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<u>ITEMS TO BE ADDED TO THE AGENDA FOR THE PRETORIA ATTORNEYS' ASSOCIATION IN RESPECT OF THE CLC MEETING TO BE HELD ON 10 NOVEMBER 2017</u>

<u>AGENDA</u>

1. The continued delay with the processing of applications by the Disclosure Department and the processing of applications incorrectly. What is being done by the CIPC to remedy the problems being experienced by our members with this Department?

   This item was dealt with by the CIPC's Veronica Lepule, please refer to clause E2 of the Minutes.

2. The slower turnaround times with respect to JSE filings which should usually take 5 business days from date of filing. One of our members has mentioned that once you submit documentation same is only tracked when processed, and typically we have to follow up for the documentation to be is processed.

   CK provided that JSE filings are within the turnaround time which the CIPC has issued and that if the application is not processed within such turnaround time only then, should a ticket query be lodged to query the application. An example of an application where this has happened should be sent to the secretariat - Vuyani Nkohla VNkohla@cipc.co.za.

3. Why is it taking more than 5 -6 days for special resolutions relating to amendments to an MOI to be tracked? Only when logging a ticket does the CIPC then track the documents?

   Once again the processing of submitted MOI amendment applications (CoR15.2) are within the turnaround time. CIPC has indicated and that if the application is not processed within such turnaround time only then, a ticket query should be lodged to query the application where after if not adequately resolved, such application should be escalated to the secretariat - Vuyani Nkohla VNkohla@cipc.co.za.

4. Our members have once again enquired whether it would be possible when a change of Company name is submitted electronically that the OTP number in addition to being sent to directors **also be forwarded to the agent concerned**, as the agent has the mandate/authority of the directors to attend to the change of name on behalf of all the directors concerned and there are companies with numerous directors, which makes it impossible to make contact with all the directors in the specific time frame provided by the CIPC to insert the OTP number on their system for purposes of processing the change.

   CK advised that as discussed in the last meeting with Andre Kritzinger the purpose of the OTP is to ensure security (i.e. directors are duly aware of changes being made to the Company which they are directors of). No function to enable the authorised agent to effect on behalf of the directors, will be available at this stage and agents will have utilize the manual directors CoR39 amendment option for now.

   It was requested that the CIPC start looking into developing a function for agents to be able use the e-services director amendment function, as the bulk of the CIPC's customers are agents who are authorised to effect changes on behalf of the company and further, Andre had mentioned in the previous meeting that such a function would be looked into.

5. Our members have also enquired whether the e-services system can be adjusted in respect of all of the electronic lodgments to allow a customer to "save" the information being captured. For instance, in the case of directorship changes for a company which has many directors, it would be much easier to go back into the saved document to amend information if there is any error with the completion of the information.

It is something that the CIPC is aware of and is looking into at the moment, and they will provide feedback regarding the development/adjustment of the e-services function soon.

6. The closing of tickets on the enquiry system before such tickets have been successfully addressed and without giving agents an opportunity to accept or reject the tickets is a huge problem. See attached example.

   The example was escalated to the secretariat prior to the meeting and the customer should be provided with feedback. Vuyani Nkohla (VN) noted that once a ticket is lodged and answered by the CIPC, the ticket remains open for "acceptance" or "rejection" of the solution provided by the CIPC Support Team, for a period of 14 days. Tickets are automatically closed 14 days after they have been solved by the CIPC Support Team unless the customer provides feedback/further query to such solution. Closed tickets can still be accessed through the Help Desk System.

7. Our members would like feedback as to when we may expect the new billing system to be introduced and the fact that it is vital that the credit card/debit card method of payment must be instituted only as an ***additional*** method of payment and that the EFT method of payment must be introduced as soon as possible before the phasing out of the depositing of money into a customer's CIPC account or declining method of payment. At our previous CLC meeting it was queried whether the introduction of the EFT payment method will take place prior to the depository payment method completely being removed (i.e. overlap the period prior to the depositing system being phased out completely). Christa Klokow indicated that it is unlikely that the EFT system will be up and running prior to the depository system being completely phased out, however, she could not say for sure and it would depend on ICT's ability to securely implement the payment method as soon as possible.

   The CIPC is requested to give us an update how and when the new billing system will be introduced.

   CK advised that the depository system will not remain a form of payment in the future. The CIPC has a huge amount of unallocated funds (as was explained in the last

Minutes) which is a result of the depository system and therefore, it is not a viable system of payment going forward.

The CIPC will notify its customers in advance by way of a Published Notice, as to the exact day when the depository system will be removed as a payment option.

It is the intention of the CIPC to have the EFT payment method up and running prior to the depository system being completely removed however, they cannot guarantee this.

For now the credit/debit card payment option is only available for payment of annual returns and the CIPC has received positive feedback concerning the introduction of such method.

Other members to the meeting have indicated their acceptance of this change to CIPC payment methods.

A member queried how the CIPC will deal with funds leftover in customers' accounts, once the depository system is removed. CK provided that refunds will be given for such funds on the same basis that they are currently given now; the customer will have to provide proof that the account is theirs and proof of banking account details. It was noted by a member that it will be much easier for a customer to run their CIPC account down prior to the depository system being removed, in order to avoid the refund hassle but obviously this can only be done once the CIPC issues a notice of the exact date when the depository system will be completely removed.

8. Our members have requested clarity relating to re-instatement applications (form CoR 40.5). It has again been communicated in the CIPC's Practice Note 08 of 2017 (which sets out the revised requirements for re-instatement) that the CIPC will only consider re-instating a company or close corporation <u>if it can provide proof that it was conducting business at the time of deregistration, or has any other economic value.</u> What happens in the situation where a close corporation has been bought and prior to being bought such close corporation was dormant and has since being bought, remained dormant, and now the CIPC has deregistered the close corporation for failure to submit its annual returns. As a result of being dormant, the close corporation didn't have any active bank

accounts or any immovable property in its name (i.e. assets), at the time of being deregistered. Will the CIPC accept an affidavit explaining the situation along with all other requirements (IDs, Power of Attorney etc.)? Such affidavit will set out the history of the close corporation namely that it was sold for an economic value and has remained dormant post such sale, or will one have to bring an application to court to re-instate the entity?

It was queried as to what exactly is the negative implication to the CIPC should they allow for the re-instatement of a company that was dormant at the date of deregistration?

The company was not conducting business at the date of deregistration and therefore cannot provide any form of economic value/asset (i.e. no bank account/ no property in its name etc.), Why is it so necessary for the company to prove that it was conducting business at the time of deregistration, as there are many businesses that are purchased and after same remain/become dormant until such time that the person who purchased the company is ready to conduct business?

CK provided that the main reason is fraud/misrepresentation. CK however, provided that the CIPC is open to considering a case that arises where the company is dormant however, the customer is advised to lodge a ticket query explaining the situation/history wherein the CIPC will consider the facts at hand and either advise that the re-instatement application be lodged or not; alternatively the other option is through an application to court.
