

COUNTRY GUIDE

SOUTH AFRICA

Occupying the southern most tip of the African continent, South Africa is renowned for its varied topography, great natural beauty, and cultural diversity. Some of the earliest fossil evidence of modern humans have been found in this area. Following the abolishment of apartheid in 1994, the country has made immense progress in establishing social equity for all its citizens, opening it up to foreign interest and collaboration and helping to create one of the largest and most stable economies in the region. While the country faces many economic challenges, it still provides foreign investors attractive business opportunities.



DRIVER OF THE AFRICAN ECONOMY

South Africa's economy is considered the most industrialized in the African continent and is the second largest in the region, second only to Nigeria which overtook it in rankings in recent years. However, the country's stable institutions, independent judicial system, a developed financial and services sector, and good infrastructure continues to provide investors a highly attractive option for growth in the region.

BANKING AND FINANCIAL SERVICES

While South Africa is considered an emerging market, its banking and financial services sector is sophisticated and effectively regulated, accounting for over 11% of the country's GDP. There are many domestic and foreign institutions providing a full range of services including commercial, retail and merchant banking, mortgage lending, insurance and investment.

AUTOMOBILE MANUFACTURING

The expansion of South Africa's automobile industry is central to the government's economic strategy. Despite setbacks due to the ongoing covid-19 pandemic, the South African government has passed a series of investment and tax incentives which aim to help boost growth, create jobs and significantly increase the industry's annual production.

MINING AND MINERALS

In terms of GDP, South Africa is estimated to have the 5th largest mining sector in the world. With an abundance of mineral resources which includes gold, coal, manganese, chrome, platinum, and diamonds, this sector accounts for a significant proportion of world production and reserves, and employs a large portion of the country's population.

REGULATORY ENVIRONMENT

One of the main challenges of doing business in South Africa is the regulatory burden companies face. New and conflicting regulations, changing requirements, and effective dates often shifting can be an impediment to additional investment opportunities for the country.



Geography



Location: South Africa is located on the southern most tip of the African continent. The Indian Ocean and the South Atlantic Ocean border it to the south and west. Namibia, Botswana, Zimbabwe and Mozambique border it to the north.

Area: 1,219,090 sq. km

Time zone: South Africa Standard Time (GMT+2)



Population

56,463,617 (*July 2020 est.*)



Language(s)

Official languages include: isiZulu, isiXhosa, Afrikaans, Sepedi, Setswana, English, Sesotho, Xitsonga, siSwati, Tshivenda, isiNdebele



Economy

Mining, automobile assembly, metalworking, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, commercial ship repair



Capital City

Pretoria (administrative capital); Cape Town (legislative capital); Bloemfontein (judicial capital)



Currency

South African Rand (ZAR)



Political structure

Parliamentary Republic



Legal system

Mixed legal system of Roman-Dutch Civil Law, English Common Law, and Customary Law

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	PRIVATE COMPANY	PUBLIC COMPANY	EXTERNAL COMPANY (BRANCH OFFICE)
Share capital			
Minimum paid-up	No requirement (except for certain industries)	No requirement (except for certain industries)	No requirement (except for certain industries)
Maximum authorized	No maximum	No maximum	No maximum
Usual currency	ZAR (R)	ZAR (R)	ZAR (R)
Permitted currencies	ZAR (R)	ZAR (R)	ZAR (R)
Domiciliation			
Registered address	Required	Required	Required
Directors			
Minimum number	One	Three	No requirement
Minimum local	No requirement	No requirement	No requirement
Corporate directors	Not allowed	Not allowed	Not allowed
Statutory			
Annual filing	Required	Required	Required
Company secretary	Not required	Required (must be a permanent resident)	Not required
Annual general meeting (AGM)	Not required	Required	Not required
Beneficial owner reporting	No official reporting requirement	No official reporting requirement	No official reporting requirement
Re-domiciliation	N/A	N/A	N/A
Financial administration			
Audit required	Required only if the company's Articles of Association require it.	Required	Required only for income derived from the branch.
Filing of annual return	Must be filed with the Companies and Intellectual Property Commission (CIPC) yearly.	Must be filed with the Companies and Intellectual Property Commission (CIPC) yearly.	Must be filed with the Companies and Intellectual Property Commission (CIPC) yearly.
Tax			
Tax rates	28%	28%	28%
VAT	15%	15%	15%
Tax treaties	Negotiated with 79+ countries	Negotiated with 79+ countries	Negotiated with 79+ countries
Other taxes	Customs duties, Excise duties, Property taxes, Transfer duty, etc.	Customs duties, Excise duties, Property taxes, Transfer duty, etc.	Customs duties, Excise duties, Property taxes, Transfer duty, etc.
Government fees			
Registry fee	ZAR 25,000	ZAR 25,000	ZAR 25,000
License fee	Depends on the type of business and industry.	Depends on the type of business and industry.	Depends on the type of business and industry.

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Main Types of Legal Entities

	PRIVATE COMPANY	PUBLIC COMPANY	EXTERNAL COMPANY (BRANCH OFFICE)
Incorporation process			
Summary	<ul style="list-style-type: none"> ➤ Corporate name to be reserved. ➤ Memorandum of Incorporation (MOI) and all other relevant supporting documents for registration. ➤ Registration with the Companies and Intellectual Property Commission (CIPC). 	<ul style="list-style-type: none"> ➤ Corporate name to be reserved. ➤ Memorandum of Incorporation (MOI) and all other relevant supporting documents for registration. ➤ Registration with the Companies and Intellectual Property Commission (CIPC). 	<ul style="list-style-type: none"> ➤ Certified copy of the company's founding documents, including the certificate of incorporation and any other relevant supporting documents for registration. ➤ Registration with the Companies and Intellectual Property Commission (CIPC).
Time	1-4 weeks	1-4 weeks	1-4 weeks
Other			
Are shelf corporations available?	Yes	Yes	N/A

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CT Service Offerings – South Africa

Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications & legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services
- Global Entity Management

Corporate Secretarial Services

- Annual Compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/Registered address
- Director Services and Legal Representation



To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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