



INSIGHTS

2025/07/07

GOVERNANCE GUIDES: KING and ISO

King Code IV (soon to be King V) is a governance code for South African organisations and similarly, the ISO 37000 is a standardised international governance guide. Both are an essential benchmark for an organisation's governance framework.

Whether your organisation should implement King IV or ISO 37000 for corporate governance depends on several factors like: location, regulatory environment, stakeholder expectations, and the level of effectiveness and efficiency of your organisation's existing governance framework.

For South African organisations: King IV is the easier choice, it is most recognisable and mandatory for JSE listed companies, it is tailored to incorporate South African specific regulations.

For international and South African organisations: ISO 37000 is more practical because it aligns with the best global practices and a broader governance perspective.

For optimum governance: a systematic blend of both.



How and Why

A. Use ISO 37000 as the Foundation

- ISO 37000 is globally recognised, thus suitable for multinational operations and foreign investors.
- It provides high-level governance principles (e.g. purpose, value generation, strategy, accountability, and oversight).
- Governance principles easily incorporate other ISO standards (e.g. ISO 31000 – enterprise-wide risk management).
- More holistic, comprehensive, adaptable and flexible for different governance models and all types of organisations.

B. Apply King IV Principles Where Relevant

- King IV is highly revered and mandated for JSE-listed companies but can be cumbersome and expensive for small to medium companies to implement.
- Applicable to profitable companies, it has a greater focus on the board of directors and shareholders.
- It offers specified South African regulated governance practices and culture.
- Provides for defined governance practices as opposed to an all-inclusive practice (e.g. board composition, remuneration policies).
 1. Start with ISO 37000 as the overarching framework.
 2. Layer King IV principles where they add specificity (e.g. JSE reporting, executive remuneration).
 3. Conduct a gap analysis to ensure seamless integration.

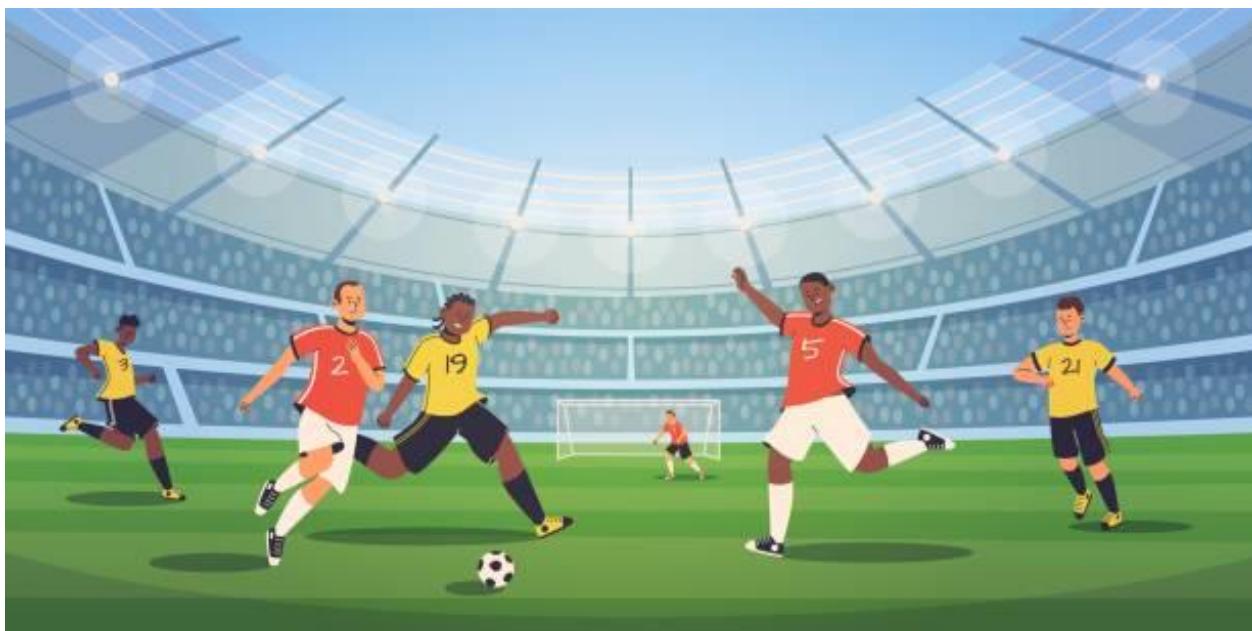
C. Using ISO 37000 as the foundation and applying King IV principles where relevant is a strategic approach that offers the best of both worlds: global governance standards and South African regulatory detail. ISO 37000 provides the adaptable, scalable structure, while King IV fills in specific South African requirements.

- Global Alignment (ISO 37000) + South African Compliance (King IV).
- Flexibility – Avoids duplication while meeting both standards.

- Investor Confidence – Demonstrates commitment to the efficient practice of governance.

D. Benefits

1. Global applicability and South African relevance.
2. Flexibility & scalability
3. Avoiding duplication & overcompliance.
4. Enhanced stakeholder confidence
5. Future-proofing governance



Building a World-Class Team

Imagine your organisation is a professional soccer team competing in both local leagues (South Africa) and international tournaments (global markets). To succeed, you need:

1. A Universal Playbook (ISO 37000)
 - Provides core principles of the game (e.g. field of play, equipment, match procedures, and refereeing) that work worldwide.
 - Ensures your team can compete globally (e.g. Champions League = international markets).



2. Local League Rules (King IV)
 - Dictates specific methods required in your local league (e.g. regulations on player eligibility, match conduct, and league structure).
 - Ensures compliance of local referees (regulators like JSE, FSCA).
3. Foundation: ISO 37000 = The "FIFA Rules" of Governance
 - Global standards (like FIFA rules) ensure fair play everywhere.
 - Covers ethics, accountability, and stakeholder trust i.e. universal requirements.
4. Specialisation/Layering: King IV = The "PSL (Premier Soccer League) Tactics"
 - Local flair (e.g. SA's B-BBEE, JSE reporting) is like adapting to PSL's system.
 - Win at home (regulatory compliance) while staying globally competitive.

Result:

- ISO 37000 = The universal rules of good governance.
- King IV = The home-field advantage for South African success.
- Together = A world-class yet locally compliant organisation.

Elevate Your Governance Framework: Effortlessly Integrate King IV & ISO 37000, Let Cyclopedic Consulting guide you to a gold-standard governance framework that is future fit, satisfies global investors and South African regulators.

Global Best Practices + South African Tailored Compliance = Unbeatable Governance

Why Cyclopedic Consulting

1. Gap Analysis – Audit your current governance against ISO 37000 & King IV.
2. Custom Framework Design – Build a hybrid model that fits your industry (financial services, NGOs, corporates, etc.).
3. Training & Implementation – Upskill your board, management and personnel for seamless adoption.
4. Ongoing Compliance Support – Stay updated with evolving regulations.

Innovate with us

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