



Companies and Intellectual  
Property Commission  
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## MEDIA RELEASE

22 June 2022

### **A CIPC REMINDER FOR QUALIFYING ENTITIES ABOUT THE FILING OF ANNUAL FINANCIAL STATEMENTS USING XBRL**

CIPC implemented and mandated the use of XBRL as a digital reporting mechanism as from 01 July 2018. We hereby remind qualifying legal entities of the requirement to file their Annual Financial Statements (AFS) through eXtensible Business Reporting Language (XBRL).

The legal and strategic mandate for submission of AFSs to CIPC is prescribed by the Companies Act, Act No.71 of 2008 as amended. Section 30 and Regulation 30 prescribe requirements for Annual Financial Statement submissions and the role of CIPC in this regard. Regulation 30 (5) (a) specifically prescribes that the Commission must establish a system to review AFSs with the objective of monitoring compliance with the Act. XBRL was mandated because the technology allows automated validation, in-depth analysis, and reporting on large numbers of financial statements that the CIPC need to process annually in support of the CIPCs role a regulator.

There are currently over 2 million registered active companies in South Africa. A sub-set of these companies are required to submit Annual Financial Statements (AFSs). These include:

- all public companies
- State-owned companies
- private companies with a 350 Public Interest Score
- private companies whose Public Interest Score is at least 100 and whose AFSs were internally compiled
- non-profit companies incorporated directly or indirectly by the state, an organ of state, a state-owned company, an international entity, a foreign state entity or a foreign company; or primarily to perform a statutory or regulatory function in terms of any legislation, or to carry out a public function at the direct or indirect initiation or direction of an organ of the state, a state-owned company, an international entity, or a foreign state entity, or for a purpose ancillary to any such function; and
- companies whose Memorandum of Incorporation prescribes an audit of their annual financial statements.

The CIPC reminds these companies to ensure that they file their AFSs annually to ensure they comply with sections 30 and 33 of the Companies Act and avoid de-registration or an investigation in terms of

Section 168 of the same Act.. The CIPC as a regulator has a responsibility not only to enforce compliance, but also to educate those they regulate of their compliance requirements.

Every entity registered with the CIPC, has a responsibility to determine whether filing of AFS via XBRL is applicable to them or not. Guidance documents in this regard are published on the CIPC website, see business guidelines and technical guidelines.

As from 01 October 2021, it also became mandatory for some State Owned Companies and Municipal Owned Entities who prepare AFSs according to GRAP (Generally Recognized Accounting Practice) and subject to the Public Finance Management Act (PFMA) or Municipal Finance Management Act (MFMA) to file using XBRL.

As from 01 October 2022, Co-operatives who currently file audited AFS to CIPC will also be required to file AFSs via XBRL. On 01 April 2022 a pilot project was launched to allow voluntary filing of AFS in XBRL by Co-operatives for testing purposes until the mandate comes into effect on 01 October 2022.

To assist companies with compliance, the CIPC has a list of recommended Software Service Providers (SSPs). These are 3<sup>rd</sup> party companies who developed specialised software to convert AFSs into the XBRL format required by the CIPC. It is recommended that companies and co-operatives obtain quotations from more than one of these SSPs because some provide relevant simple and cheap solutions for small companies while others provide for sophisticated software which offers much more than provisioning of XBRL and may only be applicable to large entities.

The CIPC provides comprehensive information on XBRL on the CIPC website to provide guidance and clarity of AFS filing. For a complete list of documentation, please refer to the following page:

<http://www.cipc.co.za/index.php?cID=1329>

Queries about XBRL can be forwarded to [xbri@cipc.co.za](mailto:xbri@cipc.co.za)

ENDS

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