

Setting Up a Business in South Africa

As the recession of 2009 ravaged the US and Europe economies, investors started looking further afield for new opportunities. In the east Russia and China have been pushing ahead full speed with their policies and looking south, Africa seemed ripe for the picking.

Africa in general has been a no-go area for a long time but with the introduction of the ever increasing Chinese purchasing power, the west had no more time to waste to get into the game.

Africa still to this day remains untamed, economically and otherwise for that matter. South Africa at the southern-most tip of the continent however seems like the most likely choice for any multinational looking to expand its reach.

South Africa has enjoyed the title of being the largest economy in Africa for some time now only surpassed most recently by Nigeria. Nigeria might not be the best choice for western investors at the moment due to the political unrest and threats of the Boko Haram.

Setting up a business in South Africa is fairly straight forward and quite cost effective for the investor with even a modicum of insight. The options available have been streamlined over the years and in most recent times nearly entirely electronic.

The Companies and Intellectual Property Commission (CIPC) is the custodian of all business in South Africa. The process for setting up and registering a business involves three simple steps:

1. Register as a prospective business owner on the CIPC website www.cipc.co.za.
2. Deposit funds into the virtual account. A minimum of ZAR175 (+-\$17), ZAR50 to reserve the desired name of the business and ZAR125 to complete the process to obtain the full documentation.
3. Supporting documentation for setting up a business in South Africa consists of the following:
 - a. Passport as a positive identification document
 - b. Signed power of attorney giving permission for your designated agent to compete the process on your behalf
 - c. A registered address in South Africa that will serve as your business or legal address for the business.

One other very important aspect of setting up a business in South Africa is complying with the local tax legislation.

The South African Receiver of Revenue (SARS) is the custodian of all tax related matters. All tax laws, processes and procedures can be viewed on their website www.sars.gov.za.

For more information on setting up a business in South Africa or the country in general you can visit www.southafrica.info.