

Fact Sheet: South Africa



In this fact sheet, we have summarised answers to frequently asked questions about this country in one document for you. This information is not economic data, but rather statements on a wide range of practical topics that influence business activities within the country. In this publication, you will find basic information on:

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Trade

South Africa has an industrialised, technologically advanced and well-diversified economy. The southernmost country in Africa has a population of approximately 59.31 million and is considered a constitutional democracy. It has an area of 1,219 million km² and a GDP of 301.92 billion USD per capita (2020).

South Africa has three capital cities, with the executive, judicial and legislative branches of government based in Pretoria, Bloemfontein and Cape Town. There are 11 official languages in South Africa with the business language being English. The currency is the South African Rand (R).

Contact persons and relevant authorities

Department of Trade, Industry and Competition – *the dtic*

Role: The promotion of economic development and meaningful participation in the global economic and trade environment.

Goals:

- Promote structural transformation, towards a dynamic industrial and globally competitive economy
- Provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development
- Broaden participation in the economy to strengthen economic development

Contact details within the Department can be found on the website:

<http://www.thedtic.gov.za/contact-us-4/>

The Department of Trade, Industry and Competition (*the dtic*) rely on a group of specialised, regulatory and financial development agencies and institutions in supporting its economic growth, employment and equity ideals, and in delivering products and services to the economic citizens of the country. These agencies can be found on the website: <http://www.thedtic.gov.za/agencies/>

South African Revenue Service – SARS

Role: To collect all revenue due, ensure optimal compliance with tax and customs legislation and provide a customs and excise service.

Goals:

- Provide clarity and certainty for taxpayers and traders of their obligations
- Make it easy for taxpayers and traders to comply with their obligations
- Modernize our system to provide digital and streamlined online services.

Contact details within SARS can be found on the website: <https://www.sars.gov.za/contact-us/>

Trade Information

Customs airports:	Bram Fischer International Airport, Cape Town International Airport King Shaka International Airport, Kruger Mpumalanga, Lanseria Airport O R Tambo International Airport, Pilanesburg International Airport Polokwane Airport
Customs harbours:	Durban: Albany House, Cape Town (P166), East London, Port Elizabeth Mossel Bay, Richards Bay and Saldanha Bay.
ISO currency code:	ZAR

Customs tariff: Harmonised System, customs clearance according to FOB value
ISO country code: ZAF

Preferential trade relations with the EU

An Economic Partnership Agreement with reciprocal preferential treatment exists between the European Union and the SADC Economic Partnership Agreement countries.

Special provision for a selected group of goods

The contact for norms and standards is the South African Bureau of Standards ([SABS](#)).

List of existing trade agreements

AfCFTA (2019)	African Continental Free Trade Area	The agreement establishing the African Continental Free Trade Area (AfCFTA) entered into force in 2019 and since the beginning of 2021, member states (including South Africa) have been trading on the basis of the AfCFTA.
AGOA (2000)	African Growth and Opportunity Act	A unilateral programme that gives African countries, including South Africa, duty-free access to the US market.
BRICS (2009)	Brazil, Russia, India, China & South Africa	An economic alliance that includes Brazil, Russia, India, China and South Africa. South Africa has been a member of BRICS since 2011. The alliance aims to boost each country's brand as an economic player and strengthen trade relations.
SACU (1910)	Southern African Customs Union	SACU ensures the free movement of goods between the member states Namibia, Botswana, Lesotho, Eswatini and South Africa.
SACU-EFTA Free Trade Agreement (2008)	Free Trade Agreement between SACU and the European Free Trade Association	The Agreement regulates trade in goods and is the basis for the Parties' engagement on intellectual property, investment, services and government procurement.
SACU-Mercosur Preferential Trade Agreement (2016)		The preferential trade agreement was concluded between the member states of the Southern

SACU-USA Trade,
Investment and
Development
Cooperation
Agreement (2008)

Common Market (Mercosur) and
the member states of the Southern
African Customs Union (SACU).

The agreement aims to promote
investment and the expansion and
diversification of trade.

SADC (1992)

Southern African Development
Community

A regional economic community of
16 member states (including South
Africa) with the aim of
strengthening regional integration,
promoting poverty reduction in
Southern Africa through economic
development and ensuring peace
and security.

SADC-EU EPA
(2016)

Economic Partnership Agreement

Six of the SADC member states -
Botswana, Lesotho, Mozambique,
Namibia, South Africa and Eswatini -
signed the Economic Partnership
Agreement with the European
Union. The agreement focuses on:
Strengthening trade developments,
creating improved opportunities for
the movement of goods and the
protection of geographical products
such as wine and tea.

Bilateral Investment Treaties

In addition, South Africa has bilateral investment agreements with the following countries: China, Cuba, Finland, Greece, Islamic Republic of Iran, Mauritius, Nigeria, the Republic of Korea, Russia, Senegal, Sweden and Zimbabwe.

Treaties have been signed but are not yet in force with Algeria, Angola, Canada, Chile, Czech Republic, the Democratic Republic of the Congo, Congo (Brazzaville), Egypt, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Israel, Kuwait, Libya, Madagascar, Mali, Mozambique, Qatar, Rwanda, Sudan, Tanzania, Tunisia, Turkey, Uganda, and Yemen.

Import Regulation

- Together with Namibia, Botswana, Lesotho and Eswatini, South Africa forms the Southern African Customs Union (SACU) with a common external tariff. Customs regulations are documented in the Customs and Excise Act ([Act No. 91 of 1964](#)). They are in line with most international conventions regarding recommended practices for the import and export of

goods. The agreement also stipulates that future free trade agreements with third countries may only be negotiated as a block and no longer bilaterally.

- No import duties are levied on goods traded within the customs union. The Economic Partnership Agreement negotiated between six SADC countries (including South Africa) and the EU has been applied since 10 October 2016. Under the agreement, the EU grants free market access to all South African products.
- To import in South Africa, you first need to register as an importer with the *South African Revenue Services (SARS)* and then apply to the *International Trade Administration Commission (ITAC)* for an import permit.

How to register as an importer

- Register as an importer at South African Revenue Service (SARS)
- Go to ITAC or download the application form
- Fill in the forms
- Submit the forms to the Directorate: Import and Export Control at ITAC.

The forms can be faxed to +27 (0)12 394 0517 or delivered directly to the office. The address is available under Import and Export Control on the website: <http://www.itac.org.za/pages/contact-us>

Downloadable Forms

- [Application to register as an importer](#), IE 230
- [Application to import goods for personal use](#), IE 463 and [Annexure to IE 463 application](#)
- [Application to import goods for commercial purposes](#), IE 461 and [Annexure to IE461](#)
- [Application for permit to import chemicals](#), IE 464 and Annexure to IE 464
- [Application for permit to import second-hand or used passenger vehicle](#) IE462 and [IE Information document to complete the IE462 form](#)

Contact details of the ITAC National Office – Import and Export Control

Tel: 0861 834 384, 012 394 3590, 012 394 3591

City/Town: Pretoria

Province: Gauteng

Physical Address: International Trade Administration Commission

77 Meintjies Street, Block D, Sunnyside, Pretoria, 0001

Postal address: Private Bag X753 Pretoria, 0001

Web address: <http://www.itac.org.za>

Finding a commercial agent/distributor

The AHK Southern Africa supports the search for potential local business partners, such as representatives and distributors, as part of its service portfolio.

Visa Regulations and Immigration

The [Department of Home Affairs](#) is responsible for civic services and immigration. They offer a multitude of services to the citizens of South Africa, as well as foreigners who wish to visit, work or stay in South Africa.

Information on visa matters is also available from the Embassy of South Africa in the foreign markets. The [Embassy of South Africa in](#) Berlin also provides support and advice on business visa issues.

German passport holders are exempt from the South African visa requirement in respect of holiday purposes for a period of ninety (90) days.

Types of temporary residence visas

- Business visa
- Work visa
- General work visa
- Critical skills work visa
- Intra-company transfer work visa
- Corporate visa
- Study visa

For more information and requirements on the above-mentioned visas, the Department of Home Affairs website: <http://www.dha.gov.za/index.php/types-of-visas>

Requirements for entering South Africa

- A valid and acceptable passport or travel document for your intended stay
- At least one blank page in your passport for endorsements
- A valid visa, if required sufficient funds to pay for your day-to-day expenses during your stay
- A return or onward ticket
- Yellow fever certificates if your journey starts or entails passing through the yellow fever belt of Africa or South America.

For more information, VFS Global manages visa facilitation centres for the Department of Home Affairs in South Africa: <https://www.vfsglobal.com/dha/southafrica/visa-types.html>

Labour Laws

[The Department of Employment and Labour](#) is the relevant authority responsible for employment, job creation, unemployment insurance and occupational health and safety in South Africa.

South African labour legislation is governed by the [Labour Relations Act 66 of 1995](#) and [Basic Conditions of Employment 75 of 1997](#), which are regularly amended and supplemented by other regulations, such as occupational health and safety. The most important laws at a glance:

- [Employment Equity Act 55 of 1998](#)
- [Skills Development Act 97 of 1998](#)
- [Unemployment Insurance Act 63 of 2001](#)
- [Occupational Health and Safety Act 85 of 1993](#)

All documents and information can also be found on the website of the relevant authority:

The Department of Employment and Labour

Laboria House

215 Francis Baard Street, Pretoria, 0001

<https://www.labour.gov.za>

Taxes and Duties

The authority responsible for taxes and duties is the [South African Revenue Service](#) (SARS).

The most important taxes are:

- Corporate taxes
- Income tax
- Unemployment Insurance Fund (UIF) contributions
- Value Added Tax

Basis of Calculation

South Africa uses a residence-based taxation system whereby residents are taxed on worldwide income and non-residents are taxed on South African-sourced income.

Corporate income tax (2022/23) in South Africa

Corporate tax is payable on business income for all businesses and companies registered in South Africa. This includes:

- Listed and unlisted public companies
- Private companies
- Close corporations
- Co-operatives
- Collective investment schemes
- Small businesses
- Share block companies
- Corporate bodies
- Public benefit companies
- Dormant companies

Corporate tax in South Africa is charged at a flat rate of 28% for all companies (which will decrease to 27% for tax years ending on or after 31 March 2023).

Income tax rates in South Africa:

These are South Africa's income tax bands for the 2022 tax year (1 March 2022 to 28 February 2023):

Taxable income (R)	Rates of tax (R)
Up to R226,000	18% of taxable income
R226,001–R353,100	R40,680 + 26% of taxable income above R226,000
R353,001–R488,700	R73,726 + 31% of taxable income above R353,000
R488,701–R641,400	R115,762 + 36% of taxable income above R488,700
R641,401–817,600	R170,734 + 39% of taxable income above R641,400
R817,601–R1,731,600	R239,452 + 41% of taxable income above R817,600
R1,731,601 and above	R614,912 + 45% of taxable income above R1,731,600

Other Tax Rates:

The VAT rate is 15%. Unemployment insurance fund (UIF) benefits amounting to 2% of the wage are payable per employed person. These are paid in equal portions by the employee (1%) and the employer (1%). For more information on the income tax system, click here:

<https://www.sars.gov.za/wp-content/uploads/Ops/Guides/LAPD-Gen-G01-Taxation-in-South-Africa.pdf>

Double Tax Treaty with Germany

An agreement between the Federal Republic of Germany and the Republic of South Africa on the avoidance of double taxation in the area of income and wealth taxes has been in force since 1973. Further information on this can be found on the website of the Federal Ministry of Finance in the area of international tax law under the following [link](#)

Business Establishment and Investment Incentives

The [Department of Trade, Industry and Competition](#) (*the dtic*) plays a critical role in the promotion of economic development and meaningful participation in the global economic and trade environment.

Invest SA: One-Stop-Shop

[Invest SA](#) is South Africa's investment promotion agency, which is part of the Department of Trade, Industry and Competition. Invest SA plays a critical role in attracting and generating investment in as well as retaining investments in South Africa.

InvestSA has developed publications for all [key sectors](#) that provide investors with insights, fundamental studies and analysis on the country, markets and opportunities. These can be read here: [Publications](#).

Provincial Investment Promotion Agencies (PIPAs)

The dtic in partnership with the Provincial Investment Promotion Agencies (PIPAs), undertakes investment and export promotion activities in targeted markets aligned to South Africa's international relations and cooperation agreements.

Eastern Cape	The Eastern Cape Development Corporation (ECDC)	ECDC works with provincial and national ministries, municipalities, chambers, private businesses, communities and other development agencies to implement the economic development policies of the Eastern Cape provincial government.	Ocean Terrace Park, 1 Moore Street, Quigney East London Tel: +27 43 704 5600 E-Mail: info@ecdc.co.za Website: www.ecdc.co.za
Free State	Free State Development Corporation (FDC)	The Free State Development Corporation (FDC) is a specialist economic development agency formed to offer the Free State people and potential investors a wide selection of services.	FDC Head Office 33 Kellner Street Bloemfontein Tel: +27 51 4000 800 E-Mail: info@fdc.co.za Website: www.fdc.co.za
Gauteng	Gauteng Growth and Development Agency (GGDA)	The GGDA is committed to creating an inclusive and transformed Gauteng economy that is focused on creating jobs, developing skills and increasing foreign and domestic direct investment.	124 Main Street, Marshalltown Johannesburg South Africa Tel: +27 10 001 8650 E-Mail: info@ggda.co.za Website: https://ggda.co.za

KwaZulu-Natal	Trade and Investment KwaZulu-Natal (TIKZN)	Trade & Investment KwaZulu-Natal (TIKZN) is a provincial trade and investment promotion agency, developed to promote the province as an investment destination and promote trade by assisting KZN-based companies to identify markets and export their products.	Trade & Investment House Kingsmead Office Park Kingsmead Boulevard Stalwart Simelane Street Durban 4001 Tel: + 27 (0) 31 368 9600 Fax: + 27 (0) 31 368 5888 E-Mail: info@tikzn.co.za Website: www.tikzn.co.za
Limpopo	Limpopo Economic Development Agency (LEDA)	LEDA is established to accelerate economic growth, development and job creation in Limpopo.	Enterprise Development House Main Road Lebowakgomo Tel: +27 15 633 4700 E-Mail: info@lieda.co.za Website: www.lieda.co.za
Mpumalanga	Mpumalanga Economic Growth Agency (MEGA)	The Mpumalanga Economic Growth Agency (MEGA) was formed in terms of the Mpumalanga Economic Growth Agency Act (Act No. 4 of 2005) through a merger of the Mpumalanga Economic Empowerment Corporation and the Mpumalanga Investment Initiative.	ABSA Square Building 20 Paul Kruger Street Mbombela Tel: +27 13 755 6328 E-Mail: info@mega.gov.za Website: https://mega.gov.za
Northern Cape	Northern Cape Economic Development Agency (NCEDA)	NCEDA's vision is to be the catalyst for the acceleration of sustainable economic growth and development in the Northern Cape through efficient and effective use of public sector resources and public/private partnerships.	DSC Building, First Floor 69 Memorial Road Kimberley Northern Cape Tel: +27 87 086 0350 Website: www.nceda.co.za
North West	North West Development Corporation (NWDC)	NWDC is established to promote trade and investment in the North West Province to ensure economic growth and transformation.	22 James Watt Crescent, Industrial Site Mafikeng Tel: +27 18 381 3663 E-Mail: info@nwdc.co.za Website: https://nwdc.co.za

Western Cape	Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	The official tourism, trade and investment promotion agency for Cape Town and the Western Cape.	60 St Georges Mall Cape Town City Centre, Cape Town 8000 Tel: +27 21 487 8600 Website: www.wesgro.co.za
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Special Economic Zones (SEZs)

Special Economic Zones (SEZs), are geographically designated areas of a country set aside for specifically targeted economic activities, supported through incentives. The purpose of the SEZ is to expand the strategic industrialisation focus to cover diverse regional development needs and contexts.

Benefits of operating within Special Economic Zones

- Preferential 15% corporate tax
- Building Allowance
- Employment Incentive
- Customs Controlled Area
- 12I Tax Allowance

Eastern Cape	Coega IDZ	Coega is in the Nelson Mandela Bay Metropolitan Municipality on the East-West trade route to service both world and African markets. It has attracted investment in the agro-processing, automotive, aquaculture, energy, metals logistics and business process services sectors.	https://www.coega.co.za/
	East London IDZ	The zone has become a prime industrial park, renowned for its customised solutions for various industries, including automotive, agro-processing and aquaculture. It is an ideal location for exported manufacturing and processing, providing investors with connections to major markets, locally and across the globe.	https://www.elidz.co.za
Free State	Maluti-A-Phofung SEZ	This zone in Harrismith is at the mid-point of the crucial Durban-Johannesburg route, offering access to the port of Durban as well as logistics for the transfer of freight between road and rail.	https://www.fdc.co.za/

KwaZulu-Natal	Dube TradePort	This zone is located 30 km north of Durban, with a focus on manufacturing and value-addition primarily for automotive, electronics and fashion garments.	http://www.dubetradeport.co.za/
	Richards Bay IDZ	This industrial estate is on the north-eastern South African coast. The N2 business corridor links the province's two major ports of Durban and Richards Bay and connects with Maputo in Mozambique and, ultimately, areas of East Africa. With prime rail and road access, this zone is a portal to the world.	http://www.rbidz.co.za/
Limpopo	Musina-Makhado	This special economic zone is strategically located along the N1 North-South route into the Southern African Development Community (SADC), close to the border between South Africa and Zimbabwe.	https://www.lieda.co.za/
Mpumalanga	Nkomazi SEZ	Nkomazi Special Economic Zone (SEZ) has been formalized to provide a competitive and highly efficient industrial Cluster that position itself as the leading location for Agro-processing, and Logistics services activities within South Africa, in response to investor demand.	https://nkomazisez.co.za
North West	Platinum Valley SEZ	The main hub of the Platinum Valley SEZ is to be housed in a 100-hectare site of the Bodirelo Industrial Park. The industrial park is located near the town of Mogwase in the Bojanala Platinum District of the North West Province. The site will be developed in three phases comprising of a logistics park, light manufacturing space and a heavy industries manufacturing space.	

Western Cape

Atlantis SEZ

Atlantis is the home of the Greentech Special Economic Zone (SEZ). Situated on the West Coast of South Africa, just 40 kilometers from Cape Town, the Atlantis SEZ capitalises on the province's booming renewable energy and green technology sector. The SEZ has already attracted investments of R680 million and created over 312 direct jobs to date, paving the way as Africa's only Greentech hub.

<https://atlantiszez.com/>

Saldanha Bay IDZ

This zone is two hours north of Cape Town. It is an oil, gas and marine repair engineering and logistics services complex, servicing the upstream oil exploration industry and production service companies operating in the oil and gas fields off Sub-Saharan Africa.

<http://www.sbidz.co.za/>

Forms of Foreign Investment

- A registered branch of a foreign company
- Co-operative
- Personal Liability Company (Incorporated)
- Public Enterprise (listed on the stock exchange)
- Trading Trust
- Private Company

Company Registration Process

- Companies are registered with the [Companies and Intellectual Property Commission](#) (CIPC) and take approximately seven (7) to ten (10) working days to complete registration once all of the required documents have been submitted.
- [BizPortal](#) is a platform developed by the CIPC to offer company registration and related services in a seamless digital way.
- A company registration may vary between R125 and R475 (R125 for a private company, R475 for a non-profit company registered without members).

Special Economic Frameworks

The **Department of Trade, Industry and Competition** (*the dtic*) plays a critical role in the promotion of economic development and meaningful participation in the global economic and trade environment.

There are various policies, programmes and initiatives dedicated to promoting South Africa as a key investment location in the African continent. These are the **key sectors** identified by *the dtic*:

- Automotive
- Clothing, Textiles, Leather and Footwear
- Agro-processing
- Chemicals
- Metals Fabrication
- Plastics
- Mineral Beneficiation
- Green Industries
- Marine Manufacturing
- Advanced Materials

Broad-Based Black Economic Empowerment (B-BBEE)

There are various pieces of specific legislation that are relevant to foreign investors such as the [Broad-Based Black Economic Empowerment \(B-BBEE\) Act](#) 53 of 2003.

The **B-BBEE Act**, together with the codes of good practice, set out the legal framework for broad-based black economic empowerment of black people (Africans, Coloured, Indians and Chinese who are South African citizens) in four interrelated contexts:

- Direct empowerment, which includes increasing the number of black people who manage, own and control enterprises and productive assets;
- Human resources and skills development by achieving equitable representation in all occupational categories and at all levels of a workforce;
- Indirect empowerment through the promotion of preferential procurement from empowered enterprises and investment in enterprises owned or managed by black people; and
- Involvement in social development initiatives.

The codes of good practice issued by the Minister of Trade, Industry and Competition and transformation charters developed by various industries monitor compliance against a general “scorecard” followed by all industries.

Compliance with the B-BBEE targets provided for in the codes is not strictly speaking mandatory; however, the B-BBEE Act and codes operate through the mechanism of direct and indirect incentives to comply.

Banking and FOREX

Banking System

South Africa has a well-established banking regulatory framework. The heart of the banking system in South Africa is the [South African Reserve Bank](#) (SARB), which is the primary monetary authority and custodian of the country's gold and foreign exchange reserves.

Banking in South Africa is regulated by wide-ranging primary and secondary or subordinate legislation:

- [The Banks Act 94 of 1990](#)
- [The South African Reserve Bank Act 90 of 1989](#)
- [The Financial Sector Regulation Act 9 of 2017](#)
- [The Financial Intelligence Centre Act 38 of 2001](#)
- [The Companies Act 71 of 2008](#)

Investment System

The [Protection of Investment Act](#) 22 of 2015 provides a degree of protection to investors regarding their investments and aims to achieve a balance of rights and obligations that apply to all investors.

General Overview/ Presence of Foreign Banks

- The banking system in South Africa consists of the four biggest banking groups:
 - Amalgamated Banks of South Africa Limited (ABSA)
 - FirstRand Limited (First National Bank)
 - Nedbank Group
 - Standard Bank Group
- These four banking groups provide more than 80% of banking services in South Africa.
- To open a bank account in South Africa, you will need to provide proof of residence, employment status and a declaration of any assets you have brought into the country.
- Expats with tourist visas can only open non-resident bank accounts, whereas those with temporary or permanent residence visas can open a resident bank account.
- Other private, commercial and niche banks include:
 - African Bank Ltd
 - Access Bank
 - Bidvest Bank Limited
 - Capitec Bank Ltd
 - Grindrod Bank
 - HBZ Bank Limited
 - Investec Bank Ltd
 - Mercantile Bank Limited
 - Sasfin Bank Ltd

FOREX

- The [Financial Sector Conduct Authority](#) (FSCA) is the market conductor regulator of financial institutions within South Africa. Forex brokers need to be licensed and comply with FSCA. South Africa is a member state of the Common Monetary Area (CMA), along with Namibia,

Lesotho and Eswatini. This allows other member states to use Rands interchangeably with their local currencies. However, only Rands will be accepted in South Africa.

- The [Financial Intelligence Centre](#) regulations apply to all foreign exchange brokers.
- Foreign exchange brokers for international payments:
 - [Western Union](#)
 - [Incompass](#)
 - [SABLE International](#)

Requirements to open an account

Individuals with residence visas can open an account in South Africa with the following information:

- Passport/Birth certificate
- Work or Study permit
- Proof of address (utility bill)
- Three months of bank statements

Contact Details

The information contained in this document was compiled by AHK Southern Africa. For further assistance and questions, please contact:

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