

A World Bank Group Flagship Report



Doing Business 2018

Reforming to Create Jobs



Comparing Business Regulation
for Domestic Firms in **190** Economies

Economy Profile of South Africa

Doing Business 2018 Indicators
(in order of appearance in the document)

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Labor market regulation	Flexibility in employment regulation and aspects of job quality

About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

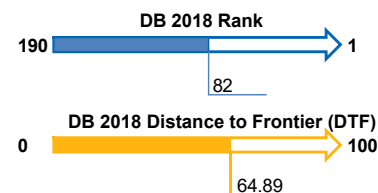
The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business, also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190. The ranking of 190 economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals.

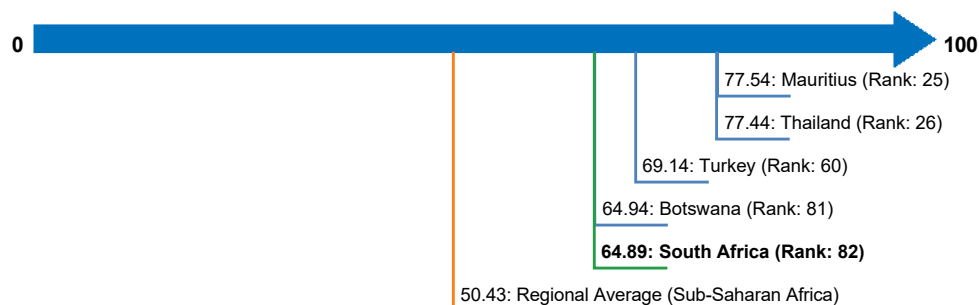
More about [Doing Business](#) (PDF, 5MB)

Ease of Doing Business in
South Africa

Region	Sub-Saharan Africa
Income Category	Upper middle income
Population	55,908,865
GNI Per Capita (US\$)	5,480
City Covered	Johannesburg

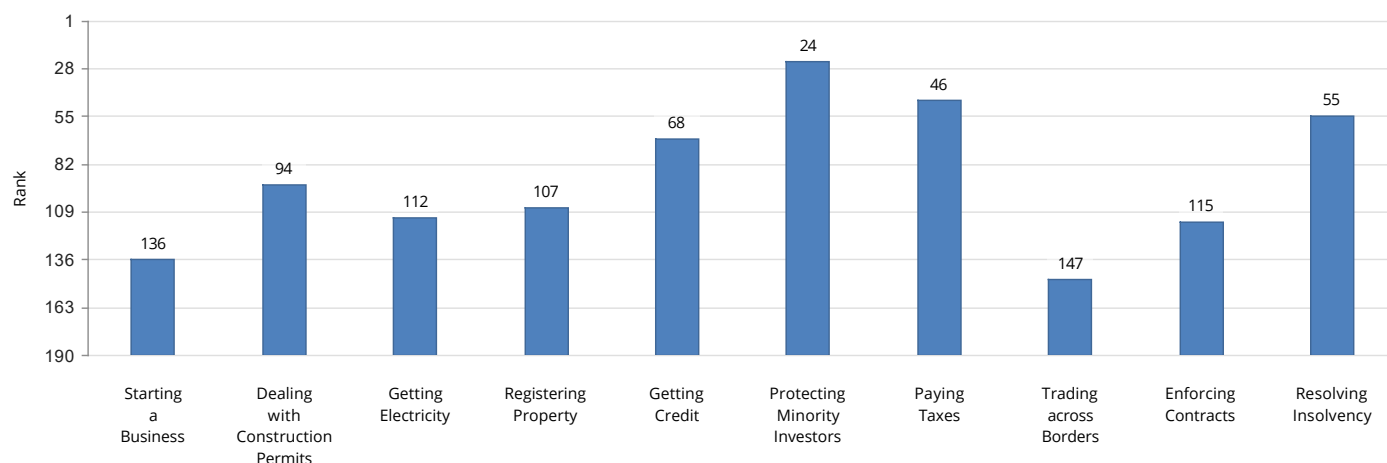


DB 2018 Distance to Frontier (DTF)

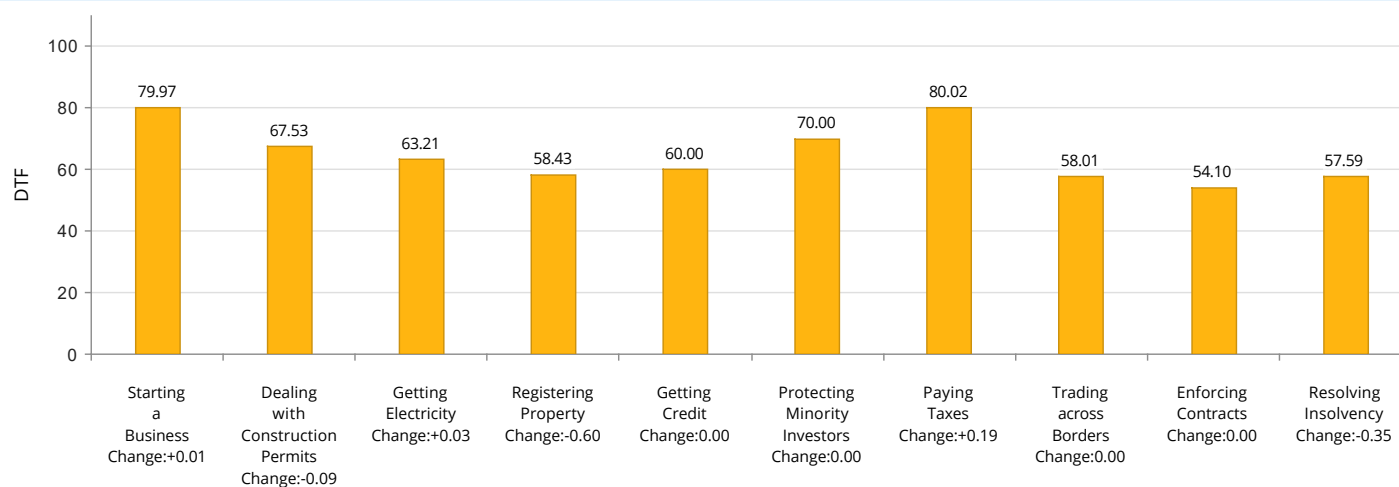


Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - South Africa



Distance to Frontier (DTF) on Doing Business topics - South Africa



Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy's largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
Procedures to legally start and operate a company (number)	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<ul style="list-style-type: none"> • Pre-registration (for example, name verification or reservation, notarization) • Registration in economy's largest business city • Post-registration (for example, social security registration, company seal) • Obtaining approval from spouse to start business or leave home to register company • Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card 	<p>The business:</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. - Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city. - Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita. - Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes. - Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita. - Does not qualify for investment incentives or any special benefits. - Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals. - Has a company deed 10 pages long.
Time required to complete each procedure (calendar days)	<p>The owners:</p>
<ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day (2 procedures cannot start on the same day) • Procedures fully completed online are recorded as ½ day • Procedure is considered completed once final document is received • No prior contact with officials 	<ul style="list-style-type: none"> - Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old. - Are sane, competent, in good health and have no criminal record. - Are married and the marriage is monogamous and registered with the authorities. - Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.
Cost required to complete each procedure (% of income per capita)	
<ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice 	
Paid-in minimum capital (% of income per capita)	
<ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

Standardized Company

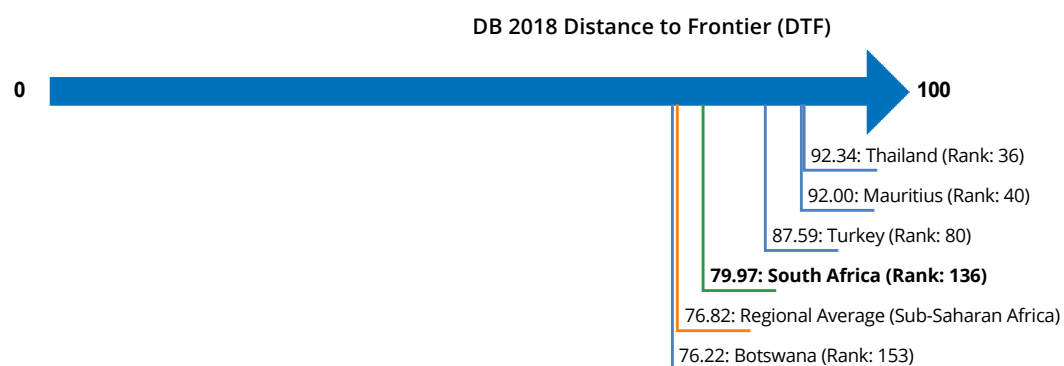
Legal form Private Limited Liability Company

Paid-in minimum capital requirement ZAR 1

City Covered Johannesburg

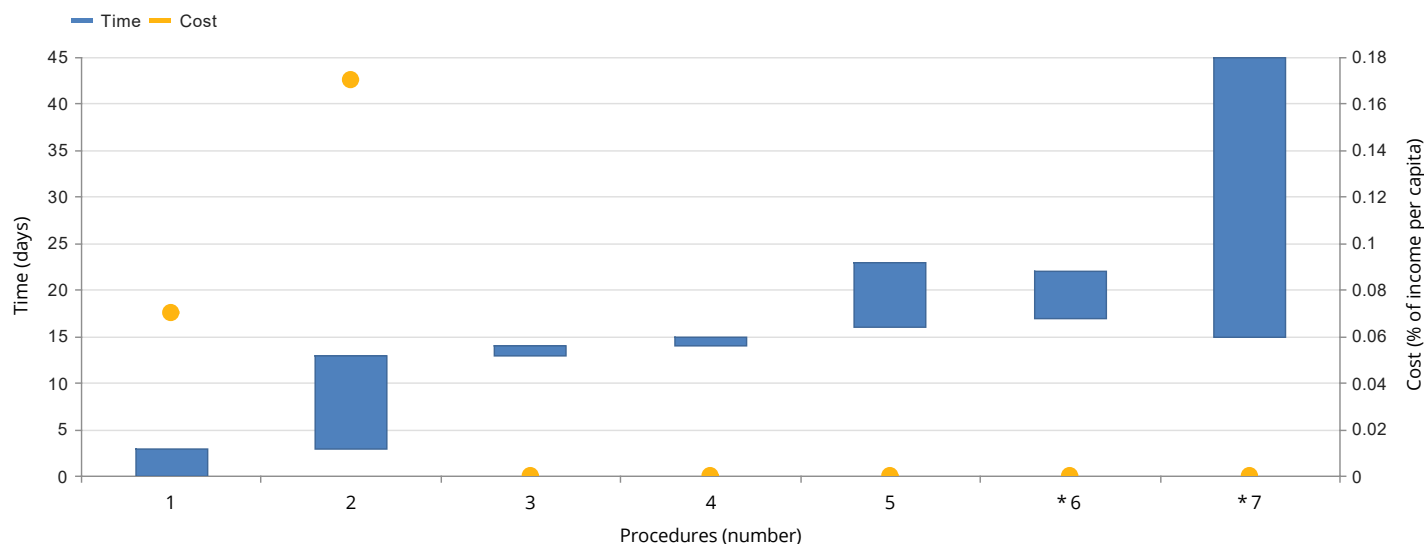
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedure – Men (number)	7	7.6	4.9	1.00 (New Zealand)
Time – Men (days)	45	24.0	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	0.2	49.9	3.1	0.00 (United Kingdom)
Procedure – Women (number)	7	7.7	4.9	1.00 (New Zealand)
Time – Women (days)	45	24.1	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	0.2	49.9	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	25.6	8.7	0.00 (113 Economies)

Figure – Starting a Business in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of starting a business is determined by sorting their distance to frontier scores for starting a business. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Starting a Business in South Africa – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in South Africa – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
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1	Reserve the company name	3 days	ZAR 50
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Agency : Companies and Intellectual Property Commission (CIPC)

The applicant can either apply for a company name as part of the process, use a name that was previously approved, or register the company using the registration number given by the CIPC as company name. If the applicant chooses the first option, he or she will need to enter between 1 and 4 proposed company names, in order of preference. The first available will be selected. The cost is 50 ZAR if done electronically and 75 ZAR if done through a paper system.

2 Register at the Companies and Intellectual Property Commission (CIPC) 10 days on average ZAR 125

Agency : Companies and Intellectual Property Commission (CIPC)

An entrepreneur has 4 different ways to register a company with the Companies and Intellectual Property Commission (CIPC). The most common form of registration is through the CIPC website (www.cipc.co.za).

Registration can also be done at the self-service terminals, certain bank branches, and by email.

To register the company online, the entrepreneur needs to register as a customer on the CIPC website (www.cipc.co.za). Once registered, the applicant has to fund the new virtual account with at least 125 ZAR to cover the registration cost (125 ZAR). The account can be funded via wire transfer.

During the registration process the following information must be provided:

1. Details about the owners/directors:

- Name(s)
- Country of origin
- ID/Passport number
- Appointment date
- Date of Birth
- Phone, email
- Physical addresses as well as the postal addresses

2. Details about the company:

- Financial year end
- Authorized shares
- Email address, website, physical address and postal code

Once the steps mentioned above are completed, an email will be sent to the applicant requesting additional documentation to be emailed to CIPC:

- Certified ID copies of all indicated initial directors and founders
- Certified ID copy of applicant if not the same as one of the indicated initial directors or founders
- Signed registration forms

Finally, once the company is registered, the customer receives an email confirming that the company is registered and a link back to the CIPC website to retrieve the disclosure certificate and all the incorporation documents.

3 Open a bank account 1 day on average no charge

Agency : Bank

In order to open a bank account, the applicant must submit proof of the directors' identity and the original company documents. This procedure may take longer if the required documents per the Know Your Customer ("KYC") requirements in the Financial Intelligence Centre Act No. 38 of 2001 are not in order.

4 Register for income tax and withholding taxes (PAYE, UIF and SDL)

1 day

no charge

Agency : South African Revenue Service (SARS)

The Companies and Intellectual Property Commission (CIPC) and the South African Revenue Service (SARS) are linked electronically. When the entrepreneur visits a SARS branch to register for income tax, SARS retrieves the information previously provided by the entrepreneur to the CIPC during company registration.

The entrepreneur still needs to visit the SARS office for:

a) Income tax registration – for which the applicant needs to present:

- Owner ID
- Registration Certificate
- Bank Statement

b) Employees tax (PAYE), Unemployment Insurance Fund (UIF) and Skills Development Levy (SDL) registration:

The entrepreneur must submit the EMP 101e form which is available online or at the local SARS office. Registration is immediate and can be done online or at the branch.

- Pay as you earn (PAYE) tax refers to the tax required to be deducted by an employer from an employee's remuneration paid. The employer is compelled to register in terms of paragraph 15 of the 4th Schedule to the Income Tax Act.

- Unemployment Insurance Fund (UIF): These funds are used to provide short-term relief should workers become unemployed or unable to work for various reasons. Any employer who is liable to register for the employees tax (PAYE) is required to register with SARS for the unemployment insurance contributions.

- Skills Development Levy (SDL): This levy is used by the government to fund education and training as stated in the Skills Development Act, 1998. This levy is payable monthly by employers to SARS.

5 Register for VAT

7 days on average

no charge

Agency : South African Revenue Service (SARS)

Businesses with annual taxable turnover of more than ZAR 1,000,000 must register for VAT. The application for the registration of VAT is done on a VAT 101 form.

VAT registrations are completed in real time at the entrepreneurs' nearest SARS branch. It typically takes a week to secure an appointment. In order to register for VAT, an entrepreneur will need to complete and sign the VAT 101 form and submit the form together with the following documentation:

- (1) certified copy of certificate of incorporation;
- (2) certified copy of proof of the company's residential address, not older than three (3) months;
- (3) original bank statement, not older than three (3) months;
- (4) original balance sheets and income statements (proof of annual turnover);
- (5) original identity document and certified copy thereof of the representative vendor submitting the VAT 101 form;
- (6) certified copies of the identity documentation of the directors of the company; and
- (7) original proof of residential address of the representative vendor.

⇒ 6 Register the company with the Unemployment Insurance Fund (UIF)

5 days

no charge

Agency : Department of Labor for Unemployment Insurance

According to the Unemployment Insurance Act and the Unemployment Insurance Contributions Act, all employees working more than 24 hours per month must be registered with the UIF. The employer is liable for the registration of the employees.

Employers must pay unemployment insurance contributions of 2% of the salary of each worker's pay per month. The employer covers 1% and the employee another 1%. The employer is responsible of withholding the employee's 1%. The payment is done through SARS but the employee claims are requests through the UIF.

The employer must submit the forms UI-8 (company registration) and UI-19 (employees registration) either at the Pretoria UIF office, labour centers or by email. When the process is completed, a confirmation letter (form UI-33) is sent by email.

(simultaneous with previous procedure)

⇒ 7 Register with the Commissioner in deference to the Compensation for Occupational Injuries and Diseases Act

Agency : Office of the Compensation Commissioner

According to the Compensation for Occupational Injuries & Diseases Act 130/1993 amended in 1997, the employer is responsible for registering employees with the Compensation Fund.

Registration forms can be obtained from the Department of Labor's website (www.labour.gov.za). The relevant form is W.As.2. After completing and submitting the W.As.2 form at the office of the Compensation Commissioner, the company will be sent the following documents to complete at various times throughout the year (although these are not required for registration):

- W.As.8 must be filed within 30 (thirty) days of financial year end, which must balance with Employer's COIDA account;
- W.As.6a which details the assessment of the Commissioner for premiums payable, excluding any amounts paid in advance;
- WG30, W.As.2 and W.Ac(E) which are claim forms

The time it takes to complete this step varies according to the level of risk under which the business is assessed.

30 days
(simultaneous with
previous
procedure) no charge

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. [See the methodology for more information](#)

What the indicators measure

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of warehouse value)

- Official costs only, no bribes

Building quality control index (0-15)

- Sum of the scores of six component indices:
- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

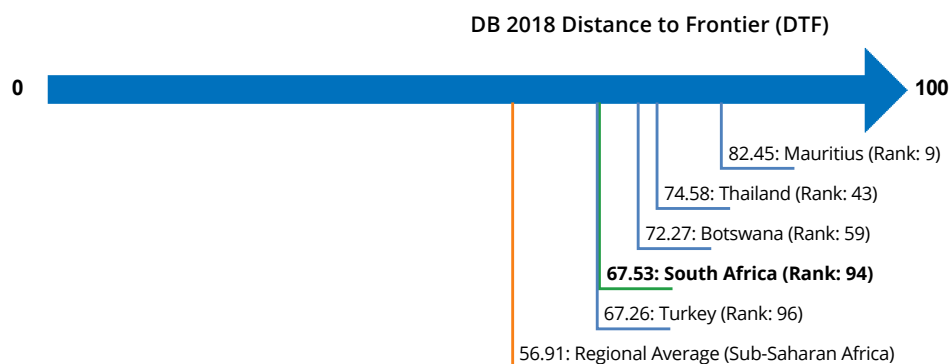
Standardized Warehouse

Estimated value of warehouse ZAR 3,768,738.30

City Covered Johannesburg

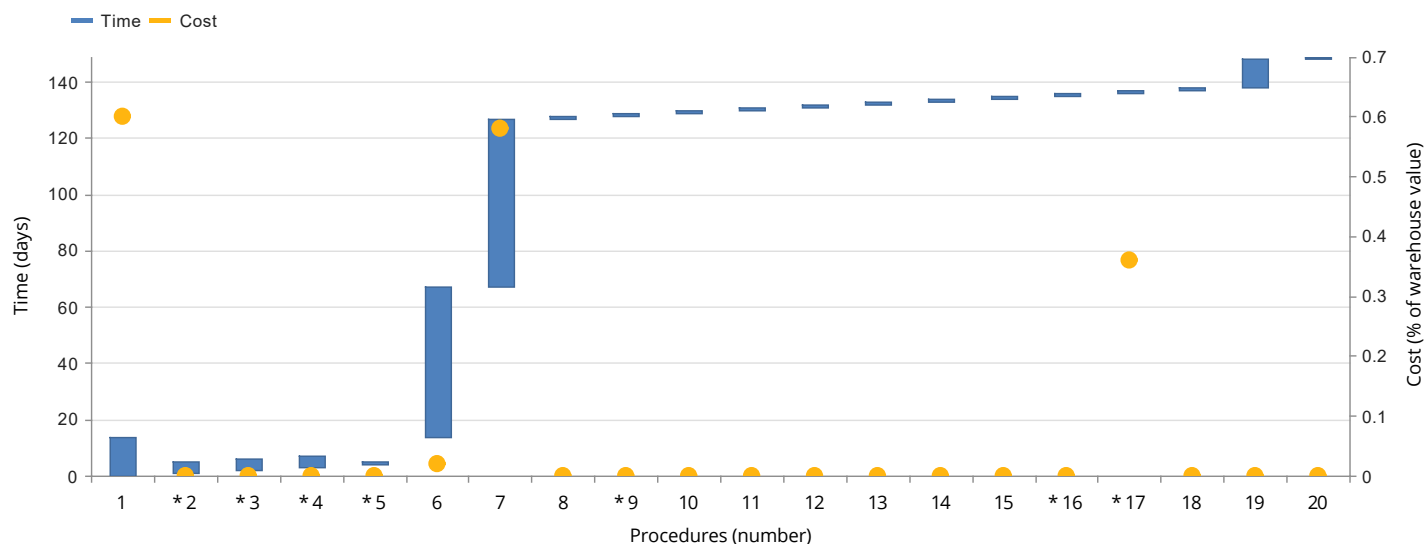
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	20	14.8	12.5	7.00 (Denmark)
Time (days)	149	147.5	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	1.6	9.9	1.6	0.10 (5 Economies)
Building quality control index (0-15)	11.0	8.0	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their distance to frontier scores for dealing with construction permits. These scores are the simple average of the distance to frontier scores for each of the component indicators.

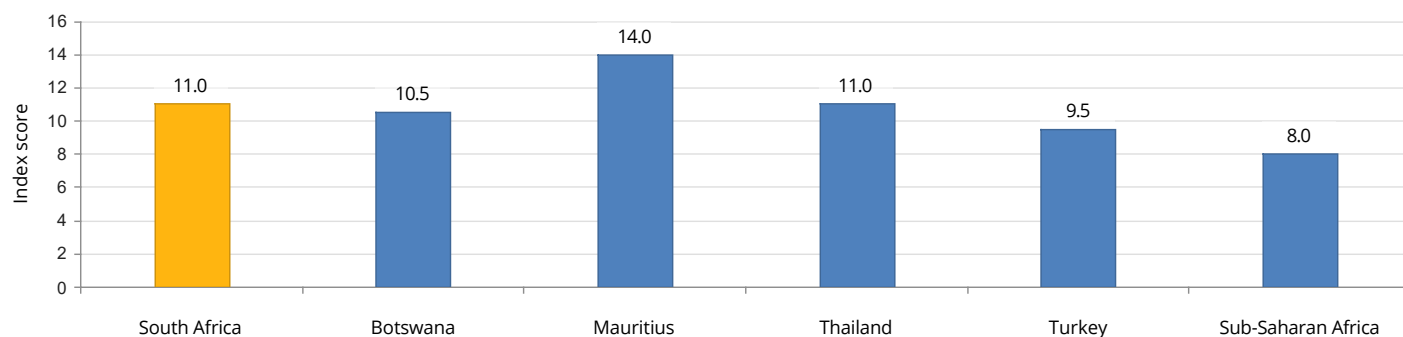
Figure – Dealing with Construction Permits in South Africa – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in South Africa and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in South Africa – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	Obtain results of geotechnical study / soil test Agency : Private firm The National Building Regulations And Building Standards Act No. 103 Of 1977 stipulates that a geotechnical site investigation may be required depending on the soil where the warehouse is being constructed. This soil investigation will provide information on the load bearing of this land so that the foundation is on solid ground.	14 days	USD 1,650
⇒ 2	Obtain fire safety approval from the Fire Department Agency : Fire Department For all non-residential buildings, the plans must be approved by the Fire Department prior to applying for the construction permit. Each agency has set 2 days a week for the pre-approvals.	4 days	no charge
⇒ 3	Obtain water and sewage approval from Johannesburg Water Agency : Johannesburg Water Approval of the plans must be obtained from the water/sewage agency prior to requesting the Site Development Plan and the building plan approval. Each agency has set 2 days a week for the pre-approvals.	4 days	no charge
⇒ 4	Obtain electricity approval from City Power Agency : City Power Approval of the plans must be obtained from the electricity company prior to requesting the Site Development Plan and the building plan approval. Each agency has set 2 days a week for the pre-approvals.	4 days	no charge
⇒ 5	Request and obtain permission to hoard in footway Agency : Johannesburg Municipality – Public Roads Department According to Article 21 (Permission to hoard in footway) of the City of Johannesburg Metropolitan Municipality's Public Road and Miscellaneous By-Laws, BuildCo must request a permission to hoard in the footway. The law notes that Any person who intends erecting, removing, altering, repairing or painting any part of a building or structure or carrying out any excavation, on part of any land which is within 2 meters of a public road, must before commencing any such work, enclose or cause to be enclosed a space in front of such part of the building, structure or land by means of a hoarding, fence or other enclosure or an enclosure specified in a permit issued by the Municipality's Council. The Council may determine what portion of the public road is necessary for the purpose of carrying out any operations contemplated, and in every case where it determines that portion of a public road may be used for such purpose, grant a permit in writing specifying the portion which may be occupied for such purpose and the conditions under which such permit is granted.	1 day	no charge

6	Submit approvals and obtain a site development plan (SDP)	53 days	ZAR 634
	Agency : Towns Planning Department at the Municipality The architect must submit the approvals obtained in the previous procedures to the Towns Planning Department at the Municipality. The Municipality will then review the approvals and issue a site development plan (SDP).		
7	Obtain approval of building plans from the Office of the Building Permit within the Municipality of Johannesburg	60 days	ZAR 21,810
	Agency : Johannesburg Municipality Architect submits the approved Site Development Plan and building plans. The office again sends the plans to all the agencies mentioned in procedure 1 that stamped the SDP to check the building plans, approve and stamp the building plans. By law (Building Regulations) BuildCo must also submit a form designating a Registered person (engineer) who will be held responsible to supervise the construction at all stages.		
8	Submit notification of commencement of building work to the Department of Labour	1 day	no charge
	Agency : Department of Labour According to Article 4 of the Construction Regulations of February 7, 2014, a contractor who intends to carry out any construction work other than work contemplated in regulation 3(1), must at least 7 days before that work is to be carried out notify the provincial director in writing if the intended construction work will: <ul style="list-style-type: none"> (a) include excavation work (assumed by the Doing Business case study); (b) include working at a height where there is risk of falling; (c) include the demolition of a structure; or (d) include the use of explosives to perform construction work. 		
⇒ 9	Submit notification of commencement of building work	1 day	no charge
	Agency : Johannesburg Municipality The National Building Regulations Act 103/19 requires that BuildCo submits a notification of commencement of work to the municipality.		
10	Receive inspection from the Department of Labour	1 day	no charge
	Agency : Department of Labour According to the Construction Regulations of February 7, 2014, the Department of Labour is entitled to visit any building site during construction. In practice, the Department would inspect the site at least once at the beginning of construction to ensure that the safety file is on site and that the construction site is adequate for workers (i.e., the proper facilities, toilets, hygiene conditions are in place).		
11	Receive inspection of all foundation trenches prior to placing of concrete	1 day	no charge
	Agency : Municipal Building Inspectorate		
12	Receive inspection of waste-water drainage systems	1 day	no charge
	Agency : Municipal Building Inspectorate This inspection takes place before closing up.		

13	Submit certificate of compliance (plumbing, sewage)	1 day	no charge
	<p>Agency : Registered plumber / Municipality</p> <p>The company is required to submit an official certificate, issued by a registered plumber (assumed to be an employee of BuildCo), confirming that the plumbing work has been completed according to the applicable legislation and standards. Self-certification is done by a certified professional.</p> <p>It is required that a registered plumber (separate from the inspection done by municipality) comes and does a pressure test and certify that plumbing work is done according to the standards. Municipality will not issue a certificate of compliance until a certified plumber conducts a pressure test and issue a certificate.</p>		
14	Competent person submit completion certificate to the Municipal building inspectorate	1 day	no charge
	<p>Agency : Municipal Building Inspectorate</p> <p>The National Building Regulations Act 103/19 requires that the Registered person designated to supervise the construction work, must submit a certificate of completion stating that all inspections were carried out during construction and that structural works were accomplished according to his design, approved plans and in compliance with Regulations.</p>		
15	Receive final inspection by municipal authorities	1 day	no charge
	<p>Agency : Johannesburg Municipality</p> <p>The inspection is a prerequisite to obtaining the occupational certificate. Usually a preliminary inspection could have taken place shortly before construction is completed, in which case the final inspection is just a formality. Obtaining the occupational certificate would be issued after this process.</p>		
⇒	Receive inspection by the Fire Department	1 day	no charge
16	<p>Agency : City of Johannesburg Fire Department</p> <p>The fire department visits the site and check if what's on the site plan (that was approved in procedure 1) has been implemented in the building. The Municipality would not issue an occupancy certificate without clearance from the Fire Department. Fire Department can provide approval during inspection.</p>		
⇒	Apply for water and sewage connection	1 day	ZAR 13,386
17	<p>Agency : Johannesburg Water</p>		
18	Receive inspection from Johannesburg Water	1 day	no charge
	<p>Agency : Johannesburg Water</p> <p>Once the application has been processed, an official will need to visit the property before giving a quote on a connection fee.</p>		
19	Receive final water connection	10 days	no charge
	<p>Agency : Municipal Building Inspectorate</p> <p>The service should not be provided until the certificate of compliance has been submitted.</p>		

20 Obtain occupancy certificate

1 day

no charge

Agency : Johannesburg Municipality

This certificate is issued after the final inspection by the municipal authorities has been carried out and certifies that the building complies with the national and municipal building regulations.

⇒ Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in South Africa – Measure of Quality

	Answer	Score
Building quality control index (0-15)		11.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		0.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	By law, there is no need to verify plans compliance; Civil servant reviews plans.	0.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		0.0

Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0
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Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
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Professional certifications index (0-4)**4.0**

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2.0
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What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	2.0
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⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
Procedures to obtain an electricity connection (number)	To make the data comparable across economies, several assumptions are used.
<ul style="list-style-type: none"> • Submitting all relevant documents and obtaining all necessary clearances and permits • Completing all required notifications and receiving all necessary inspections • Obtaining external installation works and possibly purchasing material for these works • Concluding any necessary supply contract and obtaining final supply 	The warehouse: <ul style="list-style-type: none"> - Is owned by a local entrepreneur and is used for storage of goods. - Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway. - Is a new construction and is being connected to electricity for the first time. - Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).
Time required to complete each procedure (calendar days)	The electricity connection: <ul style="list-style-type: none"> - Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW). - Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road. - Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.
Cost required to complete each procedure (% of income per capita)	The monthly consumption: <ul style="list-style-type: none"> - It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh. - If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier. - Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.
The reliability of supply and transparency of tariffs index (0-8)	
<ul style="list-style-type: none"> • Duration and frequency of power outages (0-3) • Tools to monitor power outages (0-1) • Tools to restore power supply (0-1) • Regulatory monitoring of utilities' performance (0-1) • Financial deterrents limiting outages (0-1) • Transparency and accessibility of tariffs (0-1) 	
Price of electricity (cents per kilowatt-hour)*	
<ul style="list-style-type: none"> • Price based on monthly bill for commercial warehouse in case study 	

*Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.

Standardized Connection

Price of electricity (US cents per kWh)

15.1

Name of utility

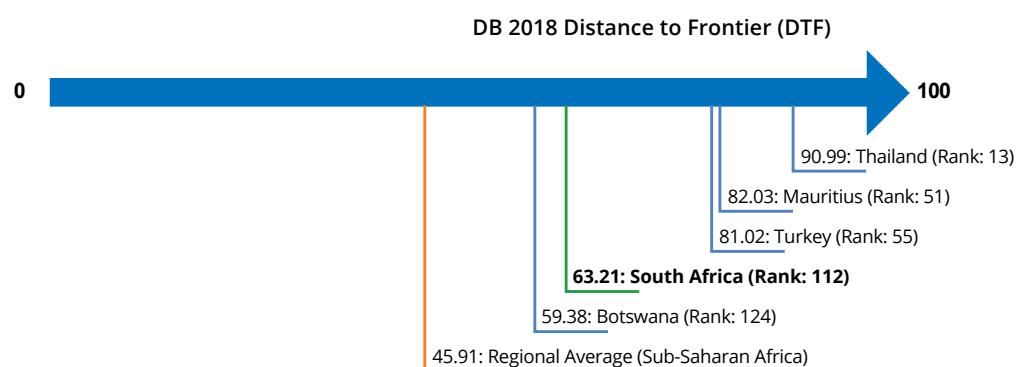
City Power

City Covered

Johannesburg

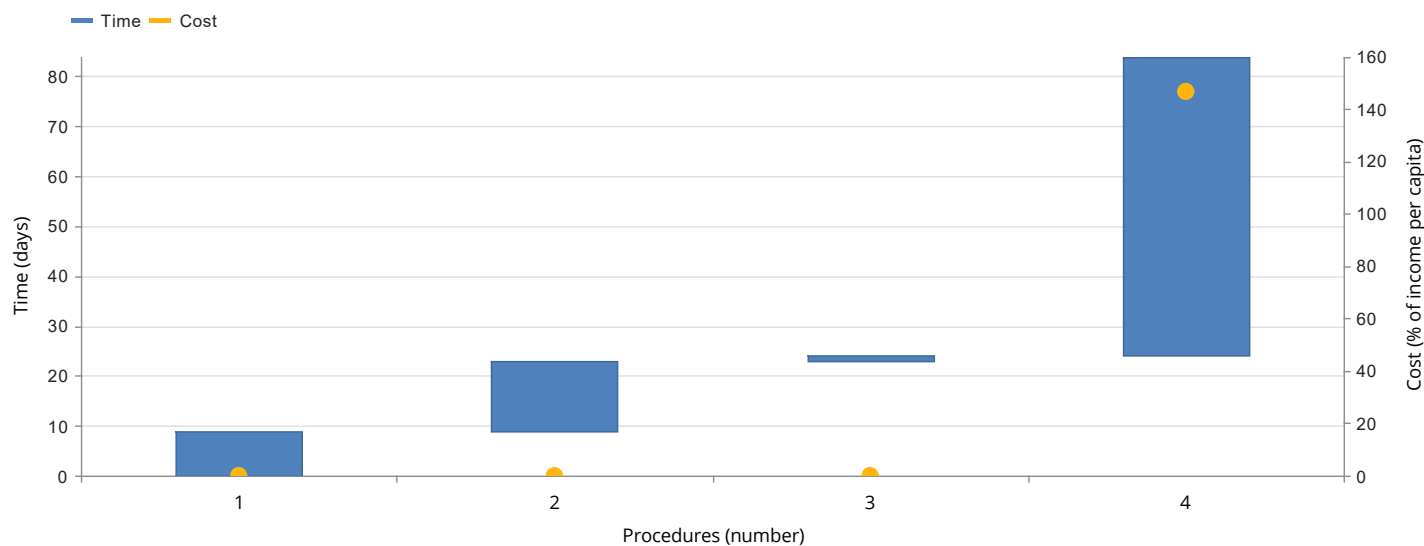
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	4	5.3	4.7	2 (United Arab Emirates)
Time (days)	84	115.3	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	146.6	3737.0	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	0	0.9	7.4	8.00 (28 Economies)

Figure – Getting Electricity in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators.

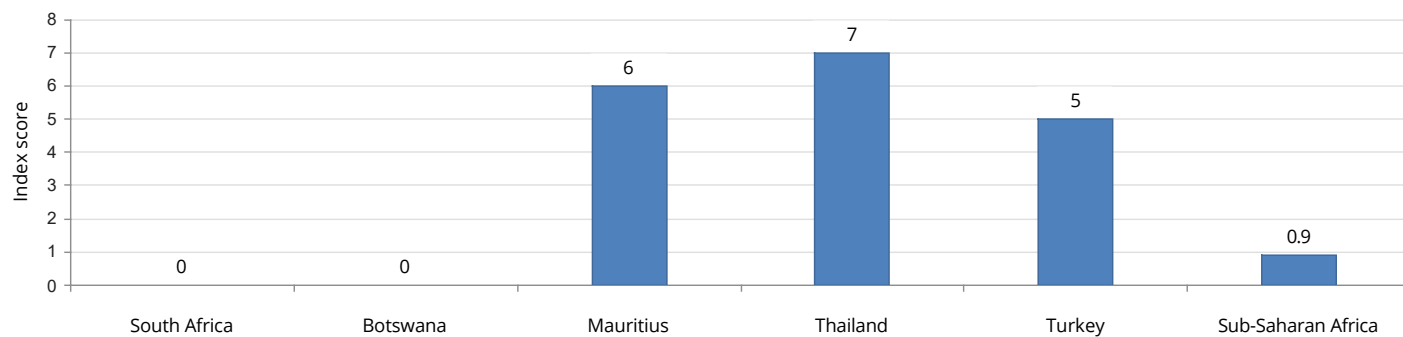
Figure – Getting Electricity in South Africa – Procedure, Time and Cost



* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in South Africa and comparator economies – Measure of Quality



Details – Getting Electricity in South Africa – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p>Submit application to City of Johannesburg and await acceptance of application from City Power</p> <p>Agency : City Power</p> <ul style="list-style-type: none"> - Applicant completes and submits the standard application form to City of Johannesburg with respect to their Rates and Services account - The form is sent to City Power automatically via SAP system - City Power receives the application - City Power assess compliance and availability - City Power will analyze the application and choose to either accept or reject the application - If City Power accepts the application, they will provide the customer with a budget quote via email and telephone. 	9 calendar days	ZAR 0
2	<p>Submit detailed design to City Power and sign supply contract</p> <p>Agency : City Power</p> <p>The applicant submits all the relevant technical and zoning documentation via email</p> <ul style="list-style-type: none"> - City power prepares a detailed design - City Power provides a final quote to the customer which is communicated telephonically and via email. 	14 calendar days	ZAR 0
3	<p>Obtain and submit compliance certificate for internal wiring to City Power</p> <p>Agency : City Power</p> <p>An electrician issues a Compliance Certificate regarding the internal wiring to City Power. The internal wiring is not Eskom's responsibility. An electrician does the inspection, issue Compliance Certificate and submit it to City Power.</p> <p>The applicant's electrician has to be licensed/accredited by the Electrician Contractors Association of South Africa (ECASA). All electricians doing work with Eskom have to be accredited by ECASA.</p>	1 calendar day	ZAR 0
4	<p>Await completion of external works by City Power and final turn electricity turn on</p> <p>Agency : City Power</p> <p>Once City Power has received payment from the customer, City Power will confirm customers readiness (has the meter receptacle and MCB been installed and trip tested)</p> <ul style="list-style-type: none"> - If the customer is ready, City Power commences the installation - Install MCB at Minisub - Excavate and lay an average of 100m of 120mm 4 core copper cable from load centre to customer meter receptical. - Terminate the LV cable onto customers main circuit breaker - Install Ringtyoe LVCT's with a ration of 200:5 Amp - Install and Connect polyphase 4 quadrant multi register Automated Meter - Commision Installation - Link meter Data. 	60 calendar days	ZAR 110,507.06

⇒ Takes place simultaneously with previous procedure.

Details – Getting Electricity in South Africa – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	0
Total duration and frequency of outages per customer a year (0-3)	0
System average interruption duration index (SAIDI)	..
System average interruption frequency index (SAIFI)	..
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	1.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	https://www.citypower.co.za/customers/Documents/City%20Power%20Tariffs%20Booklet_2016-2017.pdf
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

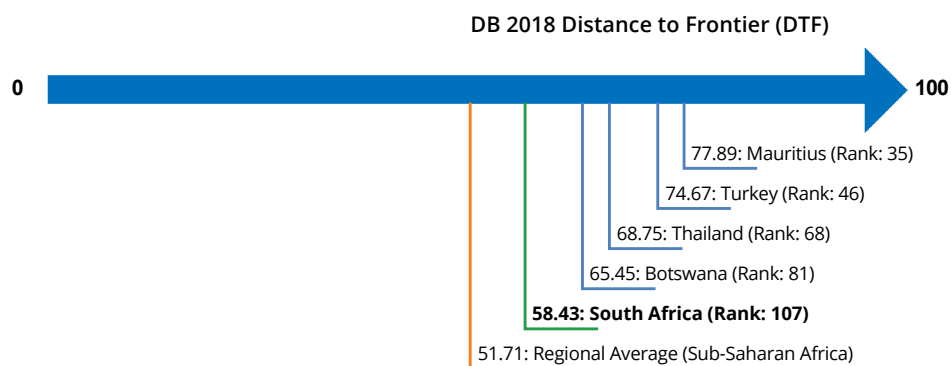
Standard Property Transfer

Property value ZAR 3,768,738.30

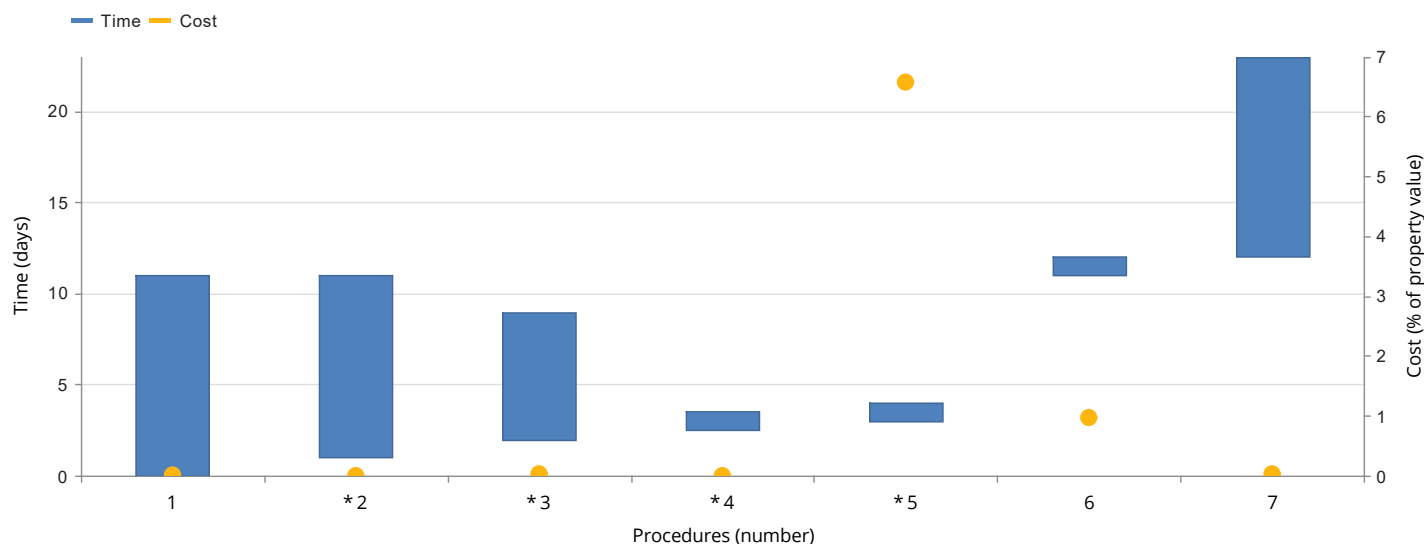
City Covered Johannesburg

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Procedures (number)	7	6.2	4.6	1.00 (4 Economies)
Time (days)	23	59.3	22.3	1.00 (3 Economies)
Cost (% of property value)	7.6	7.8	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	13.5	8.6	22.7	29.00 (Singapore)

Figure – Registering Property in South Africa and comparator economies – Ranking and DTF

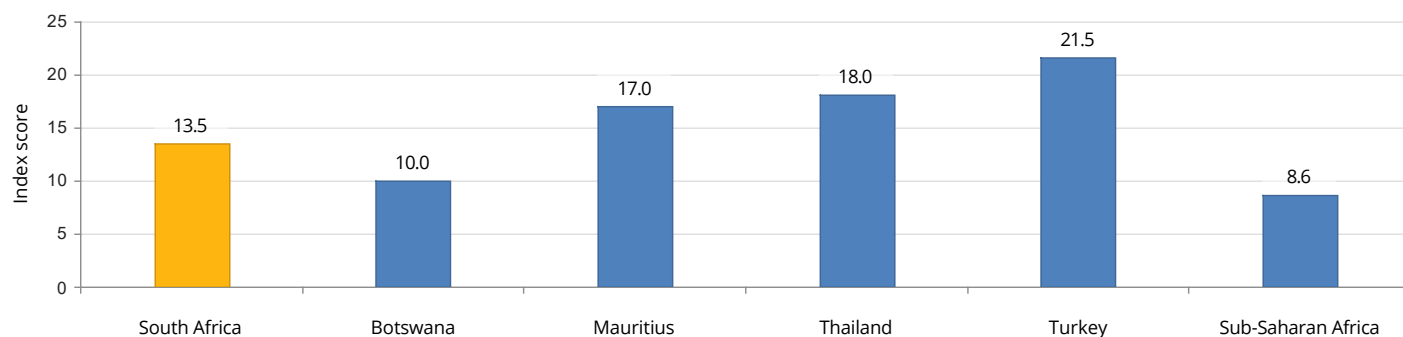


Note: The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Registering Property in South Africa – Procedure, Time and Cost

* This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in South Africa and comparator economies – Measure of Quality

Details – Registering Property in South Africa – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p>Obtain a rates clearance certificate from the local authority</p> <p>Agency : Municipality</p> <p>The transferring conveyancer obtains a rates (taxes) clearance certificate from the local authority, on behalf of the seller only if in Johannesburg. Section 118 of the Local Government: Municipal Systems Act, 32 of 2000 states that any transfer of property must be accompanied by a rates clearance from the local authority. However, the local authority will only check the last 24 months as this is sufficient for the transfer to legally take place. If any taxes are owed from previous years, the seller is not exonerated, and the taxes will still have to be paid by either the seller or the new owner as per agreement. The certificate is valid for 60 days from the date of its issue in terms of Section 118 (1A).</p>	<p>1 to 2 weeks (simultaneous with procedures 2,3, 4 and 5)</p>	<p>ZAR 232.50</p>

⇒ 2 **The conveyancer prepares and collects all the required documentation**

Agency : Conveyancer who check among others the Companies and Intellectual Property Commission

A conveyancer prepares the deed of sale and drafts the transfer deed. The conveyancer obtains power of attorney, appointing him/her to appear before the Registrar. The conveyancer's services are mandatory for the registration of land in South Africa. A conveyancer is an attorney authorized under the Attorneys Act to perform specialized duties with regard to the conveyance of immovable property. The Deeds Registries Act authorizes only conveyancers to prepare deeds of transfer, and thus the conveyancer is responsible for certain facts set out in the deed and other documents. Conveyancing fees, which depend on the property value, are set by the Law Society.

The conveyancer, before submitting the documentation to the deeds registry to transfer the property to the new company, must also conduct a company search at the Companies and Intellectual Property Commission Office to ascertain the directors of both companies.

All conveyancers have access to this authority via the Internet and can perform the check online. Usually conveyancers will also ask clients to provide the requisite documents. In so doing, the conveyancer will:

- a. Review the companies' memorandum and articles of association to confirm the authority to acquire and alienate immovable property. The founding documents of the seller will be the Memorandum and Articles of Association. If the buyer company was formed before May 1, 2011, its Memorandum and Articles of Association will be examined. If the buyer company was formed after May 1, 2011, only its Memorandum of Incorporation will be examined.
- b. Review the necessary resolutions. Section 115 of the Companies Act 71 2008 states that a company may not dispose of all or the greater part of its assets except through a special resolution.
- c. Ensure compliance with the Financial Intelligence Center Act by obtaining proof from the companies of the physical/business address and the Tax/VAT registration number with the South African Revenue Services. The conveyancer will also request this information from the clients before proceeding, and the check is done automatically at the time the transfer duty is paid. If a company does not have or quotes an incorrect Tax/VAT number, it will be unable to pay the transfer duty, and the process will come to a halt.

10 days
(simultaneous with
Procedures 1, 3, 4
and 5)

Included in
Procedure 6

⇒ 3 **Obtain an electrical compliance certificate**

Agency : Certified electrician

This certificate is not required by the land registry. The Health and Environment Act of 1993 makes it mandatory for anyone who wants to sell anything that includes electrical wiring to have an Electrical Certificate of Compliance. It is common practice for the seller to obtain in. However, there will always be a clause in the sale agreement that refers to the Act, who should obtain it and who bears the cost. The certified electrician has to be registered with the Department of Labor.

1 week
(simultaneous with
1, 2, 4, and 5)

ZAR 1000- 1500

⇒ 4 The conveyancer obtains an electronic printout of all the information registered over the property from the Deeds Registry

Agency : Deeds Registry

The conveyancer performs a title search using a licensed third-party software (e.g., GhostConvey, WinDeed, Korbitec, WinDeed, Searchworks, etc.) to ensure that the property exists and that the seller is the rightful owner. The search can also be conducted using the Deeds Registry's own platform, DeedsWeb (<http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/welcome.jsp>). DeedsWeb's coverage is countrywide, and a user can access information on any property throughout the country.

less than a day
(online procedure
and simultaneous
with procedure 1, 2,
3 and 5)

Included in
procedure 6

A small number of conveyancers still conduct the search in person, but the majority has a subscription to a third-party software used for searches. The small fee associated with this procedure is included in the conveyancer's fees.

⇒ 5 Obtain a transfer duty receipt from the South African Revenue Services

Agency : South African Revenue Services

The transferring conveyancer obtains a transfer duty receipt/exemption certificate from the South African Revenue Services.

As of February 23, 2011, the distinction drawn in calculating the transfer duties for legal entities and natural persons has been abolished. Both legal entities and natural persons now pay the transfer duty based on a sliding scale.

The transferring conveyancer applies for the transfer duty receipt online. In some cases (and approximately a day after the application) SARS electronically requests the conveyancer to upload the deed of sale on the system. Within about 7 working days, SARS electronically issues the transfer duty receipt. Upon receipt of payment of the transfer duty figures, SARS issues the transfer duty certificate within working days.

The scale for the transfer duty was changed for properties acquired on or after March 1st, 2017. The current scale is as follows: 0 - 900 000: 0%
750 001 - 1 250 000: 3% on the value above 900,000
1 250 001 - 1 750 000: 10,500 + 6% of the value above 1,250,000
1 750 001 - 2 250 000: 40,500 + 8% of the amount above 1,750,000
2 250 001 - 10 000 000: 80,500 + 11% of the amount above 2,250,000
10 000 001 and above: 933,000 +13% of the value exceeding 10,000,000.

less than a day
(online procedure,
simultaneous with
Procedures 1,2, 3
and 4)

0 - 900 000: 0%
900 001 - 1 250 000:
3% on the value
above 900,000
1 250 001 - 1 750 000:
10,500 + 6% of the
value above
1,250,000
1 750 001 - 2 250 000:
40,500 + 8% of the
amount above
1,750,000
2 250 001 - 10 000
000: 80,500 + 11% of
the amount above
2,250,000
10 000 001 and
above: 933,000 +13%
of the value
exceeding 10,000,000

6 Parties sign all the documentation at the conveyancer's office

1 day

Agency : Conveyancer's office

The conveyancer will collect all the documentation signed by the seller and the purchaser and obtain guarantees for the purchase price. The documents to be signed by the parties are as follows:

a. Seller

- Power of attorney to pass the deed and Instruction to Register
- Transfer duty declarations
- Affidavits (Companies; Solvency; Financial Intelligence Centre Act (FICA))

b. Purchaser

- Transfer duty declarations
- Affidavits (Companies, Solvency; FICA)

According to the Conveyancing Fees Guidelines published by the Law Society:

ZAR100,000 or less:

ZAR 4,600

Over ZAR 100,000 up to and including ZAR 500,000: ZAR 4,600 plus ZAR700 per ZAR50,000 or part thereof above that

Over ZAR 500,000 up to and including ZAR 1,000,000: ZAR 10,200 for the first ZAR 500,000 plus ZAR 1,400 per ZAR 100,000 or part thereof above that

Over ZAR 1,000,000 up to and including ZAR 5,000,000: ZAR 17,200 for the first ZAR 1,000,000 plus ZAR 700 per ZAR 100,000 or part thereof above that

Over ZAR 5,000,000: ZAR 45,200 for the first ZAR 5,000,000 plus ZAR 350 per ZAR 100,000 or part thereof above that

7 The conveyancer lodges the deed at the Deeds Registry

6-14 days

Agency : Deeds Registry

The conveyancer registers the deed with the Deeds Registry. The Registrar compares the draft deed with data in the register. The deed is examined to (1) ensure compliance with the conditions of transfer, (2) check the legality of the transfer, and (3) verify that the proper standards of examination were applied. Once the criteria are met, the deed is prepared for registration and execution. The conveyancer first signs the deed at the Deeds Registry in front of the Registrar or his/her authorized deputy. The deed is then executed by the signature of the Registrar or his/her deputy. Transfer of ownership officially occurs upon the Registrar signing the deed. The registration fee, which depends on the value of the property and is obtained from the Transfer Cost table available at http://www.ghostdigest.co.za/code/C_20.html (D/O Levy column), is then paid. The Registrar executes the deed, and the conveyancer signs the transfer deed at the Deeds Registry in front of the registrar or a deputy. The Deeds Registry subsequently updates the register and archives a copy, scanning the deed in the process.

Deeds Office fees were increased from February 28 2017 as set out in the Government Gazette of No. 40,649, Notice No. R.175). These include increases for the registration of transfers and bonds according to the Schedule of Fees of Office as prescribed by regulations 84 and 86 of the Deeds Registries Act No 47 of 1937. For the registration of

(i) does not exceed ZAR 100,000: 35.00
(ii) exceeds ZAR 100,000 but does not exceed ZAR 150,000: 75.00
(iii) exceeds ZAR 150,000 but does not exceed ZAR 300,000: 465.00
(iv) exceeds ZAR 300,000 but does not exceed ZAR 600,000: 580.00
(v) exceeds ZAR 600,000 but does not exceed ZAR 800,000: 815.00
(vi) exceeds ZAR 800,000 but does not exceed ZAR 1,000,000: 930.00
(vii) exceeds ZAR 1,000,000 but does not exceed ZAR 2,000,000: 1,050.00
(viii) exceeds ZAR 2,000,000 but does not exceed ZAR 4,000,000: 1,275.00
(ix) exceeds ZAR 4,000,000 but does not exceed ZAR 6,000,000: 1,750.00
(x) exceeds ZAR 6,000,000 but does not exceed ZAR 8,000,000: 2,100.00
(xi) exceeds ZAR 8,000,000 but does not exceed ZAR 10,000,000: 2,455.00
(xii) exceeds ZAR 10,000,000 but does not exceed ZAR 15,000,000: 2,920.00
(xiii) exceeds ZAR 15,000,000 but does not exceed ZAR 20,000,000: 3,505.00
(xiv) exceeds ZAR 20,000,000: 4,675.00

⇒ Takes place simultaneously with previous procedure.

Details – Registering Property in South Africa – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		13.5
Reliability of infrastructure index (0-8)		4.0
What is the institution in charge of immovable property registration?	Department of Land Affairs / Deeds Registry	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	The Office of the Chief Surveyor General	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		2.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5

Link for online access:

<http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/LatestFees.pdf>
<http://www.ghostdigest.co.za/categories/tables-of-costs/1571>

Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?

Yes, in person 0.0

Link for online access:

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?

No 0.0

Contact information:

Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?

No 0.0

Number of property transfers in the largest business city in 2015:

Who is able to consult maps of land plots in the largest business city?

Freely accessible by anyone 0.5

Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?

Yes, online 0.5

Link for online access:

<http://csg.dla.gov.za/fees.htm>

Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?

Yes, in person 0.0

Link for online access:

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?

No 0.0

Contact information:

Geographic coverage index (0–8)**2.0**

Are all privately held land plots in the economy formally registered at the immovable property registry?

No 0.0

Are all privately held land plots in the largest business city formally registered at the immovable property registry?

No 0.0

Are all privately held land plots in the economy mapped?

No 0.0

Are all privately held land plots in the largest business city mapped?

Yes 2.0

Land dispute resolution index (0–8)**5.0**

Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary.	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	High Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 2 and 3 years	1.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2015:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0–12)

- Rights of borrowers and lenders through collateral laws (0–10)
- Protection of secured creditors' rights through bankruptcy laws (0–2)

Depth of credit information index (0–8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0–8)

Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

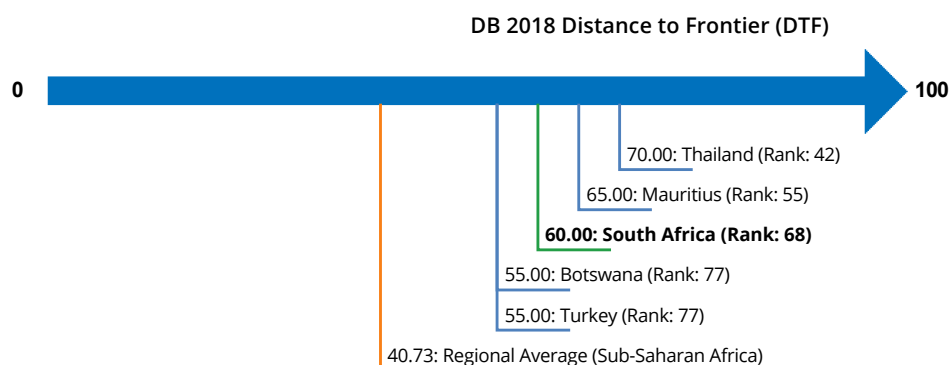
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

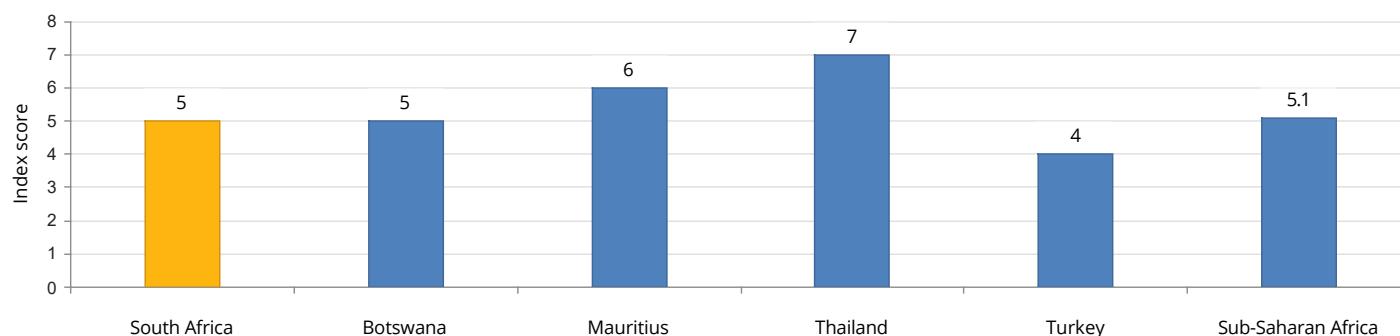
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	5	5.1	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	7	3.0	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	0.0	6.3	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	64.4	8.2	63.7	100.00 (23 Economies)

Figure – Getting Credit in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting credit is determined by sorting their distance to frontier scores for getting credit. These scores are the distance to frontier score for the sum of the strength of legal rights index and the depth of credit information index.

Figure – Legal Rights in South Africa and comparator economies



Details – Legal Rights in South Africa

Strength of legal rights index (0-12)

5

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds or replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? No

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

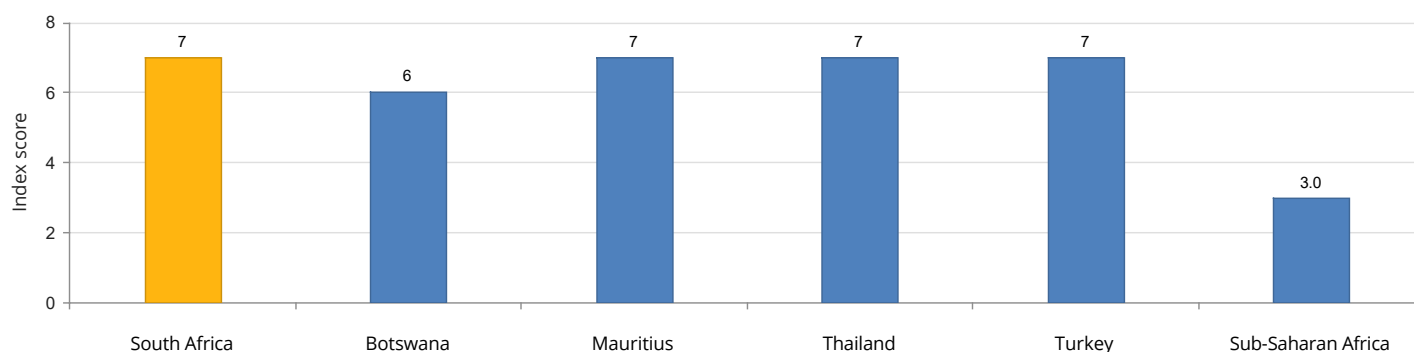
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and/or sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure – Credit Information in South Africa and comparator economies



Details – Credit Information in South Africa

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	No	0
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
Score ("yes" to either public bureau or private registry)			7

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	22,666,718	0
Number of firms	1,073,878	0
Total	23,740,596	0
Percentage of adult population	64.4	0.0

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

- **Extent of disclosure index (0–10):** Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions
- **Extent of director liability index (0–10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Ease of shareholder suits index (0–10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0–10):** Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index (0–10):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0–10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0–10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0–10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0–10):** Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

The business (Buyer):

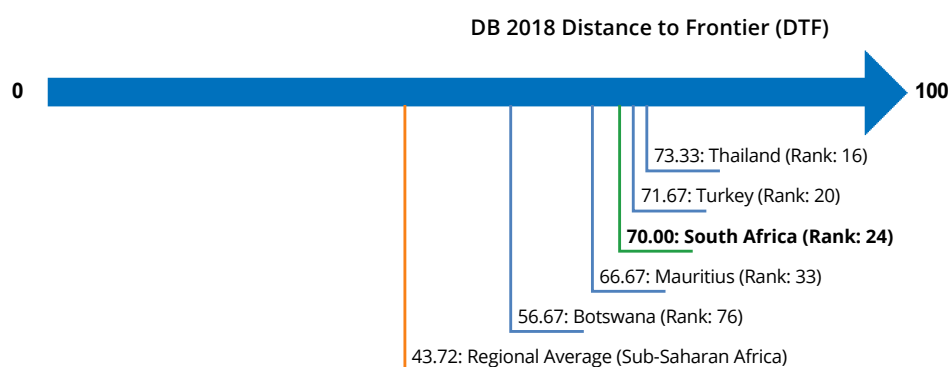
- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:

- Mr. James owns 60% of Buyer and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.

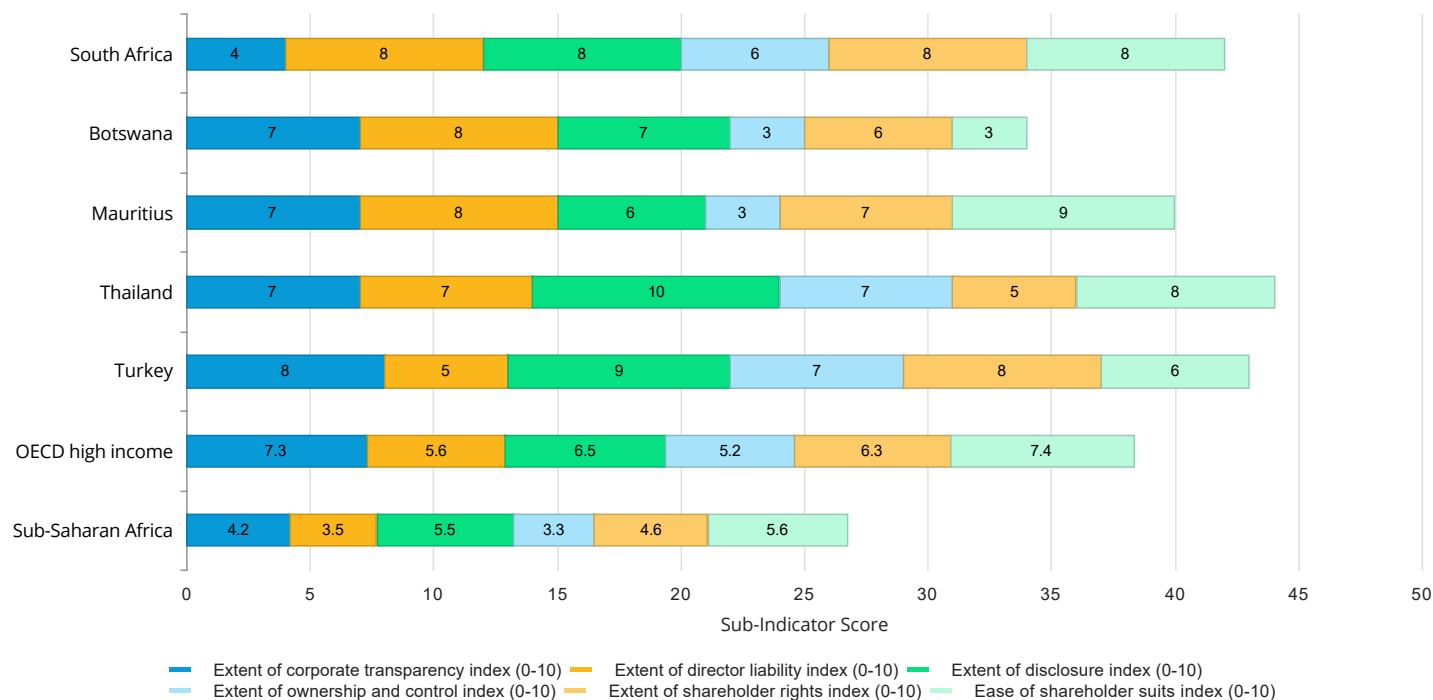
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	8	4.8	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	6	4.0	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their distance to frontier scores for protecting minority investors. These scores are the simple average of the distance to frontier scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure – Protecting Minority Investors in South Africa and comparator economies – Measure of Quality



Details – Protecting Minority Investors in South Africa – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		8
Extent of disclosure index (0-10)		8
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	No disclosure obligation	0.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		8
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
Ease of shareholder suits index (0-10)		8
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0

Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-10)		6
Extent of shareholder rights index (0-10)		8
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	No	0.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
Extent of ownership and control index (0-10)		6
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0

Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		4
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	No	0.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	No	0.0
Assuming that Buyer is a limited company, must members meet at least once a year?	No	0.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	No	0.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where postfiling processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies.

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes.

[See the methodology for more information.](#)

What the indicators measure

Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Completing tax return, filing with agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax and contribution rate (% of profit before all taxes)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

Postfiling Index

- Time to comply with a VAT refund
- Time to receive a VAT refund
- Time to comply with a corporate income tax audit
- Time to complete a corporate income tax audit

Case study assumptions

Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

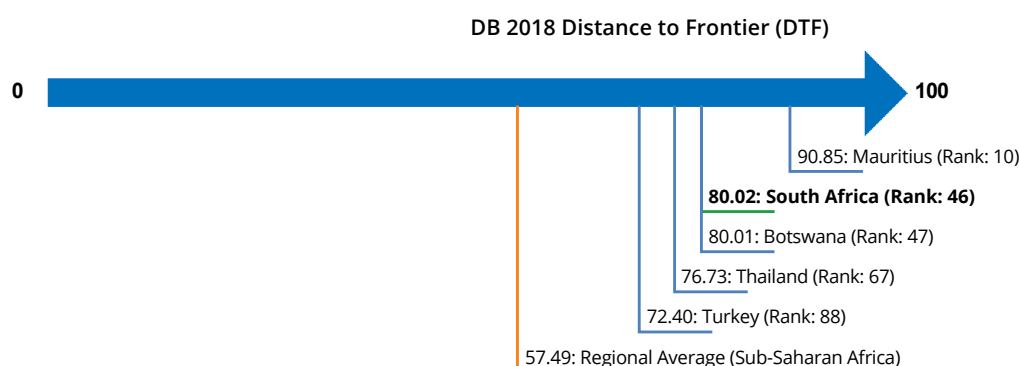
- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

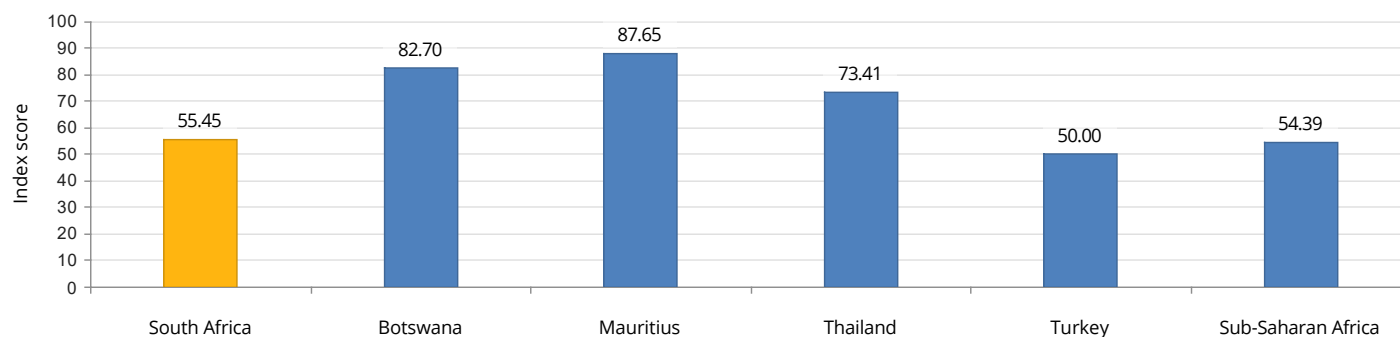
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Payments (number per year)	7	37.2	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	210	280.8	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)	28.9	46.8	40.1	18.47% (32 Economies)
Postfiling index (0-100)	55.45	54.39	83.45	99.38 (Estonia)

Figure – Paying Taxes in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in South Africa and comparator economies – Measure of Quality



Details – Paying Taxes in South Africa

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Corporate income tax	1	online	96	28%	taxable profit	21.68	
Property tax	1	online		1.7252% in January - June 2016 and 1.8287% in July - December 2016	property value	2.75	
Occupational injuries insurance contribution	1	online		1.55%	gross salaries	1.75	
Skills development levies	0	online and jointly		1%	gross salaries	1.13	
Unemployment insurance contributions (UIC)	1	online	52	1%	gross salaries	1.08	
Capital gains tax	0	online and jointly		28%	capital gains	0.94	included in other taxes
Vehicles tax	1			specific tariff	weight of empty vehicle	0.47	
Fuel tax	1			30.79%	value of fuel consumption	0.00	small amount
Unemployment insurance fund - employee	0	online and jointly		1%	gross salaries	0.00	withheld

Value added tax (VAT)	1	online	62	14%	value added	0.00	not included
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Totals	7		210			28.9	
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Details – Paying Taxes in South Africa – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	21.7
Labor tax and contributions (% of profit)	4.0
Other taxes (% of profit)	3.2

Details – Paying Taxes in South Africa – Measure of Quality

	Answer	Score
Postfiling index (0-100)		55.45

VAT refunds

Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	8.5	83
Time to obtain a VAT refund (weeks)	26.6	54.89

Corporate income tax audits

Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	50% - 74%	
Time to comply with a corporate income tax audit (hours)	11.0	82.57
Time to complete a corporate income tax audit (weeks)	31.6	1.34

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax audit and time to complete a corporate income tax audit.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in Doing Business 2018, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, Doing Business built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

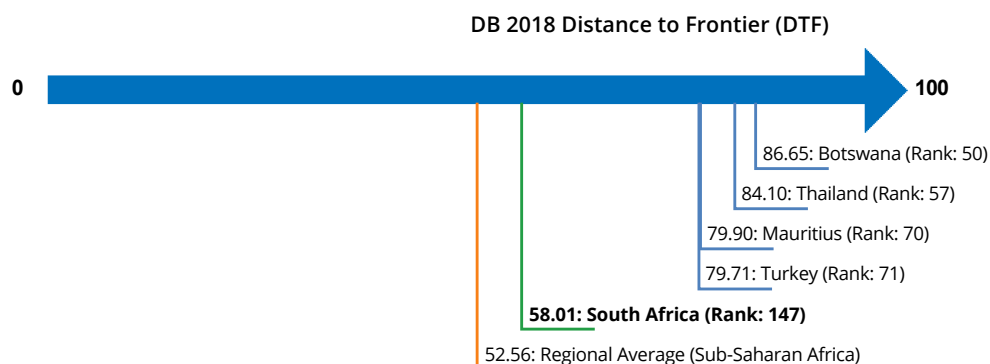
Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

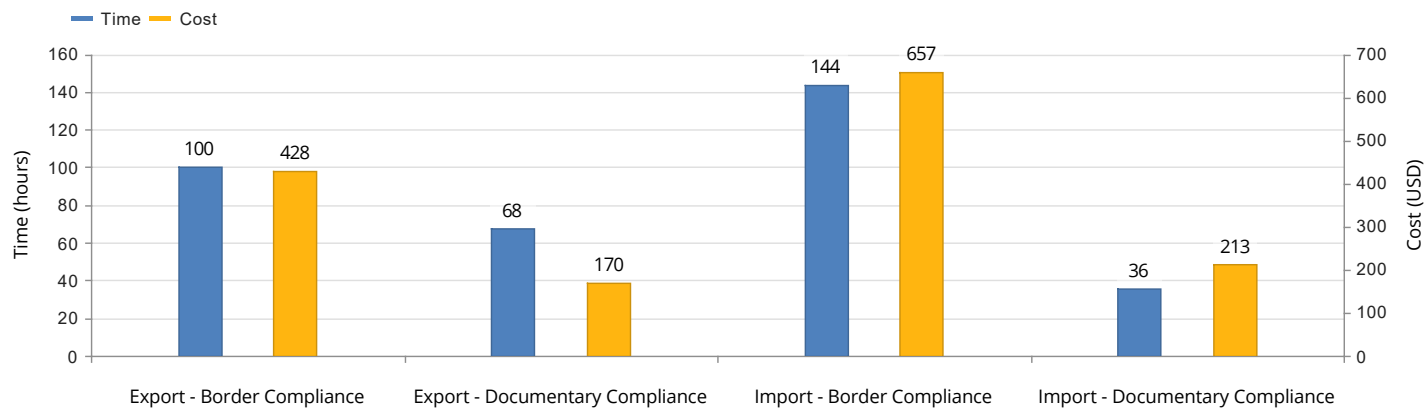
Assumptions of the case study: - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	100	100.1	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	428	592.1	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	68	87.8	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	170	215.1	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	144	136.4	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	657	686.8	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	36	103.0	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	213	300.1	25.6	0.00 (30 Economies)

Figure – Trading across Borders in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in South Africa – Time and Cost**Details – Trading across Borders in South Africa**

Characteristics	Export	Import
Product	HS 87 : Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	United States	Germany
Border	Durban port	Durban port
Distance (km)	570	570
Domestic transport time (hours)	16	16
Domestic transport cost (USD)	1550	1550

Details – Trading across Borders in South Africa – Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	20.3	146.7
Export: Clearance and inspections required by agencies other than customs	3.7	0.0
Export: Port or border handling	88.0	281.7
Import: Clearance and inspections required by customs authorities	20.3	193.3
Import: Clearance and inspections required by agencies other than customs	3.7	0.0
Import: Port or border handling	132.0	463.3

Details – Trading across Borders in South Africa – Trade Documents

Export	Import
Exchange control documents (eg Form 178 or NEP)	Exchange control documents (e.g. Form 178 or NEP)
Bill of lading	Bill of lading
Dock Dues Order	Dock Dues Order
AGOA Certificate of origin	Commercial invoice
Commercial invoice	Customs import declaration (SAD 500)
Customs Export Declaration (SAD 500)	EUR 1 - Certificate of origin
Export permit	Packing list
Packing list	SOLAS certificate
SOLAS certificate	

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

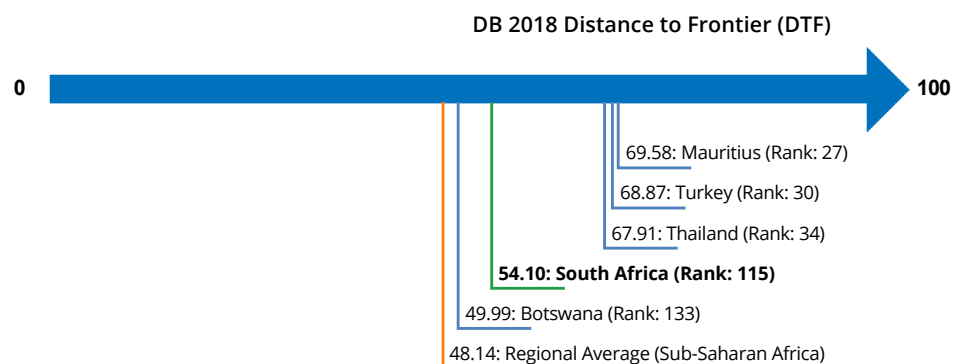
What the indicators measure	Case study assumptions
Time required to enforce a contract through the courts (calendar days) <ul style="list-style-type: none"> Time to file and serve the case Time for trial and to obtain the judgment Time to enforce the judgment 	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data comparable across economies, Doing Business uses several assumptions about the case:</p> <ul style="list-style-type: none"> - The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The buyer orders custom-made goods, then fails to pay. - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater. - The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000. - The seller requests a pretrial attachment to secure the claim. - The dispute on the quality of the goods requires an expert opinion. - The judge decides in favor of the seller; there is no appeal. - The seller enforces the judgment through a public sale of the buyer's movable assets.
Cost required to enforce a contract through the courts (% of claim) <ul style="list-style-type: none"> Attorney fees Court fees Enforcement fees 	
Quality of judicial processes index (0-18) <ul style="list-style-type: none"> Court structure and proceedings (-1-5) Case management (0-6) Court automation (0-4) Alternative dispute resolution (0-3) 	

Standardized Case

Claim value	ZAR 141,543.00
Court name	Johannesburg District Magistrates Court
City Covered	Johannesburg

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Time (days)	600	656.8	577.8	164.00 (Singapore)
Cost (% of claim value)	33.2	44.0	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	7.0	6.5	11.0	15.50 (Australia)

Figure – Enforcing Contracts in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their distance to frontier scores for enforcing contracts. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Enforcing Contracts in South Africa – Time and Cost

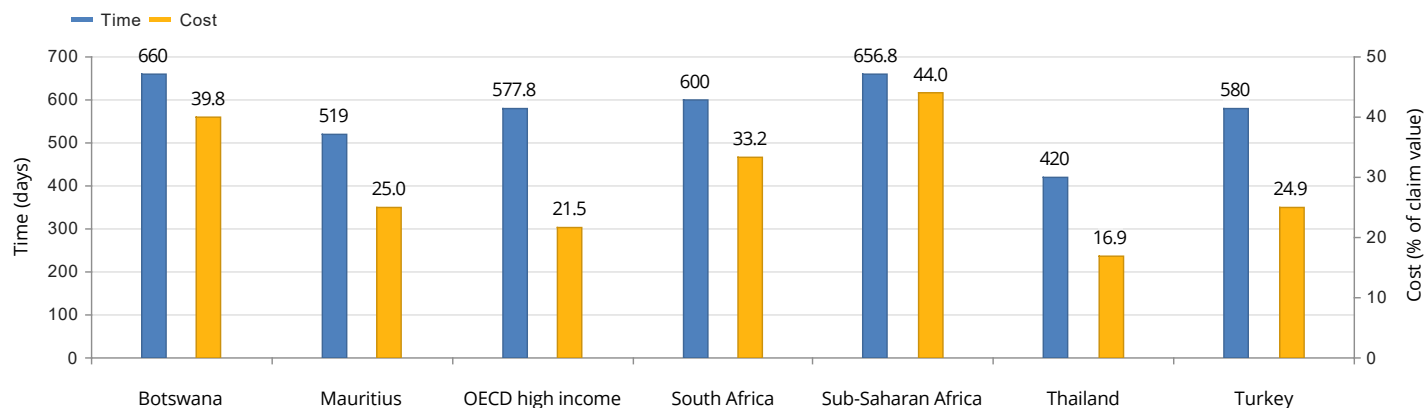
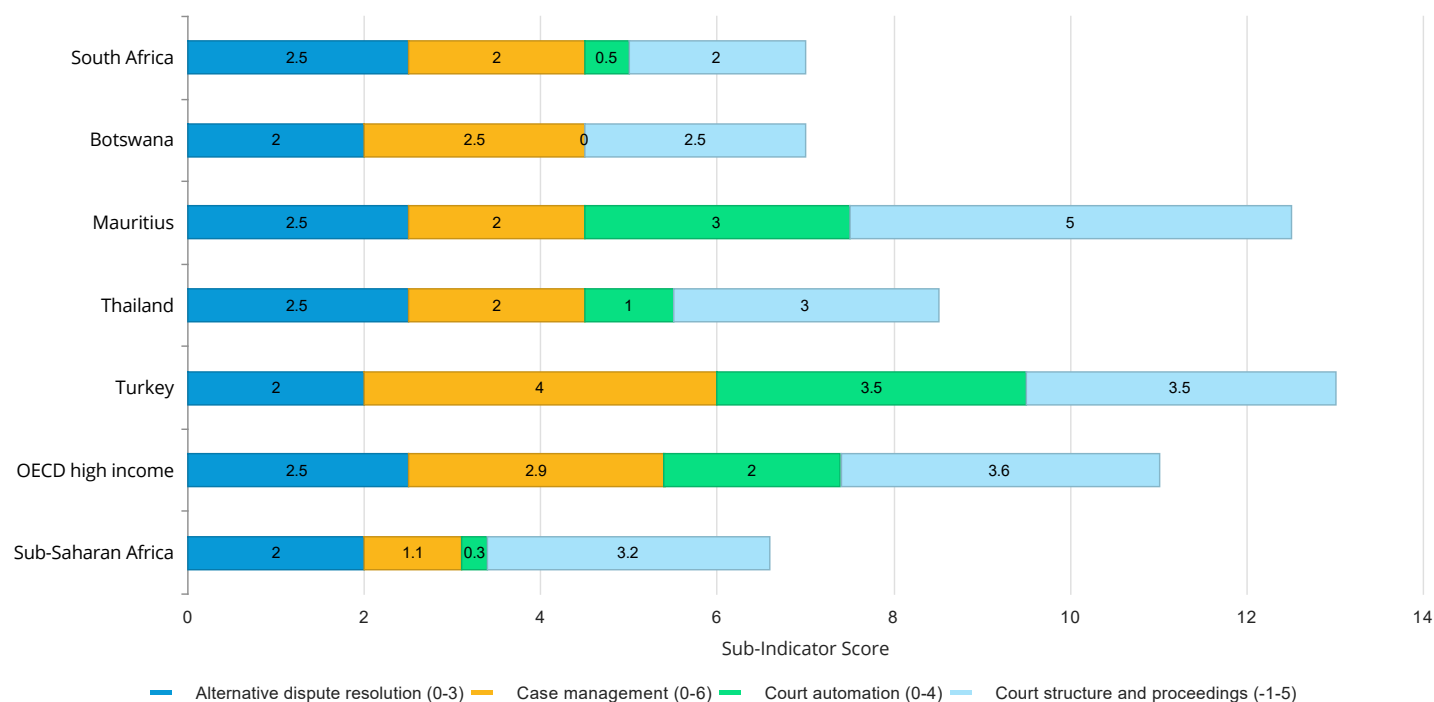


Figure – Enforcing Contracts in South Africa and comparator economies – Measure of Quality



Details – Enforcing Contracts in South Africa

		Indicator
Time (days)		600
Filing and service		30
Trial and judgment		490
Enforcement of judgment		80
Cost (% of claim value)		33.2
Attorney fees		22.6
Court fees		7.6
Enforcement fees		3
Quality of judicial processes index (0-18)		7.0
Court structure and proceedings (-1-5)		2.0
Case management (0-6)		2.0
Court automation (0-4)		0.5
Alternative dispute resolution (0-3)		2.5

Details – Enforcing Contracts in South Africa – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		7.0
Court structure and proceedings (-1-5)		2.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	No	0.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		2.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		0.5
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.5
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

Case study assumptions

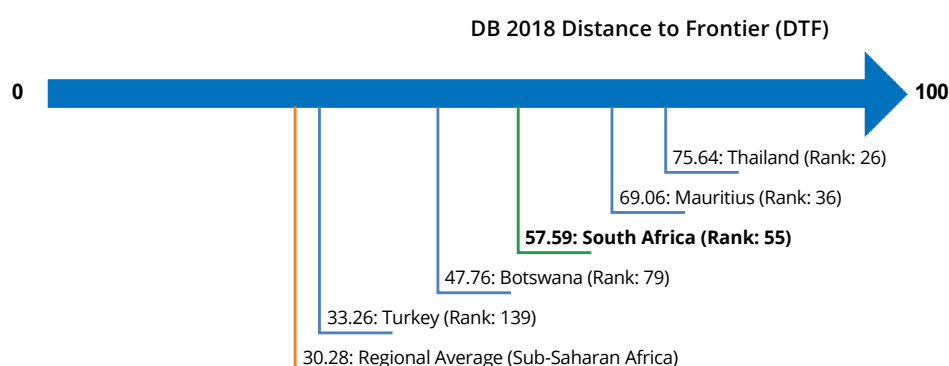
To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, Doing Business evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	34.4	20.3	71.2	93.1 (Norway)
Time (years)	2.0	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	18.0	22.7	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	12.5	6.2	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in South Africa and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their distance to frontier scores for resolving insolvency. These scores are the simple average of the distance to frontier scores for the recovery rate and the strength of insolvency framework index.

Figure – Resolving Insolvency in South Africa – Time and Cost

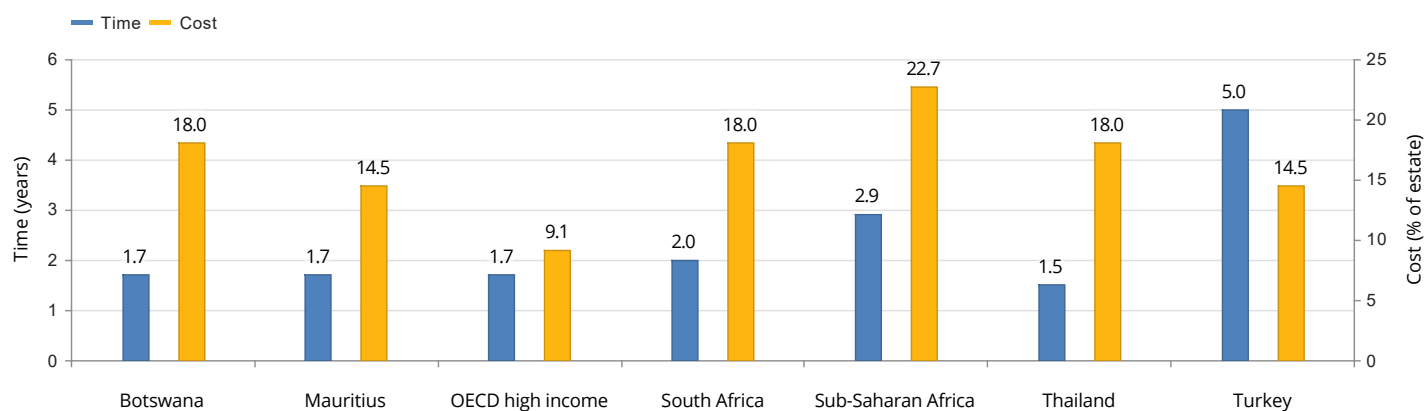


Figure – Resolving Insolvency in South Africa and comparator economies – Measure of Quality

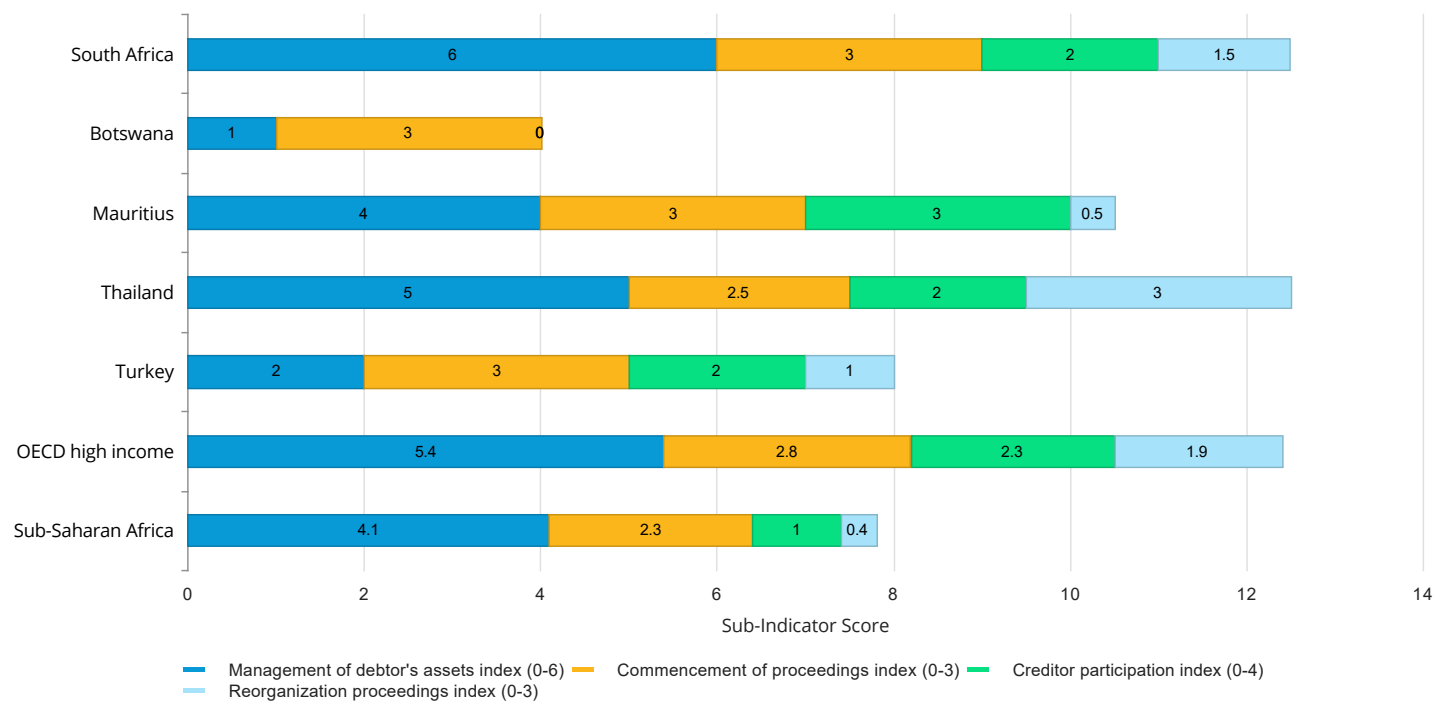
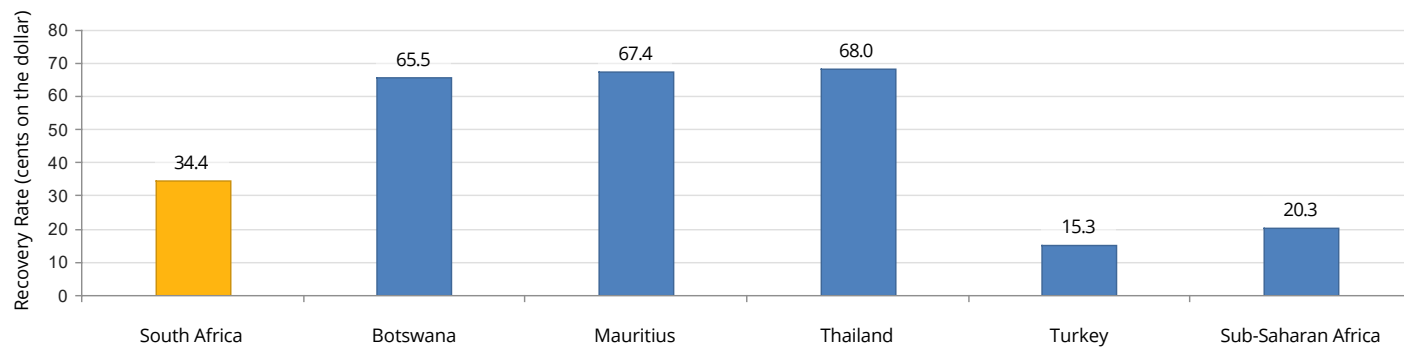


Figure – Resolving Insolvency in South Africa and comparator economies – Recovery Rate



Details – Resolving Insolvency in South Africa

Indicator	Answer	Explanation
Proceeding	liquidation (after an attempt at reorganization)	The most likely procedure applicable to our case study would be a reorganization. By applying the New Companies Act, Mirage would file for business rescue voluntarily by the board passing a resolution to this effect and appoint a business rescue practitioner (BRP) for the company before the default of payment arises. The BRP's role is to develop a rescue plan that would probably involve restructuring the debt of the company and/or possibly acquiring new businesses that would aid in re-activating the operations of the company and/or selling the business as a going concern and/or selling the shares in the company. Bizbank is a secured creditor of the company. The security held by Bizbank cannot be sold without its consent unless the proceeds from the sale of the security will cover the debt of the creditor (ie Bizbank) in full. Therefore, during business rescue, a secured creditor is in a relatively good position and retains its security. The practice of business rescue is currently widely used. The New Companies Act suggests a 3 month period to complete business rescue proceedings though in practice this time period is extending from time to time with the support of the majority of creditors. Should the business rescue proceedings fail for one reason or another, the BRP will file a termination notice with the CIPC and apply to the High Court for the liquidation of the company.
Outcome	piecemeal sale	No, the hotel will stop operating and Mirage assets will be sold piecemeal either through a public auction or by private sale. The sale is published in the gazette and conducted by an auctioneer appointed by the liquidator.
Time (in years)	2.0	When reorganization is converted to liquidation it usually takes approximately 2 years. In accordance with the provisions of the New Companies Act, business rescue proceedings are designed to last for a period of 3 months from start to finish. However, in practice, business rescue proceedings are extended from time to time with the support of the majority of creditors. If business rescue fails, a creditor or the business rescue practitioner will file for the liquidation of the company in the High Court as soon as possible. The company will then be converted from business rescue to liquidation. It will take approximately 18 months to 2 years for the conversion and completion of the liquidation and for the organization and execution of the sale, the drafting and approval of the liquidation and distribution account, and until the proceeds of the sale are finally distributed among creditors
Cost (% of estate)	18.0	Costs associated with the case - 18% of the value of the debtor's estate. Mainly including: court or government agency fees 2% (including notification and publication), attorney fees 5%, insolvency representative or receiver fees 5%, fees of accountants, assessors and other professionals 1%, fees of auctioneers 5%
Recovery rate (cents on the dollar)	34.4	

Details – Resolving Insolvency in South Africa – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		12.5
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
Management of debtor's assets index (0-6)		6.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
Reorganization proceedings index (0-3)		1.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0

Creditor participation index (0-4)	2.0
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Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
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Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
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Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
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Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0
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Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

Labor Market Regulation

Doing Business presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulation are available on the Doing Business website (<http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>).

The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

Details – Labor Market Regulation in South Africa

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	285.5
Ratio of minimum wage to value added per worker	0.4
Maximum length of probationary period (months)	n.a.
Working hours	
Standard workday	9.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	Yes
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	15.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	20.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	18.3
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No

Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	No
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.0
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure	1.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure	5.0
Severance pay for redundancy dismissal for a worker with 10 years of tenure	10.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	5.3
Job quality	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	No
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	120.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	0.0

Business Reforms in South Africa

In the year ending June 1, 2017, 119 economies implemented 264 total reforms across the different areas measured by Doing Business. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms for South Africa implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. ✕ = Change making it more difficult to do business.

DB2017

✓ **Starting a Business:** South Africa made starting a business easier by introducing an online portal to search for a company name.

✕ **Registering Property:** South Africa made it more expensive to transfer property by increasing the property transfer tax.

✕ **Paying Taxes:** South Africa made paying taxes more costly by increasing the rates of vehicle tax and property tax. At the same time the rate of social security contributions paid by employers was reduced. South Africa made paying taxes more complicated by increasing the time it takes to prepare VAT returns.

DB2015

✕ **Getting Credit:** South Africa made access to credit information more difficult by introducing regulations requiring credit bureaus to remove negative credit information from their databases, such as adverse information on consumer behavior or enforcement action accumulated on a consumer's record before April 1, 2014.

✓ **Enforcing Contracts:** South Africa made enforcing contracts easier by amending the monetary jurisdiction of its lower courts and introducing voluntary mediation.

DB2014

✓ **Paying Taxes:** South Africa made paying taxes easier for companies by replacing the secondary tax on companies with a dividend tax borne by shareholders.

DB2013

✓ **Trading across Borders:** South Africa reduced the time and documents required to export and import through its ongoing customs modernization program.

DB2012

✓ **Starting a Business:** South Africa made starting a business easier by implementing its new company law, which simplified the incorporation documents.

✓ **Registering Property:** South Africa made transferring property less costly and more efficient by reducing the transfer duty and introducing electronic filing.

✓ **Resolving Insolvency:** South Africa introduced a new reorganization process to facilitate the rehabilitation of financially distressed companies.

DB2010

✓ **Paying Taxes:** South Africa made paying taxes less costly for companies by abolishing the stamp duty.

DB2009

✓ **Starting a Business:** South Africa reduced the time and cost to start a business by simplifying the start-up process, including by eliminating the need to use a lawyer.

✓ **Paying Taxes:** South Africa made paying taxes easier and less costly for companies by abolishing the regional establishment levy and regional services levy.

DB2008

- ✓ **Getting Credit:** South Africa improved its credit information system by introducing a requirement that lenders check the overall debt of customers before granting them a loan and by guaranteeing borrowers the right to access and challenge their credit records.
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