



Data Partner FAQ South Africa



Data Sources

What are the main original sources of information? E.g. Chambers of commerce, local courts, yellow pages etc

NOTE - This should apply to, registered companies and sole traders/none registered companies.

Financial data: Banks

Negative data: CourtWorks

Demographic data: Home Affairs

Payment Data: N/A

Collection data: N/A

Shareholders data: CIPC

Group Structure/ corporate hierarchy: Company Website

Other key information:

How often the above data is updated e.g. daily, weekly etc.?

Weekly

Do you contact companies via a telephone interview or site visits at regular intervals e.g. once a year?

Companies are contacted via telephone and/or e-mail

Regulations/ Legal requirements

Which types of company have to file financial data e.g. registered companies, public companies only etc.?

None

List any filing exemptions and thresholds (e.g. companies of certain size may only have to file a balance sheet, large companies have to file a Profit & loss etc.)

N/A in South Africa

How long after the financial year end do companies have to file financials?

N/A in South Africa

What is the penalty for not filing the financial data? Is it likely a company would prefer the penalty rather than filing them?

N/A in South Africa

Negative Data

What type of negative data is available in your country e.g.

Bankruptcies/Insolvencies: Bankruptcies - No, however Notices of potential liquidation may be available

Court Cases/ Actions: Judgments - Yes

Debt Collection cases: No

Any other negative data specific to your country: Negative trade references

How often is this negative data updated?

Weekly

Credit Rating Limit

Do you give a credit rating & limit on all companies?

Yes

If not, what are the exceptions?

N/A

What is the credit rating intended to predict? E.g. insolvency, ability to pay etc.

Predict the probability of default when granting credit to small and medium sized companies.

Is Payment data included in your credit scoring model?

No

What does the credit limit mean? E.g. amount of credit you can extend in a 30 day period etc.?

Credit Limit refers to the maximum amount of credit that a financial institution or other lender will extend to a debtor for a particular line of credit.

General

What version of activity codes are used in the reports?

SIC (Standard Industrial Classification) Codes

What company ID numbers are available (e.g. local registration number, VAT number, etc.)?

Company registration number

VAT number

General Information

Registration Number Decoded:

E.g.: 1997 / 000037 / 07

- 1997 = Year of Registration
- 000037 = Number of Registered entities in that year (always 6 characters long)
- 07 = Entity Classification

Different Type of Entities in South Africa:

1. Sole Proprietor

This is not a registered concern and has no independent legal entity. There is only one owner who is personally liable for all debts incurred. The owner may lose all his personal assets to satisfy business debt. Credit is granted to a Sole Proprietorship on the strength of the individual as much as that of his business. Sole Proprietorships are terminated on the death or insolvency of the principal or the sale / termination of the business.

2. Partnership / Joint Venture Partnership

A Partnership is not a registered concern. It is a business enterprise in which 2 or more individuals, but no more than 20, combine their money, property, skill or labour to make profit. In this case of a joint venture the partners can include companies or individuals.

3. Public and Private Companies

Public and Private companies are companies that have a share capital.

Public – Ltd (06)

This is a company that operates for profit. It can offer its shares to the public. All listed companies must be public companies but not all public companies are listed on a stock exchange. It may be incorporated by 1 or more persons.

Private – (Pty) Ltd (07)

A private company trades for profit. It may not offer its shares to the public and the transferability of its securities is restricted. It may be incorporated by 1 or more persons.

4. Association – Section 21 Company – Not for Gain (08)

Associations registered not for gain (Non-Profit Organisation) are incorporated under Section 21 of the Companies Act. These concerns may be “any association for any lawful purpose having the main object of promoting religion, arts, sciences, education, charity recreation or any other cultural or social activity” (from the Companies Act).

Donations and foreign funding often fund these ‘Associations Not for Gain.’ However, just because they operate “not for gain” does not mean that these concerns are not operated profitably.

It may be incorporated by 3 or more persons.

5. External Company (10)

- 11 – Sec21 – Not for Gain

An External Company is a company that is incorporated in another country and wishes to establish a company in South Africa. Those ending with “10” will be companies registered for profit and those whose registration number ends with 11 will be “Section 21” companies – Not Profit Organisations.

6. Incorporated (21)

During 1968, a special type of private company, with unlimited liability of its past and present directors for debts and liabilities contracted during their periods of office, was introduced to make it possible for acknowledged professions practising in partnership to become incorporated under the Companies Act of 1926. The benefit of registering such a company is that the concern will have perpetual succession, i.e. directors can be appointed or can resign without affecting the company as a whole. It may be incorporated by 1 or more persons. It is a type of company that is mainly used by professional associations.

7. Close Corporation (23)

A Corporation is formed when the Registrar of Close Corporations registers a founding statement, which complies with the requirements of the Close Corporations Act, and a certificate of incorporation is issued. A Close Corporation becomes a separate and distinct legal person when it is registered as above. A Close Corporation has perpetual succession, which means that it continues to exist even after the members have changed.

8. Co- Operatives

(1) 24 – Primary Co-Op Ltd, (2) 25 – Secondary Co-Op Ltd, (3) 26 – Tertiary Co-Op Ltd

With the effect of 2 May 2007, the Registrar of Co-Operatives became part of CIPRO and all previously registered Co-Operatives were given a new CIPRO standard format registration number. Three new entities were accordingly formed at CIPRO to facilitate the absorption of the various types of Co-Operative that were established as a result of the Co-Operatives Act, 2005 (Act No. 14 of 2005).

9. Trust

A Trust is an arrangement in which a Donor can transfer assets to trustees, who undertakes to protect and administer all the assets of the Trust for the benefit of the beneficiaries or for a purpose determined by the Donor (Trust Object), free of any interference from the Donor. Once the Trust objective has been fulfilled, the Trust will be dissolved. A Trust cannot be made dormant.