputable Business Regulation and IP Protection environment in South Africa.

Strategic Outcome Oriented Goal 1	Reduced administrative compliance burden for companies and IP owners.
Goal Statement	To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property to reduce the administrative compliance burden for companies and IP owners.
Description	CIPC will develop and implement solutions that will reduce the time our customers spend engaging in CIPC related activities, reducing the administrative compliance burden so that <b>“businesses and IP owners can focus on the business of doing business and creating IP”</b> . This will encourage entrepreneurship, enterprise development, and enterprise efficiency thus contributing investment, competitiveness and employment creation.
Alignment to the dti strategic goals	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	1.1 24/7 access to all CIPC products and services. 1.2 Timely delivery of all CIPC products and services. 1.3 An intelligent, innovative, high performance organisational environment.
Strategic Outcome Oriented Goal 2	A reputable Business Regulation and IP Protection environment in South Africa.
Goal Statement	CIPC will ensure implementation and compliance with Company and IP Laws in order to create a reputable Business Regulation and IP Protection environment in South Africa.
Description	Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, and improved competitiveness resulting in industrial development and employment creation.
Alignment to the dti	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	2.1 Increased knowledge and awareness on Company and IP Laws. 2.2 Improved compliance with the Company and IP Laws.

## 12. Products and/or services provided by the CIPC

The CIPC offer the following services:

- Company and co-operative registration
- IP protection (patent, trade mark, design and copyright – cinematography only)
- Maintaining entities (director/member, address, financial year-end changes, annual returns)
- Disclosure of information on its register
- Promote education, awareness of and compliance with Company and IP law and ensuring
- Efficient and effective enforcement of relevant legislation
- Licensing of business rescue practitioners



# Part B: Strategic Objectives and Programmes

"I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers fear."

- Nelson Mandela

## 13. Strategic Objectives

### Strategic Outcome Oriented Goal 1:

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

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

<b>Strategic Objectives 1.1</b>	<b>24/7 access to all CIPC products and services.</b>
<b>Objectives statement</b>	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.
<b>Baseline</b>	<p>Channels and available products and services:</p> <p><u>Self-service centres 08:00 – 15:30</u> Company Registration, Annual Returns, Tax Number application, BEE certificate, domain names</p> <p><u>Partners 08:00 – 15:30</u> Company Registration</p> <p><u>Third Parties 08:00 – 15:30</u> Company Registration</p> <p><u>E-mail 24/7</u> Queries, Lodgements</p> <p><u>USSD 24/7</u> Queries related to company registrations and amendments</p> <p><u>Website 24/7</u> Customer Registration, Name Search, Name Reservation, Company Registration</p>
<b>Five-year Target</b>	Key capabilities for 24/7 access to all key CIPC products and services developed.

<b>Strategic Objectives 1.1</b>	<b>24/7 access to all CIPC products and services.</b>
<b>Key Performance Indicators</b>	<p>% website performance for e-services 24/7</p> <p>Number of provinces where SSTs were installed and are operational</p> <p>% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)</p>
<b>Strategic Objectives 1.2</b>	<b>Timely delivery of all CIPC products and services.</b>
<b>Objectives statement</b>	Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.
<b>Baseline</b>	<p><u>Average turnaround times for key services</u></p> <p>Companies Registration – 2</p> <p>Co-operatives Registration – 3</p> <p>Trade Marks applications – 2</p> <p>Patents applications – 4</p> <p>Designs applications – 3</p> <p>Copyright in Film applications – 3</p>
<b>Five-year Target</b>	Key capabilities for one day service delivery for all key CIPC products and services developed.
<b>Key Performance Indicators</b>	<p>The average number of days to register a company from the date of receipt of a complete application.</p> <p>The average of the number of days to register a co-operative from the date of receipt of a complete application.</p>
<b>Strategic Objectives 1.3</b>	<b>Intelligent, innovative, high performance organisational environment.</b>
<b>Objectives statement</b>	An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.
<b>Baseline</b>	6.95 customer and stakeholder value index
<b>Five-year Target</b>	Key internal capabilities developed.
<b>Key Performance Indicators</b>	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC

## Strategic Outcome Oriented Goal 2:

A reputable Business Regulation and IP Protection environment in South Africa, will be 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 throughout the country to targeted audiences, also in partnership with key partners such as <b>the dti</b> .
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	Key compliance monitoring and enforcement capabilities developed.
Key performance indicators	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period Number of education and awareness events on IP enforcement conducted by the CIPC

## 14. Key programmes

### Programme 1: Service Delivery and access (Administration)

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

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

### **Programme 2: Innovation and Creativity Promotion**

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

that the implementation of the national IP regime is in alignment with the international IP system.

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

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

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

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

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

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

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

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

## 15. Organisational Understanding of Strategic Objectives

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

<b>Strategic Objectives 1.1</b>	<b>24/7 access to all CIPC products and services.</b>
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Availability – anytime (no limitations), anywhere (global and local) delivery to anyone</li> <li>• Customer perspective – pre-empt expectations</li> <li>• Capacity</li> <li>• Multiplicity of channels</li> <li>• Optimised capacity and performance</li> </ul>
<b>Risks / Challenges</b>	<ul style="list-style-type: none"> <li>• IT Alignment</li> <li>• Legacy systems &amp; processes</li> <li>• Cyber security</li> <li>• Challenges in accessing products/services that are not automated</li> <li>• Data integrity</li> <li>• Managing customer expectations</li> <li>• ICT Infrastructure &amp; Resources</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• % website performance for e-services 24/7 (not just website performance)</li> <li>• Measurement of all channels items to be added</li> <li>• Number of provinces where SSTs were installed and are operational</li> <li>• % of CIPC services with an option to file electronically compared to services which may only be filed manually</li> <li>• Number of channels available through partners &amp; third parties</li> </ul>
<b>Strategic Objectives 1.2</b>	<b>Timely delivery of all CIPC products and services.</b>
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Service rendered within standards stipulated through SLAs, OLAs, MOUs, KPIs</li> <li>• Pre-empt customer expectations</li> <li>• Getting it right the first time</li> <li>• Fast response time – supporting resources, processes, and systems need to enable this</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Stability of ICT systems (CIPC, Partners, third-party providers)</li> <li>• Understanding of customer expectations for quicker services</li> <li>• Staff readiness and alignment – changing behaviours (Staff culture)</li> <li>• Limited knowledge internally regarding what systems apps are out there</li> <li>• Quality / error rate of speed of services</li> <li>• Infrastructure and presence</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• The average number of days to register a company from the date of receipt of a complete application.</li> <li>• The average of the number of days to register a co-operative from the date of receipt of a complete application.</li> <li>• All services to measure turnaround times going forward</li> </ul>

Strategic Objectives 1.3	Intelligent, innovative, high performance organisational environment.
What does this mean?	<ul style="list-style-type: none"> <li>• Modernisation through Data Analytics</li> <li>• Organisation Redesign (e.g. reallocation of resources)</li> <li>• Training and up skilling of staff – continuous improvement</li> <li>• Responsive environment (IT, people, finances)</li> <li>• Product champions to act as mentors to others</li> <li>• Foster innovative culture within the organisation</li> </ul>
Risks	<ul style="list-style-type: none"> <li>• Change Management not effectively deployed</li> <li>• Demoralised and demotivated staff</li> <li>• Misalignment of skills &amp; functions, and policies &amp; practices</li> <li>• Lack of planning and support structures</li> <li>• Access to data</li> <li>• Staff ability and interest</li> </ul>
Key Performance indicators	<ul style="list-style-type: none"> <li>• A score between 1 -10 of the customers and stakeholder value index, a high score indicating satisfaction with the CIPC.</li> <li>• Staff Productivity</li> <li>• Staff morale</li> </ul>

Strategic Objectives 2.1	Increased knowledge and awareness on Company and IP Laws
What does this mean?	<ul style="list-style-type: none"> <li>• Segmentation of target audience</li> <li>• Constant monitoring of what channel is effective</li> <li>• Explore new channels of reaching people</li> <li>• Assess impact of education and awareness initiatives</li> <li>• Increase in compliance</li> <li>• Educated / trained staff to achieve greater consistency in the awareness</li> </ul>
Risks	<ul style="list-style-type: none"> <li>• Lack of internal awareness on Company and IP Laws</li> <li>• No multilingual education awareness material and presentations</li> <li>• Outdated communication platforms</li> <li>• Decentralised education &amp; awareness function</li> <li>• Lack of clear, coherent strategy</li> </ul>

<b>Strategic Objectives 2.1</b>	<b>Increased knowledge and awareness on Company and IP Laws</b>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation</li> <li>• Number of education and awareness events on IP conducted by the CIPC</li> <li>• Impact assessment measure – Assessment form or level of compliance or call centre queries/ comments</li> <li>• Measure impact according to target segmentation</li> </ul>

<b>Strategic Objectives 2.2</b>	<b>Improved compliance with the Company and IP Laws</b>
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Determine a baseline for promoting compliance to assist in determining what an improved compliance means</li> <li>• Identify what compliance aspects must be monitored and then devise strategy to monitor and improve</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Lack of awareness</li> <li>• Deliberate non-compliance</li> <li>• Corporate Governance gaps in the market</li> <li>• Overregulation inhibiting innovation – where is the line?</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• % of companies (entities with an active business status) that have filed annual returns by the end of the reporting period (proposed change: annual returns on time)</li> <li>• To review how compliance of international businesses will be dealt with</li> <li>• Number of education and awareness events on IP enforcement conducted by the CIPC</li> </ul>

## 16. Alignment to the dti's priorities (Outlined by the Minister)

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

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

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

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

The key policy areas identified for the CIPC for the 2017/18 Financial Year onwards by the Minister of Trade and Industry were identified as follows:

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

## 17. Financial Plan

### FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Approved budget 2017/2018 Year 1	Forecast 2018/19 Year 2	Forecast 2019/20 Year 3	Forecast 2020/21 Year 4	Forecast 2021/22 Year 5
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	<b>705 287</b>	<b>771 800</b>	<b>844 643</b>	<b>924 423</b>	<b>1 011 807</b>
Companies	108 000	116 640	125 971	136 049	146 933
Proposed revenue increase included above		8%	8%	8%	8%
Co-ops	3 300	3 564	3 849	4 157	4 490
Proposed revenue increase included above		8%	8%	8%	8%
IP	60 480	65 318	70 544	76 187	82 282
Proposed revenue increase included above		8%	8%	8%	8%
Corporate Information and other income	29 011	31 332	33 838	36 546	39 469
Proposed revenue increase included above		8%	8%	8%	8%
Annual Returns	374 000	411 400	452 540	497 794	547 573
Proposed revenue increase included above		10%	10%	10%	10%
Other Revenue (Interest etc)	130 496	143 546	157 900	173 690	191 059
Proposed revenue increase included above		10%	10%	10%	10%
<b>Total Operating Revenue</b>	<b>705 287</b>	<b>771 800</b>	<b>844 643</b>	<b>924 423</b>	<b>1 011 807</b>
<b>Operating Expenses</b>					
Employee Costs - Salaries (total package)	<b>340 264</b>	367 485	396 884	428 635	462 925
Other Staff related costs (Performance rewards)	<b>14 440</b>	15 595	16 843	18 190	19 645
<b>Total Employee costs</b>	<b>354 704</b>	<b>383 080</b>	<b>413 727</b>	<b>446 825</b>	<b>482 571</b>

## FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Approved budget 2017/2018 Year 1	Forecast 2018/19 Year 2	Forecast 2019/20 Year 3	Forecast 2020/21 Year 4	Forecast 2021/22 Year 5
	R'000	R'000	R'000	R'000	R'000
Advertisements	5 795	6 259	6 759	7 300	7 884
Communication	15 103	16 311	17 616	19 025	20 547
Computer Services	5 829	6 295	6 799	7 343	7 930
Consultants	80 185	86 600	93 528	101 010	109 091
Consumables and stationery	3 868	4 177	4 512	4 873	5 262
Repairs and Maintenance	1 450	1 566	1 691	1 827	1 973
Operating Leases	30 149	32 561	35 166	37 979	41 017
	6 500	7 020	7 582	8 188	8 843
Gain/(loss) on disposal of assets	-		-	-	-
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)	51 491	55 610	60 059	64 864	70 053
Operating Capital Assets	34 320	37 752	41 527	45 680	50 248
<b>Total Operating Expenses</b>	<b>589 394</b>	<b>637 232</b>	<b>688 966</b>	<b>744 913</b>	<b>805 420</b>
<b>Net Operating Result: (Deficit) Surplus</b>	<b>115 893</b>	<b>134 568</b>	<b>155 677</b>	<b>179 510</b>	<b>206 386</b>

## FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Approved budget 2017/2018 Year 1	Forecast 2018/19 Year 2	Forecast 2019/20 Year 3	Forecast 2020/21 Year 4	Forecast 2021/22 Year 5
	R'000	R'000	R'000	R'000	R'000
<b>Total of Special initiatives and once off cost to be funded from Retained Earnings</b>	-	-	52 500	55 125	55 126
Special Initiatives and Capital expenditure	-	-	52 500	55 125	55 126
Once off cost - New building: -	-	-	-	-	-
Project management (re-arranging the building)	-	-	-	-	-
Construction cost (15 000m <sup>2</sup> office and 5000m <sup>2</sup> filing) - Cost include purchase of suitable land.	-	-	-	-	-
ICT network and communication infrastructure	-	-	-	-	-
Furniture acquisition & special equipment	-	-	-	-	-
Building preparation (tenant installation)	-	-	-	-	-
Security systems (access control, CCTV, fire-detection, suppression. etc.)	-	-	-	-	-
Move contractor, move materials (include move of files)	-	-	-	-	-
Pre-move clean-up & preparation	-	-	-	-	-
Building & office signage	-	-	-	-	-
<b>Net Operating Result: (Deficit) Surplus</b>	<b>115 893</b>	<b>134 568</b>	<b>103 177</b>	<b>124 385</b>	<b>151 260</b>

## 18. Strategic Risk Register containing ratings and mitigating actions Annexure A

Strategic Objective	Risk description	Consequences of the Risk	Inherent Risk Exposure
<p>SO1.1: 24/7 access to all CIPC products and services. Objective Statement 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC</p>	<p>Limited channels through which services are provided Availability limitations- system should be available anytime any anywhere to everyone including people with special needs</p>	<ol style="list-style-type: none"> <li>1. Frustrated customers leading to increased complaints</li> <li>2. Reputational damage</li> </ol>	<p><b>Extreme</b></p>
<p>SO1.1: 24/7 access to all CIPC products and services. Objective Statement 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.</p>	<p>Lack of alignment between IT strategy and Business needs -Accessibility to our services through technology in remote areas -Availability of IT systems -Legacy Systems -Systems not Integrated -Support of IP unit</p>	<ol style="list-style-type: none"> <li>1. Failure to implement appropriate and adequate ICT infrastructure.</li> <li>2. Inaccurate data.</li> <li>3. Unauthorised system and data changes.</li> <li>4. Operational inefficiencies.</li> <li>5. Inefficient service delivery.</li> <li>6. Reputational damage and dissatisfied customers</li> </ol>	<p><b>Extreme</b></p>
<p>SO1. 2: Timely delivery of all CIPC products and services Objective Statement Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.</p>	<p>The CIPC systems may not be 100% reliable The CIPC may lack capacity and resources to deal with the demands as new service delivery models are implemented -System downtime -Missing transactions and information -Duplicated transactions and information --Ratio of quality vs. error rate of speed of services Infrastructure and presence Delays in processing manual and automated transactions</p>	<ol style="list-style-type: none"> <li>1. Customer dissatisfaction</li> <li>2. Increased complaints</li> <li>3. Litigation (IP, Trademarks) Possible financial loss</li> <li>4. Rework backlogs</li> <li>5. Poor staff morale</li> <li>6. Compromised quality control and regulatory role</li> <li>7. Possible fraudulent activity or rent seeking</li> <li>8. Reputational damage</li> <li>10. Data accuracy and integrity</li> <li>11. Revenue loss</li> <li>12. Inability to meet operational and evolving business solution imperatives sustainably</li> <li>13. Lack of clarity on roles and responsibility resulting in low staff morale and conflict</li> <li>14. Inability to meet defined service standards</li> </ol>	<p><b>Extreme</b></p>

Current Controls in Place	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
<ul style="list-style-type: none"> <li>1. Current education and awareness initiatives</li> <li>2. Website</li> <li>3. Current channels</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>1. Develop user requirements to Automate registration processes</li> <li>2. Increase channels that offer products and services (OD process- fragmented functions)</li> <li>3. Development of research capacity (dependent on the OD process)</li> </ul>	<ul style="list-style-type: none"> <li>1. 31/03/2019</li> <li>2. 31/03/2019</li> <li>3. 31/03/2019</li> </ul>
<ul style="list-style-type: none"> <li>1. Approved ICT strategic plan which is aligned with the business plan</li> <li>2. Importance of ICT reflected in the CIPC Strategy</li> <li>4. Reconfiguration of technology architecture and infrastructure</li> <li>5. Dedicated Systems, application and infrastructure performance monitoring.</li> <li>6. Interface controls</li> <li>7. Review and continuous improvement of physical and logical access control</li> <li>8. Ring-fenced testing environment</li> <li>9. Documented new systems design and procedures</li> <li>10. Implemented change control procedures</li> <li>11. Established Architecture Review Board (ARB)</li> <li>12. Established Project Prioritisation Forum</li> <li>13. Developed BISG High-Level Processes</li> </ul>	<b>Extreme</b>	<ul style="list-style-type: none"> <li>1. Review and implement Enterprise Architecture (Business, Data, Applications, Technology, Security)</li> <li>2. Develop and implement identified and prioritised technology platform components according to plan.</li> <li>3. Document, and implement technology and solution design standards.</li> </ul>	<ul style="list-style-type: none"> <li>1.31/03/2019</li> <li>2. 31/03/2018</li> <li>3. 31/03/2018</li> </ul>
<ul style="list-style-type: none"> <li>1. Public Education and awareness about new processes,</li> <li>2. Availability of registers.</li> <li>3. Increased electronic service offerings</li> <li>4. Implementation of service centres to bring services closer to clients</li> <li>5. Increase automation and dematerialisation</li> <li>6. Systems and system integration has dedicated proactive managed</li> <li>7. Proactive procurement of infrastructure and skills</li> </ul>	<b>Extreme</b>	<ul style="list-style-type: none"> <li>1. Review and align BISG structure and Job Descriptions to business model</li> <li>2. Recommend a grading model</li> <li>3. Propose a retention model and succession plan to Human Resources</li> <li>4. Define, Develop &amp; Implement Skills Development Program</li> </ul>	<ul style="list-style-type: none"> <li>1. 31/03/2019</li> <li>2. 31/03/2018</li> <li>3. 31/03/2018</li> <li>4. 31/03/2019</li> </ul>

Strategic Objective	Risk description	Consequences of the Risk	Inherent Risk Exposure
<p>SO1. 2: Timely delivery of all CIPC products and services Objective Statement Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.</p>	<p>Awareness of service standards by the clients -Adherence to service standards by the CIPC -Acceptable ratio of quality vs. error -Infrastructure and presence -Delays in processing transactions -Proper understanding of CIPC customers</p>	<ol style="list-style-type: none"> <li>1. Customer dissatisfaction</li> <li>2. Increased complaints</li> <li>3. Litigation</li> <li>4. Financial loss</li> <li>5. Rework backlogs</li> <li>6. Reputational damage</li> </ol>	<p><b>High</b></p>
<p>SO1. 2: Timely delivery of all CIPC products and services Objective Statement Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.</p>	<p>Lack of data integrity (receipt, processing, and maintenance of information) -Lack of accuracy and completeness of data resulting in limited reliability on data internally and externally -Inaccurate financial information -Cyber security exposure -Data integrity and security</p>	<ol style="list-style-type: none"> <li>1. Manipulation / corruption of master data</li> <li>2. Unauthorised / illegal access to sensitive information</li> <li>3. Reputational damage</li> <li>4. Non-compliance to all relevant legislation</li> <li>5. Dissemination of unreliable data to stakeholders</li> <li>6. Litigation (Internally and externally)</li> <li>7. Inability to perform any functions</li> <li>8. Audit qualifications and disclaimers</li> <li>9. Loss of revenue</li> <li>10. Inappropriate decisions</li> </ol>	<p><b>Extreme</b></p>

Current Controls in Place	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
<ul style="list-style-type: none"> <li>1. Current education and awareness initiatives</li> <li>2. Current channels for transacting</li> <li>3. Proactive communication of expected process interruptions via website</li> <li>4. Current automation initiatives (reduce human error rate)</li> <li>5. Proactive messages on the website o service interruptions</li> <li>6. Annual customer and stakeholder satisfaction survey</li> <li>7. branding and awareness campaign( strategy)</li> <li>8. Draft stakeholder management strategy</li> <li>9. Signed MOU and SLAs with various stakeholders</li> </ul>	<b>Moderate</b>	<ul style="list-style-type: none"> <li>1. Increase the number of SSC and SST</li> <li>2. OD: Proposal for research capacity</li> <li>3. Increase customer awareness</li> <li>4 Integration of education and awareness and customer communication</li> <li>5. Approved stakeholder management strategy</li> <li>6. Appointment of the senior manager strategic communications</li> </ul>	<ul style="list-style-type: none"> <li>31/03/2019</li> <li>31/12/2018</li> <li>31/03/2019</li> <li>31/03/2019</li> <li>31/12/2019</li> <li>31/04/2018</li> </ul>
<ul style="list-style-type: none"> <li>1. Change control function.</li> <li>2. Access to the source code of our systems</li> <li>3. Data back up and achieving solution</li> <li>4. Third party verification system</li> <li>5. New hardware(servers and storage) to upgrade the technology environment, system software.</li> <li>6. Implementation of security, network and infrastructure policies and procedure</li> <li>7. Improvement of data accuracy and integrity through implementation of business rules in applications</li> <li>8. Digitisation of records</li> <li>9. Automation of dematerialised data and records</li> <li>10. Data validation techniques</li> <li>11. Authentication of information with Department of Home Affairs</li> </ul>	<b>Extreme</b>	<ul style="list-style-type: none"> <li>1. Creation of a standardised reporting infrastructure and environment</li> <li>2. Implementation of information management of data disclosure strategy</li> <li>3. Transformation of and migration to new data structures</li> <li>4. Implementation of ISMS</li> </ul>	<ul style="list-style-type: none"> <li>1. 31/03/2018</li> <li>2. 31/03/2018</li> <li>3. 31/07/2019</li> <li>4. 31/03/2018</li> </ul>

Strategic Objective	Risk description	Consequences of the Risk	Inherent Risk Exposure
<p>SO1.3: Intelligent, innovative, high performance organisational environment.</p> <p>Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.</p>	<p>CIPC processes may not be enabling to leverage on the opportunities which will enable the achievement of the desired intelligent, innovative and high performance environment.</p>	<ol style="list-style-type: none"> <li>1. Frustrated stakeholders</li> <li>2. Delays in implementation of initiatives</li> <li>3. Low staff morale</li> <li>4. Non-achievement of objectives</li> <li>5. Decreased performance</li> <li>6. Over and under spending of budget.</li> <li>7. Delays in implementation due to inefficient processes.</li> <li>8. Waste of management and staff time.</li> <li>9. Poor supplier performance.</li> <li>10. Reputational damage</li> </ol>	<p>Extreme</p>
<p>SO 1.3: Intelligent, innovative, high performance organisational environment</p> <p>Objective statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.</p>	<p>The financial sustainability of the CIPC may be at risk due to diminishing reserves and revenue:</p> <ul style="list-style-type: none"> <li>- decreasing revenue</li> <li>- Loss of reserves: handed over to national treasury</li> <li>- Reduction in interest received from the reserves/savings lost</li> <li>-Potential loss of remaining reserves</li> </ul>	<ol style="list-style-type: none"> <li>1. Contraction of operational resources</li> <li>2. Inability to implement approved strategy due to lack of funds</li> <li>3. Bankruptcy: CIPC may have to request for funding operational funding from the government</li> <li>4. Loss of skill and requisite competencies</li> <li>5. Reputational damage</li> <li>6. Reduced financial flexibility</li> </ol>	<p>Extreme</p>
<p>SO1.3: Intelligent, innovative, high performance organisational environment.</p> <p>Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.</p>	<p>Productivity levels may decrease due to frustrations emanating from unfavourable operation environment within the organisation and lack of support by other divisions.</p> <p>Inability to identify CIPC innovative edge</p> <p>No frequent benchmark with industry best practice and tools.</p>	<ol style="list-style-type: none"> <li>1. Inability to meet service delivery standards</li> <li>2. Low return on investment (resources)</li> <li>3. Inconsistencies in meeting stakeholder expectations and service delivery standards (quality, cost &amp; delivery)</li> <li>4. Reputational Damage</li> <li>5. Financial loss</li> <li>6. Inability to meet envisaged CIPC role and mandate</li> <li>7. Lack of buy in from internal and external stakeholders</li> </ol>	<p>High</p>

Current Controls in Place	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
<ul style="list-style-type: none"> <li>1. Division of roles and responsibilities</li> <li>2. Supply chain governance committees established</li> <li>3. Declaration and disclosure of interest</li> <li>4. Reporting requirements for SCM</li> <li>5. Order and payments reconciliations.</li> <li>6. Suppliers database (Central Supplier database)</li> <li>7. SCM policy and procedures</li> <li>8. Delegation of authority</li> <li>9. Issue instruction letter to BEC members who are delaying evaluation of tenders.</li> <li>10. Introduction of signed-off divisional procurement plans as part of the annual budget process</li> <li>11. Monthly and quarterly reporting of SCM activities to EXCO and Risk and Audit Committees.</li> <li>12. Billing system</li> <li>13. Contract management unit</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>1. SCM staff to be sent to technical training on frequent basis for updates in supply chain legislation</li> <li>2. Roadshows to be conducted within CIPC to communicate final policy and processes to ensure consistency.</li> <li>3. SCM to appoint consistent buyers per unit in the organisation to ensure consistent application and understanding of SCM policies and processes.</li> <li>4. Review of the delegation of authority framework ( Finance to provide input to GRC on financial delegations)</li> </ul>	<b>2019/03/31</b>
<ul style="list-style-type: none"> <li>1. Current cost containment measures</li> </ul>	<b>Extreme</b>	<ul style="list-style-type: none"> <li>1. Implement approved fee increments for service rendered by the CIPC</li> <li>2. Negotiate for a better rate on rentals</li> </ul>	<b>2019/03/31</b>
<ul style="list-style-type: none"> <li>1. Current performance management system</li> <li>2. Current initiatives to resolve staff unhappiness</li> <li>3. Policies and procedures</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>1. Implement change management strategy</li> <li>2. Embark on Organisational redesign process ( will define the structural enhancements and skill needed)</li> <li>3. Propose a reshuffle unit</li> <li>4. Develop and regular update the intranet</li> <li>5. Develop a knowledge management system ( discuss at exco)</li> </ul>	<b>2019/03/31</b>

Strategic Objective	Risk description	Consequences of the Risk	Inherent Risk Exposure
<p>SO 1.3: Intelligent, innovative, high performance organisational environment.</p> <p>Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.</p>	<p>Misalignment with respect to</p> <ul style="list-style-type: none"> <li>- Current vs. desired requirements: capacity, skills and competencies etc</li> <li>- Organisational culture and objectives</li> <li>-Processes and functions and training</li> </ul>	<ol style="list-style-type: none"> <li>1. Status quo remaining</li> <li>2. Reputational damage</li> <li>3. Inability to meet objectives</li> <li>4. Low staff morale</li> <li>5. Loss of resources (skills and competences)</li> </ol>	<p><b>Extreme</b></p>
<p>SO 2.1: Increased knowledge and awareness on Company and IP Laws.</p> <p>Objective Statement Increased knowledge and awareness on Company and IP Laws</p>	<p>Registration not appropriate/ conducive for local participants: Unfocused programmes/, current programmes / systems lack focus on 2nd economy</p>	<ol style="list-style-type: none"> <li>1. Lower levels of local IP applications</li> <li>2. Forfeited profit for small business</li> <li>3. CIPC will be irrelevant</li> <li>4. Reputational damage</li> </ol>	<p><b>High</b></p>
<p>SO 2.1: Increased knowledge and awareness on Company and IP Laws.</p> <p>Objective Statement Increased knowledge and awareness on Company and IP Laws</p>	<p>The CIPC may not be ready to implement the provision in the act which relate to substantive search and examination</p> <ul style="list-style-type: none"> <li>- This is a ministerial priority.</li> <li>- Failure to retain skills acquired through training provided</li> <li>- Industry may use the CIPC as a training ground</li> </ul>	<ol style="list-style-type: none"> <li>1. Inability to meet objectives/mandate</li> <li>2. Reputational damage</li> <li>3. Loss of resources( HR and financial)</li> <li>4. Litigation</li> <li>5. Reputational damage</li> </ol>	<p><b>High</b></p>

Current Controls in Place	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
<ul style="list-style-type: none"> <li>1. Current HR Policies</li> <li>2. Current performance management system</li> <li>3. Implemented resolution to address the 2013 issue</li> </ul>	<b>Extreme</b>	<ul style="list-style-type: none"> <li>1. Development and approval of the people strategy</li> <li>2. Implementation of the people strategy</li> <li>3. Review of the organisational design</li> <li>4. Continuous training of staff</li> <li>5. Review current HR policies, procedures and practices</li> <li>6. Review of internal governance framework (GRC) to clarify roles and responsibilities</li> <li>7. Review current performance management system, to include Performance Development Plans</li> </ul>	<b>2019/03/31</b>
<ul style="list-style-type: none"> <li>1. Identified stakeholders to assist with programmes</li> <li>2. Collaborative process with stakeholders (WIPO)</li> <li>3. Inputs to influence policies and law (Consultations with DTI to ensure the IP policy is being developed)</li> <li>4. International engagements to shape and direct the IP space</li> <li>5. Train the trainer programme with WIPO and department of small business and development</li> <li>6. Launch of the Investors Assistance Programme (IAP)</li> </ul>	<b>Moderate</b>	<ul style="list-style-type: none"> <li>1. Create programme to encourage local participation</li> <li>2. Stakeholder collaboration to enable/create IP programmes for participation</li> <li>3. Conduct additional technical awareness campaigns on IP offerings for the potential IP for small business</li> <li>4. Continue with the training the trainer programmes</li> <li>5. Roll out of the IAP</li> </ul>	<b>2019/03/31</b>
<ul style="list-style-type: none"> <li>1. Signed MOU between CIPC and European Patents Office</li> <li>2. Current capacity building initiative-Training of SSEs</li> <li>3. Signed MOU between CIPC and WIPO</li> <li>4. Testing of ICT system</li> <li>5. Completed training for 1st group of SSEs</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>1. Continuous Training</li> <li>2. commence with testing of the system (ICT support required)</li> <li>3. Training for the second group of SSEs (Trainees won't be part of the CIPC establishment)</li> <li>4. Provide input to review CIPC HR policies to enable effective management of the investments made through training provided (ROI)</li> <li>5. Submit a proposal to the Commissioner to consider increasing salaries for the SSEs to minimise poaching by industry</li> </ul>	<b>2019/03/31</b>

Strategic Objective	Risk description	Consequences of the Risk	Inherent Risk Exposure
SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Non compliance by clients to the provisions of the cooperatives and companies act by the public	1. Increased Deregistration's and objections	High
SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Different units conducting education and awareness without the knowledge and input from other units (silos)	1. Ineffective education programmes 2. Stakeholder frustration 3. Loss of interest 4. Increase in the cost of awareness campaigns 5. Duplication of efforts and waste of resources 6. Inability to leverage on possible internal ambassadors	High
SO.2.2 : Improved compliance with the Company and IP Laws. Objective Statement Improve compliance with provisions of the Company Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities	Inadequate enforcement programmes. Collaborative efforts not effective due to various agencies with mandates/priorities that might be different CIPC unable to conduct effective investigations due to:  Reactive approach provided for by the legislation -Limited awareness by stakeholders on CIPC involvement in IP enforcement	1. Long turnaround times for completion of investigations 2. Quality of investigations may be compromised 3. Inaccurate data captured 4. Reputational damage 5. Inability to meet service delivery standards 6. Danger to society due to illegal goods produced.	High

Current Controls in Place	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
1. Education and awareness to be conducted prior the implementation of the new co-ops Act.	<b>High</b>	1. The Minister of DSBD has approved the regulations to implement the new Act. However the state President still has to promulgate the date of implementation. The new automated registration system is being developed by ICT and will be completed by 31 March 2018. 2. Develop strategy for the implementation of the new co-ops Act. 3. Publish notices on CIPC website on new developments of the new Act. 4. Booklets and brochures of the new Act. are being developed. 5. Continuous training and support of registered co-ops on compliance issues. 6. The education and the awareness unit is conducting training on co-ops quarterly.	1. 31/03/2019 2. 31/03/2019 3. 31/03/2019 4. 31/03/2019 5. 31/03/2019 6. 31/03/2019
1. Current capacity to conduct education and awareness 2. Current initiatives and reporting	<b>Moderate</b>	1. Integration strategy and function of education and awareness	2019/03/31
1. Trained SAPS and NPA (officers) etc. to help in the CIPC IP enforcement mandate 2. Capacitated internal staff with regards to enforcement 3. Current education and awareness on enforcement to various stakeholders(IP) 4. Current investigations	<b>Moderate</b>	1. Implement training of law enforcement agencies on IP enforcement 2. Continuous investigations - Legal opinions on various enforcement sections were obtained from Counsel - this will on an ongoing basis be discussed with the investigators. meetings already scheduled. N.B. risks 2 and 4 need to be read together. Meetings scheduled for 24 /01/2018; 07/02/2018; 21/02/2018 and 07/03/2018. 3. Develop a strategy to handover certain functions currently conducted by the CIPC to relevant authorities (i.e. police to champion and conduct raids) 4. Continuous training	1. 31/03/2019 2. 31/03/2019 3. 31/03/2019 4. 31/03/2019

# 19. Risk Management and Fraud Prevention Plan Annexure B

## 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

The 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. This plan is developed in compliance with the sections 51(1)(a) of the PFMA and 27.2.1 of the treasury regulations and it gives effect to the implementation of risk management policy and framework of the CIPC. It sets out all activities planned for the different financial years in line with the strategic plan and details the activities and timelines for the 2018/19 financial year.

## 4. Approach

### **The development of the plan took into account the following:**

The risk management policy

Risk management framework

Current and envisaged resources requirements (available and external resources required)

Urgency and quick wins

## 5. Detailed Plan

Below is a five year rolling plan is followed by the 2018/19 annual implementation plan. The five year plan is aligned to the strategic plan period of the organisation and the implementation plan details the Risk management and fraud prevention activities and initiatives to be implemented in the 2018/19 financial year.

## 6. Five year rolling plan 2018/19 -2022/23

Risk Management Activities	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
1. Risk Management					
1.1. Develop a risk management plan	✓	✓	✓	✓	✓
1.2. Revision of risk 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 operational risks for all divisions	✓	✓	✓	✓	✓
1.10. Monitor, review and report on operational risks	✓	✓	✓	✓	✓
1.11. Conduct risk management training for employees and create awareness	✓	✓			✓
1.12. Facilitate Risk Champions network sessions	✓	✓	✓	✓	✓
1.13. Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓
1.14. Develop risk indicators		✓	✓	✓	✓
1.15. Facilitate and ensure alignment of risk management with individual performance	✓	✓	✓	✓	✓

Risk Management Activities	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
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: Conduct ethics training	✓	✓	✓	✓	✓
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	✓	✓	✓	✓	✓

The above plan indicate that most activities and initiatives will be performed in all financial years save for a few which will not be conducted in one or two of the five years.

## 7. 2018/19 Risk Management Implementation Plan

Risk Management Activities	2018/19	Q1	Q2	Q3	Q4
<b>Risk Management</b>					
1.1 Develop a risk management plan	✓	✓			
1.2 Revision of Risk Management policy.	✓	✓		✓	
1.3 Review the risk framework and methodology	✓			✓	
1.4 Revision of the a strategic risk register	✓			✓	
1.5 Facilitate the revision of the risk appetite statement and tolerance levels	✓				✓
1.6 Monitor, review and report on strategic risks	✓	✓	✓	✓	✓
1.7 Review divisional operational risks	✓	✓			✓
1.8 Monitor, and report on operational risks	✓	✓	✓	✓	✓
1.9 Facilitate the embedding of risk management through quarterly risk management awareness initiatives	✓	✓	✓	✓	✓
1.10 Facilitate risk champion quarterly network sessions	✓	✓	✓	✓	✓
1.11 Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓
<b>2 Fraud Prevention</b>					
2.1 Review of fraud prevention plan	✓			✓	
2.2 Fraud prevention policy review	✓	✓			
2.2 Review of fraud methodology/processes	✓	✓			
2.4 Create Internal fraud awareness: Quarterly staff awareness messages and feedback on reported cases - through various channels	✓	✓	✓	✓	✓
2.5 External fraud awareness: Quarterly fraud messages posted on CIPC website	✓	✓	✓	✓	✓
2.6 Facilitate the declaration of interest process by relevant employees	✓	✓	✓	✓	✓
2.7 Review and maintain an effective case database	✓	✓	✓	✓	✓
2.8 Conduct investigations and provide recommendations	✓	✓	✓	✓	✓

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