

South Africa Business Guide

Compiled by:

Swiss Business Hub Southern Africa

Pretoria, March 2019

ARRIVAL AND DEPARTURE

Section 11(2) – Visitors Visa with authorization to work

Commonly referred to as a business visa, holders of a section 11 (2) are now permitted to work. This applied to those who are employed by a company abroad and have a need to work in South Africa for a South African business/company for a maximum period of 90 days. This visa can now also be extended once, for a further 90 days. To learn more about visa procedures, please visit <http://www.dha.gov.za/index.php/immigration-services>

BUSINESS VISA

The Business Visa will be issued for up to three years at a time. A Business Visa can be applied for businesses that have not been declared undesirable by the Minister of Home Affairs. Businesses deemed as undesirable are:

- Businesses that import second hand motor vehicles into South Africa for the purpose of re-exporting to other countries.
- Exotic entertainment industry; and
- Security industry.

As a general rule, a minimum capital amount of ZAR 5 million has to be invested or actually having been invested already. Other requirements include:

- The applicant must submit an undertaking that at least 60% of the total staff complement to be employed in the operations shall be South African Citizens or permanent residents, permanently employed in various positions.
- A police clearance certificate from each country where you resided since the age of 18 years, including the Republic of South Africa ^[1]_[SEP]
- A yellow fever vaccination certificate if you have travelled or intend travelling through a yellow fever endemic area ^[1]_[SEP] Medical and radiology reports
- A letter of recommendation will be required from the DTI with all applications, outlining the feasibility and the interest to South Africa of the planned business.
- Undertakings required from the applicant will include registration with SARS, UIF (Unemployment Insurance Fund), COIDA (Compensation Fund for Occupational Injuries), CIPC and (if applicable) any relevant professional body.
- If the applicant is investing in an existing business they will also be required to submit financial statements of the business they are investing into for the previous financial year.

WORK VISAS

Work visas see the removal of two categories, the “Quota” work permit and the “Exceptional Skills” work permit. The 2 permits have been ‘amalgamated’ and create the addition of a new work visa category – the “Critical Skills” work visa – see below for more details on this and other work visas.

No matter the work visa being applied for, there is now a little more onus on the employer as they must sign an undertaking for all repatriation costs as well as ensuring that the employee has a valid passport at all times. Proper physical records must be maintained at all times.

GENERAL WORK VISA

This general work permit is valid for the duration of the contract. This visa will be issued for a maximum of up to 5 years.

Applications for General Work Visas will require:

- A duly completed and signed application form
- A passport valid for no less than 30 days after the expiry of intended visit
- Payment of the prescribed fee
- A vaccination certificate, if required by the Act
- Proof of financial means to cover envisaged living expenses in the Republic until the applicant receives a salary.
- Medical and radiology reports
- A police clearance certificate from each country in which the applicant resided for 12 months or longer since the age of 18 years
- A written undertaking by the employer accepting responsibility for the costs related to the deportation of the applicant and his/ her dependent family members, should it become necessary.
- An application for a general work visa shall be accompanied by –:
 - A certificate from the Department of Labour confirming that despite a diligent search the prospective employer has been unable to find a suitable South African or Permanent Residence holder to fill the position. This leads to a considerable amount of additional preparation time for an application.
 - Proof of qualifications evaluated by SAQA and translated by a sworn translator into one of the official languages of the Republic
 - A contract of employment signed by both the applicant and the employer and commencement of employment is made conditional upon the work visa being granted
 - Full particulars of the employer including proof of registration with the Registrar of Companies
 - An undertaking by the employer to inform the Director- General upon the employee no longer being in the employ of such employer or when employed in a different capacity or role.
 - All required documentation for a spouse and/or children if they intend to accompany the applicant
- Applications must be able to prove the applicant has the necessary skills and qualifications in line with the job offer; and
- That the benefits offered are not inferior to the average salary of a South African Citizen or Permanent Resident holding similar positions; and
- A SAQA (South African Qualifications Authority) certificate is obtained and submitted – evaluation of foreign education according to South African standards.

CRITICAL SKILLS VISA

In order to apply for the Critical Skills Work Visa, the applicant's occupation needs to feature on the Critical Skills list of job titles. The Critical Skills Visa will be valid for the duration of employment or for a period of up to 5 years. Permanent residence can also be applied if you qualify for this visa – see Permanent Residence section for further information

http://www.dha.gov.za/images/immigration_critical_skills.pdf

The application will have to be supported by a confirmation from a suitable professional body that the applicant possesses the required skills and / or qualifications along with appropriate experience.

Some embassies have started to decline applications or reduce the validity period of the visa to 12 months if no copy of an employment contract undertaking letter on behalf of the employer is submitted.

A new draft Immigration Act is expected to be available for comment in March 2019, and a new **critical skills list** is intended to be implemented in April 2019. Among others, the designation 'corporate

general manager' appears to have been dropped from the list, and no provision is made for equivalent skills.

INTRA COMPANY TRANSFER VISA (ICT)

Under the old Act, this visa had been issued for a period of up to 2 years. This has been extended to a maximum of 4 years under the new Act. A person already in South Africa on an Intra Company Transfer (ICT) visa will be allowed to extend their visa to maximize the 4-year validity option. No further applications for extension beyond this 4-year period can be made.

ICT Visas were possible to achieve where the relationship between the foreign and South African entities existed as either: a branch, subsidiary or an affiliate relationship. There has been an apparent tightening of the definition of what constitutes an affiliate relationship – it is now defined by existence of a shareholding interest between the two companies. The branch and subsidiary relationship between entities will still allow the ICT option to take place as before.

The employer's obligations will include:

- ensuring that the employee is only employed in the specific position for which the work visa has been issued;
- notifying the DHA of any changes to the employee's status; and
- Ensuring that a plan is developed for the transfer of skills to a South African or Permanent Resident.

CORPORATE VISA

Corporate visas can be applied for by any business that is not listed as undesirable (we similarly await the publication of this list by DHA). A corporate visa is granted for a maximum period of three years.

Businesses will need to apply for the authorization to employ a certain contingent of foreigners of specific skills and training. They further need:

- to prove that they need to employ the requested number of foreigners;
- be able to get a certificate from the Department of Labour confirming that despite a diligent search they were unable to find suitable South African citizens to fill the roles;
- the proposed remuneration package shall not be inferior to the average salary of South African Citizens or Permanent Residence holders occupying similar positions;
- Proof of registrations with SARS, UIF, COIDA, CIPC;
 - an undertaking to inform DHA of any changes and to cover employee repatriation costs if this becomes necessary; and
 - That 60% of total staff are South African Citizens or Permanent Residents at any time before and after the application.

Once the Corporate Visa Employees have been recruited, employed and obtained their Corporate Worker Visa, there are also a number of obligations that the employer needs to be able to meet:

- Foreign employees passports are kept valid at all times;
- That the foreigner only conducts work in a position that the visa was issued for;
- That the foreigner departs South Africa upon completion of his contract; and
- The employer immediately informs the DHA if the foreigner is not compliant with the immigration and visa rules.

Individual Corporate Work Visas now require some extra documentation including SAQA (mandatory) and a certificate of registration with professional body (where applicable).

LANGUAGES USED FOR BUSINESS

The official language is English and is the preferred language for business communication. Translators are available at a cost from business service provider companies.

PUBLIC HOLIDAYS

January 1	New Year holiday
March 21	Human Rights Day
April 19	Good Friday
April 22	Family Day
April 27	Freedom Day
May 1	Workers Day
May 8	Election Day*
June 16	Youth Day**
August 9	National Woman's Day
September 24	Heritage Day
December 16	Reconciliation Day
December 25	Christmas Day
December 26	Day of Goodwill

*8 May 2019 has been declared as the date of the national and provincial elections. The President has declared 8 May 2019 as a public holiday.

**The Public Holidays Act (Act No 36 of 1994 determines whenever any public holiday falls on a Sunday, the Monday following on it shall be a public holiday.

HEALTH AND INOCULATIONS

South Africa does not pose any unusual health risks. While most of South Africa is Malaria-free, this mosquito-borne disease is prevalent throughout the year in the Kruger National Park and the low-lying areas of northern KwaZulu-Natal. Hospitals render 24 hours service. Private and state-owned hospitals and private medical doctors are available in all major cities. Private care, however, can be rather expensive. Foreign visitors are advised to have medical insurance covering South Africa. The standards of state hospitals are very poor. Therefore, it's recommended to only visit private hospitals/clinics. At least one pharmacy in each neighbourhood is open at all times.

Vaccines are recommended for visitors to South Africa include all normal childhood immunisations, plus typhoid, hepatitis B, hepatitis A and Rabies for travels involve in outdoor and other activities. There are many malaria-free game reserves, such as Madikwe or Pilanesberg in North West province, the Waterberg in Limpopo, or private reserves in the Eastern, Western and Northern Cape, where you can also have a wildlife experience. More information about health issues can be obtained from country report of the WHO (www.who.org).

South African Government passed a smoking ban. The law is in force in closed public areas, shops, restaurants and shopping malls.

TIME ZONES

GMT+1 hour (October-March)

Same time zone is used all over the country.

Time difference between Switzerland and South Africa is: +1:0 hours

ELECTRICITY SUPPLY

The **South African electricity** supply is 220/230 volts AC 50 HZ. Most plugs are 15 amp 3-prong or 5 amp

2-prong, with round pins. If an adaptor is called for, consider bringing one with you, although they can be purchased locally. EU-made appliances may need a transformer. Most hotel rooms have 110 volt outlets for electric shavers and appliances. <http://www.southafrica.net/za/de/travel-tips/entry/travel-tip-electricity>

METHODS OF PAYMENT

The currency unit is the ZAR (South African Rand). There are ATMs throughout South Africa, particularly in the big cities and around tourist centres. Credit cards (Visa, Master Card and American Express) are accepted by most of the merchants and at hotels. With the Post Finance debit card cash withdrawals are possible from most ATMs.

TRANSPORTATION

There is not a large public transport system in South Africa. The Gautrain rail system links Johannesburg, Pretoria and the OR Tambo International Airport: <https://www.gautrain.co.za/>. Rental car or a pre-booked renowned taxi service is recommended. Uber taxis are also present in South Africa.

BY AIR

Various international Airlines have regular flights to Johannesburg, Cape Town and Durban. The flight duration from Zurich to Johannesburg is 10 hours 40 minutes. For information and reservations please follow the links below:

www.swiss.com

www.lufthansa.com

www.edelweiss.ch

www.flysaa.com

HOTELS

South Africa offers a wide variety of very comfortable and modern facilities suitable to any budget. The South African Tourism offices can provide a Hotel Guide with numerous hotels licensed by the Ministry of Tourism. Licensed hotels and other licensed accommodation establishments in any city can also be found at <https://www.southafrica.net/gl/en>

South Africa is in the southern hemisphere, so it is summer here when it's winter in Europe and North America (November to February), which makes it ideal for anyone wanting to escape the cold weather.

COMMUNICATION

South African telecommunication infrastructure is cutting edge, and connections to countries beyond our borders are easy and efficient. South African telecommunications service providers include 2 landline operators – Telkom and Neotel. Together they provide telephony services to residential homes, accommodation establishments, visitor centers, tourism and leisure facilities, and public call boxes across the country.

Telkom also offers WorldCall calling cards, which allow you to call to any destination in the world from a Telkom line in South Africa - including those in hotels - at standard Telkom rates.

Reverse charges and "home direct" (charging a call to your home number) services are also available.

SMOKING

South Africa became one of the first countries in the world to ban smoking in public places and has some of the most stringent laws related to smoking. Smoking in indoor workplaces and public places is banned and if you are under the age of 18 you cannot buy or sell cigarettes.

SALES TAX, TIPS AND GRATUITIES

Retail sale prices indicated on merchandise are inclusive of 15% VAT. Tips and gratuities for services are generally not included anywhere in South Africa. A tip of 10% is expected on restaurant bills. Not tipping would be considered extremely rude. Services by taxi, hairdresser, etc. are usually rewarded by a tip at the discretion of the person paying the bill. Always check whether a service charge was included in a restaurant bill, especially if paying for a group of people. However some Restaurants automatically include a service charge for larger groups.

TRADE AGREEMENT AND IMPORTING GOODS

SACU (Southern African Customs Union) comprising of the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, the Republic of South Africa and the Kingdom of Swaziland and the European Free Trade Association (EFTA) comprising of the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation concluded a Free Trade Agreement, which came into effect on 01 January 2008.

https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen.html

CELL PHONES AND INTERNET

Telecommunications in South Africa also includes a well-established mobile (cellular) phone network. Five mobile service providers – Telkom Mobile, Vodacom, MTN, Cell C and Virgin Mobile - ensure countrywide coverage and reception is generally good in urban areas. Mobile phones can be hired at all international airports and prepaid airtime can be purchased at most retail outlets.

Useful information on dialing codes:

- For outgoing international calls, dial 00 plus the country and area codes of the destination concerned. Refer to telephone directories for international dialing codes, or obtain 24-hour assistance by calling 10903.
- For incoming international calls, the code is +27 followed by the city code or cellphone code, dropping the first 0.
- 08 numbers are free to the caller; 0860 numbers are charged at local rates; 0861 numbers are charged at a flat rate.
- Important local city dialing codes: 011 - Johannesburg; 012 - Pretoria; 021 - Cape Town; 031 - Durban; 041 - Port Elizabeth.

When it comes to internet and fax connections, most international hotels offer wireless connections in guest rooms, business centers or restaurants, and internet cafes are to be found in most business locations and shopping malls. Some South African restaurants also offer Wi-Fi access.

BUSINESS HOURS

Government Offices:

8:00 – 13:00; 14:00 – 17:00 (closed Saturday and Sunday).

Banks:

9:00 – 15:00 Monday – Friday

9:00 – 11:00 Saturday

Some banks provide services during lunch breaks. At airports and shopping malls the banks provide services until 19:00 or later.

Shops:

Daily from 9:00 – 17:00 (in major cities, closing times vary and the shops in big malls are opened till 20:00).

ADDRESSES OF THE SWISS EMBASSY AND CONSULATES

Embassy of Switzerland to South Africa

Botswana, Eswatini Lesotho, Mauritius and Namibia

225 Veale Street, Pretoria 0181

Phone: +27 12 452 0660

Fax: +27 12 346 6605

E-mail: pre.vertretung@eda.admin.ch

Website <https://www.eda.admin.ch/pretoria>

Opening hours: 7:00 – 16:00 (Monday, Tuesday, Wednesday and Thursday)

7:00 – 13:00 (Friday), closed on Saturday and Sunday

(12:30 – 13:00 lunch break)

Regional Consular Centre Southern Africa

c/o Embassy of Switzerland

225 Veale Street, Pretoria 0181

Phone: +27 12 452 0660

Fax: +27 12 346 6605

E-mail pre.visa@eda.admin.ch

Opening hours for public: 09:00 – 12:00 (Monday-Friday) closed on Saturday and Sunday

Consulate General of Switzerland

No. 1 Thibault Square 26th Floor

(Cm. Long Str / Hans Strijdom Ave)

Cape Town 8001

Phone: +27 21 400 75 00

Fax: +27 21 418 36 88

E-mail cap.vertretung@eda.admin.ch

Website www.eda.admin.ch/capetown

Opening hours for public: 08:00 – 12:30 (Monday-Friday) closed on Saturday and Sunday

Consulate of Switzerland Durban

Riederer Attorneys Durban

111 Helen Joseph Road, Glenwood

Phone: +27 31 201 7113

E-mail: durban@honrep.ch

Consulate of Switzerland Botswana

P.O. Box 45607

Riverwalk, Gaborone

Phone: +267 395 6462

E-mail: gaborone@honrep.ch

Consulate General of Switzerland - Namibia

Independence Ave 175
Gahtemann Building, Windhoek
Phone: +264 6 122 3853
E-mail: windhoek@honrep.ch

Consulate General of Switzerland - Mauritius

DGT Associates
Sodnac Business Cnt
24 Ave des Hirondelles, Quatre Bornes
Phone: +230 427 5507
E-mail: mauritius@honrep.ch

Consulate of Switzerland – Mozambique

c/o Swiss Embassy of Switzerland
Av Ahmed Sekou Touré 367, Maputo
Phone: +258 21 31 5275
E-mail: map.vertretung@eda.admin.ch

Consulate of Switzerland – Angola

c/o Embassy of Switzerland
Rua Agostinho Tomé das Neves 8
Bairro Maianga, Luanda
Phone: +244 22 235 3710
E-mail: lua.vertretung@eda.admin.ch

TIPS FOR INITIATING BUSINESS CONTACTS

To conduct a preliminary market research in advance is advisable. Some key factors to become successful are comprehensive research of market opportunities, diligent searching for the right partner, and competitive pricing. Price is an important element in South African buying decisions. South African people appreciate visitors being polite, and respectful of South African traditions.

It is very important to work with a right South African partner to understand local market conditions, the functioning of government organisations and the mechanism of local business. It is advisable to visit South Africa and meet with potential business partners. The collaboration with a local expert is strongly recommended as the regulatory environment is complex.

The SwissCham Southern Africa – South Africa Chapter and the commercial division of the Swiss Embassy are useful source of information that can be utilised. Approximately 100 Swiss companies are operating in South Africa.

BUSINESS PRACTICES

When doing business in South Africa you are expected to have a good knowledge of the local situation - politics, economics and so on. It is common for people to refer to themselves as “blacks” or “whites” so you shouldn’t act surprised or consider it rude or racist. You should take time and try to establish a good relationship with your South African partners.

The South African government recognizes 11 official languages: Afrikaans, English, Ndebele, Pedi, Shangaan, Sotho, Tsona, Tswana, Venda, Xhosa and Zulu. You shouldn't be worried about doing business in English since most people involved in international business speak the language.

Using humor is accepted when doing business in South Africa. It is mostly used as an ice breaker. Business meetings in South Africa tend to be quite informal. South Africans are generally straightforward. Exchange of business cards is not a very common practice.

SPECIAL FEATURES ON THE MARKET

South African consumers in the middle and upper classes are well aware of global brands and are often willing to pay extra for recognised brand names and new technology products. There is an increasing demand for high-end and innovative products.

Despite the missing stability in the political environment and increasing regulation in the business environment (B-BBEE)¹, South Africa has significant market potentials in various sectors.

Some other useful links for Business Guide:

www.thedti.gov.za/contacts.jsp

www.swisscham.co.za/sac/index.php

www.s-ge.com

www.doingbusiness.org

www.euromonitor.com/south-africa

www.bitc.co.bw/

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¹ Broad Based Black Economic Empowerment