Companies and Intellectual Property Commission

a member of the dtic group

CIPC THIRD QUARTER PERFORMANCE REPORT

2023/24

Approval of the Report

Endorsement of Support by the Audit Committee
I hereby support the endorsement of the report.
Signature:
Name: KEN KUNAR
Rank: CHAIRPERSON : AUDIT COMMITTEE
Date: 31 January 2024

Endorsement by the Accounting Authority
I hereby support the endorsement of the report.
Signature:
Name: Adv Rory Voller
Rank: Commissioner
Date: 31 Jan 2024

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

Acronyms

Abbreviation	Description
AG	Auditor General
AI	Artificial Intelligence
AOP	Annual Operating Plan
APP	Annual Performance Plan
ATAT	Average Turnaround Time
BBBEE	Broad-Based Black Economic Empowerment
BISG	Business Intelligent Services Group
BO	Beneficial Ownership
BRICS	Brazil, Russia, India, China, and South Africa
BRS	Business Requirements Specifications
CCDR	Corporate Compliance and Disclosures Regulation
CEO	Chief Executive Officer
CEVC	Companies Enforcement and Valuation Compliance
CGSE	Corporate Governance, Surveillance and Enforcement
CIPC	Companies and Intellectual Property Commission
DMP	Directors, Members and Practitioners
DPE	Department of Public Enterprises
EE	Employment Equity
ELP	Experiential Learning Programme
EPMO	Enterprise Project Management Office
ESG	Environmental, Social, and Governance
ESS	Employee Self-service
FAS	Financial Accountability Supplements
FASSETA	Financial and Accounting Sector Education and Training Authority
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FRS	Functional Requirement Specifications
FSCA	Financial Sector Conduct Authority
FY	Financial Year
GCIP	Global Cyber and IP
GRC	Governance Risk and Compliance
HC	Human Capital
HIPO	Heads of Intellectual Property Offices
HR	Human Resources
IAP	Inventor Assistance Programme
ICHIP	International Computer Hacking and IP
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAS	Industrial Property Automation System
IPO	Initial Public Offering
IRBA	Independent Regulatory Board for Auditors
ISSB	

IT	Information Technology
JD	Job Description
JE	Job Evaluation
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LEA	Law Enforcement Agency
MOA	Memorandum of Agreement
MOI	Memorandum of Incorporation
MOU	Memorandum of Understanding
NIPMO	National Intellectual Property Management Office
NPA	National Prosecuting Authority
NSG	National School of Government
OD	Organisational Design
PFMA	Public Finance Management Act
QRS	Query Resolution System
RFP	Request for Proposal
RFQ	Request for Quotation
SA	South Africa
SARS	South African Revenue Service
SCM	Supply Chain Management
SDP	Skills Development Plan
SDS	Service Delivery Standards
SMME	Small, Medium and Micro Enterprises
SSC	Self-Service Centre
SSE	Substantive Search and Examination
SST	Self-Service Terminal
TAT	Turnaround Time
WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language

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1. Executive Summary

This document represents an overview of the Companies and Intellectual Property Commission's (CIPC) 2023/24 Quarter 3 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, the Annual Performance Plan (APP), and the Annual Operational Plan (AOP) for the 2023/24 reporting period. These are plans set against the legislative and policy mandate of the CIPC in terms of their contribution to broader national objectives.

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

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

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

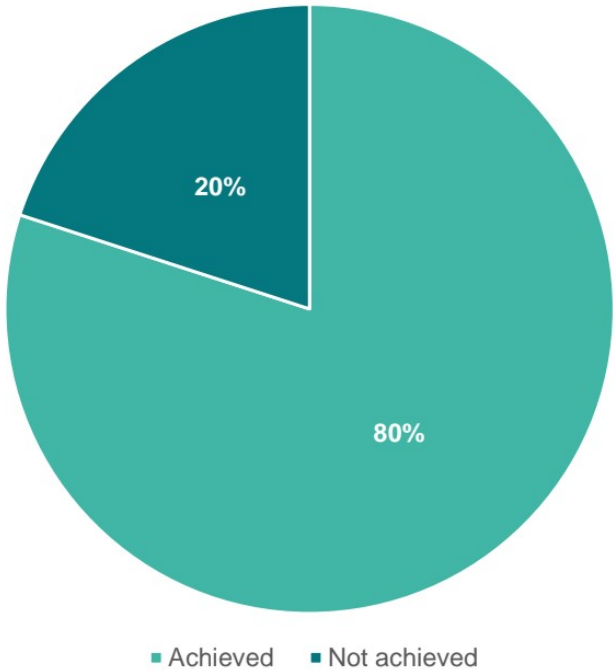
1. **Passion for Service**: We work as one to seamlessly serve our customers with passion, commitment, and dedication.
2. **Integrity**: We live out fairness, impartiality, and respect in all our actions as individuals and as an organisation.
3. **Empowerment**: We recognise the value of our employees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

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

Quarter Highlights Against Strategic Objectives

Overall, in Quarter 3 of 2023/24, 12 of the 15 quarterly targets set for Quarter 3 were achieved. It should be noted that included in the calculation for this reporting period are 4 indicators under Programme 1, 7 indicators under Programme 2, and 3 indicators under Programme 3.

Figure 1: CIPC Overall Q3 Performance (FY2023/24)

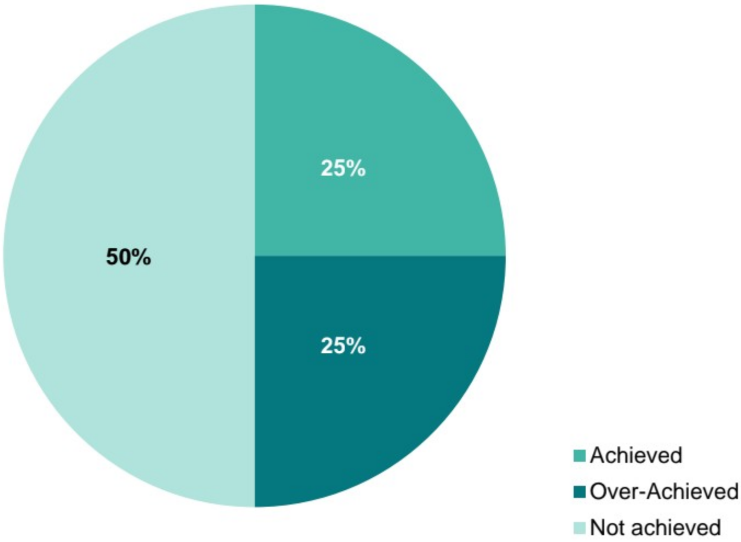


Programme 1 (Service Delivery and Access) has successfully implemented a series of compelling case studies that highlight our positive impact on society, especially within the business sphere. These case studies not only serve as valuable tools for our stakeholders and beneficiaries but also allow them to assess the direct outcomes, providing a measure of how effectively we are meeting our strategic objectives. It's noteworthy that we have surpassed our target for the reporting quarter, indicating the tangible success of our initiatives.

A significant milestone in our achievements is the attainment of a clean audit from the Auditor General. This accomplishment solidifies our unwavering commitment to transparency, accountability, and sound financial practices.

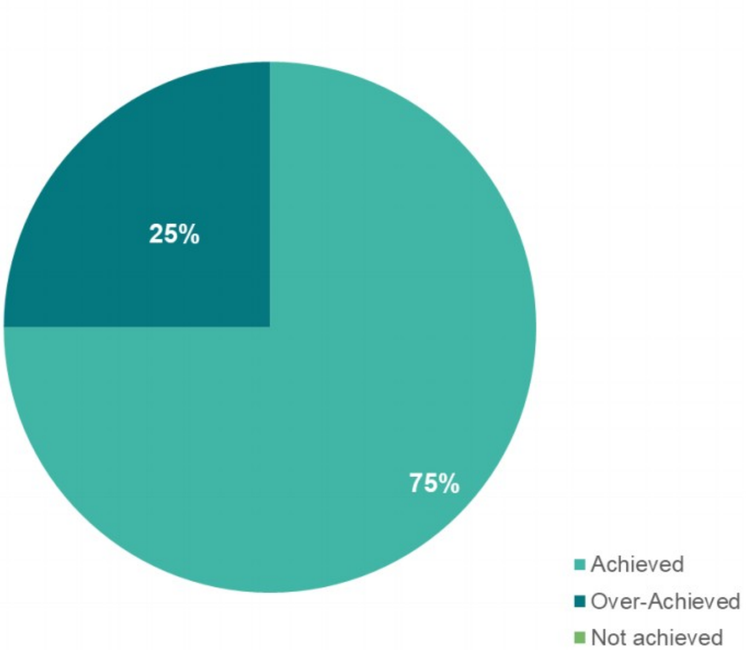
However, challenges during this quarter include incomplete job descriptions, primarily due to delays associated with stakeholders, particularly in organised labour. While job evaluations have commenced, delays persist due to linited availability of key stakeholders. Moving forward, we are committed to strengthening internal stakeholder collaboration to enhance capacity, ensuring seamless service delivery, and promoting accessibility for all.

Figure 2: Programme 1 Performance, Q3 (FY2023/24)



In pursuit of **Programme 2 (Innovation and Creativity Promotion)** objectives, the CIPC effectively achieved the predetermined targets set for Quarter 3. These achievements hold the capacity to provide the public and relevant stakeholders with essential awareness and comprehension of the significant economic potential linked to innovation, creativity, and, notably, intellectual property. The efforts of the CIPC not only nurture a favorable environment for innovation and creativity but also play a vital role in cultivating a culture of economic growth and sustainability within the local business landscape.

Figure 3: Programme 2 Performance, Q3 (FY2023/24)

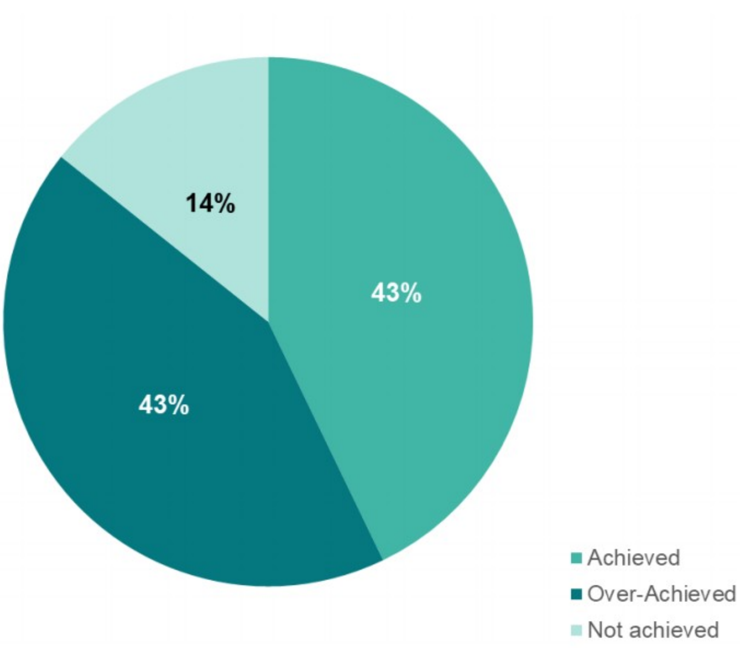


Programme 3 (Business Regulation and Reputation) has achieved remarkable success in leveraging partnerships with law enforcement agencies, resulting in significant benefits and surpassing proactive variance targets. Effective monitoring of media articles identified numerous contraventions, amplifying targeted proactive investigations.

A consistent focus on public education and regulatory compliance has empowered the public and stakeholders, fostering understanding and adherence to crucial legal frameworks for business operations. Notably, the CIPC exceeded goals in reducing registration times for various entities, positively impacting business operations, and eliminating potential delays for customers and stakeholders.

However, challenges arose with the unavailability of key personnel, leading to the non-finalisation of the MOU with the National School of Government in Quarter 3. This setback caused a minor delay in formalising a strategic partnership for the establishment of the CIPC Learning Academy.

Figure 4: Programme 3 Performance, Q3 (FY2023/24)



Operational Highlights

The current reporting quarter showcases the CIPC's commitment to capacity-building initiatives, focusing on combating piracy through the formation of a copyright industry body. The envisioned body, set for establishment in 2024, aims to address copyright piracy by providing enforcement training, capacity building, and awareness-raising. Additionally, the CIPC engaged in training BRICS patent examiners, participated in a mentoring program, and organized a virtual panel on Intellectual Property at ASENTI 2023.

In the realm of XBRL and BO Enforcement, the Corporate Compliance and Disclosure Regulation (CCDR) unit achieved significant milestones, including the successful rollout of an updated XBRL Taxonomy and the initiation of a Beneficial Ownership (BO) Enforcement Drive with physical inspections. These initiatives enhance transparency in financial reporting, ensure compliance with beneficial ownership disclosure practices, and explore partnerships with the International Sustainability Standards Board (ISSB) to streamline cross-border business operations.

The Automation and Integration of Internal Systems highlight the release of the Director Amendments process, processing over 9000 applications and incorporating multi-factor authentication to prevent fraudulent activities. The integration of Beneficial Ownership and

Annual Returns Filing services, with the introduction of the "BO Amendments Process," fulfils legislative requirements and promotes successful beneficial ownership registrations.

The CIPC's progress in the Integrated Planning and Reporting Framework's initial phase signals success in developing a comprehensive approach to strategic goal development, risk management, resource optimization, and communication. As Phase 2 begins, the focus will shift to effective process mapping for the envisioned integrated planning and reporting. Collectively, these initiatives contribute to a more robust and accountable business environment, positioning the CIPC as a leader in business regulation and ease of conducting business.

Continuing its dedication to intellectual property development, the CIPC highlights its successful execution of the WIPO-SA Summer School on Intellectual Property and Technology Transfer during the current reporting quarter. This collaborative effort, featuring South African academics and industry experts as lecturers, aimed to empower university students and young professionals with comprehensive knowledge of intellectual property and technology transfer for sustainable development.

The WIPO-SA IP Summer School extended its impact beyond South Africa, reaching countries such as India, Egypt, Colombia, Iran, Ghana, Malawi, Zimbabwe, Ethiopia, Kenya, Namibia, Nigeria, and Belgium. With a focus on integrating domestic and international intellectual property landscapes, the programme emphasised the synergy between local frameworks and global practices. Notably, the CIPC and the National Intellectual Property Management Office (NIPMO) facilitated sessions, with CIPC presenting on the introduction of the Patent Substantive Search and Examination (SSE) in South Africa, a strategic initiative to enhance the country's patent system and transition to a knowledge-based economy.

Building on this global outreach, the CIPC strategically engages high school learners through its High School IP Competition. Prior to attending the WIPO-SA IP Summer School, participating high schools undergo IP training facilitated by the CIPC to ensure a comprehensive understanding of intellectual property. The competition challenges these schools to conceive and present innovative IP projects, with judges determining the most outstanding entries and awarding prizes. Certificates of attendance are bestowed upon learners, aligning with the CIPC's strategic goal to promote intellectual property legislation and integrate IP seamlessly into the National Schools Program. This holistic approach showcases the CIPC's commitment to fostering intellectual property awareness and innovation among diverse audiences.

Both local and international collaboration are integral to the CIPC's mission of becoming a world-class regulator and enhancing the ease of doing business in South Africa. This collaborative approach involves sharing best practices, engaging in targeted capacity-building programs, and raising awareness about intellectual property (IP). Through partnerships, the CIPC and its collaborators pool knowledge, expertise, and resources, fostering a cooperative spirit that results in heightened productivity, improved efficiency, cost savings, innovation, and stronger business relationships.

Internationally, the CIPC actively collaborates within the BRICS group, seizing opportunities to contribute value and strengthen collaboration within the IP BRICS forum. The recent expansion of the BRICS group, along with collaborations with the Department of Basic Education, underscores the CIPC's commitment to embedding IP education in the school curriculum. The Innovation Policy and Outreach unit plays a critical role in these collaborations, emphasising the importance of timely position filling for continued active participation in the esteemed international forum. Additionally, the CEVC unit's comprehensive education and awareness initiatives highlight successful collaborations with regulators, including the NPA, SARS, and the dtic Minister, contributing to entrepreneurship empowerment, poverty alleviation, and compliance with legislation for reputable business practices. These collaborative efforts position the CIPC as a proactive and globally engaged regulatory authority.

Challenges

During the current reporting period, several departments within the organisation have faced staffing challenges, leading to operational difficulties for affected units. These have stemmed from the absence of a structured succession plan potentially causing disruptions in workflow, knowledge loss, and skills gaps. Additionally, the lack of specialist resources has been a challenge. Furthermore, the lack of junior resources and non-advertisement of key position has created a capacity vacuum that has resulted in Senior Management shouldering the administrative and strategic leadership responsibilities.

The organisation faces a challenge of siloed investigative efforts, stemming from fragmented access to data from various internal sources. To address this, the proposal involves implementing Case Management Systems to enhance efficiency, reduce duplication of investigations, and foster better collaboration among units.

Procurement processes present a significant challenge, as the current supply chain management (SCM) process does not align with government objectives prioritising SMMEs and women-owned businesses. The existing document requirements are burdensome, particularly for sole proprietors, hindering their ability to submit quotations. Exploring less demanding and more adaptable criteria for acquiring lower-cost items could enhance the procurement process, aligning with government goals of supporting SMMEs and women-owned businesses. Overall, addressing these challenges is crucial for ensuring the organisation's sustained success and meaningful engagement in the global intellectual property landscape.

2. Performance Against Strategic Objectives

This section of the report provides a comprehensive overview of the CIPC's progress, focusing on the specific metrics and key performance indicators (KPIs) that demonstrate its achievements. We highlight not only the strategic goals that were successfully met but also those that were exceeded, showcasing our dedication to fulfilling our commitments. Furthermore, we emphasise the contributions made towards addressing the strategic imperatives, emphasising the pivotal role our initiatives play in driving the organisation forward in line with our broader mission and vision. The CIPC's strategic objectives are designed to promote economic growth and development through the efficient and effective regulation of businesses and the intellectual property system.

2.1 Programme 1: Service Delivery and Access

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

Achievements

We have successfully implemented a series of compelling case studies that highlight our positive impact on society, particularly within the business sphere. These case studies serve as valuable tools for our stakeholders and beneficiaries, allowing them to assess the direct outcomes and gauge how effectively we are meeting our strategic objectives. In this context, it's worth noting that we have surpassed our target for the reporting quarter.

A significant milestone in our accomplishments is the attainment of a clean audit from the Auditor General. This achievement underscores our unwavering commitment to transparency, accountability, and sound financial practices.

Shortcomings

During this quarter, incomplete job descriptions have primarily arisen due to delays stemming from challenges with stakeholders, particularly those associated with organised labour. Although job evaluations have commenced, they have been subject to delays.

The job evaluation process has faced delays due to limited availability of key personnel. Looking ahead, we are dedicated to fortifying our internal stakeholder collaboration to enhance our internal capacity, ensuring the seamless delivery of services while promoting accessibility for all.

While we have completed the skills development plan, its approval by FASSETA is pending. Notably, the approval of SDPs occurs annually in April. The implementation of the SDP is a crucial step in equipping our workforce with the essential skills needed for the successful execution of our organisational goals.

Table 1: Programme 1 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Implementation of the skills development programme aligned to the CIPC Strategy	Progress Report on the Implementation of the Skills Development Programme	Skills audit analysis	Phase 1 Skills Development Programme	Implementation of the skills development plan for phase 1	Skills Development Plan has been finalised. Currently, skills development training is taking place.	Workplace skills plan (WSP) is awaiting approval from FASSETA - Approval of WSPs occurs in April every year	Continue with skills development training while awaiting approval of the WSP
Reviewed job descriptions and evaluations to align to the new organisational structure	Progress Report on the Reviewed job descriptions and evaluations	Project plan for JDs and JEs review	Updated JDs and Job Evaluations	Approved Job Evaluations	80% of JDs have been reviewed. 57% of Category 1 Positions have been evaluated	Challenges with stakeholders have delayed the review of job descriptions. The job evaluation process has faced delays due to limited availability of key personnel	Engage further with stakeholder to resolve the current impasse Engage with personnel and service provider to fast track the evaluation of positions
A governed, accountable, clean, and compliant administration enabling improvement in operational efficiency and better service delivery	AG Audit Outcome	Clean Audit	Clean audit	AGSA audit report issued with no findings	Clean Audit	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Gathering of enhanced insights for improving customer / citizen experiences and satisfaction	% overall customer and stakeholder satisfaction	8 (equivalent to 80%)	Not measured	N/A	N/A	N/A	N/A
Case studies of firms, workers, entrepreneurs, professionals, or communities impacted by CIPC activities	Number of Case Studies demonstrating the impact of CIPC activities on business and society	New indicator	30	7	10	N/A	N/A
Business Forums participated in aimed at supporting increased FDI, exports and outward investment	Number of Business Forums participated in	New indicator	4	N/A	N/A	N/A	N/A

2.2 Programme 2: Innovation & Creativity Promotion

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

Achievements

In pursuit of these objectives, the CIPC successfully met the predetermined targets outlined for Quarter 3. These accomplishments have the ability to empower the public and concerned stakeholders with the necessary awareness and understanding of the substantial economic potential associated with innovation, creativity, and, in particular, intellectual property. The CIPC's efforts do not only foster a conducive environment for innovation and creativity but have also played a crucial role in fostering a culture of economic growth and sustainability within the local business landscape.

Table 2: Programme 2 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Implementation of Experiential Learning Project (ELP) with the SSE team	Number of non-binding work products issued per examiner (work product includes Search Report and a Written Opinion on patentability such a work product will in future be issued to an applicant) in line with SSE Experiential Learning	24	24	6	6	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
	Number of SSE training initiatives	4	4	1	4	N/A	N/A
Sustainable job creation through implementation of Experiential Learning Project (ELP) via the SSE programme	Number of new sustainable permanent jobs created through implementation of the Experiential Learning Project (ELP) of the SSE Programme	-	20	N/A	N/A	N/A	N/A
SSE Internship Programme	Number of new interns employed biennially through implementation of the Experiential Learning Project (ELP) via the SSE Programme	0	20	N/A	N/A	N/A	N/A
Inventor Assistance Programme (IAP) implemented	Number of IAP Review Committee meetings to screen applications	4	4	N/A	N/A	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
	Annual Status Report: tracking the status of paired applications to ascertain whether the applications resulted in granted, enforced, licensing or commercialised inventions and to make recommendations for reconceptualisation of the program if there is a need.	1	1	N/A	N/A	N/A	N/A
Impact Statement #3: Investor confidence in SA businesses and innovations							
Compliance with Regulations by Accredited Collecting Societies	Annual audit report on promoting compliance with regulations by Collecting Societies conducted by the CIPC	1	1	N/A	N/A	N/A	N/A
Efficient and Effective collection and distribution of royalties for the benefit of local musicians	Rm Royalties distributed by Collecting Societies to local musicians for poverty alleviation, job creation, social security, and promotion of the creative industries	New Indicator	R100m	N/A	N/A	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Increase IP regulatory compliance monitoring capacity within Law Enforcement to enhance their capacity to deal with IP Crimes with the goal of creating a conducive environment for investment	IP Enforcement Operations Report which specifies the impact on jobs and the investment environment	1	1	N/A	N/A	N/A	N/A
Conferences, Summits, and International Forums hosted or participated in (including inter alia the SA Investment Conference, the Black Industrialist Conference, the Worker Ownership Summit, BRICS Ministerial meetings, BRICS Business Council meetings and AGOA Forum meetings)	Number of Conferences, Summits and International Forums hosted or participated in	New indicator	3	1	1	N/A	N/A

2.3 Programme 3: Business Regulation and Reputation

The purpose of Programme 3: Business Regulation and Reputation is to enhance the reputation of South African businesses and the South African business environment by ensuring that the registers of corporate entities, their managers, and their identities have integrity and that a culture of corporate compliance and exacting standards of governance, disclosure, and corporate reputation is established. The programme also aims to provide policy and legal insight and advice on the coordination, implementation, and impact of the respective laws.

Achievements

In pursuit of our objectives, we've actively harnessed our partnerships with law enforcement agencies, reaping significant benefits that propel our success. The achievement of surpassing the targeted proactive variance can be attributed to the successful monitoring of media articles, leading to the identification of a high number of contraventions. This, in turn, has amplified the number of targeted proactive investigations.

Our consistent emphasis on public education and awareness regarding regulatory compliance and CIPC services aims to empower both the public and stakeholders. This fosters a culture of understanding and adherence to legal frameworks crucial for business operations.

We have not only met but exceeded our goal of reducing the average registration time for various external entities, including private companies with customised MOI, Incorporated Companies, State-Owned Companies, Public Companies, and Not-for-Profit companies with customised MOI (CoR15.1D and E). This success significantly impacts the ease of conducting business, eliminating potential delays for our customers and stakeholders in vital activities such as securing partnerships or funding opportunities. Ultimately, this bolsters their ability to make substantial contributions to the economic growth and development of the nation.

Shortcomings

Regrettably, due to the unavailability of key personnel, the MOU with the National School of Government was not finalised in Quarter 3. This setback caused a minor delay in formalising our strategic partnership toward establishing the CIPC Learning Academy.

Table 3: Programme 3 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact statement #2: Ease of doing business							
Reduction in the average number of days to register a company, from the date of receipt of a complete application, to support SMME's and to enhance efficiency and effectiveness	The average number of business days (network days) to approve applications for registering an external company, private company with customised MOI, Incorporated Company, State Owned Company, Public Company, and Not for Profit companies with customised MOI (CoR15.1D and E) by automating and assuring directors of foreign nationality.	5	4	4	3.08	N/A	N/A
Capacity building through institutional capabilities	Implementation of the CIPC Learning Academy	Steering Committee in place; Conceptual Framework in place; Nominated WIPO Project Manager (IP)	Approved RFP for the development of the CIPC Learning Academy Business Case	Finalise an MOU with the National School of Government (NSG)	Not Achieved	Essential Personnel from the NSG were unavailable	Finalise the MOU in Quarter 4

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Increased awareness among SMME's, including outside of metro areas, of company laws, regulations, as well as CIPC services, processes, and channels	Corporate education and awareness events or workshops (virtual or physical) conducted by the CIPC, also in collaboration with partners, for the benefit of SMME's including those outside of main metros	40	30	5	17	Influx of requests and invitations to host webinars on specific subjects	N/A
Reputable business regulation environment (strengthened financial system and ownership transparency) to address South Africa's 'Grey list' status.	Progress Report on the establishment of a Beneficial Business Ownership Register and the Integrated Business Ownership Register	Approved Business Case	Beneficial Ownership register establishment (Phase 1)	Design and develop systems for integration	Integration of BO functionality internally has been achieved	None	Integration of BO functionality internally and externally (MOHC, SARS, SARS, STRATE, SIU, Computershare)
Impact Statement #3: Investor confidence in SA businesses and innovations							

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report	Number of Pro-Active Investigations in response to contraventions of the Companies Act No 71 of 2008 by Companies identified in the State Capture Report	3	6	2	7	Collaborative effort with the Department of Public Enterprises, Department of Public Services and Administration, as well as law enforcement agencies	N/A
Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	5	4	1	8	The variance on the targeted pro-active investigations was overachieved due to observations of contraventions made in media articles	N/A
Quarterly Report on Tracked Capital Raised through IPOs to promote regular tracking of investments	Quarterly Prospectus Report which captures tracking of investments and their impact on society, as well as the impact of investment facilitation and unblocking interventions (Quarterly monitoring and	New Indicator	1	1	1	N/A	N/A

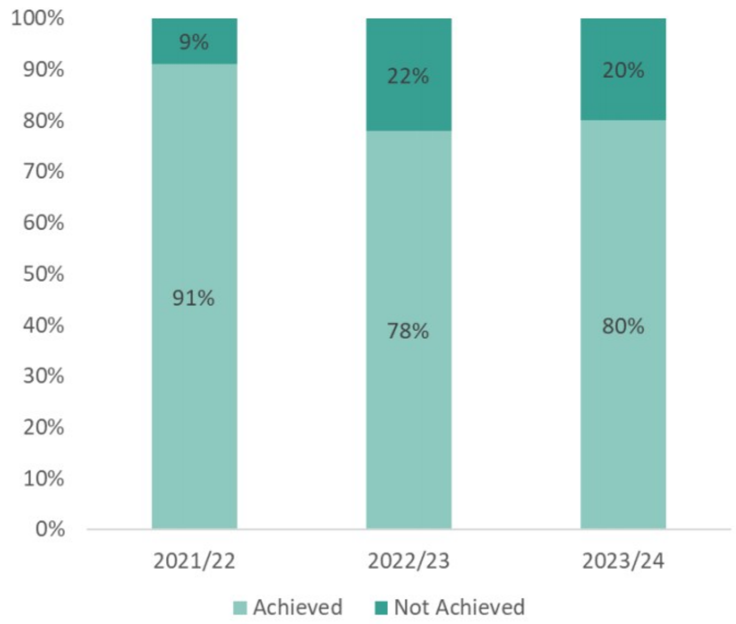
Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
	Annual Reporting of Capital Raised)						
Incorporate ESG Taxonomy into our CIPC Base Taxonomy as an initiative to address climate change	Updated CIPC XBRL Taxonomy aligned with government initiatives to address climate change (Gap Analysis Report on adoption of ESG)	New Indicator	1	N/A	N/A	N/A	N/A
Conclude MoU's on data exchange with foreign jurisdictions	Conclude MOU's which facilitate data sharing between jurisdictions on company Directors, Shareholders and BO's	New Indicator	3	N/A	N/A	N/A	N/A
Automation of Director Amendments Platform to build on capabilities for combating Fraud	Progress report on automation of the Director Amendments Platform	New Indicator	1	N/A	N/A	N/A	N/A
Participation in Parliamentary consultation processes pertaining amendment, tabling, or	Number of Parliamentary consultation processes, pertaining amendment, tabling, or	New Indicator	1	N/A	N/A	N/A	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	3rd Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
submission of priority legislation	submission of priority legislation, participated in						

3. Performance Trends

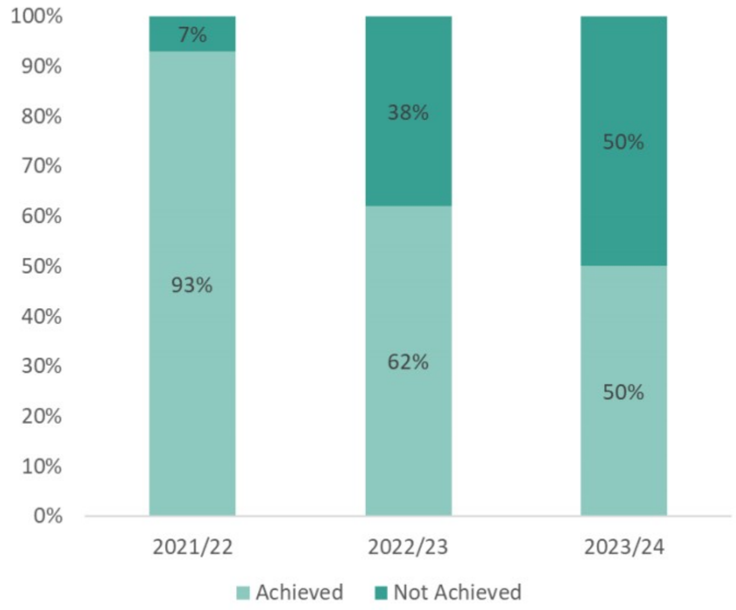
This section focuses on the performance trends of the CIPC throughout its ongoing strategic cycle, spanning from FY2021/22 to FY2023/24. The focal point of our analysis will be the third quarter of each fiscal year, offering an examination of the CIPC's overall performance during this period. Furthermore, this section offers a comparative analysis of performance across each of the CIPC's programmes for Q3 in FY2021/22 - FY2023/24.

Figure 5: Overall Quarter 3 Performance (2021/22 - 2023/24)



The overall performance of the CIPC has decrease since the beginning of its strategic cycle. Where a notable decrease from 91% to 78% of the CIPC's overall targets were achieved from FY2021/22 – FY2022/23. However, a marginal increase of 2% in performance has been observed between FY2022/23 to FY2023/24. It should, however, be noted that there were significantly fewer targets to achieve in 2023/24 (15) compared to 2022/23 (27)

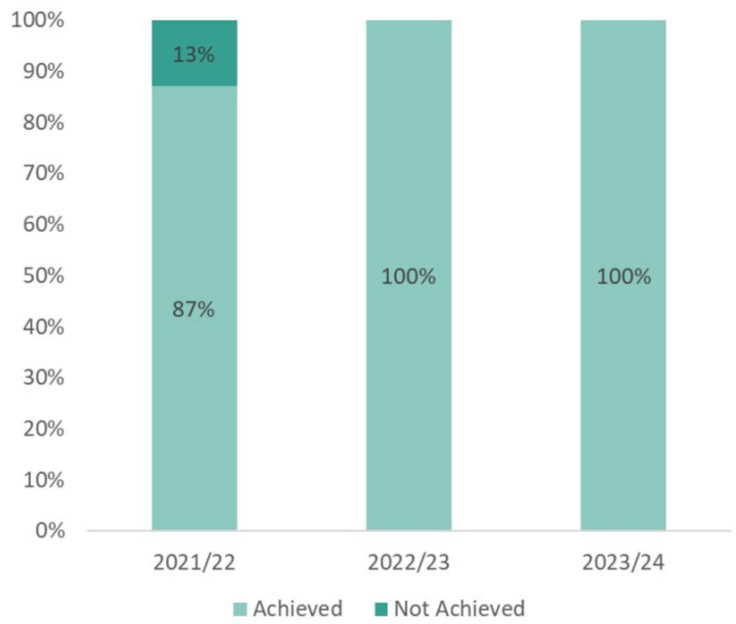
Figure 6: Q3 Programme 1 Performance (2021/22 - 2023/24)



The performance of Programme 1 has exhibited a steady decline since the commencement of the current strategic cycle. Notably, the number of quarterly targets has diminished each year, with figures for 2021/22 standing at 15, followed by 2022/23 at 8, and 2023/24 at 4. Despite this reduction, the performance trajectory has mirrored the overall decline.

During the reporting period of Quarter 3 in 2023/24, the CIPC achieved 50% (2 out of 4) of its APP KPI targets in Programme 1, marking a decline of 12% compared to the previous financial year, 2022/23. The downturn in Programme 1's performance for 2023/24 is attributable to delays in the implementation of the OD project. A parallel situation occurred in the preceding fiscal year, 2022/23, where the decline was influenced, in part, by delays in the OD project and the ongoing automation of business processes.

Figure 7: Q3 Programme 2 Performance (2021/22 - 2023/24)



The evident improvement in the performance of Programme 2 is noteworthy, with a marked increase from 87% in 2021/22 to a consistent 100% performance in both 2022/23 and 2023/24. This noteworthy achievement reflects the programme's consistently high performance, underscoring the effectiveness of strategic planning. Notably, the established targets for these periods were not only realistic but also attainable. It is important to highlight that there was a substantial reduction in the number of targets to be achieved in 2022/23 (7) and 2023/24 (4) when compared to the target count in 2021/22 (15).

Figure 8: Q3 Programme 3 Performance (2021/22 - 2023/24)

The performance of Programme 3 has shown a notable decrease compared to 2021/22. Despite this decline, it has managed to maintain the achievement of 86% of its APP KPI targets in both 2022/23 and 2023/24. It is important to highlight that there were fewer targets in 2021/22 (5) as opposed to 2022/23 (7) and 2023/24 (7).

The underperformance of Programme 3 in both 2022/23 and 2023/24 can be attributed to challenges faced with the CIPC Learning Academy project. However, the consistent strong performance, with only a singular unreached KPI, underscores effective strategic planning with realistic and achievable targets.

4. Operational Highlights

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

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

(i) Copyright
(ii) Corporate Compliance and Disclosure Regulation
(iii) Corporate Education and Voluntary Compliance
(iv) Directors, Members, and Practitioners
(v) Innovation and Collaboration

(vi) Innovation, Policy and Outreach
(vii) IP Enforcement

5.1 Operational Achievements

Capacity Building Initiatives

CIPC has prioritised Capacity Building, and during the current reporting quarter, 4 significant events have been either hosted or participated in. Here is a breakdown of these initiatives:

- **Formation of a Copyright Industry Body:** Workshops were conducted to guide and steer the establishment of a copyright industry body aimed at combating piracy on various fronts. Recognising the need for such an entity, CIPC, along with various industry stakeholders, envisions the creation of this body in 2024. Its success will hinge on dedication, collaboration, and a sustained commitment to make a positive impact in the industry. The objective is to establish a not-for-profit industry body with a focus on enforcement training, capacity building, and awareness-raising regarding copyright piracy. Such an organisation is poised to play a pivotal role in safeguarding the rights and interests of broadcasters, publishers, music rights holders, and other stakeholders in the copyright industry.

- **Training on CIPC's Role in IPR Enforcement:** BRICS patent examiners received training on the role of CIPC in enforcing intellectual property rights.

- **Mentoring Program Participation:** CIPC is one of the 10 IP offices involved in a mentoring program for staff in IP offices. As part of this initiative, CIPC has 2 mentees, and 1 mentoring arrangement has been selected to be part of the program.

- **Virtual Panel at ASENTI 2023:** Through virtual participation, CIPC organised a panel discussion on the role of Intellectual Property (IP) in the Small, Medium, and Micro Enterprises (SMME) space at the African Summit on Entrepreneurship and Innovation (ASENTI) 2023

XBRL and BO Enforcement Drive

During the current reporting quarter, the CCDR unit achieved significant milestones. On October 1, 2023, an updated annual XBRL Taxonomy was successfully rolled out. Simultaneously, a proactive BO Enforcement Drive commenced, involving physical inspections to ensure compliance. Entities were provided guidance to rectify any discrepancies in their Beneficial Ownership (BO) information filings.

Furthermore, the unit organised a comprehensive session on Digital Taxonomies within a Pan-African Context. The event highlighted the XBRL program, showcasing its capabilities. The discussion extended to the realm of Sustainability Reporting, employing ISSB standards, with XBRL serving as the digital standard. The ISSB expressed interest in forming a strategic partnership with CIPC and XBRL Int. to enhance the adoption of XBRL across Africa, using CIPC as a benchmark.

These initiatives are expected to have a positive impact on business regulation and the ease of conducting business. The updated XBRL Taxonomy enhances transparency and accuracy in financial reporting, contributing to regulatory compliance. The BO Enforcement Drive ensures that entities adhere to proper disclosure practices, fostering a more robust and accountable business environment. Additionally, the collaboration with ISSB signifies a commitment to global reporting standards, potentially streamlining cross-border business operations and improving the ease of doing business in the region.

Automation and Integration of Internal Systems

- **Director Amendments**: A significant milestone was reached with the release of the new Director Amendments process, with over 9000 applications processed through the system. While, as expected with any new system, minor issues arose, the response was overwhelmingly positive. The system effectively handled these transactions, underscoring the robustness of our ICT infrastructure.

  The prior director amendment process was susceptible to fraudulent activities, lacking a multifactor authentication system to ensure the accurate implementation of director amendments. The introduction of the new system rollout incorporates multi-factor authentication, necessitating directors' awareness and approval of any modifications. The primary challenge revolved around ensuring the accuracy of the CIPC's data on record for both directors and filers.

- **Integration of Beneficial Ownership (BO) & Annual Returns (AR) Filing**: The development and improvement of the beneficial ownership register represent an ongoing initiative. A significant milestone in the overall project was achieved with the introduction of the "BO Amendments Process" in December 2023, fulfilling a legislative requirement.

  In conjunction with this, enhancements have been made to the Annual Return Filing services. These improvements now include proactive reminders for customers to fulfil their beneficial ownership filing obligations. When the system detects that a customer has not submitted the beneficial ownership register, a reminder is triggered during the Annual Return process, underscoring the importance of completing the filing. This modification has proven effective, resulting in a notable increase in the number of successfully completed beneficial ownership registrations.

Integrated Planning and Reporting Framework

The initial phase of the CIPC's Integrated Planning and Reporting Framework development has been successfully completed. This framework is designed to equip the CIPC with structured processes, information, and capabilities for integrated planning and reporting, fostering a comprehensive approach to developing, implementing, and evaluating strategic goals. It encourages internal alignment among various units to ensure mutual support.

Playing a pivotal role, this framework provides the CIPC with the tools needed to plan and report, manage risks, optimise resources, enhance communication, and adapt to the dynamic nature of the industry. As we transition to Phase 2, the focus will be on process mapping to effectively implement the envisioned integrated planning and reporting.

5.2 Significant Projects

WIPO-SA Summer School

The Copyright Unit effectively conducted the WIPO-SA Summer School on Intellectual Property and Technology Transfer during this quarter. This collaborative initiative, involving various entities, aimed to equip university students and young professionals with comprehensive knowledge of intellectual property and technology transfer to foster sustainable development. Notably, South African academics and industry experts served as lecturers, persistently sharing their expertise in this developmental programme.

The WIPO-SA IP Summer School and Technology Transfer, a crucial component of CIPC's annual operational plan, solidified South Africa's position as a hub for learning in the African region and beyond. In this quarter, the program extended its impact to countries such as India, Egypt, Colombia, Iran, Ghana, Malawi, Zimbabwe, Ethiopia, Kenya, Namibia, Nigeria, and

Belgium. The committed lecturers, comprising South African academics and industry experts, played a pivotal role in imparting knowledge.

The programme's global outreach and international significance remain evident, with a focus on integrating domestic and international intellectual property landscapes. The WIPO IP Summer School addresses theory and practice, emphasising the synergy between the domestic IP framework and global practices to benefit participants. CIPC and NIPMO facilitated sessions, with CIPC presenting on the introduction of the Patent Substantive Search and Examination (SSE) in South Africa. This strategic initiative aims to enhance the quality of the South African Patent system and propel the country towards a knowledge-based economy, transitioning from a resource-based one. The use of technology further facilitates program attendance, making it accessible to a broader audience.

Highschool IP Competition

The strategic focus of the CIPC revolves around promoting intellectual property legislation, with a particular emphasis on engaging high school learners. To foster the development of young minds, high schools within the vicinity of the WIPO-SA IP Summer School host are invited to participate in a programme organised by the CIPC. Prior to attending the IP summer school, these high schools undergo IP training facilitated by the CIPC to ensure a comprehensive understanding of intellectual property.

In line with its strategic goals, the CIPC orchestrates a competition among participating high schools, challenging them to conceive and present innovative IP projects. Prizes are awarded to the schools with the most outstanding IP projects, with appointed judges evaluating and determining the winners. Additionally, certificates of attendance are presented to the learners. The Copyright and IP Education unit has spearheaded a High School Competition wherein participating schools engage in a contest centred around intellectual property projects or projects illustrating IP concepts. To prepare for this competition, the CIPC proactively imparts IP principles to learners and revisits the schools leading up to the competition date. The primary objective is to integrate IP into the National Schools Program seamlessly.

This competition is seamlessly incorporated into the WIPO-SA IP Summer School, allowing participants to attend lectures aimed at enhancing their understanding of IP. The success observed in this quarter continues to inspire the CIPC and serves as compelling evidence of learners' comprehension of IP principles, as demonstrated through the high-quality projects produced by participating high schools. Evaluation criteria encompass both the substance of the projects and the students' presentation skills, offering a comprehensive assessment of their understanding and ability to communicate their ideas effectively. Recognising that IP plays a pivotal role in contributing to economic advancements and aligning with Sustainable Development Goals (SDGs), addressing unemployment, stimulating innovation, and instilling a culture of creativity in youth, the initiative has garnered support from the Deputy Minister.

5.3 Partnerships and Collaborations

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

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

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

International collaboration

The BRICS group, established by the Presidents of its member countries, serves as an internationally recognised forum with the primary objective of fostering collaboration and facilitating the sharing of experiences and learnings among its members. Collaboration stands as the fundamental pillar supporting the forum's existence.

The significance of this collaboration is heightened for South Africa and the CIPC given the relatively low level of IP activity on both international and BRICS group fronts. With the recent expansion of the BRICS group to include 6 new members, the challenge for SA is to sustain its relevance, contribute value, and strengthen collaboration within the IP BRICS group. This expansion also opens avenues for fostering robust collaboration with individual members based on their respective strengths.

In alignment with these goals, collaborating with the Department of Basic Education becomes instrumental in embedding the objective of introducing IP into the school curriculum. The IP BRICS forum emerges as an opportune platform to enhance learning, share experiences, and contribute to the growth of the national economy.

The increasing relevance and significance of the BRICS forum are evident, endorsed internationally at forums such as the World Intellectual Property Organisation (WIPO). The recent addition of 6 new countries in 2024 further underscores the immense opportunities it presents for the holistic benefit of both CIPC and SA.

The critical role played by the Innovation Policy and Outreach unit in this context cannot be overstated, with its capacity repeatedly emphasised. However, to ensure the continued value contribution and active participation of CIPC and SA in this esteemed forum with international status and recognition, the timely filling of key positions becomes imperative.

Collaborations with Regulators for Education and Awareness

The CEVC unit actively engaged in a total of 7 events, participated in 5 webinars, and hosted an additional 5 webinars as part of its comprehensive education and awareness initiatives. Notable collaborations included involvement in an NPC & NPO webinar hosted by the B-BBEE Commission and a Co-operative Regulations and Good Governance webinar. The unit also played a pivotal role in the Competition Commission Youth Business Exhibition at the dtic Campus.

Continuing its successful partnerships, the unit collaborated with the NPA and SARS. A significant achievement was the hosting of a training event at the dtic Campus, specifically designed to educate NPA prosecutors on crucial topics such as Beneficial Ownership. Moreover, SARS was invited to participate in a webinar organised by the unit, shedding light on Annual Return and SARS Tax Compliance to benefit our customers.

The CEVC unit extended its collaboration to include the dtic Minister, contributing to Ministerial seminars and Presidential Imbizos. These initiatives aimed to empower citizens to embark on entrepreneurial ventures, effectively addressing poverty and job creation. The unit also played a key role in supporting international investment forums, showcasing the Learn-i-Biz program and enhancing investors' confidence in South Africa. This not only showcased the CIPC's commitment to raising awareness but also highlighted its strategic leveraging of partnerships to achieve these goals and ensure compliance with legislation for reputable business practices.

5. Challenges and Mitigations

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

The following section focuses on the challenges encountered during Quarter 3 of the 2023/24 financial year. It is crucial to acknowledge and address these obstacles directly, as they provide valuable opportunities for growth and innovation.

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

The information represented herein was gathered from the following divisions:

(i) Corporate Compliance and Disclosure Regulation
(ii) Corporate Governance, Surveillance and Enforcement
(iii) Disclosures
(iv) Innovation, Policy and Outreach
(v) IP Enforcement
(vi) Strategy, Planning and Monitoring

6.1 Human Resource Constraints

During the present reporting period, several departments have encountered obstacles with their staffing needs, resulting in operational challenges for the affected units, including:

- **Strategy, Planning and Monitoring**: The current challenge within this unit revolves around a capacity shortage, compelling Senior Management to bear the entire workload, spanning administrative tasks to strategic leadership responsibilities. This is primarily due to vacant specialist positions in the division. Previous efforts to address this issue proved unsuccessful, which have left crucial positions such as Operational Excellence and Communications Specialists vacant for a few years now. This situation is deemed unsustainable and poses risks for the organisation, even in the long term.

- **Corporate Governance, Surveillance and Enforcement**: The unit faces a pressing challenge with a shortage of human resource capacity, exacerbated by the non-advertisement of vacant positions. This shortfall impedes the unit's operational efficiency, constraining its ability to meet unit objectives effectively.
- **Human Capital**: The Human Capital Unit is currently navigating a capacity and planning challenge. Insufficient resources are allocated to the skills development plan, workplace skills plan, and the simultaneous effort to develop and update policies. Consequently, the implementation of the skills development plan has experienced delays. Additionally, a comprehensive review of job descriptions within the Human Capital Unit is underway. To address these challenges, the unit is actively recruiting a Divisional Manager (DM) for the Human Capital division.

6.2 Procurement Processes

Procurement poses a significant challenge as the SCM process currently falls short of aligning with government objectives that prioritise SMMEs as well as businesses owned by women. The existing document requirements are overly burdensome, placing a particular strain on sole proprietors who find it difficult to submit quotations. It is worth exploring the implementation of less demanding and more adaptable criteria for the acquisition of lower-cost items. This adjustment could enhance the procurement process and better support the inclusion of SMMEs and women-owned businesses in alignment with government goals.

6. Customer and Stakeholder Engagement

The information represented herein was gathered from the following divisions:

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

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

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

Successes

During the reporting period (1 October to 31 December 2023), the CIPC demonstrated notable achievements in media management and reputation-building efforts. The media coverage received for the CIPC showcased a positive media sentiment of 14%, while unfavorable coverage accounted for only 1%. The majority of coverage (85%) maintained a neutral tonality, reflecting a neutral impact on the CIPC's brand and reputation. The highest volume of coverage came from online sources (61%), followed by print publications (33%), and broadcast mentions (5%). Key media sources contributing to the coverage included Sharenet, Moneyweb, News24, Netwerk 24, and IOL. The editorial media coverage during this period amounted to an advertising value equivalent (AVE) of R33,016,855.4.

The following highlights illuminate key projects that have contributed to the positive trajectory of the CIPC's endeavours:

- **National Entrepreneurs Month Support:** In support of National Entrepreneurs Month (November), the CIPC actively participated and offered its support to entrepreneurs. This collaboration aimed to enhance economic development, small business growth, and create a conducive environment for entrepreneurs, providing both financial and non-financial support.
- **Learn-i-Biz Platform**: The electronic-learning platform, Learn-i-Biz, launched by the CIPC in 2022, garnered positive feedback for empowering business owners with a better understanding of their responsibilities. The platform, conceptualised by the CIPC Commissioner, focused on providing knowledge on duties, responsibilities, and legislative requirements for registering and maintaining a company, thereby enhancing compliance, governance, and investor confidence.
- **Ezamafilimu Workshop Support**: The CIPC supported the Ezamafilimu Workshop organised by the Durban Film Office, aiming to inspire and empower budding filmmakers. This collaborative event, involving partners such as the CIPC, KZN Film Commission, and the Film and Publications Board, focused on education, empowerment, and inclusivity within the film industry.

Challenges

Despite these successes, the CIPC faces challenges in reputation management, particularly when implementing regulations. Customers' resistance to uncomfortable changes and compliance requirements often leads to negative feedback on social and mainstream media, tarnishing the CIPC's intentions and changes. The challenges are exacerbated by the late sharing of certain implementation decisions, compromising stakeholder engagement efforts and fostering a perception of non-consultative and rushed interventions.

Recommendations

To address these challenges, the CIPC should adopt a principle of inclusivity, involving all internal stakeholders, especially customer-facing ones, in project initiation and implementation stages. This proactive approach ensures that decisions are communicated transparently and consultatively, reducing the likelihood of negative reactions and crisis management efforts by the strategic communications team. In addition, the CIPC should continue its media engagement efforts to maintain positive sentiment and leverage opportunities for free publicity.

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

Platform	Number	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Call centre	Calls received	57 833	57326	53190	
	Calls answered	35 759	37126	41153	
	Calls abandoned	21 953	20067	11991	
	Lost calls	121	133	46	
	% calls answered	62%	65%	77%	

Query Resolution System	Queries received	39 987	44126	44838	
	Queries closed	39 903	42235	42235	
	Queries closed within 10 days	91%	95%	95%	
	Average Turnaround Time (ATAT)	3.5 days	3.5 days	3.5 days	
Facebook	Queries received	12 450	11488	8306	
	Queries resolved (%)	8 719 (70%)	11249 (98 %)	8013	
	Average Turnaround Time (ATAT)	4h17m	52m16s	29m7s	
	SDS (24 hrs)	95%	99.82%	99.40%	
Twitter	Queries received	1 725	888	1449	
	Queries resolved (%)	1 158 (67%)	798 (89.9%)	1369 (94%)	
	Average Turnaround Time (ATAT)	5h56m	9h19m1s	34m11s	
	SDS (24 hrs)	95.70%	90.73%	99.30%	

7. Conclusion

This report outlines the CIPC's 2023/24 Quarter 3 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, the Annual Performance Plan (APP). For the quarter in review, the CIPC has made significant strides towards achieving its strategic goals and objectives. In pursuit of its objectives, the CIPC has achieved 12 out of 15 of its strategic milestones for Quarter 3. Notably, 2 of the unmet milestones were part of Programme 1: Service Delivery and Access. This issue directly impedes the effective execution of our programme's purpose and mission, which revolve around ensuring that our resources are well capacitated to effectively contribute to achieving the CIPC's strategic goals. Additionally, 1 unmet milestone was part of Programme 3: Business Regulation and Reputation. The unavailability of key staff on the part of our strategic partner delayed the finalisation of an MOU to support the establishment of the CIPC Learning Academy.

The current quarter reflects the CIPC's unwavering commitment to capacity-building initiatives and intellectual property development, positioning itself as a leader in business regulation. Notable achievements include the formation of a copyright industry body to combat piracy, successful milestones in XBRL and BO Enforcement, and the integration of internal systems for enhanced efficiency. The organisation's progress in the Integrated Planning and Reporting Framework signals a comprehensive approach to strategic goal development. Furthermore, the successful execution of the WIPO-SA Summer School on Intellectual Property and Technology Transfer, along with the global outreach of the WIPO-SA IP Summer School, underscores the CIPC's dedication to intellectual property awareness and innovation.

Despite these successes, staffing challenges in various departments and procurement process hurdles pose operational difficulties. Addressing these challenges, particularly through structured succession planning, enhanced collaboration, and streamlined procurement processes aligned with government objectives, is imperative for sustaining organisational success and global engagement. The CIPC remains committed to overcoming these obstacles, fostering collaborations locally and internationally, and ensuring a robust and accountable business environment. Through these efforts, the organisation aims to uphold its mission of becoming a world-class regulator and facilitating the ease of doing business in South Africa.

Ancillary Tables – For the purpose of gathering data

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

Based on the below, it is worth noting:

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

Demand for Services

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

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Patent applications	Number	2 688	2 262	2603	
	ATAT	2	2	2	
	SDS (2 working days)	100%	100%	100%	
Patent certificates	Number	2 110	1690	958	
	ATAT	23	15	15	
	SDS (44 working days)	100%	100%	100%	
Patent renewals	Number	8 703	10110	11471	
	ATAT	2	3	3	
	SDS (3 working days)	100%	99,54%	97.47	
Design applications	Number	299	314	415	
	ATAT	2	2	2	
	SDS (2 working days)	99%	100%	100%	
Design certificates	Number	326	360	362	
	ATAT	9	13	13	
	SDS (44 working days after publication)	100%	100%	100	
Designs renewals	Number	1 457	1761	1690	
	ATAT	2	2	2	
	SDS (3 working days)	100%	99,89%	99.23%	
Copyright in film applications	Number	2	5	0	
	ATAT	100%	100%	N/A	
	SDS (1 working day)	1 day	1 day	N/A	
	Number	0	0	0	

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Copyright in film registrations	ATAT	N/A	N/A	N/A	
	SDS (22 working days)	N/A	N/A	N/A	
Trade Mark applications	Number	Local = 4,210 Foreign = 5,434	9850		
	ATAT	97%	96%		
	SDS (3 working days)	3 days	3 days		
Trade Mark registrations	Number	8 572	7810		
	ATAT	87%	90%		
	SDS (90 days + 90 days)	180 days	180 days		
Trade Mark Official Action	Number	9 831	10 137		
	ATAT	92%	93%		
	SDS (10 months/304 days)	304 days	304 days		
Trade Mark Renewals	Number	8 459	6 331		
	ATAT	98%	97%		
	SDS (3 working days)	3 days	3 days		
Name reservations	Number	123 134	129508	100890	
	ATAT	1.89	1.47	1.34	
	SDS	50%	64%	68%	
Companies Registrations	Number	102 487	109610	88366	
	ATAT	2	1.45	1.32	
	SDS	54%	69%	75%	
BBBEE Certificates	Number	91 788	192091	79349	
	ATAT	Immediate	Immediate	Immediate	
	SDS	100%	100%	100%	
Co-operative Registrations	Number	1 616	1534		
	ATAT	1 day	1 day		
	SDS (3 days)	1 day	1 day		
Director Amendments	Number	Electronic = 40 878 Manual = 1 388	Electronic = 43 956 Manual = 1 255	Electronic = 35367 Manual = 1095	
	ATAT	Electronic = 1 day Manual = 2 days	Electronic = 1 day Manual = 2 days	Electronic = 2 days Manual = 1 day	
	SDS	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	
Member Amendments	Number	Electronic = 4 001	Electronic = 4 550	Electronic = 3730	

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		Manual = 1 753	Manual = 1 788	Manual = 1 608	
	ATAT	Electronic = 1 day Manual = 1 day	Electronic = 1 day Manual = 1 day	Electronic = 1 day Manual = 1 day	
	SDS	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	
Company Name Changes	Number	13 523	14287	11291	
	ATAT	Immediate	Immediate	Immediate	
	SDS	100%	100%	100%	
Company Financial Year End Changes	Number	1 264	1403	1373	
	ATAT	Immediate	Immediate	Immediate	
	SDS	100%	100%	100%	
Business Rescue Cases Registered (New)	Number		106	45	
	ATAT		1 day	2 days	
	SDS		2 days	2 days	
Business Rescue Practitioners Registrations/Licensing	Number		34 (licensing) & 51 Appointment s	32 (licensing) & 34 Appointment s	
	ATAT		1 days	2 days	
	SDS		2 days	2 days	
Disclosures: Paper Based	Number	4056	4175	398	
	ATAT	7.3 days	6.5 days	5 days	
	Inside TAT	87%	90%	98%	
	Outside TAT	13%	9.8%		
	Revenue Collected	R 96 137.06	R 122 574	R 125 391	
State Department	Number of Requests Received	2304	4382	2429	
	ATAT	5 days	4 days	3 days	
	Inside TAT	95%	97%	100%	
	Outside TAT	5%	3%	0%	

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Mailroom	Mail received from Post Office	439	490	584	
	Mail collected from Divisions	9396	4347	11063	
	Revenue Collected	R 52 463.22	R 25 950.63	R 3 946.82	

Annexure A – Internal Audit Report

Audit Findings Tracking Summary Report For The Quarter Ended 31 December 2023

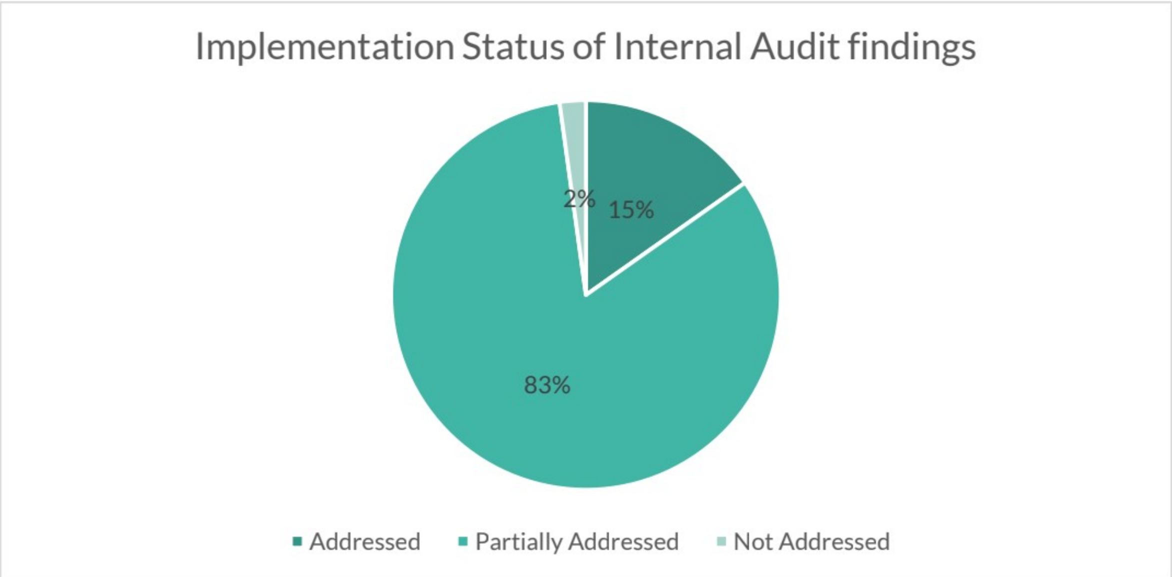
1. Purpose of the Report

This report provides a high-level summary of progress made with regard to the implementation of corrective actions to address previously reported audit findings. The report covers findings emanating from the audit conducted by the Auditor General (AG) for the 2022/23 financial year as well as findings and observations from internal audits conducted in the 2019/2020, 2020/2021, 2021/2022, 2022/23 and 2023/2024 financial years. Details of progress are contained in the respective registers attached to this report.

2. Summary of all Unresolved Internal Audit Findings

Audits assignment involved = **18**
Total findings at the beginning of Q3 of 2023/2024 = 46
Total findings resolved/addressed/ Risk accepted = 7
Total findings in progress/Partially addressed = 38
Total findings not addressed = 1

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



3. Internal Audit Findings

3.1 2019/2020

Audit Assignment	Total outstanding findings at beginning of Q2 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Disclosure	1	0	1	0
TOTAL	**1**	**1**	**1**	**0**

3.2 2020/2021

Audit Assignment	Total outstanding findings at beginning of Q3 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Training	2	0	2	0
Financial Statement Reporting*	1	1	0	0
TOTAL	**3**	**1**	**2**	**0**

3.3 2021/2022

Audit Assignment	Total outstanding findings at beginning of Q3 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Recruitment	2	0	2	0
Telecommuting	1	0	1	0
TOTAL	**3**	**0**	**3**	**0**

3.4 2022/2023

Audit Assignment	Total outstanding findings at beginning of Q3 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Facilities Management	2	1	1	0
Staff Performance Management	2	1	1	0
Labour Relations	2	0	2	0
Supply Chain Management	1	1	0	0
Call Centre	1	1	0	0
Cyber Security	2	0	2	0
MOI - Amendment	1	0	1	0
Stakeholder Engagement	1	0	0	1
Disaster Recovery	2	0	2	0
Call Logging & Incident Management	3	0	3	0
Asset Management	1	1	0	0
TOTAL	**18**	**5**	**12**	**1**

3.5 2023/2024

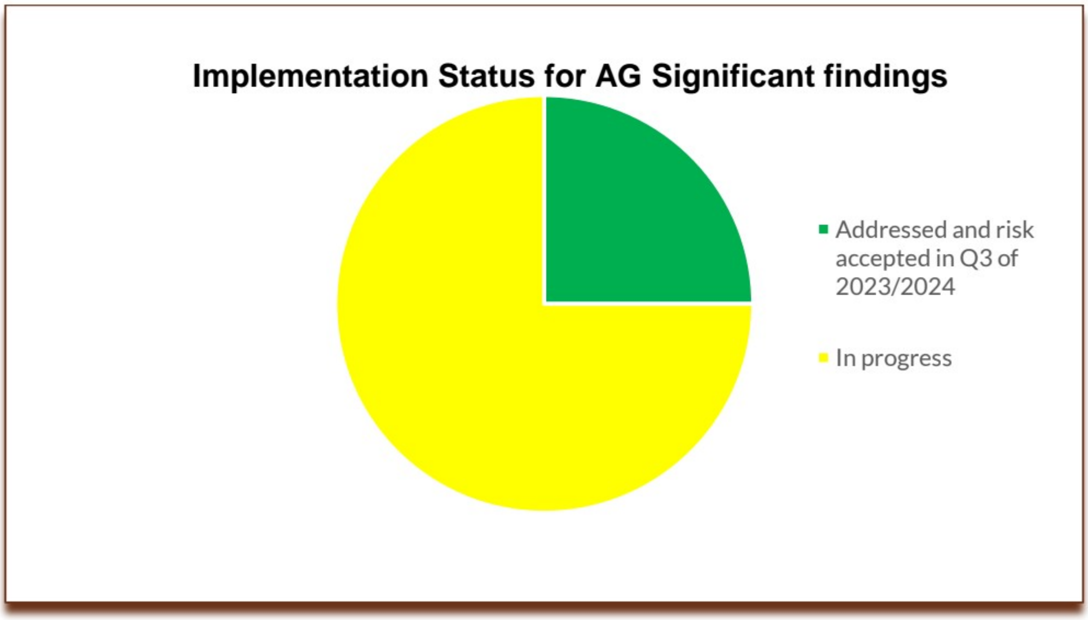
Audit Assignment	Total outstanding findings at beginning of Q3 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Staff Establishment and Maintenance	4	0	4	0
Substantive Search and Examination	7	1	6	0
ICT Project Management	10	0	10	
TOTAL	**21**	**1**	**20**	**0**

4. Auditor General Findings 2023/24

Opening findings balance at beginning of Q3 2023/2024 = 08
Addressed and risk accepted in Q3 of 2023/2024 = 2
In progress = 06
Not addressed =0

Audit Assignment	Q3 2023/2024 opening balance	Addressed and risk accepted in Q3 of 2023/2024	In progress	Not Addressed
AG: Management report findings	8	2	6	0
% Total	*100%*	**25%**	**75%**	0

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



Annexure B - Governance Risk and Compliance Risk

Purpose

This report provides a summary of the work carried out by the GRC division during quarter 3 of the 2023/2024 financial year.

Highlights

1. **Summary of achievements for the quarter.**

- Reviewed and approved charters for the Audit and RiskICT committees.
- Verification of declaration of interest report finalised.
- Declaration of interest policy reviewed and approved.
- Integrated Disaster management plan reviewer and approved.

2. **MATTERS FOR RECOMMENDATION/APPROVAL**
    - Strategic Risk Register 2024/25
    - Reviewed Risk appetite and Tolerance Framework
    - Risk Management and Fraud Prevention Plan- 2024/25

Governance and Ethics

Governance Framework

Ongoing implementation of the framework continues taking into account the outcomes and recommendations of the assessment conducted. The charters for both the Audit and RiskICT committees were reviewed and approved. A review of the internal governance committees is under consideration.

Ethics

An ethics awareness campaign coinciding with the global ethics compliance week was conducted from 12-17 November 2023. Ethics, conduct and values content was disseminated using screens placed in various sections of the organisation. The same content was posted on the various communication channels within CIPC to cater for employees who work from home. The campaign culminated into an event held on Friday 17 November 2023.

Declaration of Interest

For this financial year, there is a significant improvement in the submission compliance rate of the declaration of interest forms. The sessions conducted in conjunction with the "open period" for submissions and the regular reminders proved to be beneficial. The results for the quarter are indicative of the improved maturity of the organisation.

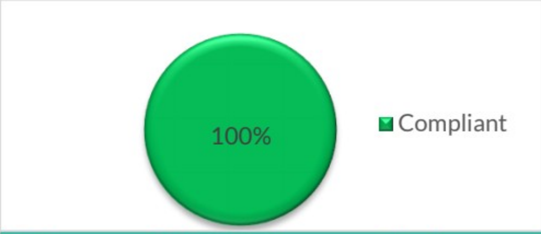
Figure 1

- For the period under review, all employees, including interns had submitted their declaration forms.

- A high level verification exercise identified some gaps and risks in the verification process:

  - *Manual declaration system resulting in adequate proactive detection of possible and actual conflict of interest.*
  - *Credibility of disclosures information- Incorrect information submitted and information omissions*
  - *Employee relational dynamics and the complex nature of the process- increased difficulty in managing the process.*
  - *Administrative burden of the verification process.*

Status of compliance as at 30 Sep 2023	Employees	%
Compliant	454	100%



Category of declaration	# of declarations
Directorship and partnership non-remunerated	105
Directorship and partnership remunerated	09
Trusts	04

- A review of the existing system and processes will be conducted.

Status of Policies as at 31 December 2023

Figure 2

Comparison	No of policies	Up to date	Due for review	New Policies	In progress
Division	**No of policies**	**Up to date**	**Due for review**	**New policies**	**In progress**
HR	16	3	0	3	9*
BISG	11	8	2	0	1
Finance	8	6	2	0	0
Facilities and security	4	3	0	0	1
Client engagement	1	1	0	0	0
GRC	7	7	0	0	0
Strategy	4	2	0	0	2
TOTAL	**51**	**30**	**13**	**3**	**5**

* *Policy review dates moved to 2024 as per Exco resolution*

List of policies due for review:

BISG (2)	Finance(2)
1. IT backup management policy (12 months) 2. ICT Project Management policy (12 months)	1. Cash management policy (1 month overdue) 2. Payroll administrative policy (3 months overdue)

Policy age analysis

a) Management's request that the review period for 09 Human Capital policies which fell outside the review period should be extended to 2024 was ratified at EXCO.
b) IT Backup Management Policy - the content of this policy has been incorporated into a document called ICT Continuity Policy, a formal request will be made to the Commissioner to remove the policy from the register.
c) There are 4 policies earmarked for development in this financial year.

Risk Management

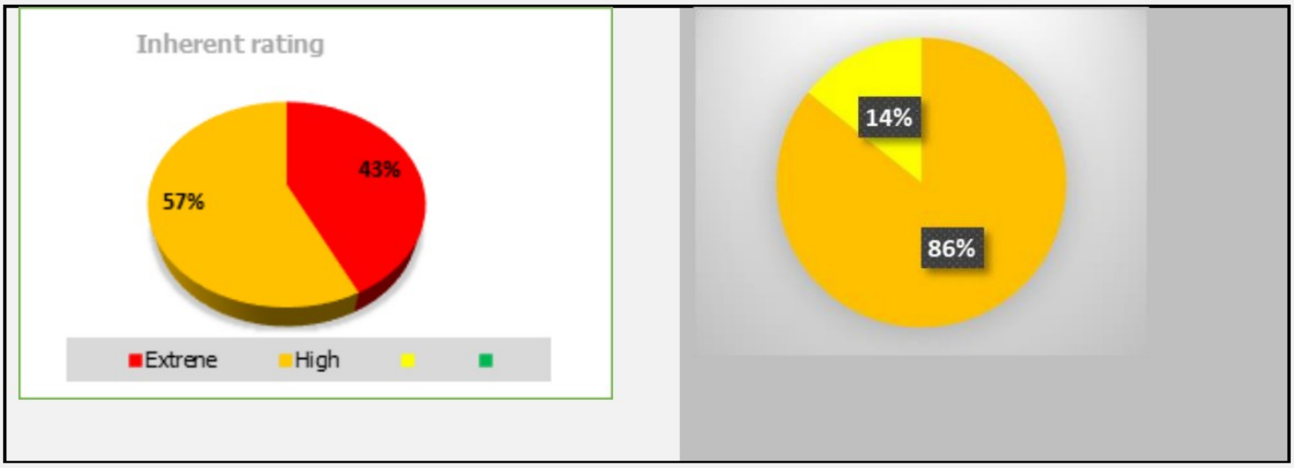
Overview

This section provides progress on the management of strategic risks during the reporting period. Implementation of strategic mitigating actions for Q3 is summarised under 5.2 below.

Strategic Risk Dashboard

The strategic risk dashboard below provides a summary of strategic risk ratings as at 31 December 2023.

Figure 3



Risk Movement dashboard

Key: Improved = ↑ : Regressed = ↓: No Change =↔	Residual rating	Q1	Q2	Q3
Risk Name	*01/04*	*30/06*	*30/09*	*31/12*
1. Dissatisfaction with services offered from various functions organisation-wide	High	↔		↔

	2. Non-availability and non-accessibility of ICT services	High	↔		↔
	3. Non-professional organisational culture	High	↔		↔
	4. Non-optimal organisational performance	High	↔		↔
	5. Non-compliance and pro-longed approval of legislation	High	↔		↔
	6. Organisational structure deficiencies	Extreme	↔		↔
	7. Technology shortfalls in enabling effective third-party collaboration	High	↔		↔

Risk indicator summary dashboard

# of risk indicators	Q3 indicator outcome			
	☺ = well managed	😐 = partially managed	☹ = Mitigations may be ineffective	Not measured during the period.
26	25	0	0	1
100%	96%	0%	0%	4%

The residual rating improved in comparison with the inherent rating at the beginning of the period.

Emerging Risks
Emerging issues in the external environment identified were included as part of the reviewed strategic risk profile. Exco is to discuss and confirm these and other risks which should form part of the 2024/25 strategic risk profile.

- **Geopolitical risks-** Geopolitical tensions on the CIPC strategy. What is the impact on the relations the CIPC has formed with global partners?

Geopolitical instability increases the risk of cyber-attacks. How does CIPC respond to this growing risk?

- **BRICS-** The influence of the strategic decisions taken by BRICS on the CIPC strategy going forward. What are pros and cons?
- **Cost of Living Crisis-** The escalating and complex effects of economic and other conditions (such as availability and cost of energy and inflation) on the CIPC strategy.
- **Artificial Intelligence (AI) -** Does the CIPC have the capacity identify and deal with autonomous actions of advanced AI?

Progress On Implementation Of Risk And Fraud Plan

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

Figure 4

Activities	2023 /24	Q1	Q2	Q3	Comments
1. Risk Management					
1.1 Risk management plan development and approval	✔				
1.3 Strategic risk register annual review	✔				
1.4 Risk appetite statement and tolerance levels review	✔				
1.5 Strategic and operational root cause analysis	✔				
1.6 Quarterly monitoring, review and reporting (strategic and operational risk)	✔	✔		✔	
1.7 Operational risk review for all divisions	✔				In progress.
1.8 Develop a third party risk management framework	✔				Delayed to align with the In progress
1.9 Conduct risk management awareness	✔				
1.10 Review DMP and operational BCM	✔	✔			
1.11 Review of BCM Risk register	✔				
2. Fraud Prevention					
2.1 Fraud prevention plan review and approval for 2023/24	✔				
2.2 Fraud Risk Register review	✔	✔			
2.3 Implementation of the ethics plan in line with the ethics framework	✔	✔			
2.4 Fraud data analysis and reporting	✔	✔			
2.5 Fraud awareness and education	✔	✔			
2.6 Facilitate declaration of interest process in line with the approved policies	✔	✔			
2.7 Maintain an effective fraud complaints case database	✔	✔			
2.8 Conduct investigations	✔	✔			
2.9 Quarterly reporting on fraud prevention to relevant governance structures	✔	✔			

Key:

Complete	In progress	Not done	Not planned for the period

A total of 18 activities were planned for the quarter, 16 of which were completed, making the overall performance 89%. The variance relates to activities that were in progress at the time of reporting.

Fraud Prevention

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

Complaints received

Figure 5 **01 Oct– 31 Dec 2023**

Balance 01 Oct	Calls logged	Feedback Requests	Resolved	Balance 30 Dec
85	47	(6)	(78)	**48**

1. The number of call logged increased by 47% compared to the previous quarter. While this huge increase add to the backlog challenge, the relative improvement in the number of resolved complaints cushions the impact.

7.1.2 The management of administration of complaints remains a concern. A fraud complaints handling process review aimed at identifying the issues, root causes and solutions is underway.

Status of Open Cases as at 31 December 2023

Figure 6

Total	Under investigation	Pending investigation
48	(24)	24

The total of unresolved cases comprises of 24 matters which are under investigation, with the balance in different stages of the complaint handling administration process.

Summary – Reporting Channels

Figure 7

#	Channel	Received Cases
1	Hotline	41
2	Emails	6
Total		**47**

Summary - Nature of Cases

Figure 8

#	Types of cases	Q1		Q2		Q3	
		No. of cases	%	No cases	%	No. of cases	%
1.	Fraudulent removal or addition of directors	15	31%	11	28%	21	45%
2.	Misuse of clients' accounts	02	4%	3	7%	1	2%
3.	Fraudulent use of customer details to register a company	07	14%	11	28%	15	32%
4.	Implicating CIPC employees	00	0%	0	0%	1	2%

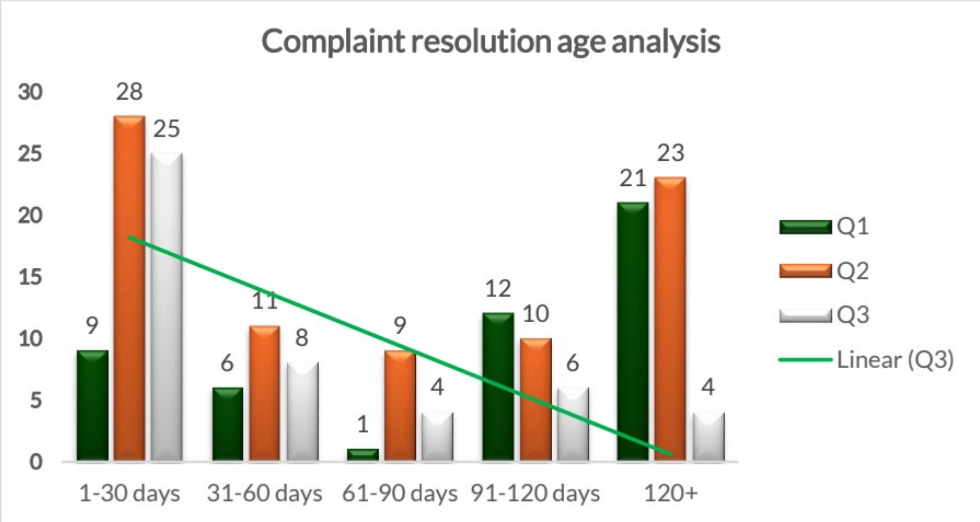
5.	Other	23	47%	8	20%	3	6%
6.	Other: Feedback request/ additional information	02	4%	7	17%	6	13%
Total		**49**	**100 %**	**78**	**100 %**	**47**	**100%**

i. Both quarters of the current financial year recorded close to half the total number of complaints received. These complaints vary in nature such changes to passwords, fraudulent reinstatement of entities and other complaints unrelated to fraudulent activities such as service delivery complaints and commutations errors. Complaints about changes to company information account for over half the number of total received for the reporting period.

b. Complaint Age Analysis

The average number of days taken to resolve complaints showed a steady decrease. While some complaints remain above the resolution period of 30 days, the number resolved within the threshold improved significantly. The average number of days went down from 68 in Q2 to 44 in Q3. Implementation of various management interventions, including stricter performance management, could be attributed to the improvement.

Figure 9



COMPLIANCE MANAGEMENT

Legislative Compliance

Figure 10

Compliance Universe	Total Assessed in Q3	Compliance issues	Violations and penalties
59	20	0	0

There is no reported change in the compliance status from the previous quarter, based on management self-assessment conducted.

a) A list of 20 high-risk acts was circulated to management for updating. The status remains unchanged. No compliance issues were reported for the period under review.
b) Sections of the PFMA and Treasury Regulations were assessed for compliance for the period under review. Management was still awaiting Minister's approval and tabling in Parliament of a submitted copy of audited financial statements including the audit committee report, PFMA 65(1)
c) The rest of the assessed sections were compliant at the time of compiling the report.

Compliance with GRC Policies

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

Business Continuity Risk Management

The Integrated Disaster and Business Continuity Management Plan was approved. Existing operational BCM plans are being reviewed for alignment. Implementation of the BCM programme is dependent on allocation of dedicated resources to the function. A process to create a functional BCM unit is underway.

Resource Management

The existing structure and skills of the GRC division are not fully aligned with the evolving nature of the functions. To mitigate this, an operational strategy underpinned by four pillars is being implemented and seems to be yielding positive results.

Figure 11

No.	Pillar	Ongoing solutions
1.	Existing resources	• Performance Management • Job enrichment • Job rotation of staff. • In-house knowledge sharing
2.	Secondment	• of suitable of internal employees on voluntary basis • In house training and upskilling • Performance management
3.	Interns	• Implementation of intense internship program • Identification of skills • Ongoing assessments
4.	External Resources	• Sourcing of service providers

Focus for the Next Quarter

- Operational risk reviews
- Finalisation of complaints handling process review.
- Review of third party risk framework model & identification third party risks.

Annexure C – Finance Report

The financial report will be sent separately.

Annexure D – Compliance Checklist