



DOING BUSINESS IN **SOUTH AFRICA.**

ESTABLISHED FOOTPRINT ACROSS AFRICA



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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

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ONE STOP SHOP

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OUR FIRM.

EXPERIENCE, UNDERSTANDING AND PIONEERING

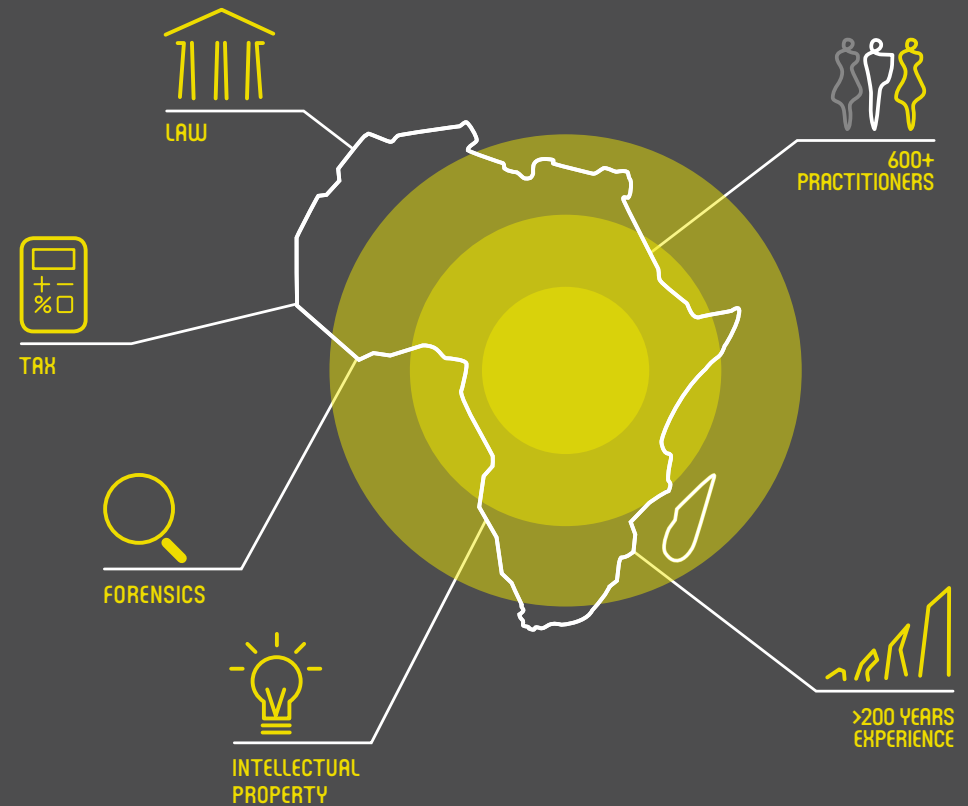
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We are entrusted by our clients to handle and co-ordinate their most complex and sensitive requirements quickly, efficiently and with excellence, and as a result, we have been recognised by several prestigious international ranking agencies. Through our many years of practical experience working on the ground on the continent, we have developed a solid understanding of local cultural, commercial and geopolitical contexts, and formed long-standing partnerships with the trusted firms with whom we work.

We have physical offices in various locations across the continent including Ghana, Kenya, Mauritius, Namibia, Rwanda, South Africa and Uganda.

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CHAMBERS GLOBAL GUIDE



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ENS IN SOUTH AFRICA.

SEAMLESS CROSS-BORDER LEGAL SOLUTIONS

As the pre-eminent pan-African law firm with several offices across the continent, we harness more than a century of institutional experience, unrivalled bench strength and an integrated presence throughout Africa to steer clients through the legal, regulatory and commercial landscape of the continent's sophisticated economies. We are distinguished by the depth of our specialist capabilities in law, tax, forensics and IP, enabling us to deliver cohesive legal solutions that align with our clients' strategic objectives. Our market-leading teams advise on significant and precedent-setting mandates across Africa, including mergers and acquisitions, capital markets transactions, project development and finance, competition law matters, complex commercial dispute resolution, restructuring and insolvency, public-private partnerships and high-stakes regulatory engagements.

We have a proven track record on the continent's largest high-value cross-border transactions, leveraging our presence and collaboration with offices across Africa to provide clients with coordinated multi-jurisdictional advice that anticipates and mitigates regional risk. Our lawyers are at the forefront of developments in fintech, energy transition, infrastructure, mining, telecommunications and the rapidly evolving ESG landscape. We assist domestic champions, global multinationals, state-owned enterprises, financial institutions and private equity sponsors in navigating the opportunities and challenges inherent in Africa's dynamic markets.

YOUR TEAM.

MULTIDISCIPLINARY TEAM OF EXPERTS



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SOUTHERN / EAST AFRICA
PROJECTS TEAM OF
THE YEAR
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SOUTH AFRICA AT A GLANCE.

SEAMLESS CROSS-BORDER LEGAL SOLUTIONS

POPULATION
63.4M



CURRENCY
RAND
(ZAR)

GMT+2



OFFICIAL LANGUAGE

AFRIKAANS, ENGLISH, ISINDEBELE, SEPEDI,
SESOTHO, SETSWANA, SIWATI, TSHIVENDA,
ISIXHOSA, XITSONGA, ISIZULU

CAPITAL CITY
PRETORIA

South Africa is Africa's most industrialised and diversified economy, offering a sophisticated business environment and well-developed infrastructure. The country boasts a robust and independent legal system, a transparent regulatory framework and a mature financial sector anchored by the Johannesburg Stock Exchange, one of the largest and most active in the world. South Africa's strategic location at the southern tip of the continent provides access to regional and global markets, making it a key gateway for trade and investment into Africa.

The government's commitment to economic reform, good governance and investor protection is underpinned by strong institutions and a comprehensive network of bilateral investment

treaties and double taxation agreements. South Africa's diverse economy spans key sectors such as mining, energy, manufacturing, agriculture, technology and financial services, offering a wide range of opportunities for local and international investors. The country's skilled workforce, advanced infrastructure and established legal and regulatory systems contribute to a business-friendly environment that supports innovation and growth.

With ongoing efforts to enhance the ease of doing business, promote public-private partnerships and drive sustainable development, South Africa remains an attractive destination for companies seeking to establish or expand their presence on the continent.

Your guide to doing business in South Africa.
Trusted insights at your fingertips.
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DOING BUSINESS IN SOUTH AFRICA.

ESTABLISHED FOOTPRINT ACROSS AFRICA

COUNTRY PROFILE	
GOVERNMENT STRUCTURE	<ul style="list-style-type: none">• Executive: The president is both the head of state and the head of government. The president is indirectly elected by the National Assembly for a five-year term and is eligible for a second term. Cabinet is appointed by the president.• Legislative: South Africa has a bicameral Parliament.• Judicial: The highest courts are the Constitutional Court and the Supreme Court of Appeal. The subordinate courts include the High Courts (provincial and local divisions), Magistrates' Courts, labour courts and the land claims courts.• Next presidential elections: May 2029.
ECONOMIC DATA	<ul style="list-style-type: none">• Nominal GDP (USD billions): 410.34• GDP per capita (USD): 6 396.92• Inflation rate (percentage change): 3.79• Government revenue (% of GDP): 27.46• Government gross debt (% of GDP): 79.55 <p><i>*Source: IMF (August 2025 estimates)</i></p> <ul style="list-style-type: none">• The main industries in South Africa include mining, automobile assembly, metalworking, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, and commercial ship repair.• South Africa's main export partners are China, the United States, Germany, India, and the United Kingdom. The main export commodities include gold, platinum, coal, cars, and iron ore.• South Africa's main import partners are China, India, the United States, Germany, and the United Arab Emirates. The main import commodities include refined petroleum, crude petroleum, gold, cars, and broadcasting equipment.
RISK RATINGS	<ul style="list-style-type: none">• S&P Global Market Intelligence Overall Country Risk (Q3 2025): 154/211• Corruption Perceptions Index (2024): 82/180

INTERNATIONAL TREATIES AND MEMBERSHIPS

KEY INTERNATIONAL AND REGIONAL ORGANISATIONS AND CUSTOMS UNIONS	<ul style="list-style-type: none"> • African Continental Free Trade Area Agreement • African Development Bank Group • African Union • BRICS • Common Monetary Area (“CMA”) • Commonwealth • Group of 5 • Group of 20 • Group of 24 • Group of 77 • International Monetary Fund • Organisation for Economic Co-operation and Development (“OECD”) (Key Partner) • Southern African Customs Union • Southern African Development Community • United Nations • World Bank Group • World Customs Organization • South Africa receives preferential treatment under the following agreements: http://ptadb.wto.org/Country.aspx?code=710
BILATERAL INVESTMENT TREATIES	<ul style="list-style-type: none"> • South Africa has entered bilateral investment treaties with China, Cuba, Czechia, Finland, Iran, Republic of Korea, Mauritius, Nigeria, Russia, Senegal, Sweden, and Zimbabwe. • Treaties have been signed with Algeria, Angola, Canada, Chile, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Israel, Kuwait, Libya, Madagascar, Mali, Mozambique, Qatar, Republic of the Congo, Rwanda, Sudan, Tanzania, Tunisia, Türkiye, Uganda, and Yemen, but these have not yet entered into force.
INVESTMENT-RELATED AGREEMENTS / INSTITUTIONS	<ul style="list-style-type: none"> • African Growth and Opportunity Act • Multilateral Investment Guarantee Agency • World Trade Organization
DISPUTE RESOLUTION	<ul style="list-style-type: none"> • Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) • Permanent Court of Arbitration • United Nations Commission on International Trade Law (“UNCITRAL”) Model Law
INTELLECTUAL PROPERTY (“IP”) TREATIES	<p>A comprehensive list of IP-related treaties signed by South Africa is available at: https://wipo.lex.wipo.int/en/legislation/members/profile/ZA?collection=treaties</p> <ul style="list-style-type: none"> • See the trade marks section below for further detail.

LEGAL REGIME	
APPLICABLE LEGAL REGIME	<ul style="list-style-type: none"> South Africa's legal system is based on a mixture of Roman-Dutch civil law, English common law, and customary law.
DISPUTE RESOLUTION	<ul style="list-style-type: none"> Commercial disputes are decided by the High Courts. Arbitration in South Africa is governed by the Arbitration Act, 1965. This Act allows the contracting parties to choose dispute resolution procedures by mutual agreement, which can either be outlined in a separate agreement or drafted as a clause of the main agreement. South Africa enacted the International Arbitration Act, 2017, introducing the UNCITRAL Model Law to international arbitration in South Africa. South African courts are reluctant to interfere with arbitrations and arbitral awards, which makes South Africa an attractive destination to seat arbitrations.
LAND ACQUISITION, PLANNING, AND USE	There are currently no restrictions on foreigners acquiring freehold title to land anywhere in South Africa.
COMPETITION	
MERGER CONTROL	<ul style="list-style-type: none"> The South African Competition Act, 1998 (as amended) governs competition law and regulates merger control in South Africa. The Competition Act states that a merger occurs when one or more firms directly or indirectly acquire or establish direct or indirect control over the whole or part of the business of another firm. The Competition Act sets out examples of what constitutes control for the purposes of merger regulation. In calculating merger thresholds, South Africa uses financial thresholds based on turnover and/or asset value in South Africa. The intermediate merger threshold applies to firms where the sum of the acquiring group's turnover or assets (whichever is higher) and the target firm's turnover or assets (whichever is higher) is ZAR600-million; and where the target firm's turnover or assets (whichever is higher) is ZAR100-million. The large merger thresholds are set at ZAR6.6-billion for the sum of the acquiring group's turnover or assets (whichever is higher), and the target firm's turnover or assets (whichever is higher); and ZAR190-million for the target firm's turnover or assets (whichever is higher). A transaction which meets the definition of a merger in terms of the Competition Act, but which falls below the above monetary thresholds is classified as a small merger. Filing fees are ZAR165 000 for an intermediate merger and ZAR550 000 for a large merger. Filing is mandatory for intermediate and large mergers. In terms of small mergers, filing is voluntary. However, the South African Competition Commission (the "Commission") can request parties to a small merger to file with the competition authorities within six months of the implementation date where it considers that the merger may substantially prevent or lessen competition or cannot be justified on public interest grounds. South Africa is a pre-implementation regime for intermediate and large mergers; therefore, approval must be sought from the South African competition authorities prior to implementation of the proposed transaction. In respect of small mergers, parties to the proposed transaction are permitted to implement the merger without the approval of the competition authorities. However, the Commission can call upon parties to a small merger to notify the small merger in which circumstances the parties may take no further steps to implement the small merger.

	<ul style="list-style-type: none"> Any person who implements a merger in contravention of the Competition Act commits an offence and an administrative penalty of an amount not exceeding 10% of the merging parties' annual turnover in South Africa and its exports from South Africa during the firms' preceding financial year may be imposed. The South African competition authority will take public interest considerations into account in making a determination on a merger (including, but not limited to, the effect that the merger will have on employment, the ability of small and medium businesses or firms controlled by historically disadvantaged persons to effectively enter into, participate in, or expand within the market and/or the promotion of a greater spread of ownership among historically disadvantaged persons and workers). The competition authorities place particular emphasis on the impact of a merger on the promotion of a greater spread of ownership among workers and historically disadvantaged persons. South Africa is not a member of any regional competition bodies.
PROHIBITED PRACTICES	<ul style="list-style-type: none"> The Competition Act prohibits horizontal and vertical agreements between firms, concerted practices by firms, or decisions by an association of firms which have the effect of substantially preventing or lessening competition in a market, unless a party to the agreement, concerted practice, or decision can prove that any technological, efficiency or other pro-competitive gain resulting from it outweighs that effect Cartel conduct (such as price-fixing, market division and collusive tendering) and minimum resale price maintenance are <i>per se</i> prohibited by the Competition Act. The Competition Act prohibits abuses of dominance. The South African authority operates a corporate leniency policy which offers immunity to a firm for its participation in a cartel if the firm is the first applicant to voluntarily disclose the existence of a cartel and co-operates with the authority in its investigations. A firm which engages in a restrictive horizontal or vertical agreement, or abuses its dominant position, commits an offence and an administrative penalty of an amount not exceeding 10% (or 25% for repeat offences) of the firm's annual turnover in South Africa and its exports from South Africa during the firm's preceding financial year may be imposed. Cartel conduct is criminalised for individuals – directors or persons with management authority who (i) caused the firm to engage in cartel conduct; or (ii) had knowledge of but turned a blind eye to the firm engaging in cartel conduct can receive a fine of up to ZAR500 000 or 10 years imprisonment or both a fine and imprisonment. In terms of the Competition Act, a firm may apply to the Commission to exempt any agreement or practice concerned, or category of agreements or practices concerned from the application of the Competition Act. The Commission may grant an exemption if the agreement or practice concerned contributes to (i) the maintenance or promotion of exports; (ii) the promotion of the effective entry into, participation in, or expansion within a market by small and medium businesses, or firms controlled by historically disadvantaged persons; (iii) change in productive capacity necessary to stop decline in an industry; (iv) the economic development, growth, transformation, or stability of an industry designated by the Minister; or (v) competitiveness and efficiency gains that promote employment or industrial expansion. Further, any restriction imposed on the firms concerned by the agreement or practice must be required to attain the objective in question.
CORPORATE M&A	<ul style="list-style-type: none"> The main methods of acquiring control of a company in South Africa are through a scheme of arrangement or a general offer. A scheme of arrangement is proposed by the board of a company as an arrangement between the company and its shareholders and requires the approval of at least 75% of the shareholders eligible to vote at a general meeting. A general offer, on the other hand, involves an individual offer to each shareholder of the target company and does not require shareholder approval or the support of the board of the target company. If an offer is accepted by at least 90% of the shareholders, the offeror may then compulsorily acquire the shares of the remaining non-accepting shareholders (on the same terms and conditions as the accepting shareholders). <i>ENS's Corporate-Commercial team has authored the South African chapter of the Chambers and Partners Global Practice Guide on Corporate M&A 2025. Please click here for a copy of their contribution: https://practiceguides.chambers.com/practice-guides/corporate-ma-2025/south-africa, covering, among others, an overview of the regulatory field, stake building, the negotiation phase, structuring, disclosures, and duties of directors.</i>

EMPLOYMENT	
IMMIGRATION	<ul style="list-style-type: none"> • Expatriates working in South Africa must hold a valid work permit. • The most utilised work visa categories in terms of the Immigration Act, 2002 and Regulations are: <ul style="list-style-type: none"> • critical skills work visa; • general work visa; • intra-company transfer visa; and • corporate work visa. • The Immigration Act also provides various other mechanisms to allow work, such as working on a study visa, retired person's visa, or various sub-categories of visitor's visas. • Recently, the government has introduced a remote work long-term visitor visa (digital nomad visa).
LOCAL EMPLOYMENT VS SECONDMENT	<ul style="list-style-type: none"> • In terms of South Africa's employment legislation, an employee may be seconded to South Africa as it is not a requirement for an employee to be employed by a local entity. • However, in terms of South Africa's immigration legislation, employment by a local entity may be a prerequisite for applying for a work permit. It should also be noted that, in such circumstances, there may be an obligation to register as an external company in South Africa with the Companies and Intellectual Property Commission ("CIPC").
FIXED-TERM CONTRACTS AND TEMPORARY EMPLOYMENT SERVICES	<ul style="list-style-type: none"> • Fixed-term employment contracts are legally permissible in South Africa but should be approached with circumspection. Generally, fixed-term contracts that exceed three months should only be concluded if the employee's work will be of a limited or definite duration, or if there is a justifiable reason for the fixing of the term of the contract. Furthermore, an employee employed in terms of a fixed-term contract exceeding three months must be treated no less favourably than a permanent employee performing the same or similar work, unless different treatment can be justified. A failure to comply with these requirements may result in fixed-term contract employees being deemed to be indefinite employees. • While labour broking is permitted in South Africa, it should also be approached with caution, particularly in circumstances where labour broking employees (who earn remuneration below the threshold) will perform services to a client for longer than three months and will not perform "temporary services" (as defined). In these circumstances, and provided that certain requirements are met, the client will be deemed to be the sole employer of the labour broking employees and must treat the labour broking employees on the whole no less favourably than employees of the client who perform the same or similar work, unless different treatment can be justified.
PAYMENT IN LOCAL CURRENCY	<ul style="list-style-type: none"> • The Basic Conditions of Employment Act, 1997 states that an employer must pay to an employee any remuneration that is paid in money in South African currency. • Under South African exchange control regulations, a company deemed to be a South African resident, which enters into an employment contract with an employee who is permanently resident in South Africa, must pay remuneration in local currency. This is subject to exception.
RESTRAINT OF TRADE AGREEMENTS	<ul style="list-style-type: none"> • Restraint of trade agreements are prima facie valid and are generally enforceable, provided that the enforcement would not be contrary to public interest and/or unreasonable. • Their enforceability depends on several factors, including the duration, geographic scope, and nature of the restricted activity. • A court will only enforce a restraint of trade if it can be shown that the employer has a proprietary interest worthy of protection (i.e., trade secrets or customer connections).

FOREIGN INVESTMENT REGIME	
INVESTMENT REGIME	<ul style="list-style-type: none"> Foreign investment is not directly regulated in South Africa, but various pieces of specific legislation are relevant to foreign investors such as the Protection of Investment Act, 2015 and the Broad-Based Black Economic Empowerment (“B-BBEE”) Act, 2003. The Protection of Investment Act, 2015 which is aimed at the protection of domestic and foreign investors, provides, <i>inter alia</i>, that foreign investors and their investments must not be treated less favourably than South African investors in “like circumstances”, a concept that embraces taking into account all the terms of a foreign investment, including, <i>inter alia</i>, the (i) effect of the foreign investment on South Africa; (ii) sector that the foreign investments are in; and (iii) effect on third persons and the local community. Foreign direct investment is encouraged by the South African government; however, it requires that the benefits of foreign direct investment be balanced against its costs to the South African economy. The B-BBEE Act, together with the codes of good practice, set out the legal framework for broad-based economic empowerment of black people (being people who are black Africans, coloured, and Indian, and who are South African citizens) in four interrelated contexts: <ul style="list-style-type: none"> 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. In 2022, the President appointed members of the B-BBEE Advisory Council, whose primary role is to provide guidance and overall monitoring on the state of B-BBEE performance in the economy with a view of making policy recommendations to address challenges in the implementation of this transformation policy. The appointments are for a period of five years.
REGISTRATION / LICENSING REQUIREMENTS	<ul style="list-style-type: none"> No specific licensing requirements apply to foreign investors, although certain sectors, such as broadcasting, limit foreign investor control.
NON-INDUSTRY SPECIFIC REGISTRATIONS / LICENCES	<ul style="list-style-type: none"> The following general non-industry specific registrations / licences may be required:
SOUTH AFRICAN REVENUE SERVICE (“SARS”)	<ul style="list-style-type: none"> All taxpayers that become liable for normal (income) tax must register with SARS. CIPC and SARS share data electronically. When a company is incorporated – or when a foreign company is registered with CIPC as an external company – SARS automatically allocates an income-tax reference number to that company. Any employer (individual, company, trust, or other entity), whether resident or non-resident, that operates in South Africa through a permanent establishment (as defined in the OECD Model Tax Convention) and that pays “remuneration” to employees must register with SARS as an employer for PAYE purposes, unless none of its employees is liable for South African normal tax. If the business’s annual or expected turnover will exceed the compulsory VAT-registration threshold (currently ZAR1-million), the enterprise must also apply for VAT registration with SARS

SKILLS DEVELOPMENT LEVY (“SDL”)	<ul style="list-style-type: none"> • Every employer that pays annual remuneration exceeding the statutory threshold (currently ZAR500 000) must register for, and pay, SDL. SDL registration is effected with SARS at the same time as PAYE employer registration.
UNEMPLOYMENT INSURANCE FUND (“UIF”)	<ul style="list-style-type: none"> • Employers and employees must register for and contribute to the UIF. Registration is done through the Department of Labour concurrently with the registration as an employer for employees’ tax purposes. • Non-resident employers who are not required to deduct and remit employees’ tax to SARS must register directly with the UIF.
INDUSTRY-SPECIFIC LICENCES	<ul style="list-style-type: none"> • Industry-specific licences may also be required.
INCENTIVES	<ul style="list-style-type: none"> • Incentives include: <ul style="list-style-type: none"> • various incentives available to operations in special economic zones (“SEZs”), including a reduced corporate income tax rate of 15%. SEZs also offer customs-controlled areas with duty-free and VAT privileges and accelerated depreciation allowances on capital investments; • grants available to public-private partnerships under the Support Programme for Industrial Innovation as a subsidy towards the cost of developing new products or processes to reduce infrastructure backlogs in both urban and rural areas; • the Manufacturing Competitive Enhancement Programme of the Department of Trade, Industry and Competition which provides incentives in the manufacturing sector along with grants of varying amounts; • a 50:30:20% accelerated depreciation allowance available for investments made in equipment for the production of renewable energy and biofuels. Where such equipment is used in the generation of electricity from photovoltaic solar power plants with a generating capacity of not more than 1 MW, the allowance is enhanced to 100% of cost in the first year; • a headquarter company regime, aimed at intermediary foreign investment or finance companies incorporated in South Africa, which regime provides various exemptions from controlled foreign company (“CFC”) rules; transfer pricing rules as concerns arrangements with foreign investee companies granting cross-border funding and IP rights; withholding taxes on interest and royalties such IP and funding arrangements, and dividends tax; and • a shipping tax regime, which entitles a qualifying shipping company to (i) exemptions from income tax, capital gains tax, dividends tax, and withholding tax on interest; and (ii) apply its functional currency as the local currency for tax calculation purposes.
EXCHANGE CONTROL REGULATION	<ul style="list-style-type: none"> • South Africa’s foreign exchange regulations, in terms of which all flows of capital in and out of the country are regulated, are administered by the Financial Surveillance Department of the South African Reserve Bank (the “SARB”) and “authorised dealers” (commercial banks) appointed by the SARB. • All residents (any natural person or legal entity who has taken up permanent residence, is domiciled, or is registered in South Africa), as well as registered branches of foreign companies, are subject to the foreign exchange regulations. • If a non-resident invests in shares of a South African company, this investment must be reported to an authorised dealer and the share certificates must be marked as “non-resident”. Depending on the type of transaction, there may be extra requirements or restrictions. • Pre-approval is required for loan capital (including the repayment terms and interest rate) introduced by non-residents as part of an investment in South Africa. Where Rand-denominated loans are concerned, the interest rate is generally not allowed to exceed the prevailing South African prime rate. Where non-Rand-denominated loans are concerned, the interest rate is generally not allowed to exceed the foreign currency equivalent of the South African prime rate. • Agreements providing for the payment of royalty or service fees is subject to pre-approval by the SARB. Proof that the transactions are conducted at arm’s length is required and annual reports must be submitted. • The licensing of IP to an offshore related person is subject to approval by an authorised dealer. Proof that the transactions are conducted at arm’s length is required. • South Africa is part of the CMA together with Namibia, Lesotho, and Eswatini. Investments and transfers of funds from South Africa to other CMA countries are not subject to exchange control regulations.

INSURANCE / REINSURANCE	<ul style="list-style-type: none"> • South Africa has a sophisticated system of financial sector regulation known as the “Twin Peaks” system of regulation. • The prudential regulator, known as the Prudential Authority (the “PA”), is responsible for the first peak, and is charged with the regulation of banks, insurers, cooperative financial conglomerates, and certain market infrastructure. • The market conduct regulator, known as the Financial Sector Conduct Authority (FSCA), is responsible for the second peak, and regulates the conduct of financial institutions. • The Insurance Act, 2017 governs the issuing of insurance licences, in relation to non-life, life, reinsurance, and microinsurance business. Application is made to the PA. • Generally, no entity, including a foreign insurer or its South African-based subsidiary, may “conduct insurance business” in South Africa unless that entity is licensed under the Insurance Act. • Except to the extent that a company’s Memorandum of Incorporation provides otherwise, a company may indemnify a director / officer and may purchase insurance to protect a director / officer against any liability. Some exceptions apply. • Various legislation has been enacted which provides for compulsory insurance through the establishment and operation of certain funds, for example, the Road Accident Fund (RAF), the Workmen’s Compensation Fund, and the UIF. • On 15 May 2024, the President signed the National Health Insurance (“NHI”) Bill into law, which is now the National Health Insurance Act, 2023. The date of commencement of the NHI Act has not been proclaimed. The objective of the NHI Act is to achieve universal access to quality healthcare in South Africa. • The South African substantive law relating to insurance does not favour either the insurer or the insured. In principle, commercial insurance disputes are capable of being resolved in any court of law of competent jurisdiction. • The courts favour the principle of party autonomy in relation to arbitration proceedings and will generally uphold arbitration agreements and be reluctant to set aside or review an arbitration award.
TYPES OF ENTITIES	<ul style="list-style-type: none"> • The main entities available for foreign investment are: <ul style="list-style-type: none"> • co-operative;
AVAILABLE FOR FOREIGN INVESTMENT	<ul style="list-style-type: none"> • external company (branch office); • personal liability company (Incorporated); • private limited liability company (Proprietary Limited); • public company (Limited); • sole trader; and • trading trust.

PRIVATE LIMITED LIABILITY COMPANY	
MINIMUM NUMBER OF SHAREHOLDERS	<ul style="list-style-type: none"> A minimum of one shareholder is required for a private limited liability company, with no specified maximum. There is no requirement for local shareholding in terms of the Companies Act, however, please refer to the B-BBEE requirements as referred to above.
MINIMUM SHARE CAPITAL	<ul style="list-style-type: none"> There are no minimum authorised capital requirements in South Africa. In practice, a private limited liability company will generally be registered with an authorised share capital of at least 1 000 no par value shares.
DIRECTORS	<ul style="list-style-type: none"> A private company must have at least one director. There is no general requirement to have South African citizen / resident directors, however, please refer to the B-BBEE requirements as referred to above. In addition, certain sectors may impose additional requirements.
COMPANY SECRETARY	<ul style="list-style-type: none"> A private company is not required to appoint a company secretary, but public and state-owned companies are obliged to appoint company secretaries. If the company does appoint a company secretary, the person or firm must be resident in South Africa. In terms of the Income Tax Act, 1962, as amended, a senior official of the company resident in South Africa is required to be appointed as the public officer of every company.
AUDITOR	<ul style="list-style-type: none"> Public and state-owned companies must appoint auditors. A private company is only required to appoint an auditor if it is stipulated in terms of its Memorandum of Incorporation, or it exceeds the minimum “public interest score” calculated with reference to: <ul style="list-style-type: none"> the average number of employees of the company during the financial year; the amount of third-party liability of the company at the financial year-end; the company’s turnover; and the number of individuals at the end of the financial year known by the company to have a beneficial interest directly or indirectly in any of the company’s issued securities. If an auditor is appointed, it must be a person in accordance with the Auditing Profession Act, 2005.
REGISTERED ADDRESS	<ul style="list-style-type: none"> A company must have a registered office and a postal address in South Africa to which all communications and notices may be addressed. A company may have its registered address at the offices of its accountants, lawyers, or a third party.
SHELF COMPANIES	<ul style="list-style-type: none"> There are shelf companies available for purchase in South Africa.
REGISTRATION PROCESS	<ul style="list-style-type: none"> Companies are registered with the CIPC, and it takes approximately seven to 10 working days to complete registration once all the required documents have been submitted.
CORPORATE GOVERNANCE	<ul style="list-style-type: none"> ENS’s Corporate-Commercial team has authored the South African chapter of the Chambers and Partners Global Practice Guide on Corporate Governance 2025. Please click here for a copy of their contribution: https://practiceguides.chambers.com/practice-guides/corporate-governance-2025/south-africa,

TAX	
TAX SYSTEM	<ul style="list-style-type: none"> South Africa has a residence-based tax system in terms of which residents are taxed on their world-wide income and non-residents on income from a source in South Africa.
CORPORATE RESIDENCE	<ul style="list-style-type: none"> A company is resident in South Africa if it is incorporated, established, or formed in South Africa, or if its place of effective management is in South Africa, provided that it is not deemed to be exclusively resident in another country in terms of a relevant double tax agreement.
CORPORATE TAX RATE	<ul style="list-style-type: none"> Resident companies and permanent establishments of non-resident companies are subject to corporate income tax at the rate of 27%. Small business corporations (i.e. corporates with annual gross income which does not exceed ZAR20-million, and which meets other qualifying requirements) are taxed on a sliding scale from 0% to 27% depending on the level of taxable income. A formula is applied to taxable income from gold mining operations which reduces or increases the normal tax rate in accordance with the relationship between taxable income derived from mining and gross mining revenue. Special and complex rules apply in respect of the taxation of long-term insurance companies. For tax purposes, each long-term insurance company is split into separate funds based on the type of policyholder or business involved, which are taxed separately, either at 0%, 27%, or 30%.
CAPITAL GAINS TAX ("CGT")	<ul style="list-style-type: none"> CGT is levied at the applicable corporate tax rate on 80% of the aggregated net capital gains realised by a resident company during a tax year, resulting in an effective CGT rate of 21.6%. Non-residents are subject to tax on the disposal of assets which either (i) are effectively connected to a South African permanent establishment of that person; or (ii) constitute immovable property situated in South Africa, or any right to or interest thereto. A disposal of an interest in immovable property includes the disposal of equity shares in any company (resident or non-resident) where more than 80% of the value of the equity shares being disposed of is attributable, directly or indirectly, to South African immovable property or rights to this, and more than 20% of the equity shares are held by that disposing person together with connected parties.
CONTROLLED FOREIGN COMPANY ("CFC")	<ul style="list-style-type: none"> Certain profits of CFCs are included in the taxable income of resident shareholders which holds 10% or more of the voting rights / participation rights in that CFC, in proportion to the participation rights held in the CFC and taxed at the corporate income tax rate. A full exemption from imputation is available where the CFC is "highly taxed." Simplistically stated, this will apply where the CFC is taxed at a rate of at least 18.225% (i.e., 67.5% of South Africa's corporate tax rate). Alternatively, specific income streams will be exempt where such income is "active business income" (e.g., not royalties, interest, foreign exchange differences, or finance lease income, unless the CFC is a bank, insurer, IP developer, etc.) and is attributable to a business in the relevant foreign country having locational permanence, economic substance, and business purpose, provided that such income is not diversionary in nature.

WITHHOLDING TAX ("WHT") RATES	WHT RATE		
	RESIDENTS		NON-RESIDENTS*
	BRANCH PROFITS	N/A	N/A
	DIVIDENDS	20% (individuals and trusts) Exempt (resident companies) Certain other exemptions may apply	20%
	INTEREST	N/A	15%
	ROYALTIES	N/A	15%
	MANAGEMENT, CONSULTING, AND TECHNICAL SERVICE FEES	N/A	N/A
	<i>*The withholding tax rate may be reduced in terms of a relevant double tax agreement.</i>		
DOUBLE TAX AGREEMENTS ("DTAS")	<ul style="list-style-type: none"> South Africa has DTAs in force with: Algeria, Australia, Austria, Belarus, Belgium, Botswana, Brazil, Bulgaria, Cameroon, Canada, Chile, China, Croatia, Cyprus, Czechia, Democratic Republic of the Congo, Denmark, Egypt, Eswatini, Ethiopia, Finland, France, Germany, Ghana, Greece, Grenada, Hong Kong, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Japan, Kenya, Kuwait, Lesotho, Luxembourg, Malawi, Malaysia, Malta, Mauritius, Mexico, Mozambique, Namibia, the Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Poland, Portugal, Qatar, Republic of Korea, Romania, Russia, Rwanda, Saudi Arabia, Seychelles, Sierra Leone, Singapore, Slovakia, Spain, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Tunisia, Türkiye, Uganda, Ukraine, the United Arab Emirates, the United Kingdom, the United States, Zambia, and Zimbabwe. South Africa signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("MLI"), which entered into force in South Africa on 1 January 2023. At present, South Africa has listed 76 DTAs under its MLI Position, of which 50 of the 76 jurisdictions have ratified the MLI. 		
LOSSES	<ul style="list-style-type: none"> Losses from normal business operations (revenue losses) can usually be carried forward from year to year and used to reduce future taxable income, as long as the taxpayer continues to actively trade each year. However, the amount of revenue loss that can be used to offset income in any given year is limited to the higher of ZAR1-million or 80% of that year's taxable income. Any remaining unused loss can be carried forward to future years. Capital losses, on the other hand, are kept separate and can only be used to offset capital gains – not ordinary business income. If a capital loss is not fully used in a year, the unused portion can be carried forward to future years, even if the taxpayer is not actively trading 		

TRANSFER PRICING	<ul style="list-style-type: none"> In terms of South Africa's transfer pricing rules cross-border transactions between "connected persons" or "associated enterprises" must be entered into on an arm's length basis. A connected person in relation to a company is: <ul style="list-style-type: none"> any other company that forms part of the same group of two or more companies in which one company directly or indirectly holds shares in at least one other company to the extent that (i) more than 50% of the equity shares or voting rights in each controlled group company are directly held by the controlling group company, one or more other controlled group companies or any combination thereof; and (ii) the controlling group company directly holds more than 50% of the equity shares or voting rights in at least one controlled group company; any other company if at least 20% of the equity shares or voting rights in the company are held by such other company; any person, other than a South African incorporated company, who together with their connected persons, directly or indirectly hold at least 20% of the company's equity shares or voting rights; or any other company managed or controlled by (i) any person who is a connected person of the company or (ii) any connected person of the person in (i). An "associated enterprise" means an associated enterprise as contemplated in Article 9 of the Model Tax Convention on Income and on Capital of the OECD. 																
LIMITATIONS ON INTEREST DEDUCTIBILITY	<ul style="list-style-type: none"> Interest expenditure incurred in the production of non-exempt income in the carrying on of trade is generally deductible. Specific rules apply to determine the amount of interest deduction and the timing thereof. There are no separate thin capitalisation rules applicable in South Africa. Thin capitalisation is to be dealt with as part of the general arm's length-based transfer pricing requirements. A portion of the interest paid to a connected person will generally be disallowed where the total financial assistance was excessive in relation to the fixed capital contributed by such a connected person. The deduction of interest incurred in respect of debt used to fund the acquisition of companies is in certain instances disallowed and interest limitation rules apply to certain local and cross-border debts. Where applicable, these will result in deferring the deduction of excessive interest. 																
GLOBAL MINIMUM TAX AND DOMESTIC MINIMUM TAX	<ul style="list-style-type: none"> The Global Minimum Tax Act, 2024 provides for the introduction of the Global Anti-Base Erosion Rules and the imposition of Top-up Tax in South Africa, with effect from years of assessment commencing on or after 1 January 2024. 																
WITHHOLDING TAX ("WHT") RATES	<p>The income tax rates applicable to resident individuals for the tax year ending on February 2026 are:</p> <table> <tr> <th>ANNUAL CHARGEABLE INCOME (ZAR)</th><th>TAX RATE</th></tr> <tr> <td>up to 237 100</td><td>18% of taxable income</td></tr> <tr> <td>237 101 – 370 500</td><td>42 678 + 26% of taxable income above 237 100</td></tr> <tr> <td>370 501 – 512 800</td><td>77 362 + 31% of taxable income above 370 500</td></tr> <tr> <td>512 801 – 673 000</td><td>121 475 + 36% of taxable income above 512 800</td></tr> <tr> <td>673 001 – 857 900</td><td>179 147 + 39% of taxable income above 673 000</td></tr> <tr> <td>857 901 – 1 817 000</td><td>251 258 + 41% of taxable income above 857 900</td></tr> <tr> <td>above 1 817 001</td><td>644 489 + 45% of taxable income above 1 817 000</td></tr> </table>	ANNUAL CHARGEABLE INCOME (ZAR)	TAX RATE	up to 237 100	18% of taxable income	237 101 – 370 500	42 678 + 26% of taxable income above 237 100	370 501 – 512 800	77 362 + 31% of taxable income above 370 500	512 801 – 673 000	121 475 + 36% of taxable income above 512 800	673 001 – 857 900	179 147 + 39% of taxable income above 673 000	857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900	above 1 817 001	644 489 + 45% of taxable income above 1 817 000
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SOCIAL SECURITY CONTRIBUTIONS	<ul style="list-style-type: none"> • South Africa does not have a formal, government-run social security system. • However, employers are required to make monthly contributions to the UIF for each of their employees. This fund provides short-term financial support to workers who become unemployed or are unable to work due to certain circumstances. • In addition, employers can also contribute to various benefit funds for their employees and directors, such as retirement funds and medical aid schemes. These contributions help provide retirement savings and health coverage for employees.
SDL	<ul style="list-style-type: none"> • SDL is payable by employers at a rate of 1% of remuneration. • Employers paying annual remuneration of less than or equal to ZAR500 000 are exempt from paying SDL.
UIF	<ul style="list-style-type: none"> • Both employees and employers must each contribute 1% of the employee's remuneration (i.e., 2% in total) to the UIF, based on a maximum monthly remuneration of ZAR17 712 (i.e., maximum monthly contribution is ZAR354.24), for purposes of insuring employees against the loss of earnings due to termination of employment, illness, and maternity leave. • The 1% contribution of the employee is to be withheld from the monthly remuneration and remitted by the employer, together with the employer's contribution.
TRANSFER DUTY AND SECURITIES TRANSFER TAX	<ul style="list-style-type: none"> • A transfer duty is imposed under the Transfer Duty Act on the acquisition of real property (i.e., land and buildings thereon) and certain interests in land. The duty is imposed according to a sliding scale with reference to the value of the property transferred. • Real property acquired for ZAR1.210-million (or less) is not subject to transfer duty. • Securities transfer tax is imposed on any transfer of either (i) a listed or unlisted security of a South African incorporated company, or (ii) a South African stock exchange listed security of a foreign incorporated company. • The applicable rate is 0.25% on the taxable amount, which is generally the higher of the consideration given for the transfer of a security or the market value of the security
VALUE ADDED TAX ("VAT")	
<i>TAXABLE SUPPLIES</i>	<ul style="list-style-type: none"> • VAT is levied on the supply of goods and services in South Africa and on the importation of goods and services.
<i>VAT RATE</i>	<ul style="list-style-type: none"> • 15%
<i>REGISTRATION THRESHOLD</i>	<ul style="list-style-type: none"> • A person who is carrying on an enterprise and which has or expects to have an annual turnover from taxable supplies of more than ZAR1-million is required to register for VAT purposes. • Businesses whose annual turnover from taxable supplies is below the compulsory registration threshold may apply for voluntary registration, provided other registration requirements are met.
<i>REVERSE VAT ON IMPORTED SERVICES</i>	<ul style="list-style-type: none"> • To the extent that imported services will be utilised or consumed in South Africa other than for making taxable supplies, the recipient of such services is required to declare and pay output VAT on the services in terms of a reverse-charge mechanism. • Such VAT cannot be claimed as an input credit.

SOCIAL SECURITY CONTRIBUTIONS	<ul style="list-style-type: none"> • A domestic reverse-charge mechanism applies to the standard-rated supply of valuable metal, as defined in South Africa, between VAT registered vendors (zero-rated and certain other supplies are excluded). • The recipient of valuable metal is required to account for output VAT on the full value of the transaction (and not only the gold content thereof). • The domestic reverse charge regulations on valuable metal prescribe various documentation and other requirements that the supplier and recipient must adhere to.
SDL	<ul style="list-style-type: none"> • Carbon tax applies from 1 June 2019 and is administered and collected by SARS. • Carbon tax is imposed on entities that operate emissions generation facilities at a combined installed or production capacity equal to or above the carbon tax threshold for the activity or sector in which the taxpayer is operating. The emissions that are subject to carbon tax are determined in accordance with either an approved reporting methodology of the Department of Forestry, Fisheries and the Environment, or the prescribed formulas in terms of the Carbon Tax Act, 2019. • Persons conducting an activity or activities in South Africa resulting in greenhouse gas emissions above the threshold must license each of their emissions generation facilities with SARS as customs and excise manufacturing warehouses for environmental levy purposes. • For the period 1 January 2025 to 31 December 2025, the carbon tax rate is ZAR236 (ZAR190 in 2024) per tonne of carbon dioxide equivalent emissions. • A taxpayer may reduce its greenhouse gas emissions by utilising any allowances and deductions to which the taxpayer is entitled.
TRADEMARKS	
INTERNATIONAL CONVENTIONS, TREATIES, AND ARRANGEMENTS	<ul style="list-style-type: none"> • Berne Convention • Paris Convention • World Intellectual Property Organization Convention • World Trade Organization / Trade-Related Aspects of Intellectual Property Rights
CLASSIFICATION	<ul style="list-style-type: none"> • The International Classification of Goods and Services (Nice Classification) applies. • A separate application is required for each class of goods and/or services.
CATEGORIES OF TRADE MARKS	<ul style="list-style-type: none"> • Provision is made for: <ul style="list-style-type: none"> • goods and service marks; • certification marks; and • collective marks.
FILING REQUIREMENTS	<ul style="list-style-type: none"> • Simply signed Power of Attorney; • electronic copy of the mark; and • simple copy of the priority document (if applicable), with verified English translation.
PROCEDURE	<ul style="list-style-type: none"> • Applications are examined as to formal requirements. Thereafter, applications are examined as to inherent registrability and conflict with prior existing registrations / applications. Once accepted, applications are advertised.
OPPOSITIONS AND NON-USE CANCELLATIONS	<ul style="list-style-type: none"> • Opposition may be lodged within three months following the date of advertisement of the trade mark application. Extension of the opposition period is possible at the discretion of the Registrar (first extension), and thereafter upon agreement between the parties. • A registered trade mark may be cancelled on action by an interested party if it has not been used for a continuous period of five years after the date of registration.
DURATION AND RENEWAL	<ul style="list-style-type: none"> • A trade mark registration is effective for an initial period of 10 years from filing date, thereafter, renewable for further periods of 10 years.

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