

A World Bank Group Flagship Report

16TH EDITION

# DOING BUSINESS 2019

## Training for Reform

Economy Profile  
South Africa



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

## ***Economy Profile of South Africa***

*Doing Business 2019 Indicators  
(in order of appearance in the document)*

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

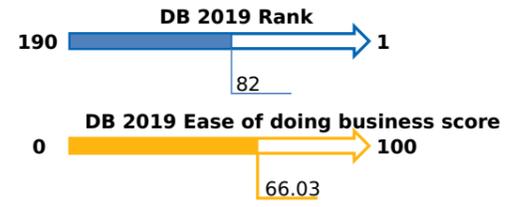
The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of 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.

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

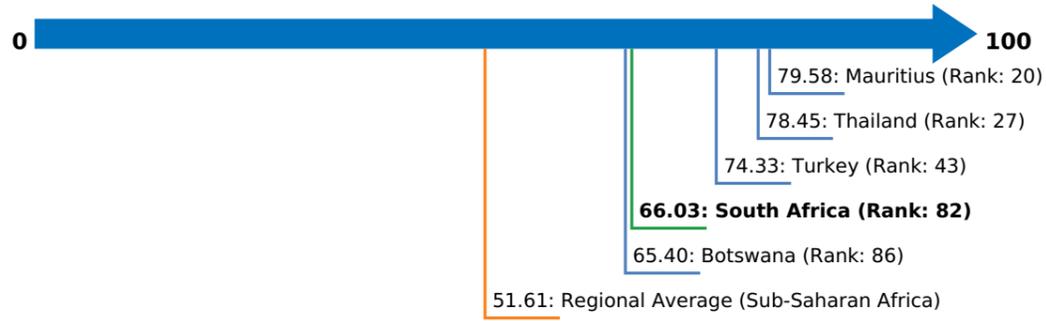
Ease of Doing Business in South Africa



Region	Sub-Saharan Africa
Income Category	Upper middle income
Population	56,717,156
City Covered	Johannesburg

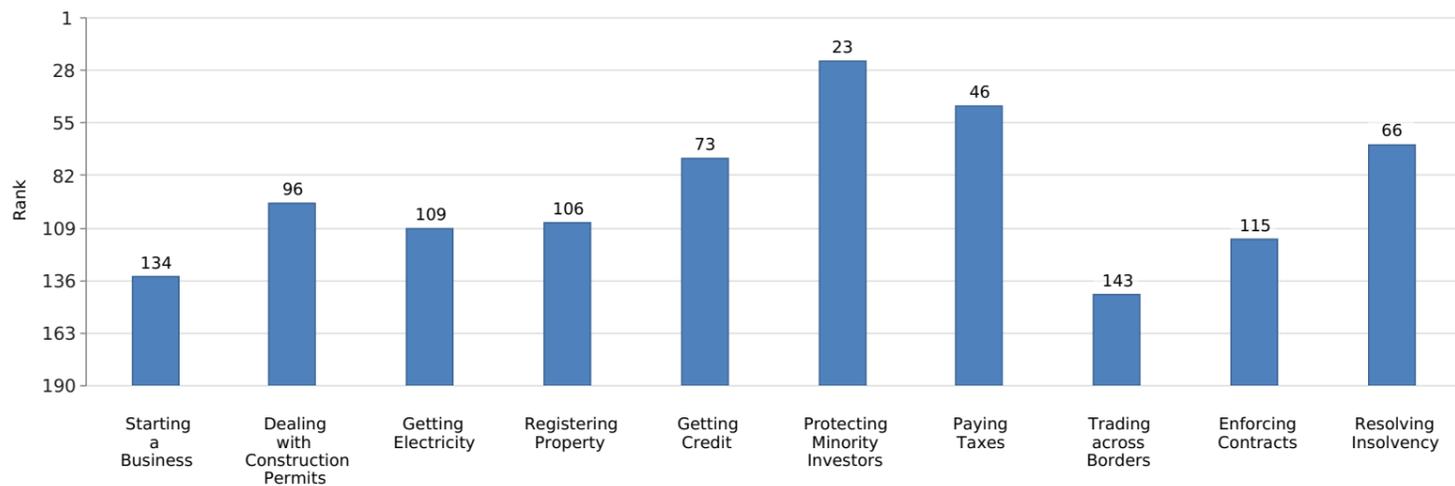


DB 2019 Ease of Doing Business Score

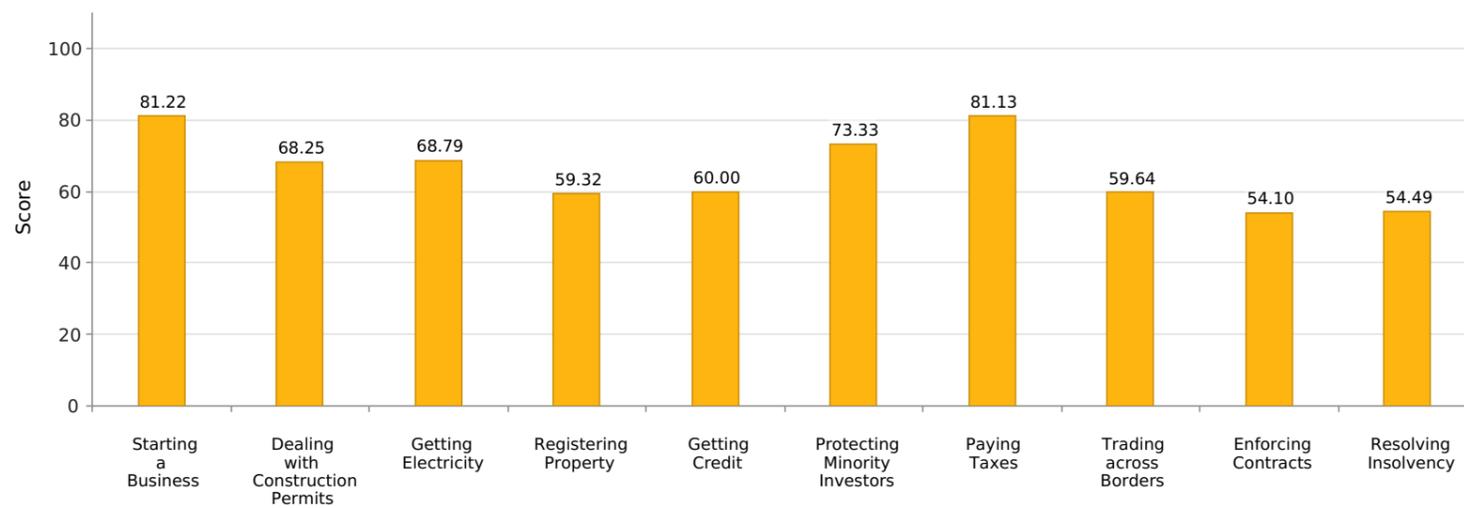


Note: The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - South Africa



Ease of Doing Business Score on Doing Business topics - South Africa



## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each 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 the 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 ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul> <p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	<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> <p><b>The business:</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The entire office space is approximately 929 square meters (10,000 square feet).</li> <li>- Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.</li> <li>- 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.</li> <li>- 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 the income per capita.</li> <li>- Does not qualify for investment incentives or any special benefits.</li> <li>- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.</li> <li>- Has a company deed that is 10 pages long.</li> </ul> <p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>- Are sane, competent, in good health and have no criminal record.</li> <li>- Are married and the marriage is monogamous and registered with the authorities.</li> <li>- 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.</li> </ul>

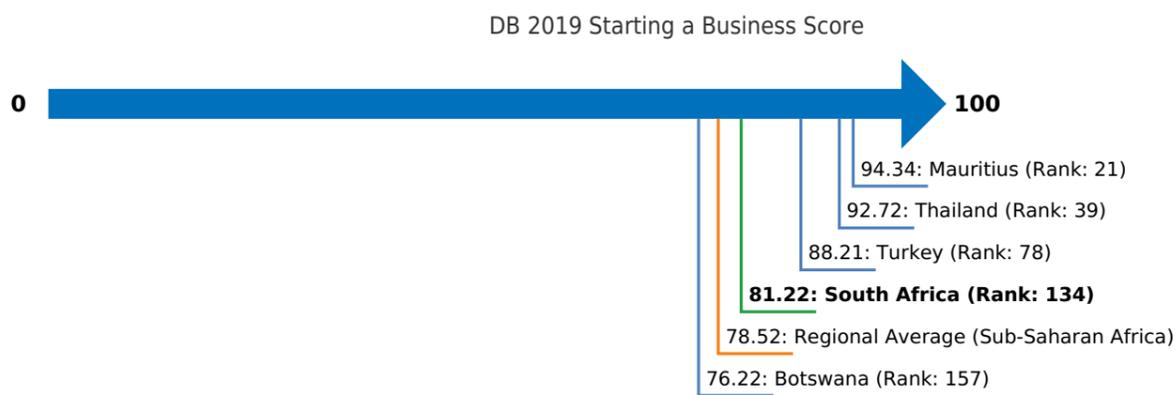
Starting a Business - South Africa

Standardized Company

Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	ZAR 1
City Covered	Johannesburg

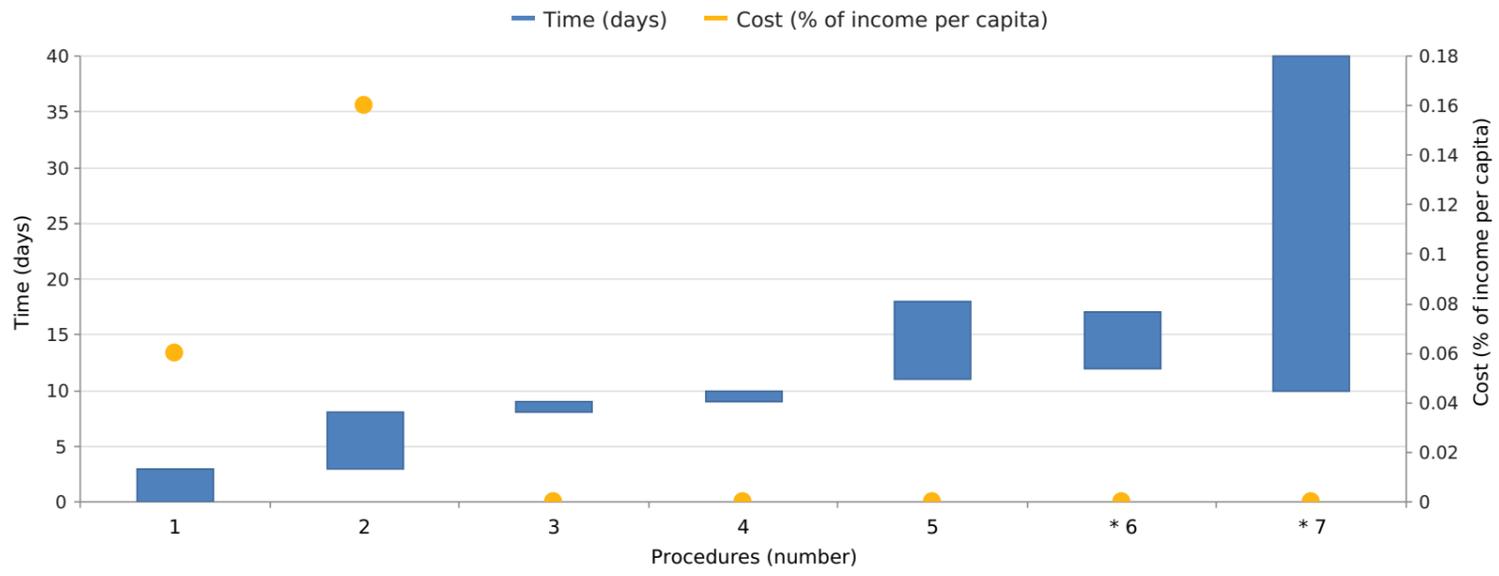
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedure - Men (number)	7	7.4	4.9	1 (New Zealand)
Time - Men (days)	40	23.3	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	0.2	44.4	3.1	0.0 (Slovenia)
Procedure - Women (number)	7	7.6	4.9	1 (New Zealand)
Time - Women (days)	40	23.4	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	0.2	44.4	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	0.0	10.0	8.6	0.0 (117 Economies)

Figure - Starting a Business in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the 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://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

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

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Reserve the company name</b>  <i>Agency</i> : Companies and Intellectual Property Commission (CIPC)            In order to secure a name for the company, the business founder can either reserve a name, use a name that has been previously approved, or register the company using the registration number provided by the Companies and Intellectual Property Commission (CIPC) as the company name.</p> <p>It is most common to apply online for name reservation, before registering a new company. If the applicant chooses this option, he or she will need to enter between 1 and 4 proposed names, in order of preference. The first available name will be selected. The cost is 50 ZAR if done electronically and 75 ZAR if done through a paper system.</p>	3 days	ZAR 50
2	<p><b>Register at the Companies and Intellectual Property Commission (CIPC)</b>  <i>Agency</i> : Companies and Intellectual Property Commission (CIPC)            There are four different ways to register a company with the Companies and Intellectual Property Commission (CIPC). The most common one is to apply for incorporation at the CIPC website (<a href="http://www.cipc.co.za">www.cipc.co.za</a>). Registration can also be done at self-service terminals, certain bank branches, and by email.</p> <p>To register the company online, the entrepreneur needs to register as a customer on the CIPC website (<a href="http://www.cipc.co.za">www.cipc.co.za</a>). Once registered, the applicant must 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.</p> <p>During the registration process the following information must be provided:</p> <p>1. Details about the owners/directors:</p> <ul style="list-style-type: none"> <li>• Name(s)</li> <li>• Country of origin</li> <li>• ID/Passport number</li> <li>• Appointment date</li> <li>• Date of Birth</li> <li>• Phone, email</li> <li>• Physical addresses as well as the postal addresses</li> </ul> <p>2. Details about the company:</p> <ul style="list-style-type: none"> <li>• Financial year end</li> <li>• Authorized shares</li> <li>• Email address, website, physical address and postal code</li> </ul> <p>Once the steps mentioned above are completed, an email will be sent to the applicant requesting additional documentation to be emailed to CIPC:</p> <ul style="list-style-type: none"> <li>• Certified ID copies of all indicated initial directors and founders</li> <li>• Certified ID copy of applicant if not the same as one of the indicated initial directors or founders</li> <li>• Signed registration forms</li> </ul> <p>CIPC has a pledge to register the company in 3 working days after all documents have been submitted. Once the company has been registered, the customer receives a confirmation by email and a link to the CIPC website, allowing to retrieve the disclosure certificate and the company's incorporation documents.</p>	5 days on average	ZAR 125
3	<p><b>Open a bank account</b>  <i>Agency</i> : 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.</p>	1 day on average	no charge

4	<p><b>Register for income tax and withholding taxes (PAYE, UIF and SDL)</b>  <i>Agency</i> : 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.</p> <p>Once the company has been registered, the entrepreneur must visit the SARS office to complete the registration with the following taxes:</p> <p>a) Income tax registration – for which the applicant needs to present:</p> <ul style="list-style-type: none"> <li>• Owner ID</li> <li>• Registration Certificate</li> <li>• Bank Statement</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	1 day	no charge
5	<p><b>Register for VAT</b>  <i>Agency</i> : 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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>(1) certified copy of certificate of incorporation;</li> <li>(2) certified copy of proof of the company's residential address, not older than three (3) months;</li> <li>(3) original bank statement, not older than three (3) months;</li> <li>(4) original balance sheets and income statements (proof of annual turnover);</li> <li>(5) original identity document and certified copy thereof of the representative vendor submitting the VAT 101 form;</li> <li>(6) certified copies of the identity documentation of the directors of the company;</li> </ol> <p>and</p> <ol style="list-style-type: none"> <li>(7) original proof of residential address of the representative vendor.</li> </ol>	7 days on average	no charge
⇒ 6	<p><b>Register the company with the Unemployment Insurance Fund (UIF)</b>  <i>Agency</i> : 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 Unemployment Insurance Fund (UIF). The employer is liable for the registration of the employees.</p> <p>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.</p> <p>In order to register with UIF, forms UI-8 (company registration) and UI-19 (employees registration) must be submitted either to the Pretoria UIF office, to the labour centers or by email. When the process has been completed, a confirmation letter (form UI-33) will be sent by email.</p>	5 days (simultaneous with previous procedure)	no charge

⇒ 7 **Register employees with the Compensation Fund**

*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.

30 days

(simultaneous with previous procedure)

no charge

Registration forms can be obtained from the Department of Labour's website ([www.labour.gov.za](http://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 (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.

⇒ 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 May 2018. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul>	<p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- 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.</li> <li>- 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.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul>
<p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>

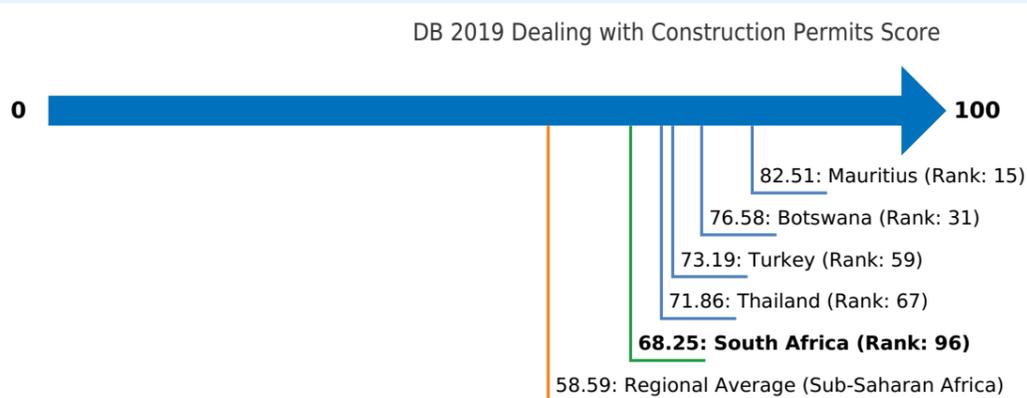
Dealing with Construction Permits - South Africa

Standardized Warehouse

Estimated value of warehouse	ZAR 3,975,050
City Covered	Johannesburg

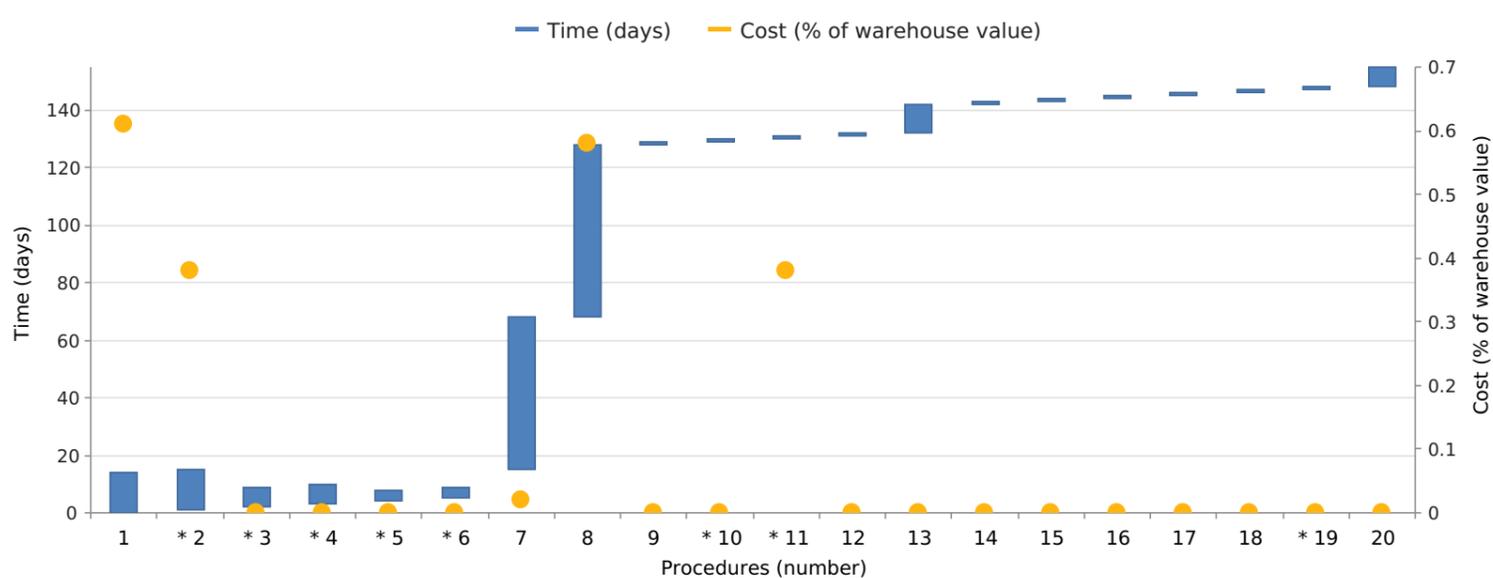
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	20	14.7	12.7	None in 2017/18
Time (days)	155	145.7	153.1	None in 2017/18
Cost (% of warehouse value)	2.0	8.8	1.5	None in 2017/18
Building quality control index (0-15)	12.0	8.5	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in South Africa and comparator economies - Ranking and Score



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

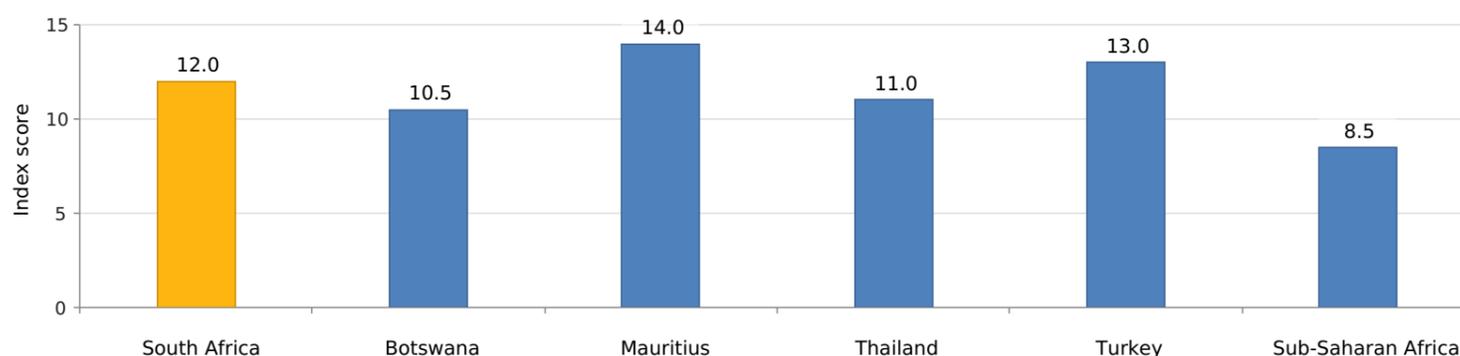
Figure - Dealing with Construction Permits in South Africa - Procedure, Time and Cost



\*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://doingbusiness.org/en/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.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain geotechnical survey of the land plot</b>  <i>Agency : Private firm</i>            The National Building Regulations and Building Standards Act No. 103 of 1997 stipulates that a geotechnical site investigation may be required depending on the soil where the warehouse is being constructed. In Johannesburg, the soil investigation is done in practice as it provides information on the load bearing capacity and stability of the ground. This geotechnical investigation is used by the appointed civil and/or structural engineer to choose and design an economical and technically sound foundation system.</p>	14 days	ZAR 24,158
⇒ 2	<p><b>Obtain topographical survey of the land plot</b>  <i>Agency : Private Firm</i>            BuildCo request a large-scale topographical survey to start the project design works. The topographical drawings show the main physical features on the ground and provide accurate details about the changes in levels (elevation or vertical height) of one or more points above a definite horizontal plane. It also provides the layout contour lines and limitations of the land plot necessary to design the drainage and stormwater circulation systems. The survey can be conducted by a private licensed firm or by a private land surveyor.</p>	14 days	ZAR 15,000
⇒ 3	<p><b>Obtain stamp on the plans from the Roads and Stormwater Department</b>  <i>Agency : Johannesburg Roads Agency</i>            For all non-residential buildings, BuildCo must circulate plans to the relevant municipal departments for their comments prior to submitting the Site Development Plan to the Land Use Development Management Office. These departments stamp (sign off) the plans when all requirements of that specific entity are satisfactorily addressed in the plans. Additional departments might be required to comment as well if deemed necessary by the municipal authority.</p>	7 days	no charge
⇒ 4	<p><b>Obtain stamp on the plans from the Energy Department</b>  <i>Agency : City Power</i>            For all non-residential buildings, BuildCo must circulate plans to the relevant municipal departments for their comments prior to submitting the Site Development Plan to the Land Use Development Management Office. These departments stamp (sign off) the plans when all requirements of that specific entity are satisfactorily addressed in the plans. Additional departments might be required to comment as well if deemed necessary by the municipal authority.</p>	7 days	no charge
⇒ 5	<p><b>Obtain fire safety approval from the Fire Department</b>  <i>Agency : Fire Department</i>            For all non-residential buildings, BuildCo must circulate plans to the relevant municipal departments for their comments prior to submitting the Site Development Plan to the Land Use Development Management Office. These departments stamp (sign off) the plans when all requirements of that specific entity are satisfactorily addressed in the plans. Additional departments might be required to comment as well if deemed necessary by the municipal authority.</p>	4 days	no charge
⇒ 6	<p><b>Obtain stamp on the plans from the Water and Sanitation Department</b>  <i>Agency : Johannesburg Water</i>            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.</p>	4 days	no charge

7	<p><b>Submit approvals and obtain a site development plan (SDP)</b>  <i>Agency</i> : Land Use Development Management of City of Johannesburg Metropolitan Municipality  After all required departments have stamped the plans, BuildCo submits the master copy of the Site Development Plan (SDP) at the Registration Department of Land Use Development Management for approval. BuildCo must complete the application form and submit four copies of all required documentation, as indicated on the application form. The Registration Officer will then check the application and inform BuildCo to pay the application fee. In Johannesburg, the Site Development Plan approval is required prior to the submission of building plans.</p>	53 days	ZAR 840
8	<p><b>Obtain approval of the building plans from the municipal authority</b>  <i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality  Once the Site Development Plan (SDP) has been approved, BuildCo submits the application form and the building plans to the municipal Building Control authority. Several sets of building plans are required. The application is then circulated internally within the Municipality, allowing each relevant department (e.g., Health, Water and Sanitation, Fire, Traffic, Roads, Electricity, Environmental) to evaluate it.</p> <p>Once all requirements are met, fees have been paid and approvals and comments from other departments are obtained, the Building Control authority stamps the building plans. The application is approved if statutory compliance has been achieved. If not, the application is refused, and the reasons are given in writing. The law mandates that BuildCo must also submit a form (SANS10400-A, Form 1) designating a professional person who will be held responsible to supervise the construction at all stages. The law mandates that the local authority should grant or refuse its approval in less than 30 days (for any building where the architectural area is less than 500 square meters) and in less than 60 days (for any building where the architectural area is more than 500 square meters). This procedure is regulated by the National Building Regulations and Building Standard Act No. 103 of 1997.</p>	60 days	ZAR 23,110
9	<p><b>Submit notification of commencement of building work to the Department of Labour</b>  <i>Agency</i> : Department of Labour  BuildCo must submit in writing a notification of commencement of work to the provincial Department of Labour 7 days before the construction work is to be carried out. This procedure is regulated by Article 4 of the Construction Regulations of February 7, 2014. BuildCo should keep a health and safety file, including all required documentation, on site.</p>	1 day	no charge
⇒	<p><b>Submit notification of commencement of building work</b>  <i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality  The National Building Regulations and Building Standards Act No. 103 of 1997 requires that BuildCo submits a notification of commencement of the work to the municipal authority stating the date on which the construction will commence. The notice must be submitted at least 4 days before construction begins. The approved plan must be available on site and remain available until an Occupancy Certificate is issued.</p>	1 day	no charge
⇒	<p><b>Apply for water and sewage connection</b>  <i>Agency</i> : Johannesburg Water  BuildCo is required to submit an application form at Johannesburg Water and pay the connection fee.</p>	1 day	ZAR 15,019
12	<p><b>Receive inspection from Johannesburg Water</b>  <i>Agency</i> : Johannesburg Water  Once the application has been processed and the water and sewage systems are in place, an official inspects the property to ensure that the construction work has been carried out in accordance with the approved building plans. The communication pipes and the meter are also installed at this stage.</p>	1 day	no charge
13	<p><b>Receive final water connection from Johannesburg Water</b>  <i>Agency</i> : Johannesburg Water  Once the final quote has been paid and the communication pipes and water meter have been installed, a new and definitive account is opened with the final water connection.</p>	10 days	no charge

14	<p><b>Receive inspection on compliance with construction regulations from the Department of Labour</b></p> <p><i>Agency</i> : Department of Labour</p> <p>According to the Construction Regulations of February 7, 2014, a representative of the Department of Labour is entitled to visit any building site during construction to ensure that the safety file is visible and that the construction site is adequate for workers (i.e., verify that proper facilities, toilets, hygiene conditions are in place).</p>	1 day	no charge
15	<p><b>Receive inspection of all foundation trenches prior to placing of concrete</b></p> <p><i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality</p> <p>The National Building Regulations and Building Standards Act No. 103 of 1997 requires a mandatory inspection of all foundation trenches prior the laying of any concrete.</p>	1 day	no charge
16	<p><b>Receive inspection of waste-water drainage systems</b></p> <p><i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality</p> <p>The municipal Building Inspectorate inspects the construction site when wastewater drainage systems are ready to test the sewage system connection point and drains prior to backfilling. The inspection of the wastewater drainage system takes place prior to the closing of the work site.</p>	1 day	no charge
17	<p><b>Competent person submit completion certificate to the Municipal building inspectorate</b></p> <p><i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality</p> <p>Once the building work has been completed and it's ready for final inspection, the National Building Regulations and Building Standards Act No. 103 of 1997, part A22, requires building companies to submit a notification of completion of the work to the Municipality at least two working days before the final inspection is required.</p>	1 day	no charge
18	<p><b>Receive final inspection by municipal authorities</b></p> <p><i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality</p> <p>The final inspection is a prerequisite to obtain the Occupancy Certificate. This inspection confirms that the products, materials, and systems used in the construction site comply with the South African National Standard (SANS 10400).</p>	1 day	no charge
⇒	<p><b>Receive inspection by the Fire Department</b></p> <p><i>Agency</i> : City of Johannesburg Fire Department</p> <p>The Fire Department visits the site to check whether what was previously approved (during the building plan submission) has been implemented in the building. All fire notes, fire equipment, and escape routes must comply with the regulations laid down in the South African National Standard (SANS 10400) Parts S and T. The Municipality will not issue an Occupancy Certificate without clearance from the Fire and Rescue Services. This procedure is regulated by the National Building Regulations and Building Standard Act No. 103 of 1997.</p>	1 day	no charge
19	<p><b>Obtain occupancy certificate from municipality</b></p> <p><i>Agency</i> : Building Development Management of City of Johannesburg Metropolitan Municipality</p> <p>Once the building work has been completed and the final inspection by the Building Control authority (and other relevant municipal departments, if deemed necessary) has been carried out, BuildCo submits a written request to the Building Control authority to obtain the Occupancy Certificate. BuildCo must submit to the local authority, along with the Occupancy Certificate request, the following certificates of compliance:</p> <ol style="list-style-type: none"> <li>1. the electrical wiring and other electrical installations;</li> <li>2. the structural system;</li> <li>3. the fire protection and fire installation systems;</li> <li>4. the plumbing, drainage and sewerage work; and</li> <li>5. any other certificates deemed necessary by the local authority (e.g. roof truss, gas and glazing).</li> </ol> <p>These certificates of compliance indicate that such systems have been designed and erected or installed in accordance with the application in respect of which approval was granted in terms of Section 7 of the National Building Regulations and Building Standards Act, Act No. 103 of 1977, as amended. Only registered professionals in these areas can issue official certificates (assumed to be employees of BuildCo). Upon reception of the writing request and attached certificates, the local authority shall within 14 days issue a certificate of occupancy. The law prescribes that the new building cannot be used or occupied without the issuance of the Occupancy Certificate.</p>	7 days	no charge

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in South Africa - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>12.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
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
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Civil servant reviews plans.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
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
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
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
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
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
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
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
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

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; 2.0  
University degree in engineering, construction or construction management;  
Being a registered architect or engineer;  
Passing a certification exam.

## ⚡ 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 May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- 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

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- 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)\*

- 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 ease of doing business score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- 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).

#### The electricity connection:

- 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.

#### The monthly consumption:

- 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 January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

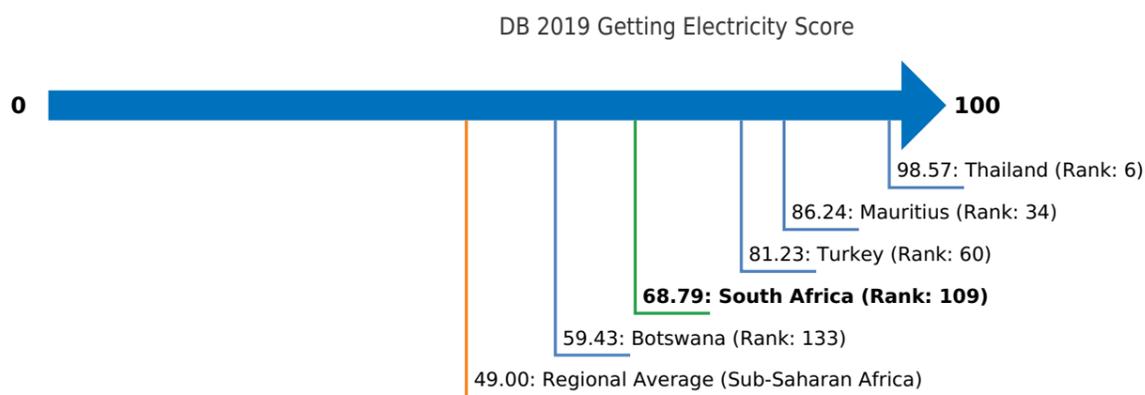
Getting Electricity - South Africa

Standardized Connection

Price of electricity (US cents per kWh)	14.8
Name of utility	City Power
City Covered	Johannesburg

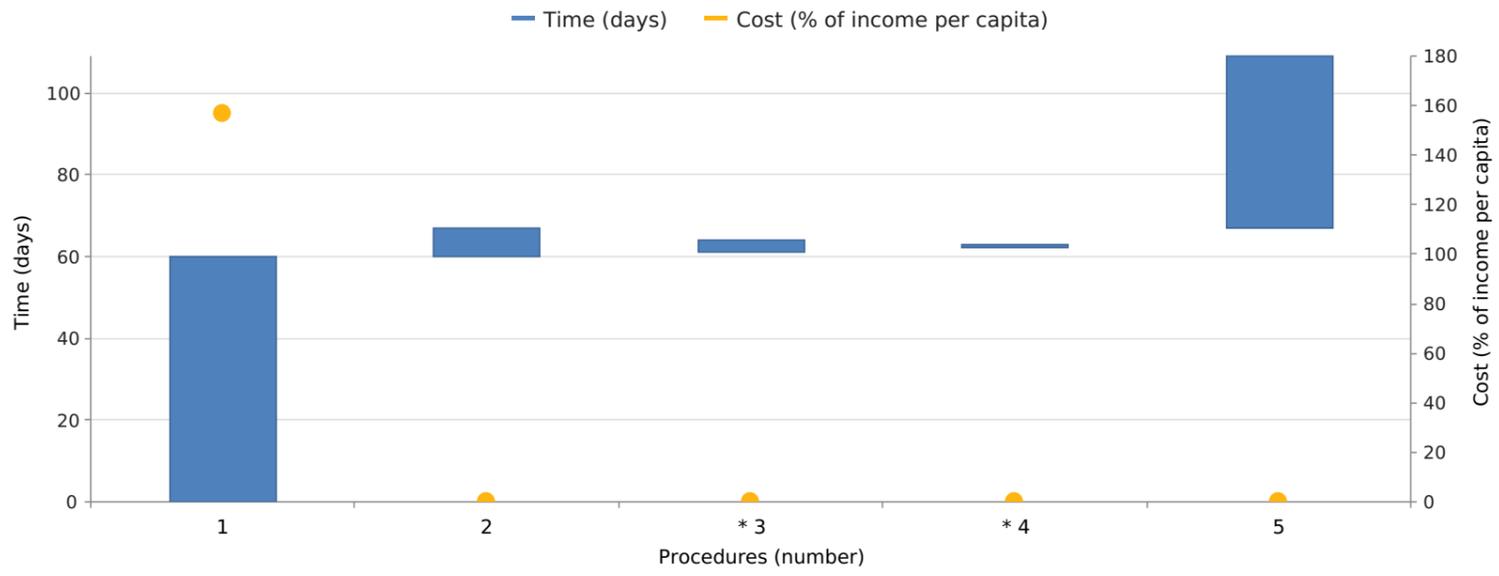
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	5	5.2	4.5	3 (25 Economies)
Time (days)	109	112.0	77.2	18 (3 Economies)
Cost (% of income per capita)	156.7	3456.5	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	4	1.6	7.5	8.0 (27 Economies)

Figure - Getting Electricity in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

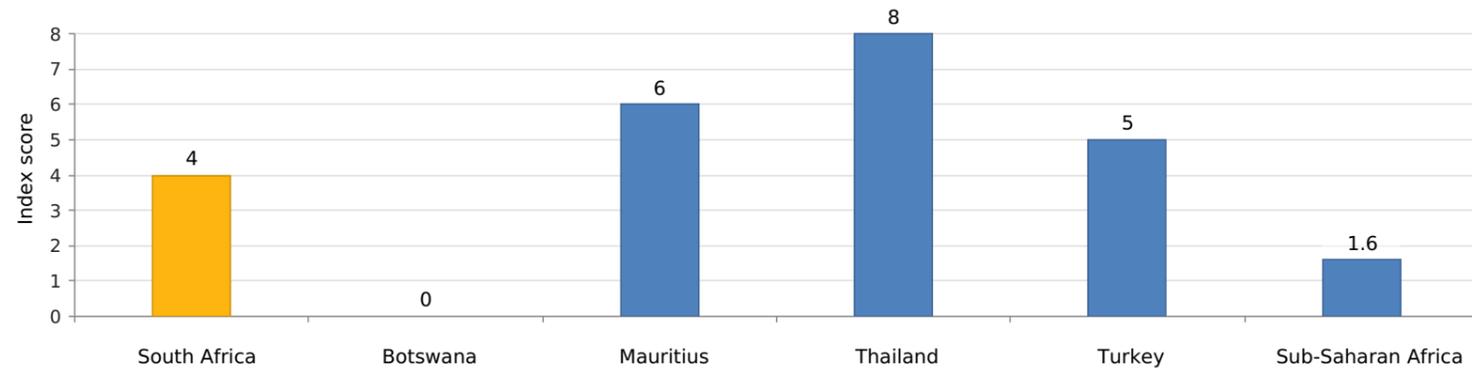
Figure - Getting Electricity in South Africa - Procedure, Time and Cost



\*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://doingbusiness.org/en/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.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit an application for electricity connection to City Power and obtain budget quotation and service connection fee</b></p> <p><i>Agency : City Power</i></p> <p>The property owner completes and signs the application form and provides the following supporting documentation:</p> <p>(a) A copy of the City of Johannesburg Rates and Services customers account number;</p> <p>(b) A copy of the applicant's Identity Document;</p> <p>(c) A copy of the Zoning Certificate, to verify that the property has been reticulated for the capacity; and</p> <p>(d) A copy of the site plan, indicating the customer's preferred location of the point of connection and the point of metering along the property boundary fronting the street.</p> <p>The application is submitted in hard copies because the forms cannot be downloaded online. The property owner submits the application form and the supporting documentation to one of the City of Johannesburg's Customer Service walk-in Centers. Upon receipt of the application, the Customer Service agent will load the application onto the SAP CRM system and provide the customer with a notification reference number.</p> <p>The customer will then receive a "budget quotation", which contains an assessment of availability of supply, and the cost of the standard connection fee. Upon acceptance of the "budget quotation", the customer will pay a flat rate of ZAR 30,000 (called "design fee") for City Power to issue a cost letter and a detailed design of the electrical connection.</p> <p>Once the customer has paid the "design fee", City Power applies for wayleaves and excavation permits at the Roads Department, the Water and Sanitation Department, Telkom, SANRAL (South African National Roads Agency), and other relevant service authorities to perform work in the road reserve.</p> <p>The cost letter contains all the conditions of supply, a "Trip test certificate", and the final quotation, called "service connection fee". This fee encompasses the costs of a maximum demand meter, electrical cabling and installation work. The cost of the meter box and the circuit breaker are not included in the "service connection cost", since they will be purchased and installed by the customer. The cost letter is valid for 30 days, after which it lapses.</p> <p>If the customer opts to pay the "service connection cost", the process will continue and the amount paid for the "design fee" will be deducted from the total cost. If after paying the "design fee" the customer decides not to proceed with the electrical connection, he/she will not be refunded for the payment of the "budget quotation".</p>	60 calendar days	ZAR 124,599.15
2	<p><b>Await and attend on-site kick-off meeting with all stakeholders</b></p> <p><i>Agency : City Power</i></p> <p>Once the customer has paid in full the final quotation and the security deposit, the utility arranges an on-site meeting with the customer's electrical engineer / consultant / contractor and other stakeholders within City Power (including the clerk of works, the project manager and the planner) to discuss the design, servitudes and diagrams. This meeting is also known as "kick-off meeting."</p> <p>The presence of the customer's electrical engineer / consultant / contractor is mandatory during the on-site meeting.</p>	7 calendar days	ZAR 0
⇒ 3	<p><b>Await City Power's inspection of circuit breaker</b></p> <p><i>Agency : City Power</i></p> <p>The customer submits the circuit breaker alongside the "Trip test certificate" to be inspected by City Power.</p> <p>The circuit breaker's inspection is called "trip test", and ensures that the circuit breaker is operating within its composite tripping time.</p> <p>In parallel, the customer's electrical engineer / consultant / contractor will install a two-compartment maximum demand meter box in the property boundary, following the specifications provided by the utility in the cost letter. "</p>	3 calendar days	ZAR 0

- |     |  |                  |       |
|-----|--|------------------|-------|
| ⇒ 4 | <p><b>Obtain certificate of compliance (COC) for the internal wiring and submit to City Power</b></p> <p><i>Agency : City Power</i></p> <p>In South Africa it is a statutory requirement that every user or lessor of an electrical installation shall have a valid Certificate of Compliance (COC) for every such installation. The COC must be signed by a licensed electrical engineer / consultant / contractor, registered by the Department of Labour.</p> <p>City Power requires that the customer's electrical engineer / consultant / contractor provide a hard copy of the COC prior to the beginning of the connection work. The copy of the COC is usually handled to City Power during the on-site meeting.</p>   | 1 calendar day   | ZAR 0 |
| 5   | <p><b>Await completion of external connection works by City Power and obtain final connection</b></p> <p><i>Agency : City Power</i></p> <p>The utility will implement the external connection work up to the customer's boundary, which includes trenching, building sleeves (if needed), cable laying and backfilling. The connection work is usually subcontracted by the utility.</p> <p>Once the connection work is done, City Power will install, test and program the meter, and arrange a time to energize the property. The meter number will then be linked to the customer's account.</p> <p>Since City of Johannesburg has a "one-stop shop" for all services provided by the municipality, and that a copy of the City of Johannesburg Rates and Services customers account number is required during the application for a new electricity connection, the customer does not need to sign a supply contract with City Power. The payment of the cost letter implies acceptance of the conditions of supply.</p> | 42 calendar days | ZAR 0 |

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⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in South Africa - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	4
<b>Total duration and frequency of outages per customer a year (0-3)</b>	0
System average interruption duration index (SAIDI)	44.0
System average interruption frequency index (SAIFI)	6.5
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="https://www.citypower.co.za/customers/Documents/City%20Power%20Tariffs%20Booklet_2016-2017.pdf">https://www.citypower.co.za/customers/Documents/City%20Power%20Tariffs%20Booklet_2016-2017.pdf</a>
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

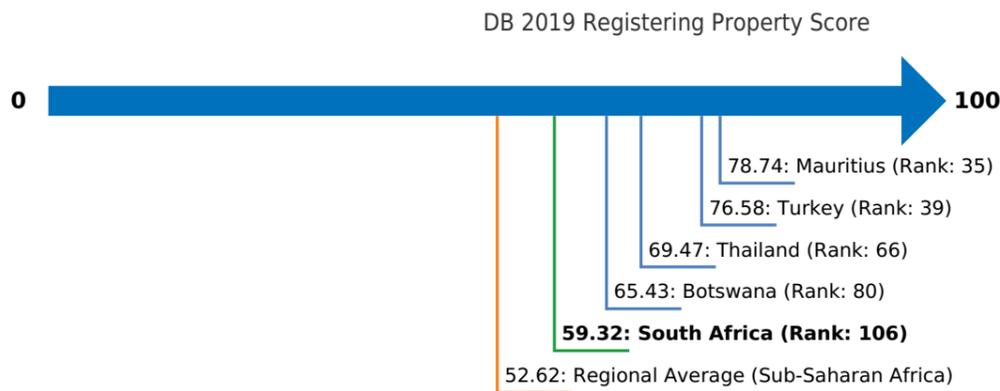
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system 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 May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally transfer title on immovable property (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</li> <li>• Registration procedures in the economy's largest business city.</li> <li>• Postregistration procedures (for example, filling title with municipality)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The parties (buyer and seller):</b></p> <ul style="list-style-type: none"> <li>- Are limited liability companies (or the legal equivalent).</li> <li>- 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.</li> <li>- Are 100% domestically and privately owned.</li> <li>- Have 50 employees each, all of whom are nationals.</li> <li>- Perform general commercial activities.</li> </ul>
<p><b>Cost required to complete each procedure (% of property value)</b></p> <ul style="list-style-type: none"> <li>• Official costs only (such as administrative fees, duties and taxes).</li> <li>• Value Added Tax, Capital Gains Tax and illicit payments are excluded</li> </ul>	<p><b>The property (fully owned by the seller):</b></p> <ul style="list-style-type: none"> <li>- Has a value of 50 times income per capita, which equals the sale price.</li> <li>- Is fully owned by the seller.</li> <li>- Has no mortgages attached and has been under the same ownership for the past 10 years.</li> <li>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</li> <li>- Is located in a periurban commercial zone, and no rezoning is required.</li> <li>- 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.</li> <li>- Will not be subject to renovations or additional construction following the purchase.</li> <li>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</li> <li>- 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.</li> <li>- Has no occupants, and no other party holds a legal interest in it.</li> </ul>
<p><b>Quality of land administration index (0-30)</b></p> <ul style="list-style-type: none"> <li>• Reliability of infrastructure index (0-8)</li> <li>• Transparency of information index (0-6)</li> <li>• Geographic coverage index (0-8)</li> <li>• Land dispute resolution index (0-8)</li> <li>• Equal access to property rights index (-2-0)</li> </ul>	

Registering Property - South Africa

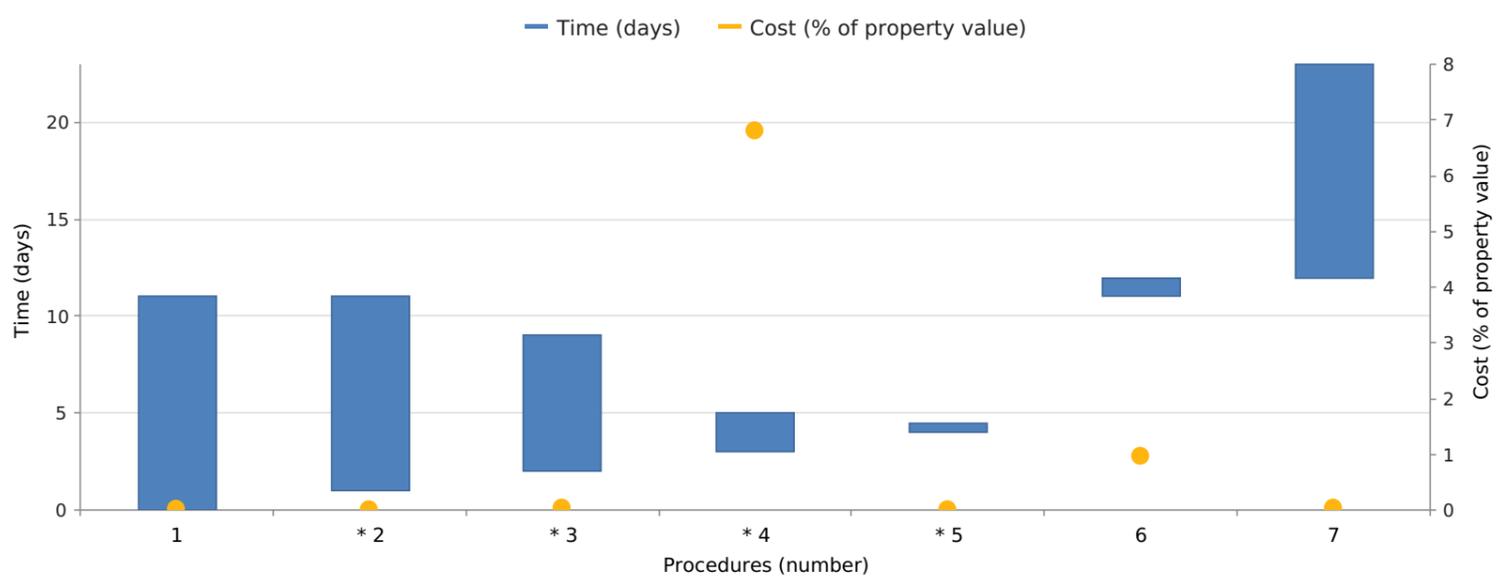
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	7	6.2	4.7	1 (4 Economies)
Time (days)	23	53.9	20.1	1 (New Zealand)
Cost (% of property value)	7.8	7.6	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	15.0	8.8	23.0	None in 2017/18

Figure - Registering Property in South Africa and comparator economies - Ranking and Score



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

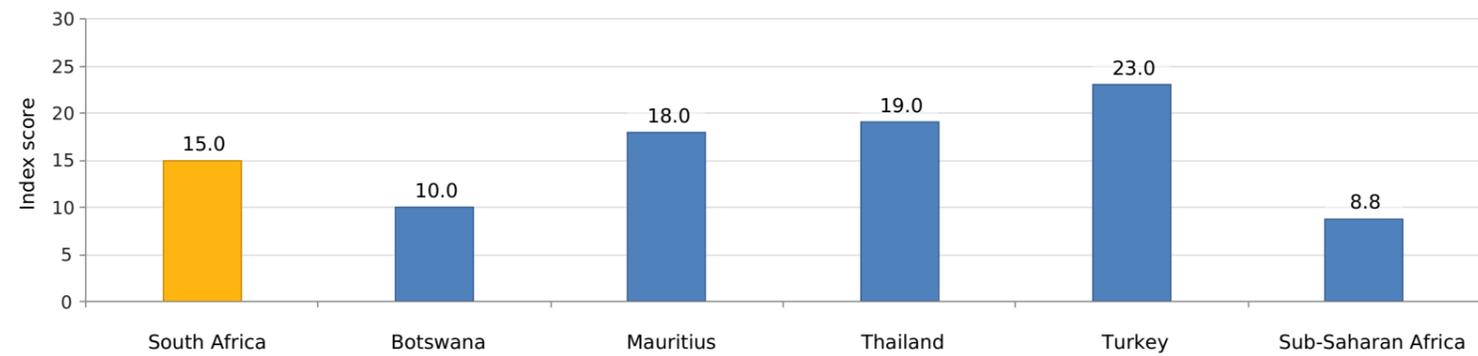
Figure - Registering Property in South Africa - Procedure, Time and Cost



\*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://doingbusiness.org/en/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.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a rates clearance certificate from the City of Johannesburg's Revenue Department</b></p> <p><i>Agency : Municipality (City of Johannesburg's Revenue Department)</i></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 municipality will issue a figure to be paid by the seller containing rates for rights and taxes, water, sewage and electricity. Once the seller pays this figure, the Municipality will issue the rates clearance certificate. The certificate is valid for 60 days from the date of its issue in terms of Section 118 (1A) of the Local Government: Municipal Systems Act, 32 of 2000.</p> <p>The Constitutional Court (in <i>Jordaan v City of Tswane Metropolitan Municipality</i> [2017] ZACC 31) has clarified that even though section 118(3) of the Local Government: Municipal Systems Act creates a limited real right in favor of the local authority in respect of historic rates and taxes, outstanding amounts cannot be recovered from new property owners, who has no connection to the debt .</p> <p>Some conveyancers hire rates clearance agencies to obtain rates clearance figures and rates clearance certificates on their behalf. The cost of instructing an agent ranges between ZAR 800- ZAR 1,200.00.</p>	11 days	ZAR 248.03

⇒ 2	<b>The conveyancer prepares and collects all the required documentation</b>	10 days	Included in Procedure 6
<p><i>Agency</i> : Companies and Intellectual Property Commission</p> <p>The conveyancer obtains power of attorney, appointing him/her to appear before the Registrar of Deeds. The conveyancer's services are mandatory for the registration and transfer of land in South Africa. A conveyancer is an attorney authorized under the Attorneys Act, 53 of 1979 to perform specialized duties regarding the conveyance of immovable property. The Deeds Registries Act, 47 of 1937 authorizes only conveyancers to prepare deeds of transfer, and thus the conveyancer is legally liable for certain facts set out in the deed and other documents. Conveyancing fees, which depend on the property value, are recommended by the Law Society. The Conveyancing Fees Guidelines as from May 2017 are available at: <a href="http://www.lssa.org.za/upload/Conveyancing%20Fees%20Guidelines%201%20May%202017.pdf">http://www.lssa.org.za/upload/Conveyancing%20Fees%20Guidelines%201%20May%202017.pdf</a> and <a href="http://www.ghostdigest.com/articles/conveyancing-fees-may-2017/55272">http://www.ghostdigest.com/articles/conveyancing-fees-may-2017/55272</a>. The cost of this procedure is included in procedure 7, where the Conveyancing Fee Guidelines are applied.</p> <p>The conveyancer prepares the sales deed and carries out due diligence to identify charges and liabilities affecting the property or the parties to the transaction:</p> <p>Conduct a company search at the Companies and Intellectual Property Commission Office to ascertain the directors of both companies.</p> <p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p>Additionally, the conveyancer would request a zoning certificate at the Municipality (the information sheet is free) for ZRA 250. The certificate contains information on the township scheme, any amendments, height coverage, floor/area ratio, parking sq. meters, map diagram. This information can also be consulted directly with the town planner.</p> <p>Furthermore, the conveyancer would check whether the companies are insolvent. The verification is carried out online (at CIPC) and takes 10 minutes. The website would show "interdict" if the company has been liquidated or sequestrated. If the company were to be in this situation, the conveyancer should obtain an endorsement before proceeding to register the property transfer.</p>			
⇒ 3	<b>Obtain an electrical compliance certificate</b>	7 days	ZAR 1,250; (ZAR 1000- 1500)
<p><i>Agency</i> : Certified electrician</p> <p>This certificate is not required by the Deeds Office. Section 22 of the Occupational Health and Safety Act, 85 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 must be registered with the Department of Labor. There are no fee guidelines, the fees are market driven.</p> <p>According to section 7-5 of the Electrical Installation Regulation, the certificate cannot be older than 2 years (it is also not valid if there has been any change in the electrical system).</p>			

⇒ 4	<b>Obtain a transfer duty receipt from the South African Revenue Services</b>	2 days	ZAR 270,255.5; (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)
<p><i>Agency</i> : South African Revenue Services</p> <p>The transferring conveyancer obtains a transfer duty receipt/exemption certificate from the South African Revenue Services. Transfer Duty is a tax levied on the value of any property acquired by any person by way of a transaction or otherwise.</p>			
<p>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.</p>			
<p>The transferring conveyancer applies for the transfer duty receipt online through the eFiling system (<a href="http://www.sarsefiling.co.za">www.sarsefiling.co.za</a>) or through licensed third-party software which integrate with eFiling. SARS electronically requests the conveyancer to upload the deed of sale on the system. Most of the time, the transfer duty figures are issued within two days and the transfer duty receipt is electronically issued upon payment.</p>			
<p>In some cases (and especially when the property is exempt from paying the Transfer Duty), South African Revenue Service electronically requests the conveyancer to upload supporting documents to the system for further examination, which takes 7 working days, on average. Should a payment be required, the transfer duty figures are issued for payment and electronic issuance of the transfer duty receipt. After payment, SARS issues the transfer duty certificate. Otherwise, the exemption certificate is electronically issued after further examination.</p>			
<p>The scale for the transfer duty was changed for properties acquired on or after March 1st, 2017. The current scale is as follows:</p>			
<p>ZAR 0 to 900, 000 - exempt;          ZAR 900, 001 to ZAR 1 250,000 3% on value above ZAR 900,000 but not exceeding ZAR 1 250,000;          ZAR 1 250,001 to ZAR 1 750, 000 - ZAR 10,500 + 6% on value above ZAR 1 250,000 but not exceeding ZAR 1 750,000;          ZAR 1 750,001 to ZAR 2 250, 000 - ZAR 40,500 + 8% on value above ZAR 1 750,000 but not exceeding ZAR 2 250,000;          ZAR 2 250,001 to ZAR 10 000, 000 - ZAR 80,500 + 11% on value above ZAR 2 250,000 but not exceeding ZAR 10 000,000;          ZAR 10 000 000 and above - ZAR 933,000 + 13% on value above ZAR 10 000, 000.</p>			
<p>The fees are published on the South African Revenue Service website and are available at: <a href="http://www.sars.gov.za/Tax-Rates/Pages/Transfer-Duty.aspx">http://www.sars.gov.za/Tax-Rates/Pages/Transfer-Duty.aspx</a>.</p>			
⇒ 5	<b>The conveyancer conducts a title search and checks encumbrances on the property at the Deeds Registry</b>	Less than one day, online	Included in procedure 6
<p><i>Agency</i> : Deeds Registry</p> <p>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 (<a href="http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/welcome.jsp">http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/welcome.jsp</a>). DeedsWeb's coverage is countrywide, and a user can access information on any property throughout the country.</p>			
<p>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.</p>			

6	<b>Parties sign all the documentation at the conveyancer's office</b>	1 day	<p>ZAR 38,200; (According to the Conveyancing Fees Guidelines published by the Law Society:</p> <p>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)</p>
	<p><i>Agency</i> : Conveyancer's office The parties bring all original documentation already sent for purposes of preparation of the conveyancing, and the conveyancer makes certified copies. 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:</p> <p>a. Seller</p> <ul style="list-style-type: none"> <li>• Power of attorney to pass the deed and Instruction to Register</li> <li>• Transfer duty declarations</li> <li>• Affidavits (Companies; Solvency; Financial Intelligence Centre Act (FICA))</li> </ul> <p>b. Purchaser</p> <ul style="list-style-type: none"> <li>• Transfer duty declarations</li> <li>• Affidavits (Companies; Solvency; FICA)</li> </ul> <p>The conveyancing fees, which depend on the property value, are recommended by the Law Society of South Africa. The Conveyancing Fees Guidelines as from May 2017 are available at: <a href="http://www.lssa.org.za/upload/Conveyancing%20Fees%20Guidelines%201%20May%202017.pdf">http://www.lssa.org.za/upload/Conveyancing%20Fees%20Guidelines%201%20May%202017.pdf</a> and <a href="http://www.ghostdigest.com/articles/conveyancing-fees-may-2017/55272">http://www.ghostdigest.com/articles/conveyancing-fees-may-2017/55272</a>.</p>		

7	<p><b>The conveyancer lodges the deed at the Deeds Registry</b>  <i>Agency : Deeds Registry</i>  The conveyancer registers the deed with the Deeds Registry. The Registrar compares the draft deed with data in the register. Three different persons with gradual levels of seniority will examine the deed. 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 is then paid. It varies depending on the value of the property and the scale is published in the Government Gazette. The updated fee schedule as from April 2017 is available at: <a href="http://www.ghostdigest.com/articles/schedule-of-fees-april-2017/55235">http://www.ghostdigest.com/articles/schedule-of-fees-april-2017/55235</a>. In Johannesburg, most of the conveyancing firms have an account with the Deeds Registry and receive monthly invoices instead of paying separately for each property registration. The Deeds Registry staff members subsequently update the register, scan the deed and retain a scanned copy. The hard copy is handed back to the conveyancer once the deed has been scanned.</p>	11 days	ZAR 1,275; (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)
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→ Takes place simultaneously with previous procedure.

## Details - Registering Property in South Africa - Measure of Quality

	Answer	Score
<b>Reliability of infrastructure index (0-8)</b>		<b>5.0</b>
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)?	Yes	1.0
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
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
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:	<a href="http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/LatestFees.pdf">http://www.deeds.gov.za/ITSODEedsWebB/deedsweb/LatestFees.pdf</a> <a href="http://www.ghostdigest.co.za/categories/tables-of-costs/1571">http://www.ghostdigest.co.za/categories/tables-of-costs/1571</a>	
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, on public boards	0.5
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 2017:		
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:	<a href="http://csg.dla.gov.za/fees.htm">http://csg.dla.gov.za/fees.htm</a>	
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, online	0.5
Link for online access:	<a href="http://csg.dla.gov.za/func.htm">http://csg.dla.gov.za/func.htm</a>	
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:		
<b>Geographic coverage index (0-8)</b>		<b>2.0</b>
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
<b>Land dispute resolution index (0-8)</b>		<b>4.5</b>
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?	No	0.0
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 2017:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

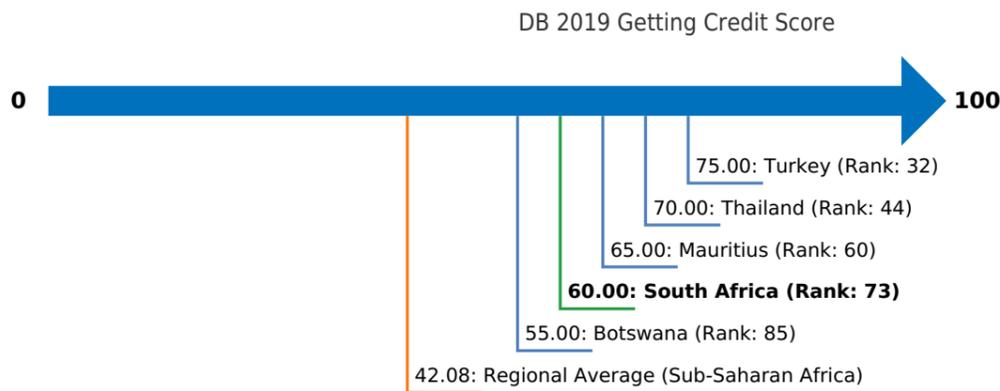
This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Strength of legal rights index (0-12)</b></p> <ul style="list-style-type: none"> <li>• Rights of borrowers and lenders through collateral laws (0-10)</li> <li>• Protection of secured creditors' rights through bankruptcy laws (0-2)</li> </ul> <p><b>Depth of credit information index (0-8)</b></p> <ul style="list-style-type: none"> <li>• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)</li> </ul> <p><b>Credit bureau coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in largest credit bureau as a percentage of adult population</li> </ul> <p><b>Credit registry coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in credit registry as a percentage of adult population</li> </ul>	<p><i>Doing Business</i> 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.</p> <p>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.</p> <p><b>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</b></p> <ul style="list-style-type: none"> <li>- ABC is a domestic limited liability company (or its legal equivalent).</li> <li>- ABC has up to 50 employees.</li> <li>- 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.</li> <li>- Both ABC and BizBank are 100% domestically owned.</li> </ul> <p>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).</p> <p>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.</p>

Getting Credit - South Africa

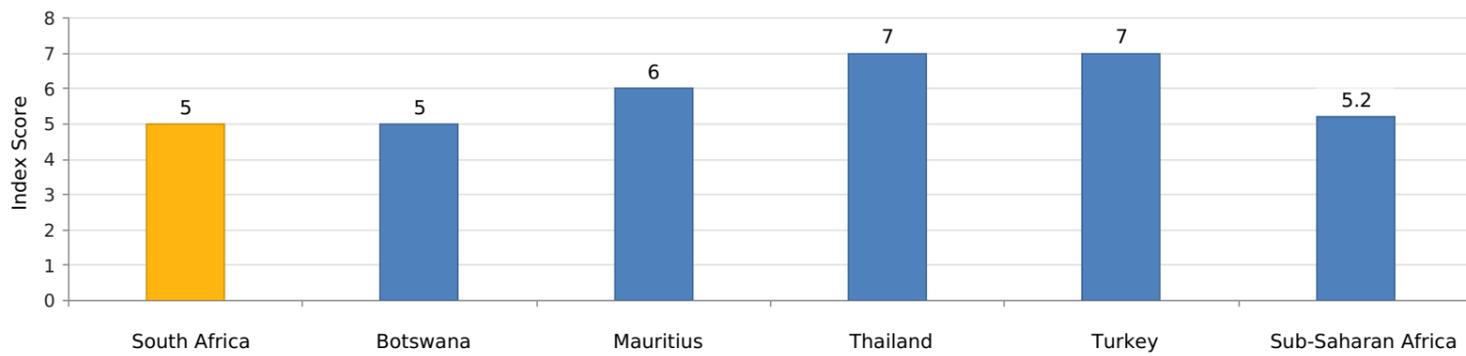
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	5	5.2	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	3.3	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	0	7.0	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	67.3	8.9	65.3	100.0 (25 Economies)

Figure - Getting Credit in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for 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 and 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

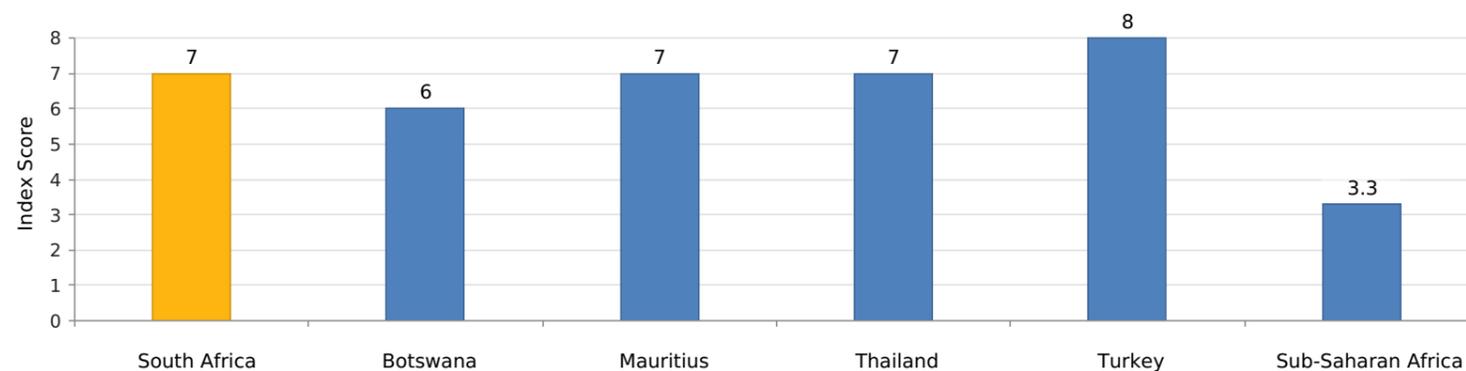
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

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 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
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>7</b>

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	22,826,780	0
Number of firms	2,225,795	0
Total	25,052,575	0
<b>Percentage of adult population</b>	<b>67.3</b>	<b>0</b>

## Protecting Minority Investors

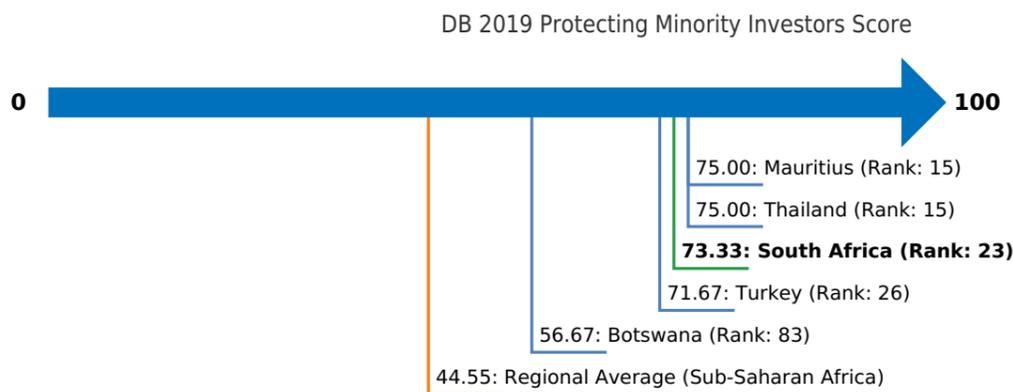
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> <li>• <b>Extent of disclosure index (0-10):</b> Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions</li> <li>• <b>Extent of director liability index (0-10):</b> 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)</li> <li>• <b>Ease of shareholder suits index (0-10):</b> Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses</li> <li>• <b>Extent of conflict of interest regulation index (0-10):</b> Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices</li> <li>• <b>Extent of shareholder rights index (0-10):</b> Shareholders' rights and role in major corporate decisions</li> <li>• <b>Extent of ownership and control index (0-10):</b> Governance safeguards protecting shareholders from undue board control and entrenchment</li> <li>• <b>Extent of corporate transparency index (0-10):</b> Corporate transparency on ownership stakes, compensation, audits and financial prospects</li> <li>• <b>Extent of shareholder governance index (0-10):</b> Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices</li> <li>• <b>Strength of minority investor protection index (0-10):</b> Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices</li> </ul>	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p><b>The business (Buyer):</b></p> <ul style="list-style-type: none"> <li>- Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.</li> <li>- 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.</li> <li>- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.</li> <li>- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.</li> <li>- Is a manufacturing company with its own distribution network.</li> </ul> <p><b>The transaction involves the following details:</b></p> <ul style="list-style-type: none"> <li>- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.</li> <li>- 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.</li> <li>- 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.</li> <li>- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.</li> <li>- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.</li> <li>- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.</li> </ul>

Protecting Minority Investors - South Africa

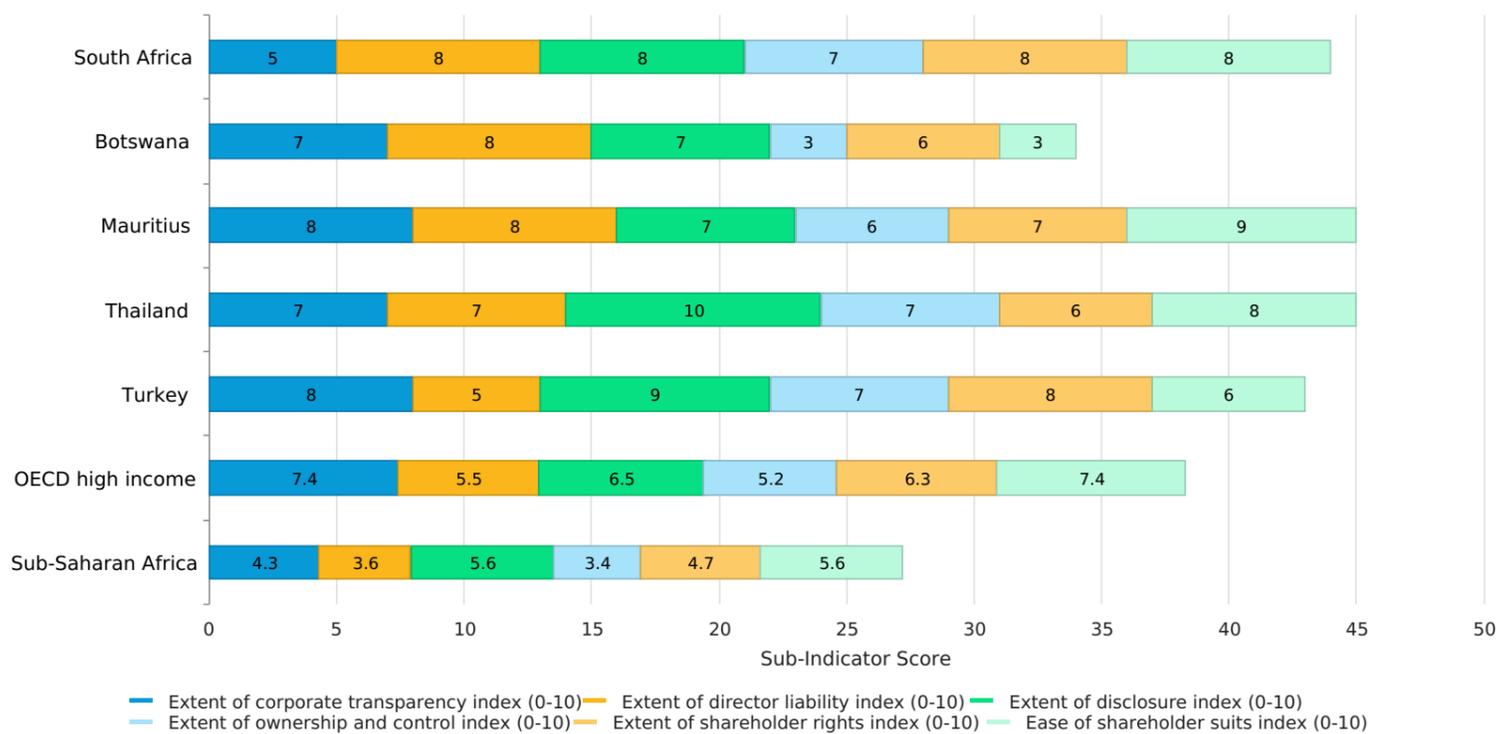
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	8.0	5.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	8.0	3.5	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	8.0	5.5	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	8.0	4.6	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	7.0	3.4	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	5.0	4.1	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the 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
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>8</b>
<b>Extent of disclosure index (0-10)</b>		<b>8.0</b>
Whose decision is 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 periodic filings (e.g. annual reports)? (0-2)	No disclosure obligation	0.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>8.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James 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 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
<b>Ease of shareholder suits index (0-10)</b>		<b>8.0</b>
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
<b>Extent of shareholder governance index (0-10)</b>		<b>6.7</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>8.0</b>
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 or almost 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
<b>Extent of ownership and control index (0-10)</b>		<b>7.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
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
<b>Extent of corporate transparency index (0-10)</b>		<b>5.0</b>
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?	Yes	1.0
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 the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, 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
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- 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 (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### 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, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2017, 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 2017.

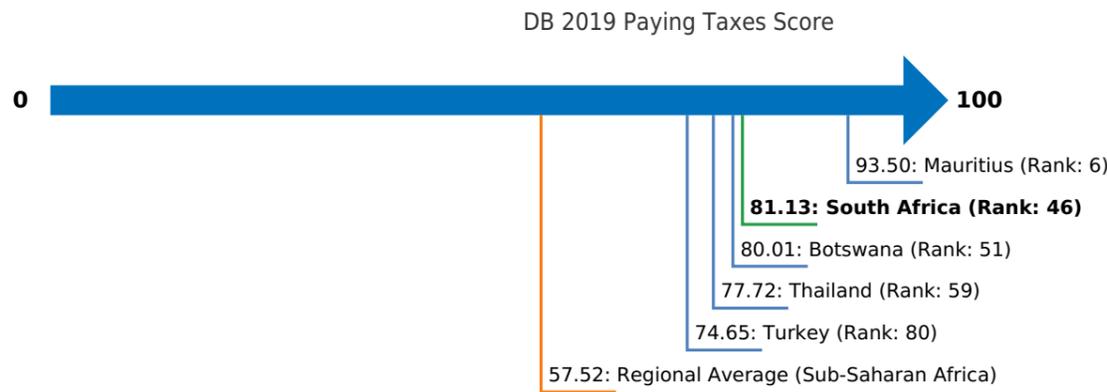
#### The corporate income tax audit process:

- 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.

Paying Taxes - South Africa

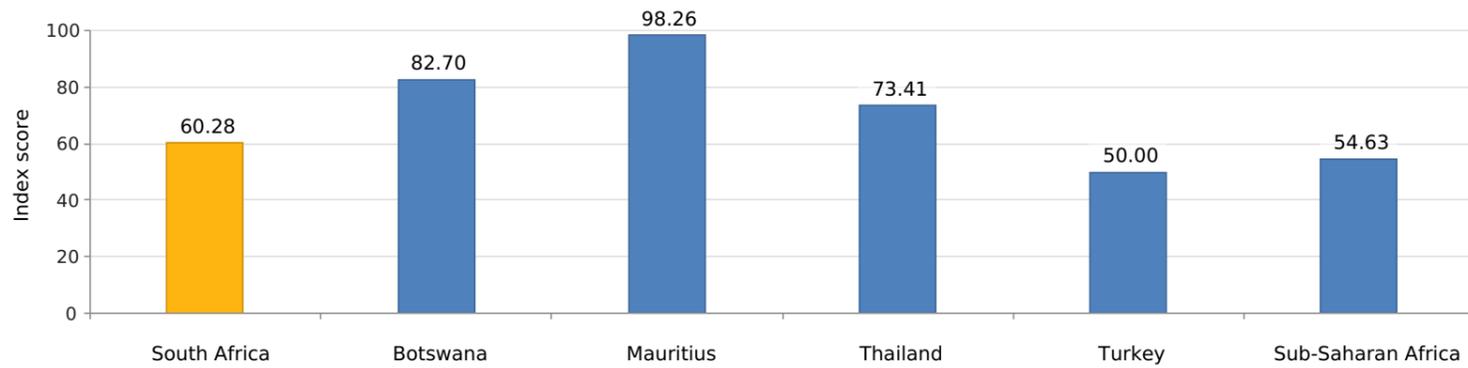
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Payments (number per year)	7	37.4	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	210	280.6	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	29.1	46.8	39.8	26.1% (32 Economies)
Postfiling index (0-100)	60.28	54.63	84.41	None in 2017/18

Figure - Paying Taxes in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution 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 and contribution 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 TTCR
Corporate income tax	1.0	online	96.0	28%	taxable profit	21.84	
Property tax	1.0	online		1.8287% from January - June 2017; 1.9097% from July - December 2017	property value	2.84	
Occupational injuries insurance contribution	1.0	online		1.55%	gross salaries	1.75	
Capital gains tax	0.0	online and jointly		28%	capital gains	1.13	included in other taxes
Skills development levies	0.0	online and jointly		1%	gross salaries	1.13	
Unemployment insurance contributions (UIC)	1.0	online	52.0	1%	gross salaries	1.08	
Vehicles tax	1.0			specific tariff	weight of empty vehicle	0.49	
Unemployment insurance fund - employee	0.0	online and jointly		1%	gross salaries	0.00	withheld
Value added tax (VAT)	1.0	online	62.0	14%	value added	0.00	not included
Fuel tax	1.0			30.79%	value of fuel consumption	0.00	small amount
Totals	7		210			29.1	

## Details - Paying Taxes in South Africa - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	21.8
Labor tax and contributions (% of profit)	4
Other taxes (% of profit)	3.3

## Details - Paying Taxes in South Africa - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>60.28</b>
<b>VAT refunds</b>		
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)	16.6	74.2
<b>Corporate income tax audits</b>		
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 correction (hours)	11.0	82.57
Time to complete a corporate income tax correction (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 correction and time to complete a corporate income tax correction.

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 May 2018. [See the methodology for more information.](#)

### 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.

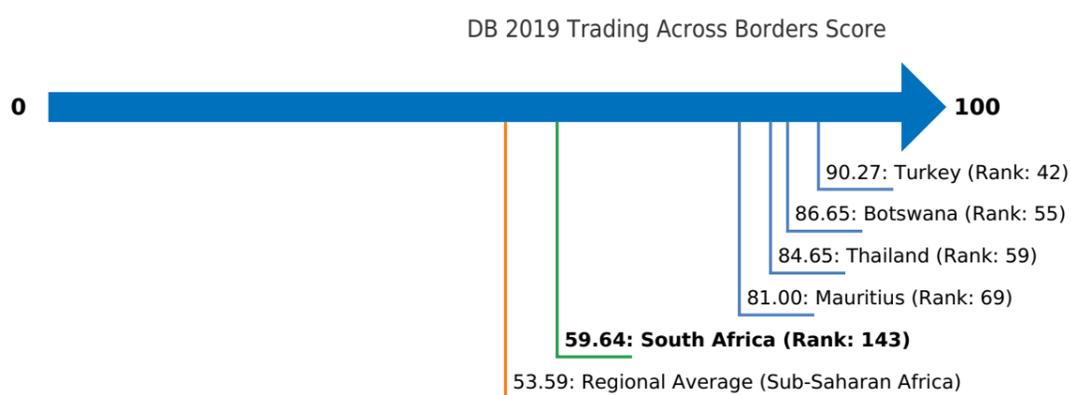
#### Assumptions of the case study:

- 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 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.

Trading across Borders - South Africa

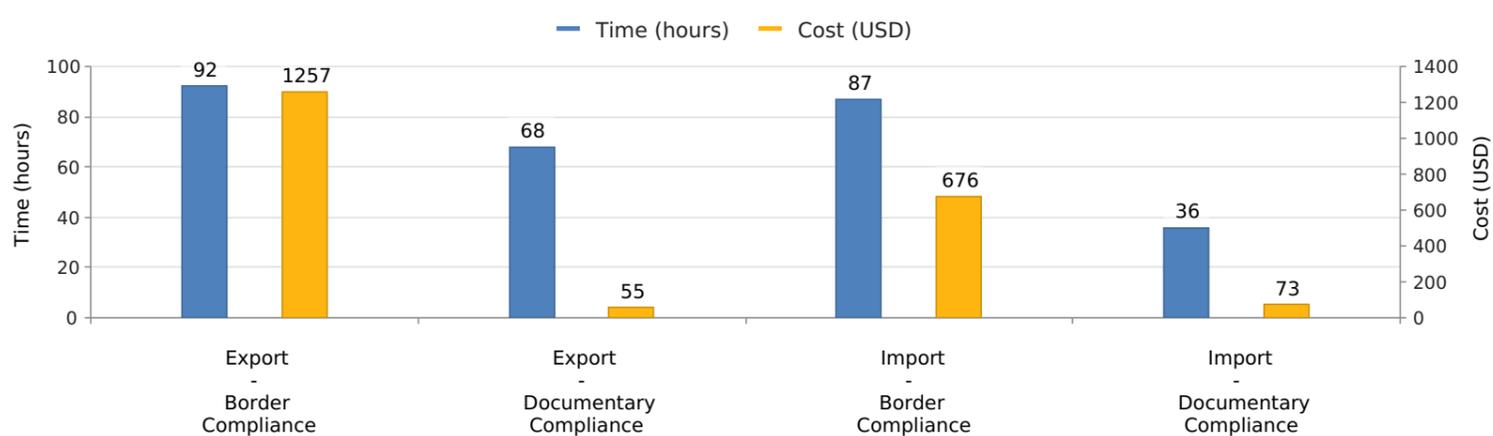
Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	92	97.3	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	1257	605.8	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	68	72.8	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	55	168.8	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	87	126.3	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	676	684.3	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	36	97.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	73	283.5	24.9	0 (30 Economies)

Figure - Trading across Borders in South Africa and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

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)	1100	1100

## 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	4.0	200.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	88.0	1057.0
Import: Clearance and inspections required by customs authorities	6.0	258.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	81.0	418.0

## Details - Trading across Borders in South Africa - Trade Documents

Export	Import
Bill of lading	Bill of lading
Cargo Dues Order	Cargo 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
Packing list	Packing list
SOLAS certificate	SOLAS certificate
Landing order	

## 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 May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to enforce a contract through the courts (calendar days)</b></p>	<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>
<ul style="list-style-type: none"> <li>• Time to file and serve the case</li> <li>• Time for trial and to obtain the judgment</li> <li>• Time to enforce the judgment</li> </ul>	<p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p>
<p><b>Cost required to enforce a contract through the courts (% of claim)</b></p>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<ul style="list-style-type: none"> <li>• Attorney fees</li> <li>• Court fees</li> <li>• Enforcement fees</li> </ul>	<ul style="list-style-type: none"> <li>- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.</li> </ul>
<p><b>Quality of judicial processes index (0-18)</b></p>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<ul style="list-style-type: none"> <li>• Court structure and proceedings (-1-5)</li> </ul>	<ul style="list-style-type: none"> <li>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.</li> </ul>
<ul style="list-style-type: none"> <li>• Case management (0-6)</li> </ul>	<ul style="list-style-type: none"> <li>- The seller requests the pretrial attachment of the defendant's movable assets to secure the claim.</li> </ul>
<ul style="list-style-type: none"> <li>• Court automation (0-4)</li> </ul>	<ul style="list-style-type: none"> <li>- The dispute on the quality of the goods requires an expert opinion.</li> </ul>
<ul style="list-style-type: none"> <li>• Alternative dispute resolution (0-3)</li> </ul>	<ul style="list-style-type: none"> <li>- The judge decides in favor of the seller; there is no appeal.</li> </ul>
	<ul style="list-style-type: none"> <li>- The seller enforces the judgment through a public sale of the buyer's movable assets.</li> </ul>

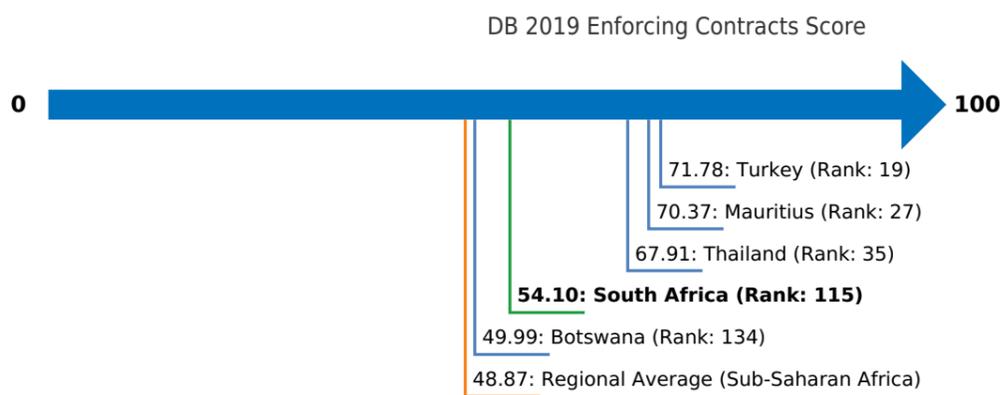
Enforcing Contracts - South Africa

Standardized Case

Claim value	ZAR 150,750
Court name	Johannesburg District Magistrates Court
City Covered	Johannesburg

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time (days)	600	655.1	582.4	None in 2017/18
Cost (% of claim value)	33.2	42.3	21.2	None in 2017/18
Quality of judicial processes index (0-18)	7.0	6.7	11.5	None in 2017/18

Figure - Enforcing Contracts in South Africa and comparator economies - Ranking and Score



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

Figure - Enforcing Contracts in South Africa - Time and Cost

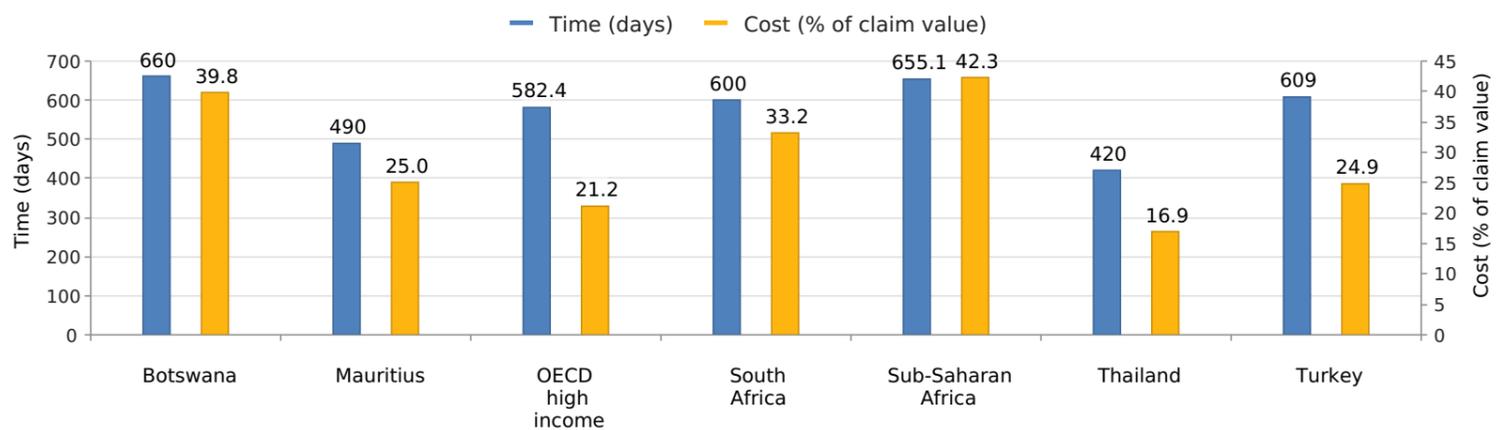
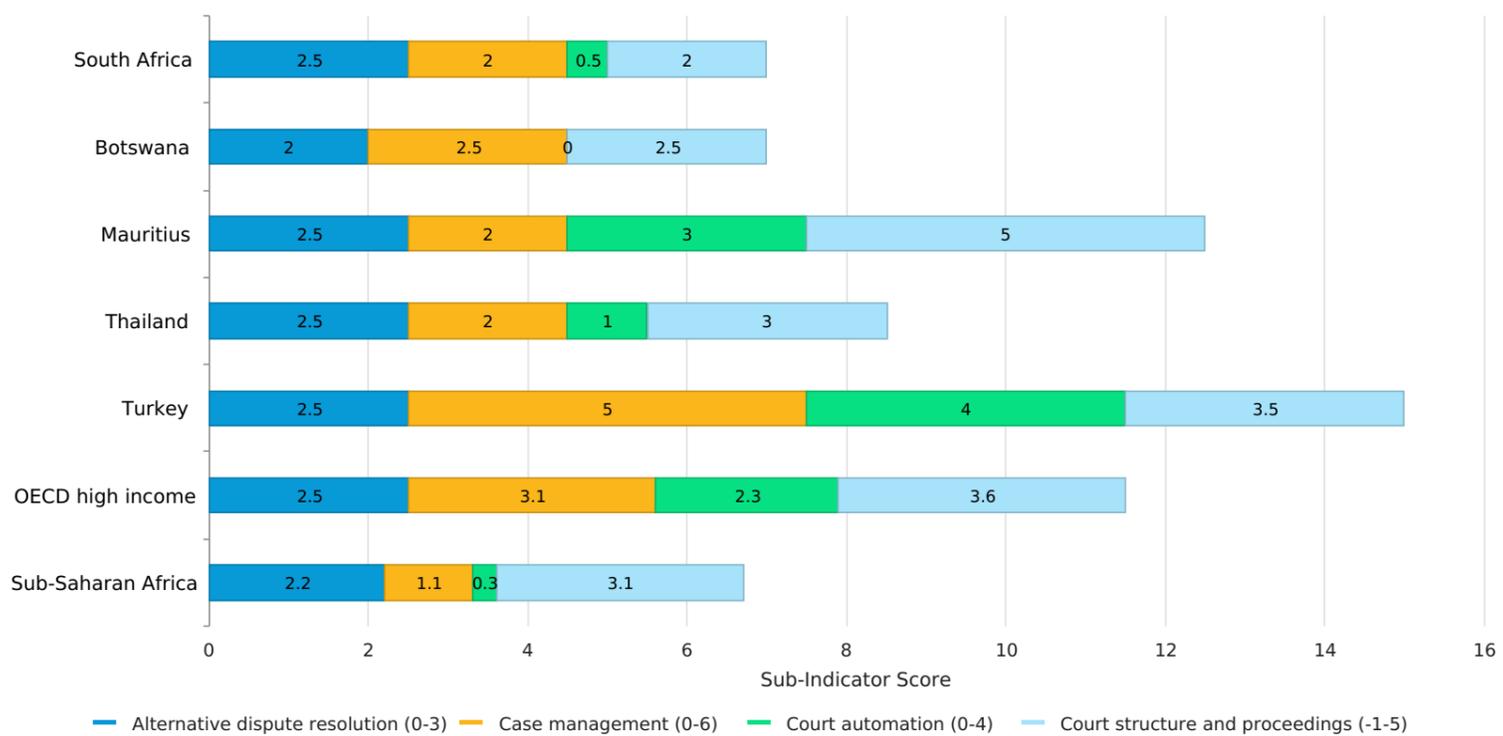


Figure - Enforcing Contracts in South Africa and comparator economies - Measure of Quality



Details - Enforcing Contracts in South Africa

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

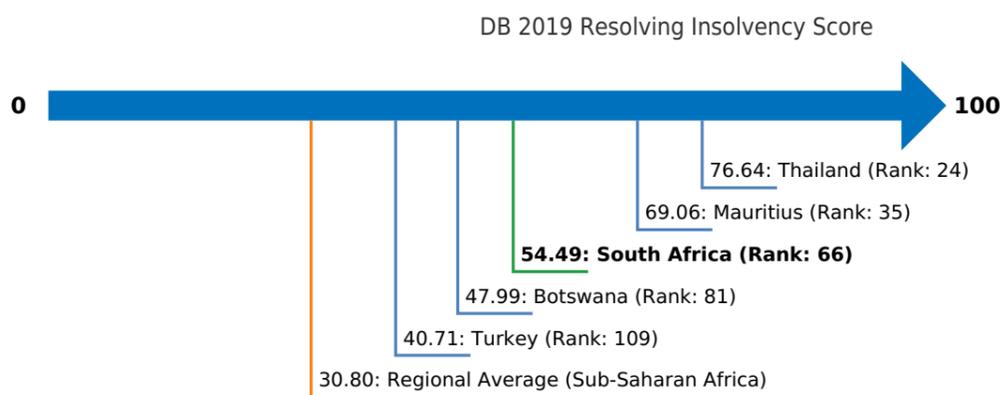
*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure 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 was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p>
<p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul>	<ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- 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.</li> <li>- 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.</li> </ul>
<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul>	<p>In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</p>
<p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul>	
<p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	

Resolving Insolvency - South Africa

Indicator	South Africa	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	34.5	20.3	70.5	None in 2017/18
Time (years)	2.0	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	18.0	22.7	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	11.5	6.4	11.9	None in 2017/18

Figure - Resolving Insolvency in South Africa and comparator economies - Ranking and Score



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

Figure - Resolving Insolvency in South Africa - Time and Cost

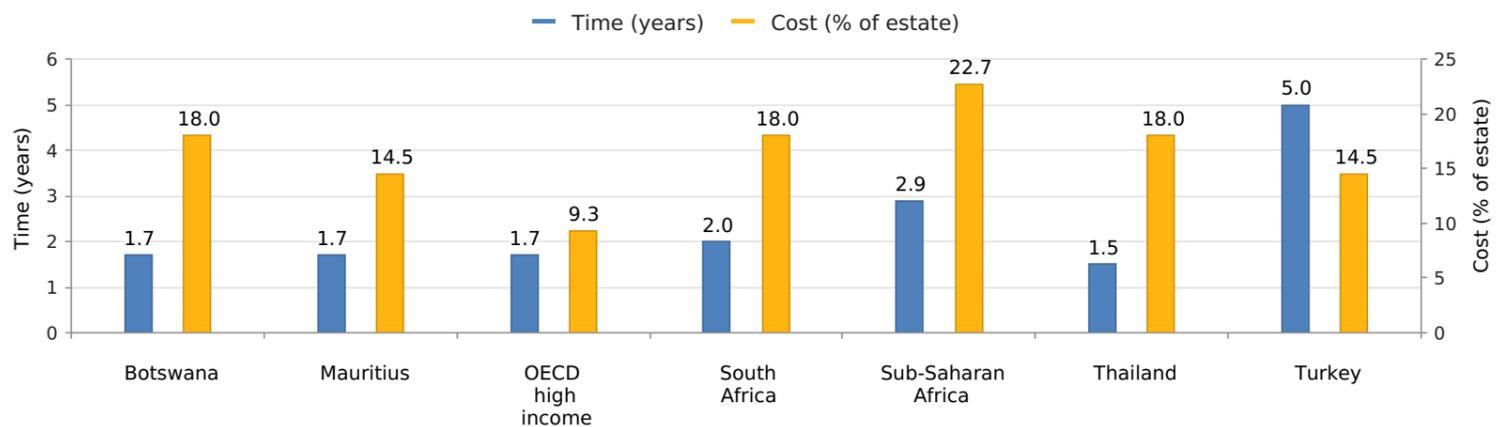
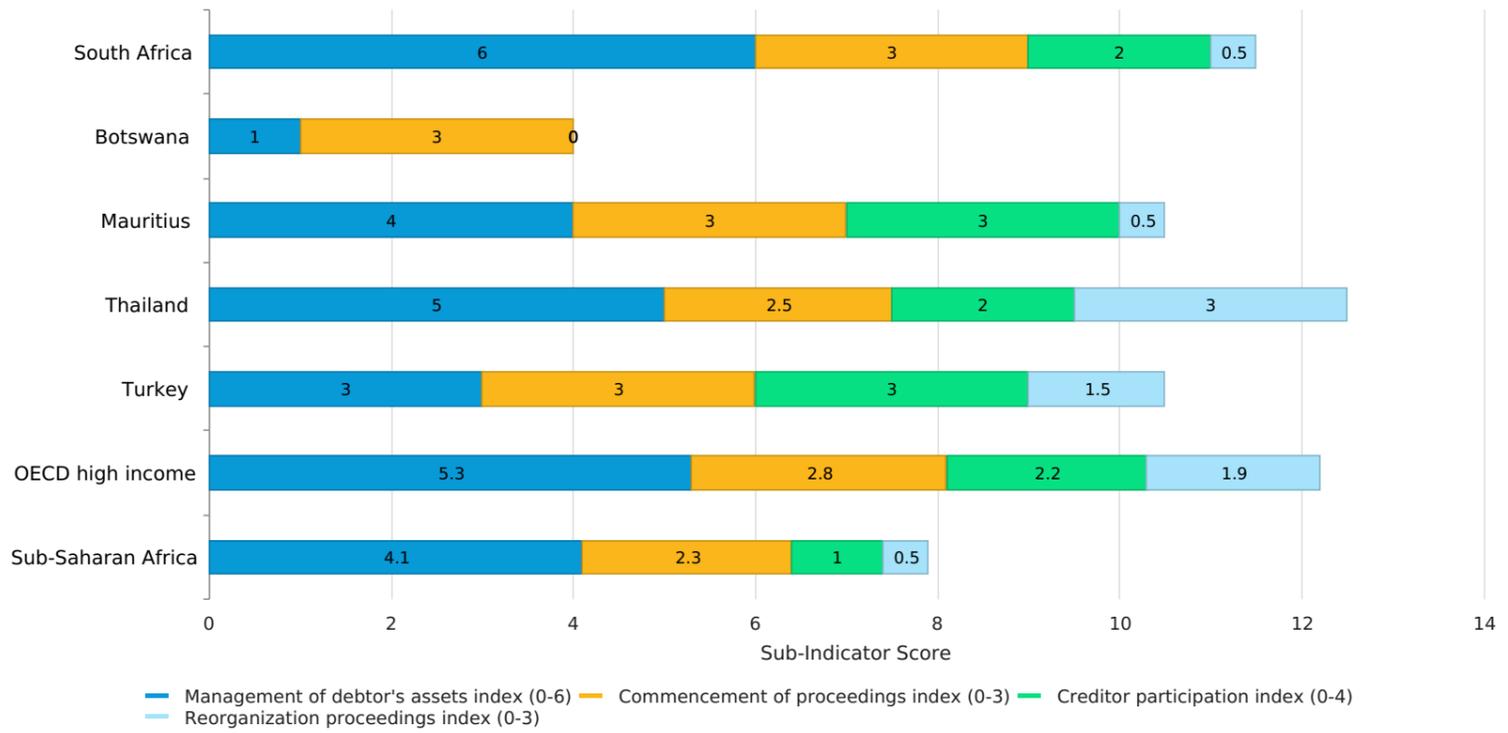
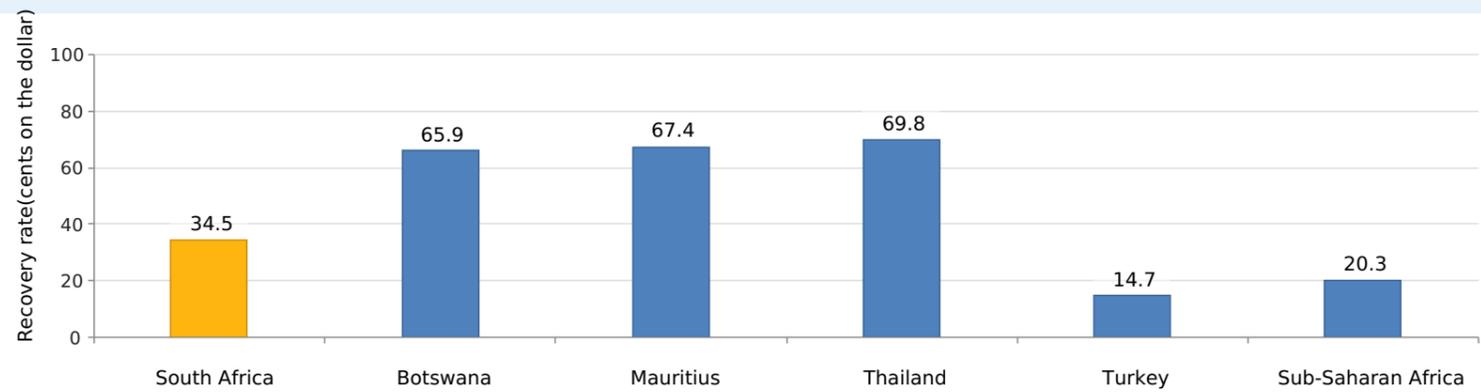


Figure - Resolving Insolvency in South Africa and comparator economies - Measure of Quality



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."

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



## Details - Resolving Insolvency in South Africa

Indicator	Answer	Score
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)		34.5

## Details - Resolving Insolvency in South Africa - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>11.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>3.0</b>
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
<b>Management of debtor's assets index (0-6)</b>		<b>6.0</b>
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
<b>Reorganization proceedings index (0-3)</b>		<b>0.5</b>
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?	No	0.0
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
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**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 detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [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.

## Labor Market Regulation - South Africa

## Details - Labor Market Regulation in South Africa

	Answer
<b>Hiring</b>	
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)	282.0
Ratio of minimum wage to value added per worker	0.4
Maximum length of probationary period (months)	n.a.
<b>Working hours</b>	
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
<b>Redundancy rules</b>	
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
<b>Redundancy cost</b>	
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
<b>Job quality</b>	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	Yes
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 past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

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

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DB2019

- ✓ **Starting a Business:** South Africa made starting a business easier by reducing the time for online business registration.
- ✓ **Getting Electricity:** South Africa improved the monitoring and regulation of power outages by beginning to record data for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI).

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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.

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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.

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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.

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DB2013

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

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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.

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DB2010

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

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

*Doing Business 2019* is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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