

Doing Business in the Western Cape, 2015

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Launching a business in South Africa is a straightforward process. According to the World Bank, it can be measured through four criteria: procedures required to establish a business, the associated time, the associated cost, and the minimum capital requirement. Entrepreneurs can expect to go through 6 steps to launch a business in South Africa, over 46 days on average, at a cost equal to 0.3% of the economy's income per capita (Gross National Income (GNI)). There is no minimum capital requirement to obtain a business registration number, compared with the OECD average of 9.6% of GNI.

Compared to Sub-Saharan Africa, Latin America and other OECD countries, South Africa has a competitive advantage in its ease of starting a business with low associated costs. There are fewer procedures required to starting a business in South Africa, which has been significantly facilitated by the Companies Act and its Regulations, as well as the South African government's commitment to creating a business environment conducive to economic growth and sustainability.

EASE OF STARTING A BUSINESS INDICATORS, 2015/16				
INDICATOR	SOUTH AFRICA	SUB-SAHARAN AFRICA	LATIN AMERICA & CARIBBEAN	OECD Average
Number of procedures	6	8.0	8.3	4.7
Time (days)	46.0	26.8	29.4	8.3
Cost (% of income per capita)	0.3	53.4	31.0	3.2
Min. capital (% of income per capita)	0.0	45.1	2.8	9.6

Source: World Bank, *Doing Business 2015*

1. Starting a Business in South Africa

The Companies Act of 2008 came into operation on the 1st of May 2011 and replaced the Companies Act of 1973. The new Act changed many aspects of business registration and company requirements including the discontinuation of the registration of partnerships and close corporations.

The businesses entities that may be registered in South Africa are as follows:

- **Private companies Pty (Ltd)** – subject to fewer disclosure and transparency requirements under the new Act; prohibited from offering its shares to the public and the transferability of shares is restricted; no more than 50 shareholders are permitted; and the board of the private company must comprise of at least one director or any other minimum number stipulated within the incorporating documentation.
- **Public companies (Ltd)** – permitted to offer shares to the public; no limit to the number of shareholders; at least one shareholder is required to form a public company and a public company must have at least three directors. Only public companies may be listed on the Johannesburg Securities Exchange.
- **State-owned company (SOC)** - either a company defined as a “state-owned enterprise” in the Public Finance Management Act 1 of 1999, or is owned by a municipality as contemplated in the Municipal Systems Act 32 of 2000, and is otherwise similar to an enterprise as referred to above. The name of a state-owned company must end with the expression “SOE Ltd” and is duly incorporated and registered in terms of the Act.
- **External company** - a foreign company that is carrying on business or non-profit activities within the Republic; must be duly incorporated and registered within 20 business days after it first begins to conduct activities within the Republic as an external non-profit company (NPC) or as an external company.
- **Personal liability company (Inc)** - directors and past directors are jointly and severally liable, together with the company, for any debts and liabilities of the company that were contracted during their respective terms of office.
- **Non-profit company (NPC)** – company incorporated for public benefit or other object as specific in the Act; income and property are not distributable to its incorporators, members, directors, offers or persons related except as reasonable compensation for services rendered; and three persons and three directors may form a NPC.

For a full description of companies and requirements please visit: <http://www.cipc.co.za/index.php/register-your-business/companies/>

1.1 Documents required for starting a business in South Africa

The documents required for starting a business in South Africa are provided in the table on the following page.

The following institutions are important when starting a business in South Africa:

- Companies and Intellectual Property Commission (CIPC) for company registration as well as registration of intellectual property. Registration forms can be obtained from CIPC website, www.cipc.co.za
- Office of the local receiver of revenue (SARS) for income tax, VAT, and employee withholding tax (PAYE and SITE);
- Department of Labour for application to the Unemployment Insurance Fund (UIF);
- Relevant metropolitan council for local revenue/salary levy;
- The Compensation Fund of South Africa, in accordance with the Compensation for Occupational Injuries and Diseases Act. Registration forms can be obtained from the Department of Labour's website, www.labour.gov.za.

1.2 Registering Intellectual Property

South Africa is a signatory country to international treaties pertaining to intellectual property and thus legislation has been developed which recognises and protects intellectual property in the Republic of South Africa. Patents, designs and trademarks are also registered by CIPC. For additional information please visit: <http://www.cipc.co.za/index.php?clD=252>

COSTS OF REGISTERING INTELLECTUAL PROPERTY	
PURPOSE	FEE
Patents	R60 for provisional application R590 for complete application
Designs	R240 for application
Trademarks	R590 for new application
Copyright	R510 for new application

Source: CIPC, 2014

1.3 Environmental Impact Assessments

An Environmental Impact Assessment (EIA) is a crucial mechanism used to determine the impact of proposed projects in either the construction phase or operational phase or both on the environment. The Department of Environmental Affairs as well as provincial environmental departments (Western Cape provincial environmental affairs and developmental planning department website: <https://www.westerncape.gov.za/dept/eadp>) are responsible for EIA processes and ensuring the timely and accurate execution of EIAs¹. Environmental consultants' fees vary between ZAR400 to ZAR600 per hour.

¹ Environmental impact regulation available on Western Cape provincial department website <http://eadp.westerncape.gov.za/your-resource-library>

DOCUMENTS TO BE COMPLETED FOR REGISTRATION OF THE VARIOUS TYPES OF COMPANIES					
FORM NUMBER	NAME OF FORM	DESCRIPTION/PURPOSE	SUPPORTING DOCUMENTS	FEE	SECTION AND REGULATION
CoR 9.1	Application to reserve a name	<ul style="list-style-type: none"> • May indicate up to four alternatives which will be considered for reservation in the listed order • Only one name will be registered • Must indicate whether any word, number or other element constitutes a registered trade mark, mark or well-known trade mark • Provide supporting documents for associated name • Applicant of name reservation must be applicant on new company registration documents for associated name 	<p>Normal name reservation:</p> <ul style="list-style-type: none"> • Certified copy of ID of applicant <p>Associated name reservation:</p> <ul style="list-style-type: none"> • Letter from holder of trade mark or representative of company that name may be used • Certified copy of ID of applicant • Certified copy of ID of representative company or trade mark holder (satisfactory evidence regarding ownership of name) • Certificate of translation (if applicable) 	<p>Manual application:</p> <ul style="list-style-type: none"> • R75.00 for each name <p>Electronic application:</p> <ul style="list-style-type: none"> • R50.00 for each name 	Section 11 and 12 Regulation 8
CoR 14.1	Notice of Incorporation	To be lodged together with Memorandum of Incorporation of any type of company	<ul style="list-style-type: none"> • Certified ID copies of applicant, incorporators or members 	The basic filing fee is R175 if the company's MOI is in form CoR 15.1A or 15.1C, or R475 in any other case and COR 35.1 if any	Section:13 Regulation: 14
CoR 15.1A	Memorandum of Incorporation (Short Standard Form) for private company	This is a form used to incorporate a private company and can be incorporated by one or more persons	<ul style="list-style-type: none"> • Certified ID copies of applicant, incorporators or members and Power of Attorney • The following are submitted if there is a need: resolution letter, and financial services board letter 	Same as above	Regulation: 15 Section: 13
CoR 15.1B	Memorandum of Incorporation (Long Standard Form) for profit company	Used to incorporate a new private company and consist of 11 pages if filing by paper	<ul style="list-style-type: none"> • Certified ID copies of applicant incorporators or members and Power of Attorney • The following are submitted if there is a need: resolution letter, and financial services board letter 	Same as above	Regulation: 15 Section: 13
CoR 15.1C	Memorandum of Incorporation (Short Standard Form) for incorporation of a non-profit company	Used to incorporate a non-profit company and will consist of 3 pages and may not have members as contemplated in the Act	<ul style="list-style-type: none"> • Certified ID copies of applicant, incorporators and Power of Attorney • The following are submitted if there is a need: resolution letter 	Same as above	Regulation: 15 Section: 13
CoR 17	To transfer registration of a foreign company	The form is used to incorporate a branch of a foreign company into the Republic, where the law of the jurisdiction in which it is registered permits the company in this manner, and the company has complied with all of the requirements of the law governing such a transfer	<ul style="list-style-type: none"> • Certified ID copies of the applicant, incorporators, majority of shareholder and directors and Power of Attorney • Written statement that the company is not in liquidation • The following are submitted if there is a need: resolution letters and financial services board letter 	R400.00	Regulation: 17 Section: 13(5) Regulation: 20 Section: 23(1), (2) and (2a)
CoR 20.1	To Incorporate an external company	To Incorporate an external company, still attaches copies of MOI, its certificate of incorporation, its current registration certificate and translated copies of any such document	<ul style="list-style-type: none"> • Certified ID copies of applicant, incorporators or members, majority of shareholders and directors and Power of Attorney • Written statement that the company is not in liquidation • The following are submitted if there is a need: resolution letters and financial services board letter 	R400.00	Regulation: 17 Section: 13(5) Regulation: 20 Section: 23(1), (2) and (2a)

Source: CIPC, 2015 <http://www.cipc.co.za/>

Note: For a full list of company fees and applicable forms please visit the Companies & Intellectual Property Commission: <http://www.cipc.co.za/index.php/Access/companies/>

2. Property Rentals

The following table indicates the cost of renting property in the Cape Town, Johannesburg and Durban. Rental rates in Cape Town are set to range between USD6.74 and USD22.79 per sq m per month in 2015, as with Johannesburg indicating the wide range of space available. Demand is outpacing supply in Cape Town, as a result of a small pipeline of projects coming online, and this should mean that rental rates rise slightly in 2016, remaining just higher than rates in Johannesburg (BMI, 2015).

Both Johannesburg and Cape Town are established business centres, and thus have an expectation of continued demand for premium space both in central business districts (CBDs) and in new developments outside the centre.

OFFICE RENTAL RATES (ZAR/m ² PER MONTH)								
LOCATION	2012		2013		2014		2015	
	Min	Max	Min	Max	Min	Max	Min	Max
Johannesburg	73.89	280.781	78.17	212.30	78.12	239.79	87.93	269.47
Cape Town	73.89	243.02	66.59	220.99	72.70	247.38	82.26	277.98
Durban	72.25	161.74	50.18	145.72	58.59	163.84	65.24	184.37
INDUSTRIAL RENTAL RATES (ZAR/m ² PER MONTH)								
LOCATION	2012		2013		2014		2015	
	Min	Max	Min	Max	Min	Max	Min	Max
Johannesburg	23.81	59.11	21.23	56.94	26.04	61.85	28.93	69.78
Cape Town	40.23	83.74	27.02	74.31	35.81	80.29	44.26	89.63
Durban	38.59	67.32	36.67	75.27	39.06	83.55	44.25	93.60
RETAIL RENTAL RATES (ZAR/m ² PER MONTH)								
LOCATION	2012		2013		2014		2015	
	Min	Max	Min	Max	Min	Max	Min	Max
Johannesburg	82.92	281.60	68.52	250.90	78.12	282.10	87.93	317.69
Cape Town	97.70	285.71	96.50	236.43	108.50	271.25	121.97	305.21
Durban	100.98	265.18	88.78	240.29	100.91	270.17	113.46	303.51

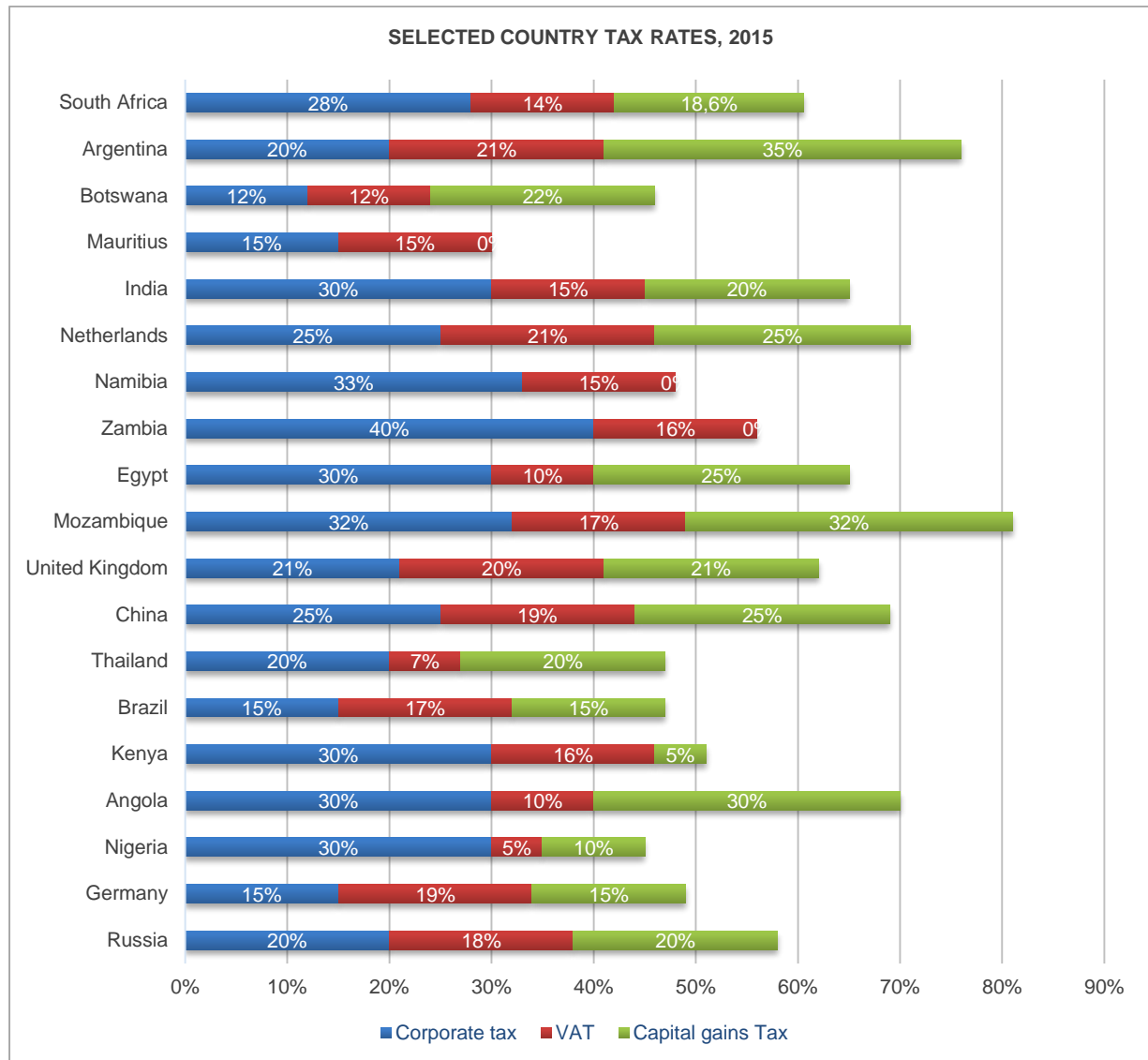
Source: BMI, 2015

3. Taxation

3.1 Tax Treaties and International Tax Comparisons

The figure below shows tax rates for selected countries for the 2015 period. It focuses on three types of taxes: corporate taxes, capital gains taxes and Value Added Taxes (VAT).

South Africa has concluded 80 tax treaties for the avoidance of double taxation, 21 with African countries and 59 with the rest of the world. Currently South Africa has signed another 11 tax treaties for the avoidance of double taxation. A full list of treaties can be found at: <http://www.sars.gov.za/>.



Source: Ernst & Young, 2015

Note: In case of a range of taxes within a category the upper range has been recorded

Note: Angola's consumption tax is recorded under VAT and is 10%.

3.2 Personal Taxation and Special Trusts

South Africa introduced a residence-based system of taxation for years of assessment commencing on or after 1 January 2001. South African residents are now taxed on their worldwide income, subject to a number of exemptions, while non-residents are taxed on income earned from a South African source. Foreign taxes are credited against South African tax payable on foreign income.

INCOME TAX: INDIVIDUALS AND SPECIAL TRUSTS, 2015		
TAXABLE INCOME EXCEEDS	BUT DOES NOT EXCEED	TAX PAYABLE
ZAR0	ZAR181,900	18%
ZAR181,901	ZAR284,100	ZAR32,742 + 26%
ZAR284,101	ZAR393,200	ZAR59,314 + 31%
ZAR393,201	ZAR550,100	ZAR93,135 + 36%
ZAR550,101	ZAR701,300	ZAR149,619 + 39%
ZAR701,3001	and above	ZAR208,587 + 41%
Other trusts		41%

Source: South African Revenue Service (SARS), 2015

For the 2015/16 financial year the primary rebate has been increased to R13,257 per year for all individuals. The secondary rebate, which applies to individuals aged 65 years and over, is increased to R7,407 per year. The third rebate, which applies to individuals aged 75 years and over, has increased to R2,466 per year.

The threshold below which individuals are not liable for personal income tax has increased to R73,650 of taxable income per year for those below the age of 65, R114,800 per year for those aged 65 to 74, and R128,500 for age 75 and over.

3.3 Corporate Tax Rates

For the 2015/2016 financial year, the standard rate of corporation tax in South Africa will be 28% for resident companies and non-resident companies.

INCOME TAX: COMPANIES	
TYPE	RATE OF TAX
Companies	28%
Personal service provider companies	28%
Foreign resident companies which earn income from a source in South Africa	28%
INCOME TAX: SMALL BUSINESS CORPORATIONS	
TAXABLE INCOME per annum	RATE OF TAX
ZAR0 – ZAR73,650	0%
ZAR73,6501– ZAR365,000	7% of the amount above ZAR73,650
ZAR365,001 – ZAR550,000	ZAR20,395 + 21% of amount above ZAR365,000
ZAR550,001 and above	ZAR59,245 + 28% of the amount above ZAR550,000

Source: South African Revenue Service (SARS), 2015

Secondary Tax on Companies (STC) was replaced with **dividends tax** on 1 April 2012 and is levied at a rate of 15% on dividends paid by a company.

3.4 Capital Gains Taxation

Capital gains on the disposal of assets are included in taxable income. Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.

Maximum effective rate of tax:

Individuals:	13.65%
Companies:	18.65%
Trusts:	27.31%

The following are specific exclusions of Capital Gains Tax:

- ZAR2m gain/loss on the disposal of a primary residence;
- most personal use assets;
- retirement benefits;
- payments in respect of original long-term insurance policies;
- annual exclusion of ZAR30,000 capital gain or capital loss is granted to individuals and special trusts;
- exclusion on death of ZAR300,000; and
- small business exclusion for individuals of ZAR1.8m.

3.5 Value Added Tax (VAT)

Value Added Tax (VAT) of 14% is levied on goods and services, excluding certain basic foodstuffs. Exports are zero-rated, provided that certain regulations are complied with.

At present, it is compulsory for companies with an annual turnover of over ZAR1m to register for VAT. A vendor making taxable supplies of more than ZAR50,000 but not more than ZAR1m per annum may apply for voluntary registration. Non-residents that carry on an enterprise in South Africa are required to register for VAT. Certain supplies are subject to a zero rate or are exempt from VAT.

No VAT is payable on the importation of certain goods. Some examples are –

- goods temporarily admitted for processing, repair, cleaning, reconditioning or for the manufacture of goods exclusively for export;
- goods temporarily admitted subject to exportation in the same state; and
- goods donated by a non-resident to an association not for gain, public authority or municipality which are not for resale, and which are imported for use exclusively for educational or welfare purposes; educational, medical or scientific research; or for issue to indigent persons at no charge.

Where goods are temporarily imported into South Africa or removed in transit through South Africa - a provisional payment or bond will normally be required to secure the amount of VAT payable on importation so as to reduce the risk of the goods remaining in the country without the payment of the applicable VAT. When the goods leave the country, the provisional payment may be refunded, or the bond released.

3.6 Transfer duty

Transfer duty is payable at the following rates on transactions which are not subject to VAT:

Acquisition of property by all persons

ZAR0 – ZAR750,000	: 0%
ZAR750,001 – ZAR1,250,000	: 3% of the value above ZAR750,000
ZAR1,250,001– ZAR1,750,000	: ZAR15 000 + 5% of the value above ZAR1,250,000
ZAR1,750,001-ZAR2,250,000	: ZAR45,000 + 8% of the value exceeding ZAR1,500,000
ZAR2,250,000 and above	: ZAR85,000 + 11% of the value exceeding ZAR2,250,000

Other taxes, duties and levies²:

- Customs and Excise;
- Estate tax;
- Various stamp duties;
- Motor vehicle licence;
- Skills Development Levy (SDL);
- Environmental levy;
- Electricity Levy.
- Donations tax;
- Transfer duty on real estate transactions not subject to VAT;
- Fuel levies;
- Municipal taxes on owners of real estate;
- Airport taxes;
- Road Accident Fund levy; and

4. Human Resources

When compared to its main economic global competitors, South Africa has a balanced labour market environment with regulations designed both to protect the employee and to ensure companies can operate effectively.

4.1 Labour market size and availability

According to Quantec (2014), the Western Cape recorded formal and informal employment of 2.2 million people in Q1 2014 compared to 2.1 million in Q1 2013, increasing by 4.8%. The increase was due to significant growth in employment in the mining and quarry sector (42%), private households (20%), agriculture, forestry and fishing sector (14%) and wholesale and retail trade sector (13%).

4.2 Skills

The quality of the skills base in South Africa is reflected in the attraction of major foreign investors from all over the world in numerous business sectors and across a variety of business functions.

Seven of the leading automotive equipment manufacturers have manufacturing plants in South Africa, namely BMW, General Motors, Daimler Benz, Nissan, Ford, Toyota and Volkswagen, while component manufacturers such as Arvin Exhaust, Bloxwitch, Corning, Senior Flexonics have established production bases here. Other major international players established in the country are Coca-Cola, Nestlé, Panasonic, Pfizer, Siemens and Uniliver.

4.3 Selected Labour Costs

4.3.1 Remuneration in the Western Cape

WESTERN CAPE MONTHLY LABOUR WAGE PER INDUSTRY, 2014 (AVERAGE)								
Job Title	Construction (ZAR)	Consumer goods (ZAR)	Industrial equipment (ZAR)	IT (ZAR)	Primary production (ZAR)	Retail (ZAR)	Sales and marketing (ZAR)	Services (ZAR)
Personal Assistant/Secretary (to Chief Executive) 3	19 661	20 930	21 352	21 987	21 564	19 238	17 970	20 084
Bookkeeper 3	17 950	19 108	19 494	20 073	19 687	17 564	16 406	18 336
Accountant 4	24 192	25 753	26 273	27 054	26 533	23 672	22 111	24 712
Auditor: Internal - Chief	55 286	58 853	60 041	61 825	60 636	54 097	50 530	56 475
Management Accountant 2	45 081	47 989	48 959	50 413	49 443	44 111	41 203	46 050
Accountant - Chief 1	44 191	47 042	47 992	49 418	48 467	43 240	40 389	45 141

² For further details, please, visit the web site <http://www.sars.gov.za/>.

WESTERN CAPE MONTHLY LABOUR WAGE PER INDUSTRY, 2014 (AVERAGE)								
Job Title	Construction (ZAR)	Consumer goods (ZAR)	Industrial equipment (ZAR)	IT (ZAR)	Primary production (ZAR)	Retail (ZAR)	Sales and marketing (ZAR)	Services (ZAR)
Financial Manager 2	56 811	60 476	61 698	63 530	62 309	55 589	51 924	58 033
Computer Operator - Senior	13 877	14 773	15 071	15 519	15 220	13 579	12 684	14 176
Analyst/Programmer - Senior	28 753	30 608	31 226	32 154	31 535	28 134	26 279	29 371
Software Support Engineer	23 765	25 298	25 810	26 576	26 065	23 254	21 721	24 276
Business Analyst / O&M Analyst / Consultant	27 183	28 937	29 521	30 398	29 814	26 598	24 845	27 768
Information Technology Manager 2	55 813	59 414	60 614	62 415	61 214	54 613	51 012	57 013
Human Resources/Personnel Officer Administration	18 660	19 863	20 265	20 867	20 465	18 258	17 054	19 061
Environmental Health Officer	18 416	19 604	20 000	20 594	20 198	18 020	16 832	18 812
Medical Doctor	38 637	41 130	41 960	43 207	42 376	37 806	35 313	39 468
Security Officer	11 565	12 312	12 560	12 933	12 685	11 317	10 571	11 814
Clerk - Warehouse or Stores	6 393	6 805	6 943	7 149	7 011	6 255	5 843	6 530
Risk Analyst	22 148	23 577	24 053	24 768	24 291	21 672	20 243	22 624
Branch Manager 2	35 710	38 014	38 782	39 934	39 166	34 942	32 638	36 478
Project Manager	40 326	42 927	43 795	45 095	44 228	39 459	36 857	41 193
Logistics Manager	42 901	45 669	46 591	47 975	47 053	41 978	39 211	43 824
Engineering Technical Assistant 3	23 220	24 718	25 218	25 967	25 467	22 721	21 223	23 720
Engineering Geologist	26 156	27 844	28 406	29 250	28 688	25 594	23 906	26 719
Quantity Surveyor 1	28 122	29 937	30 541	31 449	30 844	27 517	25 703	28 727
Architect 2	35 188	37 459	38 215	39 350	38 594	34 432	32 161	35 945
Engineer - Industrial	27 829	29 625	30 223	31 121	30 522	27 231	25 435	28 428
Engineer - Civil 3	50 331	53 578	54 660	56 284	55 201	49 248	46 001	51 413
Engineer - Electronic 3	53 708	57 173	58 329	60 061	58 906	52 553	49 088	54 863
Boilermakers	15 866	16 889	17 231	17 742	17 401	15 525	14 501	16 207
Auto Electricians	16 704	17 781	18 141	18 679	18 320	16 345	15 267	17 063
Artisan - Other (Specialist)	16 994	18 090	18 456	19 004	18 638	16 628	15 532	17 359
Chemist 2	23 067	24 555	25 051	25 795	25 299	22 571	21 083	23 563
Pharmacist	23 248	24 748	25 248	25 998	25 498	22 748	21 248	23 748
Geologist - Senior	40 019	42 601	43 461	44 752	43 892	39 158	36 576	40 879
Research And Development Metallurgist	35 362	37 644	38 404	39 545	38 784	34 602	32 320	36 123
Advertising Manager	32 696	34 805	35 509	36 563	35 860	31 993	29 883	33 399
Marketing Research Manager	35 559	37 854	38 618	39 765	39 001	34 795	32 501	36 324
Call Centre Manager 2	43 891	46 723	47 667	49 083	48 139	42 947	40 116	44 835

Source: PE Corporate Services, 2015

4.3.2 Unemployment Insurance fund (UIF)

Employers must pay unemployment insurance (UIF) to the government in order to support workers who may become unemployed due to operational requirements. Employers must pay unemployment insurance contributions of 2% of the value of each worker's pay per month. Of this, 1% comes from the employer and the other 1% is deducted from the worker's salary. Employers not registered for PAYE or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner.

The UIF provisions do not apply to the following:

- Workers working less than 24 hours a month for an employer;
- Learners;
- Public servants;
- Foreigners working on contract;
- Workers who get a monthly state (old age) pension; and
- Workers who only earn commission.

4.3.3 The Skills Development Fund

The Skills Development Levies Act provides for a levy to contribute towards the cost of skills development. The levy imposed is 1% of the total remuneration paid or payable, by the employer to all employees during any month. The levy must be paid to the education and training authority for the sector to which the employer belongs. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies.

The Skills Development Levies Act applies to all employers except:

- the public service;
- religious or charity organisations;
- public entities that get more than 80% of their money from Parliament; and
- employers who do not have to register according to the Income Tax Act.

4.4 Immigration

In 2014 South Africa gazetted new immigration regulations, whereby the department of Home Affairs appointed VFS Global to establish centres, receive and manage visa and permit applications in South Africa and diplomatic missions worldwide. The VFS Global call centre is currently operational and the information below is currently applicable:

- Clients must approach VFS Global centres for temporary residence visas, permanent residence permits, waivers, exemptions, and appeals;
- Applications will be accepted between 8:00am and 16:00pm Monday to Friday;
- Each application fee will attract a service fee of ZAR1350.00 including VAT;
- There will be a mandatory online form which applicants can fill followed by a mandatory appointment to visit a centre closest to them to submit applications;
- Applicants are required to submit applications in person so that biometrics can be captured; and
- Requirements regarding children travelling in and out of South Africa are also in effect.

The processes are available on VFS Global website www.vfsglobal.com/dha/southafrica. Queries regarding the application process or centres can be addressed directly to VFS Global Call Centre on the following number: +27 12 425 3000 www.vfsglobal.com/dha/southafrica or to the department of home affairs www.dha.gov.za.

5. Legal Services

5.1 Legal Fees

The table below shows the average price charged by senior and junior counsels in South Africa.

LEGAL FEES	
Senior Counsel	Between ZAR1,192 to ZAR1,788 per hour
Junior Counsel	No more than two thirds paid to senior counsel

Source: Legal aid South Africa guide 2015. Fee tariffs go to www.legal-aid.co.za

5.2 Enforcing Contracts

The ease or difficulty of enforcing commercial contracts in South Africa is indicated in the table below, using 3 indicators: the quality of judicial process, the associated time, and the cost (in court and attorney fees), expressed as a percentage of debt value. These are World Bank indicators for determining the ease at which contracts are enforced. In South Africa, the cost of enforcing contracts is, on average, 33.2% of debt value.

EASE OF ENFORCING CONTRACTS, 2015				
INDICATOR	SOUTH AFRICA	SUB-SAHARAN AVERAGE	LATIN AMERICA & CARIBBEAN AVERAGE	OECD AVERAGE
Quality of Judicial process	6.5	6.4	8.4	11.0
Time (days)	600	653.1	737	538.3
Cost (% of debt)	33.2	44.9	30.8	21.1

Source; World Bank Doing Business, 2015

6. Utilities

6.1 Electricity

Eskom is a state-owned enterprise that generates approximately 95% of the electricity used in South Africa and approximately 45% of the electricity used in Africa. Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. The table below shows the current electricity tariffs for both domestic and commercial customers in the City of Cape Town area.

ELECTRICITY TARIFFS FOR CITY OF CAPE TOWN AREA: EFFECTIVE TARIFFS FROM 1 JULY 2015				
Domestic Customers		Daily service charge (ZAR)	Energy charge (c/kWh)	Demand Charge (ZAR/kVA)
Domestic	Block 1 (0 - 600kWh)	-	175.90	-
	Block 2 (600.1 + kWh)	-	213.90	-
Lifeline	Block 1 (0 – 350kWh)	-	103.81	-
	Block 2 (350.1 +kWh)	-	287.42	-
Commercial Customers		Daily service charge (ZAR/DAY)	Energy charge (c/kWh)	Demand Charge (ZAR/kVA)
Small Power Users 1		34.20	144.34	-
Small Power Users 2		-	237.09	-
Large Power Users (500kVA and 1 MVA low voltage)		46.92	79.71	237.19
Large Power Users (medium voltage)		46.92	74.09	220.59
Medium Voltage Time of Use Tariff		7638.00	99.05 (high demand Standard)	117.00
Atlantis Time of Use Tariff		6942.60	90.05 (high demand Standard)	106.36
High Voltage Time of Use tariff		7638.00	96.17 (high demand Standard)	117.00

Source: City of Cape Town, 2015

The Domestic Tariff is a two block inclining block tariff and is applicable to customers who receive more than 450 kWh per month on average (as calculated using a twelve month average), including any Free Basic Electricity that may be applicable, and/or customers supplied via a credit meter (post-paid), irrespective of consumption level.

The Lifeline Tariff is a special, highly subsidized 2 block inclining block tariff aimed at existing prepaid customers who receive on average 450 kWh or less per month and have a prepaid meter and have a municipal property valuation of less than R300 000.

Large Power Users (Low Voltage): customers with installed capacity between 500kVA and 1MVA must be charged at either the Low or Medium Voltage Large Power User tariff.

Atlantis time of use tariff: this tariff is only available at medium voltage and in the Atlantis Industrial Area.

High voltage time: use of this tariff is only available at 66kv or 132kv depending on the available network.

6.2 Water

WATER AND SEWERAGE RATES VOLUMETRIC 10% REDUCTION (INCLU VAT)EFFECTIVE 2015/16			
Metered Water Consumption (10% restriction tariff)	ZAR per kilo litre	Sewerage Charge	ZAR per kilo litre
Domestic		Domestic	
0-6kl	0.00	0 - 4.2kl	0.00
>6-10.5kl	11.07	+4.2 - 7.35kl	10.44
>10.5-20kl	15.87	+7.35 - 14kl	18.53
>20-35kl	23.51	+14 - 24.5kl	20.26
>35-50kl	29.03	+24.5 - 35kl	21.27
>50kl	38.30	COMMERCIAL – Standard (95% of water consumption).	13.14
Commercial (Water supplied to premises predominantly of a commercial nature).	17.10	INDUSTRIAL – Standard (95% of water consumption).	13.14
Industrial (Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose).	17.10	-	-

Source: City of Cape Town, 2015

6.3 Fuel

The table below shows the wholesale and retail fuel charges in South Africa during November 2015.

Gauteng (Zone 9C) CENTS/LITRE		
Fuel category	WHOLESALE PRICE	RETAIL PRICE
Petrol 95 ULP	1083.3	1239
Petrol 93 ULP & LRP	1052	1208
Diesel 0.05%	1084.97	-
Diesel 0.005%	1090.37	-
Coastal (Zone 1A) (incl. Western Cape) CENTS/LITRE		
Fuel category	WHOLESALE PRICE	RETAIL PRICE
Petrol 95 ULP	1040.3	1196
Petrol 93 ULP & LRP	1019.3	1175
Diesel 0.05%	1052.27	-
Diesel 0.005%	1057.67	-

Source: Shell SA extracted November 2015

7. Telecommunications

South Africa has one fixed-line telephone network, controlled by Telkom, a state-owned enterprise, but a second network operator, Neotel, has been licensed and started operations mid-2008. The table below provides the latest call charges by Telkom.

LOCAL TELEPHONE CALLS, NOVEMBER 2015		
CALL DISTANCE	ALL TIME (ZAR PER MINUTE INCL.VAT)	STANDARD TIME (ZAR PER SECOND INCL. VAT)
Conventional (Postpaid) calls -- as well as WorldCall (Pre-Paid and Charge Card) calls (On-net calls)	0.632	0.00773
INTERNATIONAL OUTGOING CALLS, NOVEMBER 2015 (PEAK)		
COUNTRY	FIXED (ZAR/MIN)	MOBILE (ZAR/MIN)
United Kingdom	0.60	3.02
United State	0.60	0.60
Australia	0.82	2.05
Netherlands	0.78	1.77
Germany	0.66	2.28
India	0.74	0.74
China	0.57	0.57
UAE	2.28	2.28
Kenya	1.94	2.45
Ghana	0.91	3.08
Nigeria	1.60	1.65
Angola	1.43	3.59
Mozambique	1.25	3.48
Namibia	1.03	1.71

Source: Telkom, November 2015

Landline to mobile numbers (Vodacom, MTN, Cell C, Virgin Mobile, 8.ta)

There are five mobile networks in South African, namely: MTN, Vodacom, Cell C, Virgin and Telkom Mobile.

LANDLINE TO MOBILE	PEAK TIME (ZAR INCL VAT)	OFF-PEAK TIME (ZAR INCLU VAT)
First 60 sec	1.304	1.053
Next 30 sec	0.652	0.527

Source: Telkom, 2015

Cellular to Cellular

The table below shows the cell phone charges by the various cell phone companies operating in South Africa³.

MOBILE NETWORK	ALL DAY CALL RATE PER SECOND BILLING (ZAR)
Vodacom to other	1.20 per min
MTN (Top Up Packages)	0.79 per min
Virgin Mobile	0.99 per min
8.ta	0.95 per min
Cell C	0.99 per min

Source: Vodacom, MTN, Cell C, 8.ta, Virgin Mobile, 2015

³ Mobile network call rates differ according to package and billing type. Network providers can be contacted for detailed information, alternatively all rates are published on network provider websites for transparency.

Internet Connection

According to South Africa's internet industry body the 'Internet Service Providers' Association' (ISPA), there are a number of internet service providers in South Africa, ranging from large, medium to small. Formed in 1996, ISPA has historically served as an active industry body, facilitating exchange between the different independent internet service providers (ISPs), the Department of Communications, ICASA, operators and other service providers in South Africa. The below list are some of the large internet service providers in South Africa. For the full list please consult the ISPA website <http://ispa.org.za/membership/list-of-members/>.

SOUTH AFRICA'S LARGEST INTERNET SERVICE PROVIDERS		
LARGE INTERNET SERVICE PROVIDERS	INTERNET ACCESS SERVICE PROVIDED	WEBSITE
Africa INX	Leased line access (dedicated 64k+); DSL access; Wireless access	http://www.africainx.net
CMC Global Consulting (Pty) Ltd	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.cmcnetworks.net
Cybersmart (Pty) Ltd	Leased line access (dedicated 64k+); DSL access; Dial-up or ISDN access	http://www.cybersmart.co.za
iBurst	DSL access; Wireless access; Mobile access	http://www.iburst.co.za
MTN Business	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access	http://www.mtnbusiness.co.za
MWEB	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.mweb.co.za
Vox Telecom	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.voxdatapro.co.za
eNetworks	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.enetworks.co.za
Enterprise Outsourcing Operations (Pty) Ltd	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.saoutsourcing.com
Liquid Telecommunications Operations SA	Server hosting (hosting of client's server on ISP's network); Managed server hosting (client has access to an ISP managed server)	http://www.liquidtelecom.com
Neotel	Neotel is licensed as South Africa's first alternative infrastructure-based telecoms provider, capable of delivering a broad range of wireline and wireless data telecoms services on a national and international level.	http://www.neotel.co.za
RSAWEB	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.rsaweb.co.za
Smart Village	Leased line access (dedicated 64k+); DSL access; Wireless access; Mobile access; Dial-up or ISDN access	http://www.smartvillage.co.za
Web Africa	DSL access; Dial-up or ISDN access	http://www.webafrica.co.za

Source: ISPA, 2015

The table below shows the internet connection charges of Telkom⁴ for business uncapped Elite+. Business Uncapped Elite+ includes the Elite+ VDSL access speed (up to 40Mbps). Uncapped is based on blended internet usage. Added to this is the Starter VAS package which makes your business visible and accessible via the Internet.

SELECTED TELKOM INTERNET MONTHLY RENTAL		
BROADBAND (CONNECTIVITY)	BUNDLE (ISP ACCOUNT PLUS DSL) NEW INCL VAT	DSL SPEED (BUNDLES EXCLUDE LINE RENTAL)
Business Uncapped Basic	499.00	2Mbps, Starter VAS
Business Uncapped Elite Plus	1 899.00	40Mbps, Starter VAS
Business Premium Uncapped Basic	799.00	2Mbps, Sophisticated VAS
Business Premium Uncapped Elite Plus	3 399.00	40Mbps, Sophisticated VAS

Source: Telkom, 2015

Note: For other broadband and Internet bundles visit www.telkom.co.za

⁴ A number of ISPs are available in South Africa offering a variety of packages and internet bundles, it is recommended that individual ISPs be contacted or that their websites be consulted for pricing.

8. Transportation & Freight

Bus Rapid Transport System - MyCiti

The Cape Town Integrated Rapid Transit (IRT) system, MyCiti, is an initiative to transform the public transport sector by dramatically improving the customer's experience thereof. Through the Bus Rapid Transit (BRT) the city hopes to deliver high-quality bus-based transit system that delivers fast, comfortable, and cost-effective urban mobility with segregated right-of-way infrastructure, rapid and frequent operations, and excellence in marketing and customer service. The system currently extends from Cape Town to the West Coast and East Coast.

MyCiti's Fare System

Every passenger needs their own myconnect card loaded with money, except for children under four years old and less than one meter tall, who travel free. Fares are based on distance in kilometres travelled, when you tap in at the start of your journey and whether or not you have a MyCiti Mover package loaded onto your myconnect card. The table below shows how each fare is calculated. For journeys linking with the airport, add R61.24 (Standard) or R50 (Mover in peak fare) or R44.20 (Mover in saver fare).

MYCITI BUS FARE CALCULATION								
MyCiti Mover Fares								
Distance	0-5km	5-10km	10-20km	20-30km	30-40km	40-50km	50-60km	>60km
Peak (6:45-8:00 & 16:15 – 17:30)	R8.20	R9.40	R12.60	R13.90	R14.80	R17.40	R19.50	R21.30
Saver (All other times including weekends/holidays/all other times not in peak)	R5.50	R6.90	R8.80	R10.40	R11.60	R13.70	R15.50	R17.00
MyCiti Standard Fares								
Distance	0-5km	5-10km	10-20km	20-30km	30-40km	40-50km	50-60km	>60km
Peak (6:45-8:00 & 16:15 – 17:30)	R11.50	R13.30	R17.80	R19.80	R21.00	R24.60	R27.70	R230.20
Saver (All other times including weekends/holidays/all other times not in peak)	R7.80	R9.80	R12.50	R14.80	R16.50	R19.40	R22.00	R24.10

Source: MyCiti, 2015

Car Hire and Shuttle Services

CAR SERVICE	RATES (ZAR)
Meter Taxi	9 to 12 per km
Airport transfers (Between Cape Town International Airport and Cape Town area)	Between 200 and 240
Car Hire (per day)	± 339 (Small) ± 497 (Medium) ± 1100 (Large)
Uber	Fare quotations are provided on a peak/off-peak rate

Source: An average of 3 service providers were contacted for each category to estimate an average price

Train Transport

SELECTED WESTERN CAPE FARES CALCULATED FROM CAPE TOWN STATION (METRO PLUS)			
DESTINATION	SINGLE (ZAR)	WEEKLY (ZAR)	MONTHLY (ZAR)
Cape Town to Century City	19.50	160.00	500.00
Cape Town to Goodwood	11.50	90.00	280.00
Cape Town to Kuils River	13.50	110.00	340.00
Cape Town to Stellenbosch	19.50	160.00	500.00
Cape Town to Wynburg	11.50	90.00	280.00

Source: Cape Metro Rail, November 2015

Air Transport

The table below shows the air service charges for selected routes in South Africa.

DESTINATION	PRICE FOR RETURN FLIGHT (ECONOMY CLASS PRICES, ZAR)
Cape Town – Johannesburg	1989
Cape Town – Durban	1754
Johannesburg - Durban	1279

Source: An average of 3 service providers were contacted to estimate an average price. Prices include all taxes. Bookings made one month in advance.

Sea Transport

The table below shows the sea transport charges for wine along selected routes in South Africa.

DESTINATION (ZAR)			
Commodity - wine	Cape Town to the United States	Cape Town to the United Kingdom	Cape Town to China
20 ft Container	± 23,565	± 12,914	± 6,302
40 ft Container	± 38,854	± 20,111	± 10,185

Source: An average of 3 service providers were contacted to estimate an average price, 2014

Courier Fee

The table below shows the courier service charges for documents sent to selected routes from Cape Town.

POSTNET IN SOUTH AFRICA				
ZAR99 for the first 5 kg	Maximum weight 15kg's			
DHL EXPRESS WORLD WIDE (ZAR)				
SIZE & MAX RECOMM WEIGHTS	SUB SAHARAN AFRICA	MIDDLE EAST & EUROPE, UK	CANADA, MEXICO, USA	REST OF WORLD
337*322*180mm (5kg)	1 720	2 570	2 830	3 180
417*359*369mm (15kg)	2 570	4 470	4 580	5 190
541*444*409mm (25kg)	3 420	6 040	6 260	7 100

Source: Postnet Courier Services, 2015

9. Living in the Western Cape

Hotel Accommodation

The average prices per night of rated hotels are provided below:

Rated hotel prices per night:

Five Stars: ZAR3 780 - ZAR11 2904

Four Stars: ZAR2 920 – ZAR3 965

Three Stars: ZAR764 - ZAR1 914

**Averages of 3 hotels per category were used to estimate an average price. Prices vary according to location, room type and peak and off-peak seasons.*

Education

CATEGORY OF SCHOOL	FEES PER YEAR (ZAR)
Private School	50,000 – 170,000
Model C schools (Public schools with parent contributions)	± 30,000
Public School	± 12,000
Tertiary Education	11, 230 – 75,000

Source: An average of 3 schools per category were used to estimate an average price, 2015.

Note: Costs of education exclude study material. Costs per school will vary depending on the location and facilities offered. Tertiary education costs will vary depending on the institution and the course/s selected.

Consumer Goods

CONSUMER ITEMS	PRICE (ZAR)
Milk	9.78 – 11.49 a litre
Bread loaf	10.89 – 14.99
Meat	67.98 - 119 per kilo
Chicken (whole)	24.51 – 88.99 per kilo
Half a dozen large eggs	13.95±
Instant coffee (250 gr)	31.99 – 174.78
Bottle of good quality wine	129.00±
Packet of cigarettes	30-40
Movie tickets	65-79
Hair cut	30 – 200
Laundry (wash and dry per 5kg)	20 – 40
Domestic help per hour	9.63 hourly/433.35 weekly
Medical (GP fee per consultation)	200 - 550
Green fees for golf course	3,560– 4,950 entrance fee ±R4,500 annual green fee
Big Mac	39.00

Source: An average of 3 suppliers was contacted to estimate average prices.

10. Useful Contacts

ORGANISATION	WEBSITE	TELEPHONE NUMBER
Starting a business contacts		
Department of Trade and Industry	www.thedti.gov.za	+27 (12) 394 9500
Department of Environmental Affairs	www.environment.gov.za	086 111 2468 OR +27 12 310 3123
Small Enterprise Development Agency (SEDA)	www.seda.org.za	0860 103703 OR +27 12 441 1000
SA Chamber of Commerce	www.sacob.co.za	+27 11 446 3800
Companies and Intellectual Property Commission (CIPC)	www.cipc.gov.za	+27 12 394 9500
Industrial Development Corporation (IDC)	www.idc.co.za	+27 21 421 4794
Cape Regional Chamber Commerce	www.capechamber.co.za	+27 21 403 4200 OR +27 21 402 4300
Property Services		
Rode & Associates (Property Economists)	www.rode.co.za	+27 21 946 2480
Baker property Ltd	www.baker-street.co.za	+27 21 461 1668 OR 021 461 1660
Tax services		
South African Revenue Service (SARS)	www.sars.gov.za	+27 11 602 2093
SA Institute of Chartered Accountants	www.saica.co.za	+27 21 423 3938
Labour & Immigration		
Department of Labour	www.labour.gov.za	+27 12 309 4000
Department of Home Affairs	www.home-affairs.pwv.gov.za	+27 21 465 3456/7
Legal services		
Law Society of South Africa	www.lssa.org.za	+27 12 362 1729
Edward Nathan Sonnenbergs	http://www.shg.co.za/	+27 21 410 2500
Cape Law Society	www.capelawsoc.law.za	+27 21 443 6700
Cliffe Dekker	http://www.cliffedekkerhofmeyr.com	+27 21 481 6300
Mallinicks	http://www.mallinicks.co.za	+27 21 410 2200
Global Migration SA	www.ukvisaservices.co.za	+27 11 480 4910
Immigration for You	www.immigration4u.co.za	+27 21 424 3717
Utilities		
Eskom	www.eskom.co.za	0860 037 566
City of Cape Town – Electricity	www.capetown.gov.za	+27 918 7111/50/58
Telkom (Cape Town Branch)	www.telkom.co.za	+27 21 425 9304
Cape Town City Council – Water & Sewage Services	www.capetown.gov.za	0860 103 054
Department of Minerals & Energy	www.dme.gov.za	+27 12 317 800
Telecommunications		
Telkom	www.telkom.co.za	+27 21 425 9304
Vodacom	www.vodacom.co.za	+27 11 653 5000
MTN	www.mtn.co.za	083 173
Cell C	www.cellc.co.za	+27 11 324 8000
Independent Communications Authority of SA	www.icasa.org.za	+27 21 431 9800
Transportation services		
Cape Metro Rail	www.capemetrorail.co.za	+27 21 449 6430
Airport Company South Africa (ACSA)	www.acsa.co.za	+27 11 723 1400
Financial Services		
Banking Association of South Africa	www.banking.org.za	+27 11 645 6700
South African Venture Capital Association (SAVCA)	www.savca.co.za	+27 11 268 0041
Khula Enterprise Finance Limited	www.khula.org.za	+27 12 394 5560

ORGANISATION	WEBSITE	TELEPHONE NUMBER
Small Enterprise Development Agency (SEDA)	www.seda.org.za	0860 103703 or +27 12 441 1000
National Empowerment Fund (NEF)	www.nefcorp.co.za	+27 21 305 8000
Credit Guarantee Insurance Corporation of SA	www.cgic.co.za	+27 21 421 7830
SA Reserve Bank	www.reservebank.co.za	+27 11 240 0700 or +27 21 481 6700
Industrial Development Corporation (IDC)	www.idc.co.za	+27 11 269 3000
The Red Door (Small Business Advice Centre)	www.capegateway.gov.za/reddoor	+27 21 483 26 28
Development Bank of Southern Africa (DBSA)	www.dbsa.org.za	+27 11 313 3911
African Development Bank	www.afdb.org	+216 71 10 39 00 or +216 71 35 19 33
Insurance Institute of South Africa	www.iisa.co.za	+27 11 325 0606

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