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LEGAL PRACTICE COUNCIL

The DTIC

Block F

77 Meintjies Street

Sunnyside

Pretoria

Date: 27 November 2020

Advocate Rory Voller

Per Email: RVoller@cipc.co.za

Dear Sir,

RE: CONSIDERATION OF USE OF ELECTRONIC FUNDS TRANSFER ("EFT") AND AGENT ACCOUNTS BY THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION ("CIPC") WITH RESPECT TO TRANSACTING ON THE NEW E-SERVICES PLATFORM.

I am addressing you in my capacity as Executive Officer of the Legal Practice Council, which is a Statutory Body governing all Legal Practitioners and Candidate Legal Practitioners in South Africa.

It has been brought to my attention that the CIPC recently introduced a "new e-services" system on its website, which only permits customers to transact by way of a debit or credit card. Currently a law firm would hold an "Agent account" on behalf of its clients where a customer pays an amount into a CIPC agent account, so that as and when a customer files documents with the CIPC, the disbursement is deducted from that sum in the agent's account. The Legal Practitioner then in turn reconciles the account with customer payments filed. Under the new eService's system, the law firm is excluded from registering an agent account as each account is to be held by a natural person only.

If the CIPC suspends the use of current agent accounts, it will mean that if a law firm, acting in its capacity as an agent for its client, files documents on behalf of clients with the CIPC, such law firm would have to apply for a separate business credit or debit card and it would have to administer or manage that credit or debit card. Such a requirement poses the following challenges:

- Law firms are not allowed to operate a debit or credit card linked to a trust account as per the provisions of the Legal Practice Act with reference to the following:

Payments from trust banking account

54.14.15.1	Any cheque drawn on a firm's trust banking account shall be made payable to or to the order of a payee specifically designated.
54.14.15.2	Payments from the trust banking account of a firm shall only be by cheque or electronic transfer.
54.14.15.3	No withdrawals from the trust banking account of a firm may be made by way of cellular and telephone transacting.

Executive Committee: Ms. Kathleen Matolo - Dlepu – Chairperson, Adv Anthea Platt SC - Deputy Chairperson, Adv. Greg Harpur SC, Ms. Trudie Nichols, Mr Lutendo Sigogo, Mr Jan Stemmett, Adv. Ghandi Badela, Executive Officer: Ms. Charity Nzuza

- A business credit or debit card will result in extra costs, which costs would have to be transferred to the client and/or be an extra cost to the legal practitioner.
- There is a risk of debit or credit cards being cloned including breaches with Snap Scan and PayPal, which are not entirely secure methods of payment.

In order to alleviate the issue of having to transact with the CIPC by way of a debit or credit card, we request that the CIPC consider permitting the use of an EFT payment system as an additional method of payment, and for law firms to continue using agent accounts, where the account is a separate legal entity for purposes of audit reporting.

I would appreciate if we could have a meeting to discuss the matter further in order to address our concerns as Regulator with regard to compliance with the provisions of the Legal Practice Act.

I look forward to hearing from you, and please do not hesitate to contact me for further information.

Yours faithfully,



Charity Nzuza
Executive Officer
Legal Practice Council

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Companies and Intellectual Property Commission

a member of the dtic group

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Reference is made to your letter dated 27 November 2020.

The concerns raised within your letter is noted. Development and implementation of Electronic Funds Transfer has been considered by the CIPC and implementation is envisioned during the CIPC 2021-2022 financial year. More information relating to this development item and others will be communicated via the existing CIPC stakeholder committees which includes the LSSA.

Yours sincerely,

Adv Rory Voller
Commissioner: CIPC
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