

# SOUTH AFRICA

## WERKSMANS INC



### FIRM INFORMATION

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### COUNTRY INFORMATION

South Africa is the second largest economy in Africa (after Nigeria) and contributes about 25% of African gross domestic product (GDP), 40% of its industrial output and 50% of its electricity supply. It has sophisticated banking, financial services, mining, telecommunications, agricultural, IT, commercial and industrial sectors and a developed road, rail, airport and port infrastructure. It is ranked as an upper-middle income economy by the World Bank. Its population is about 52 million (although it is estimated that there could be several million legal and illegal immigrants) and comprises a rich diversity of cultures and religions (including Christian, Hindu, Islam, Judaism and African customary). It has 11 official languages including English, Afrikaans and nine African languages. Its area is about 1 219 090 square kilometres and it is divided into nine provinces with three capital cities, Pretoria (administrative capital), Cape Town (legislative capital) and Bloemfontein (judicial capital). Poverty, crime and unemployment (officially about 25%) remain major problems.

### POLITICAL SYSTEM

Multiparty democracy. The Constitution is one of the most progressive in the world and entrenches a bill of rights which guarantees property rights, equality, socioeconomic rights, individual freedoms, an independent judiciary and a free press. The President is limited to two five year terms of office.

### INVESTMENT CLIMATE

South Africa generally welcomes foreign investment and virtually all business activities are open to foreign investors. However foreigners may not directly or indirectly control or have a greater than 20% interest in a commercial broadcasting licensee and foreign residents may not hold more than 25% of the voting rights in an air services licensee (although the Minister of Transport may grant an exemption in this regard). The establishment of branches of foreign banks requires the consent of the Registrar of Banks (several foreign banks operate in South Africa including Citibank, China Construction Bank, Bank of Baroda, Standard Chartered Bank, Bank of China, JP Morgan, State Bank of India, Deutsche Bank and Royal Bank of Scotland).

Calls by certain elements of the ruling African National Congress (ANC) party for the nationalisation of the mines, banks and farming land had caused uncertainty for local and foreign investors but the ANC finally rejected nationalisation as a policy at its congress in Mangaung in December 2012. Alternative policies in the mining and agricultural sectors (for example special mining taxes, export controls on certain minerals and requiring the beneficiation of minerals) are however being discussed (resulting in continued uncertainty in the mining sector). Labour unrest, costs and productivity issues in the mining sector remain of concern for investors. The Mining Charter issued in terms of the Mineral and Petroleum Resources Act laid down certain black economic empowerment ("BEE") targets for mining companies to achieve by 31 December 2014. It is currently not clear what the consequences of failing to meet such targets will be or what new targets will be introduced. A Court case is currently pending on whether a mining firm can receive credit for its past BEE ownership transactions. The Government has proposed a ban on the foreign ownership of agricultural land and restrictions on land holdings to a maximum 12 000 hectares. A law requiring 51% local ownership of private security firms has been passed by Parliament and is awaiting the President's signature.

Foreign investors are generally afforded the same treatment as local investors with some exceptions (for example only residents are subject to the South African exchange control regime below). During 2013, the Government decided to unilaterally terminate South Africa's Bilateral Investment Treaties ("BITS") with Belgium, Luxembourg, Spain, the Netherlands, Germany and Switzerland and announced that all other existing BITS would be phased out and replaced by the new Protection of Investment Act. The Act provides protections for foreign investment (for example investors have a right to fair administrative treatment, a right to property in terms of the Constitution and a right not to be treated less favourably than locals. The Act however reserves the sovereign rights of the South African Government to legislate in the "public interest" and restricts foreign investors' recourse to international arbitration (as provided in most BITS). Compensation for expropriation will be "just and equitable" as required by the Constitution (ie unlike most BITS, it is not guaranteed that the compensation will be fair market value). However most BITS (including those already terminated by the Government) contain survival provisions for periods of 10 years or more post termination and investors from those countries

will continue to be able to rely on the protections in the BITS (including recourse to international arbitration and fair market value compensation for expropriation) for such survival period.

South Africa is often described as a "Gateway to Africa" and many foreign companies have based their sub-Saharan operations in South Africa due to its advanced infrastructure and economy (especially compared to other African countries), political stability and strong South African business and Government ties to the rest of the continent. Other advantages are South Africa's network of double tax treaties (see under taxation below) and investment protection agreements as well as a favourable "headquarter company regime" (see under investment incentives below). The Department of Trade and Industry has a Manufacturing Competitive Enhancement Programme (MCEP) which provides various incentives for the manufacturing sector. The MCEP is a reimbursive incentive and provides for grants of up to R50 000 000.

The Government has developed industrial development zones in East London and Coega near Port Elizabeth (both ports in the Eastern Cape Province) and the port of Richards Bay in KwaZulu Natal. New legislation has been proposed to establish special economic zones throughout the country.

An electricity supply crisis in 2008 caused widespread blackouts and economic dislocation (including in the mining industry). In late 2014, blackouts occurred again due to a failure to maintain electricity infrastructure and concerns remain about a secure supply of electricity. The Government is constructing new coal based electricity plants to increase capacity but these projects have experienced repeated delays. The Government is also considering a nuclear energy program. Solar, wind and other alternative renewable energy projects are being developed.

The Government has announced a plan to expand and rehabilitate the country's infrastructure in an amount of about US\$110 billion but implementation has been slow. The Infrastructure Development Act was passed in 2014 and is intended to fast track and facilitate Government infrastructure projects. The Government owns approximately 25% of the land area of the country and, through various State owned enterprises, owns airports, ports, the national airline (South African Airways), oil pipelines, railways, electricity generation

and distribution facilities (including a nuclear energy plant at Koeberg near Cape Town in the Western Cape Province) and interests in oil and gas exploration and the defence industry. The formation of a State owned mining company has been announced in addition to an existing State owned company, Alexkor, which is involved in diamond mining. Several state owned enterprises (for example electricity parastatal Eskom, the Post Office and South African Airways) have funding problems.

Financing for various projects may be provided through the State owned Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA) and, for small and medium sized businesses, from Khula Enterprise Finance and the Small Enterprise Development Agency. The National Empowerment Fund has been set up to fund Black Economic Empowerment transactions but currently requires recapitalisation.

Monetary policy is determined by the South African Reserve Bank which is independent of Government and follows a generally conservative monetary policy involving inflation targeting. Unlike several other African countries, South Africa's growth rates have been sluggish since 2008. GDP growth of under 1% is estimated by the World Bank in 2016. Inflation is about 5%.

A land claims process (allowing restitution or granting compensation to black South Africans deprived of land as a result of apartheid policies) has not yet been finalised.

## **BLACK ECONOMIC EMPOWERMENT**

The promotion of Broad Based Black Economic Empowerment ("BBBEE") is one of the key Government policies to address the racial and gender inequalities of the country's apartheid legacy (which restricted and excluded non-white South Africans from participating in the economy). BBBEE is regulated by the Broad Based Black Economic Empowerment Act and "generic" Codes of Good Practice that have been issued by the Government. BBBEE transformations charters and Codes have been developed for certain sectors of the economy including mining, financial services and construction. It must be noted that there is (other than in certain sectors like mining and gaming where

licence conditions include BBBEE ownership requirements) no general legal requirement that a firm must have a BBBEE shareholder but a firm's BBBEE rating will be negatively affected if it earns no BBBEE ownership points. Government policy has generally been based on the principle that the manner in which a firm applies BBBEE is to be decided by the individual firm and the BBBEE framework simply provides a methodology for measuring the BBBEE rating of the firm.

However Government, regulatory bodies, parastatals and other public entities are obliged to take BBBEE into account in granting tenders and licences (eg mining and gambling licences) and in practice firms with low BBBEE ratings are unlikely to be granted such tenders and licences. Private sector firms may also try to increase their BBBEE procurement scores by procuring from other private sector firms with good BBBEE ratings. There is a special dispensation for multinationals to remain 100% foreign owned and still earn BBBEE ownership points by means of so called "equity equivalent" programs.

The BBBEE Act was amended in 2014 to inter alia criminalise "fronting" (effectively misrepresenting BBBEE status or conduct that undermines or frustrates the achievement of the objectives of the Act). Contraventions may result in fines (in the case of enterprises, fines of up to 10% of its annual turnover) and/or imprisonment for up to 10 years. In addition, the guilty person will be prohibited from contracting or transacting any business with any organ of State and/or public entity and will be entered into the National Treasury's register of tender defaulters. Any contract or authorisation awarded due to false information on BBBEE status may be cancelled by an organ of state or public entity. A BBBEE Commission has been established with wide powers to investigate complaints relating to BBBEE and "fronting".

The so called "generic" Codes (which apply to firms in sectors not covered by sector specific Codes) set out BBBEE targets and quite complex methods of measuring a firm's BBBEE status (level 1 is the top score). Significant amendments to the "generic" Codes took effect from 1 May 2015. The amendments include reducing the previous seven BBBEE elements to five (namely ownership, management control, skills development, enterprise and supplier development and socio economic development) and changing certain methods for calculating BBBEE scores (including that the number of BBBEE points required to achieve a particular BBBEE rating have been increased). Stricter BBBEE measurement criteria apply under the amendments and the implications for business are serious as many firms will lose their current BBBEE rating unless they take steps to comply with the amended targets and methodology in the Codes. Three "priority sectors" have been identified, namely ownership, skills development and the enterprise and supplier development elements. Failure to meet certain minimum requirements for these "priority sectors" will result in the automatic downgrading of the firm's BBBEE rating by one level.

An Exempt Micro Enterprise is a firm with a total annual turnover under R10 million and Qualifying Small Enterprises are firms with total annual turnover of between R10 million and R50 million. Exempt Micro Enterprises are deemed to have a Level four BBBEE status. Exempt Micro Enterprises and Qualifying

Small Enterprises that are 100% black owned are deemed to have a level one BBBEE rating (the highest possible rating) and those that are 51% black owned are deemed to have a level two BBBEE rating.

Codes for specific sectors of the economy (and not the "generic" Codes) must be used for firms in a sector covered by a sector code. Nine sector codes have been issued in the tourism, construction, forest, transport, chartered accountancy, property, information and communication technology (ICT), agricultural and financial sectors. The sector codes are required to be updated having regard to the recent amendments to the "generic" codes.

The amendments to the BBBEE Act and "generic" Codes indicate a tougher Government policy to promoting BBBEE.

## FORMS OF BUSINESS

Private or public limited liability profit company  
 Close corporation (a separate "member managed" legal entity with no board of directors which was intended to facilitate small/medium sized businesses)  
 External company (a branch of a foreign company conducting business or non-profit activities in South Africa)  
 Partnership (including a limited partnership)  
 Trading trust  
 Sole trader  
 Co-operatives.

Pursuant to the Companies Act, no new close corporations may be formed. Close corporations existing before the Act came into effect on 1 May 2011 are however permitted to continue to exist and conduct business and may be converted into companies.

## FORMATION OF A COMPANY

Companies, close corporations and external companies must be registered with the Companies and Intellectual Property Commission (CIPC) in Pretoria. External companies must be registered within 20 business days of commencing business or non-profit activities in South Africa.

It is common to acquire a "shelf company" (ie an already incorporated company which has never traded and has no assets or liabilities) as an alternative to incorporating a new company with CIPC. The incorporation process involves reserving the company's name with CIPC, submitting certain prescribed forms and documents and paying certain prescribed fees to CIPC. Directors need not be South African residents and there are no minimum share capital requirements. The public officer of the company (the contact person for the tax authorities) must be a South African resident. CIPC has been experiencing serious delays (in some cases up to several months) and inefficiencies in incorporating new companies and updating its records of existing companies. It is however taking steps to resolve these problems.

A business generally has to register for various tax purposes (including Value Added Tax and as a taxpayer), for the purposes of the skills development levy and with the Unemployment

Insurance Fund. Business licences are required for certain activities (for example liquor sales).

## EXCHANGE CONTROLS

The exchange control regime is administered by the Financial Surveillance Department of the South African Reserve Bank (SARB) and various "authorised dealers" appointed by SARB (which include the main commercial banks).

There are no exchange control restrictions on non-residents who may freely transfer capital in and out of South Africa. However certain exchange controls exist for South African residents, some of which may impact on non-residents (see below). South African subsidiaries and external companies (branch offices of foreign companies) are treated as residents and are accordingly subject to the exchange control regulations. Non-resident shareholders in a resident company should have their share certificates endorsed "non-resident". Endorsement is however generally a formality (proof of payment of the purchase or subscription price into South Africa is required) and facilitates dividend payments by the resident company, as well as the remittance of sale proceeds, to the non-resident shareholder.

South Africa, Lesotho, Namibia and Swaziland have no exchange control restrictions between them by virtue of their membership of the Common Monetary Area.

All payments by residents to non-residents involve exchange control procedures and/or approvals. Payments for imported goods do not generally raise any issues. Resident companies (including external companies) may generally freely remit dividends and branch profits to non-residents provided that they are made out of trading profits and available funds. Auditors' certificates and other documents may have to be submitted. The acquisition by residents of assets outside the Common Monetary Area is also regulated to a greater or lesser degree.

Exchange control approval (some of which may be given by an authorised dealer rather than an application having to be made to SARB) is required for:

- A loan by a non-resident to a South African resident. SARB will generally not permit an interest rate exceeding the local prime bank overdraft rate for loans by non-resident shareholders to their local subsidiaries but may allow an interest rate of up to 3% above the prime rate for loans by other non-residents
- Payment of management, services and other fees by a resident to a non-resident. The criterion used to assess these payments is whether they are "arm's length"
- Payment of royalties, licence and similar fees to non-residents for the right to use know-how, patents, trademarks, copyright or other intellectual property
- Approval will generally be given for royalties of 2% to 4% of turnover for manufactured goods and 2% to 6% of turnover for capital goods
- The sale of South African intellectual property to a non-resident

## TAXATION

Income tax (including capital gains tax) is levied on the worldwide income of South African residents subject to certain exemptions. Non-residents are however only taxed on their South African sourced income. There is no provision for group taxation.

The standard corporate tax rate is 28% for resident companies, close corporations and external companies. As dividends are subject to a withholding tax on dividends at the rate of 15% (reduced where appropriate by a double tax agreement), foreign investors may prefer operating through external companies. Special rules apply for gold mining companies, long-term insurance companies, small business corporations and micro businesses. Individuals pay tax on a sliding scale with a maximum rate of 41%. Trusts pay tax at 41% of income retained and not awarded to beneficiaries.

Foreign dividends paid to residents may be subject to income tax at a maximum effective rate of 15%.

There is a withholding tax of 15% of gross royalty payments to non-residents although double tax treaties may provide relief in appropriate cases.

A 15% withholding tax on interest paid to non-residents became effective on 1 March 2015 subject to certain exemptions (including Government debt and listed debt interests) and relief under a relevant double tax agreement.

A 15% withholding tax will also be levied on service fees paid to non-residents, with effect from 1 January 2017, but only where such fees are derived from a South African source.

Value added tax is levied at 14% (certain exemptions and zero ratings apply).

Capital gains tax is levied at an effective rate of 18.7% for all companies. Non-residents are usually not liable for this tax.

There are a number of other specific taxes and duties including donations tax (20%), estate duty (20%), transfer duty on the transfer of immovable property (unless subject to VAT), securities transfer tax and a skills development levy.

There are various capital allowances and deductions as well as rules regulating transfer pricing and thin capitalisation.

South Africa has double taxation agreements with more than 70 countries including the Netherlands, Canada, India, Indonesia, Iran, Italy, Japan, Kenya, Malawi, the Peoples Republic of China, Singapore, Taiwan, Tunisia, Uganda, Zambia, Ireland, Pakistan, Russia, Sweden, Norway, United Kingdom, Germany, USA, Korea, Israel, France, Lesotho, Botswana, Mauritius, Namibia, and Zimbabwe. There are also thirteen tax information and exchange agreements in force, with more to follow, especially

with low-tax or no-tax jurisdictions. South Africa is also a signatory to the Multilateral Convention on Mutual Assistance on Tax Matters.

## REGULATORY ENVIRONMENT

The Competition Commission, Competition Tribunal and Competition Appeal Court deal with merger control, restrictive business practices and abuses and price discrimination by dominant firms. Several cartels have been successfully prosecuted by the Competition Commission with the imposition of severe financial penalties. The Commission has a cartel leniency policy and has published penalty guidelines for public comment. An amendment to the Competition Act provides for the criminalisation of cartel conduct but has not yet taken effect.

The Takeover Regulation Panel regulates acquisitions and takeovers of all public companies, state owned companies and certain private companies. The Companies Act sets out the fiduciary duties of directors, corporate governance rules, mergers, amalgamations, public offers, schemes of arrangement, significant protections for minority shareholders and “business rescue” (similar to the USA’s Chapter 11).

The JSE Limited is the largest securities exchange in Africa and has regulations governing companies listed on it. The Financial Services Board supervises the activities of financial institutions and financial service providers. Banks are regulated by the Registrar of Banks. Telecommunications, broadcasting, medical schemes, short and long term insurance, pension funds, medicines and pharmaceuticals, gambling and lotteries are regulated under separate legislation and regulators. There is also environmental legislation which imposes personal liability on directors of contravening firms in certain circumstances.

The Consumer Protection Act and National Consumer Commission provides significant protection for consumers (defined as individuals and entities with turnover or assets under R2 million) and franchisees. The National Credit Act also protects consumers by regulating the extension of credit and enforcement of debts in certain circumstances. The Promotion of Access to Information Act allows access to Government and private firm information in certain circumstances. Personal data protection legislation is currently before Parliament.

There are strict anti-corruption laws as well as “know your client” information gathering requirements under the Financial Intelligence Centre Act which established the Financial Intelligence Centre to help combat money-laundering.

## INTELLECTUAL PROPERTY

Protection is provided by statute and common law for patents, trademarks, copyright, designs and other intellectual property. There are public registries for trademarks, designs and patents and South Africa is a signatory to the Berne and Paris Conventions and the Patent Cooperation Treaty and is a member of the World Intellectual Property Organisation (WIPO). The Department of Trade and Industry issued a draft national policy on intellectual property for public comment in September 2013 which includes suggestions for strengthening

patentability criteria, allowing patents to be opposed before they are granted and recommending a patent examination system. The Government has also proposed changes to protect South Africa’s traditional and indigenous knowledge.

## TARIFFS AND TRADE

Exports mainly comprise gold, diamonds, platinum, other metals and minerals, machinery and equipment and certain agricultural products. Imports mainly comprise machinery and equipment, chemicals, petroleum products, scientific instruments and certain foodstuffs. China is currently South Africa’s largest individual trading partner (for both imports and exports) although the member states of the European Union together are a larger trading partner than China. Other major export partners are Japan, Germany, UK, USA and the Netherlands. Other major import partners are Germany, USA, UK, Japan and Saudi Arabia (oil).

Import tariffs and direct controls such as import permits exist. There is free and virtually unimpeded exchange of goods between member states of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland).

South Africa has concluded a trade agreement with the European Union (EU) for a Free Trade Area (FTA) between South Africa and the EU. The EU concluded negotiations on an Economic Partnership Agreement (EPA) on 15 July 2014 with the Southern African Development Community (SADC) EPA Group comprising Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland.

A tripartite FTA between SADC, the East African Community and the Common Market for Eastern and Southern African (COMESA) has been launched to lower trade barriers and establish a FTA which would stretch from South Africa to Egypt.

South Africa has benefited from the USA’s African Growth and Opportunity Act (AGOA) which allows certain South African products to enter the USA duty free (it is currently unclear whether AGOA will be extended by the USA after its review in 2015). An agreement has been concluded between the members of the SADC (South Africa, Angola, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe) providing for the liberalisation of trade and lowering of tariff barriers with the ultimate establishment of a FTA.

## INVESTMENT INCENTIVES

There are Government programs to support research and development, black owned and small/medium sized businesses, export market research, trade missions and other export marketing initiatives, feasibility studies, manufacturing projects and certain industry specific incentives (eg in the motor manufacturing, tourism and film industries).

South Africa has implemented a “headquarter company” regime to incentivise firms to use South Africa to hold investments in other African countries (or elsewhere). There are certain relatively complicated requirements to qualify including:

- The company must be incorporated or have its place of

effective management in South Africa in each year

- Each shareholder must hold 10% or more of the equity shares and voting rights in the company (ie the maximum number of shareholders is 10)
- In each year 80% or more of the cost of the total assets of the company must be attributable to an interest in equity and/or a loan to a foreign company in which the headquarter company has at least 10% of the equity and voting rights and/or intellectual property that is licensed to such a foreign company
- In any year and if the gross income exceeds R5 million, at least 50% of the gross income of the company must comprise rental, dividends, interest, royalty or a service fee payable by such foreign company or comprise the proceeds from a disposal of an interest therein

The headquarter company will be subject to tax on its worldwide income (like other South African residents) but its shareholders will not be subject to dividends tax on any dividend declared by it. Dividends paid by the company to its shareholders will be exempt from income tax in their hands. Similarly dividends received by the headquarter company are exempt from tax where it holds at least 10% of the equity and voting rights in the foreign company. The withholding tax on interest, which applies from 1 July 2013, will also not apply to interest paid by a headquarter company to a non-resident lender.

Transfer pricing and thin capitalisation rules do not apply to:

- Loans by the headquarter company to investees (if it holds at least 10% of the equity and voting rights in the investee)
- Loans from non-residents that are on-lent by the headquarter company to such investees
- Intellectual property licensed to the headquarter company and licensed by it to such investees
- Interest on loans and royalties on intellectual property licensed from a non-resident may be deducted by the headquarter company to the extent that it earns interest and royalties respectively from a non-resident company in which it has at least a 10% shareholding/voting rights

Other benefits include an exemption from capital gains tax on sales of shares held by the headquarter company, as well as shares in the headquarter company.

If a South African incorporated company is used as a headquarter company, the company may also be registered with the exchange control authorities as a headquarter company under the exchange control rules (which are very similar to the tax rules) and such registration will result in exemption of the headquarter company from the exchange control rules.

The headquarter company will have to make an annual election to be a headquarter company for tax purposes and must also submit an annual report (which will not be onerous or lengthy) to the Treasury.

Industrial Development Zones have been established at the ports of East London and Coega (near Port Elizabeth) in the Eastern Cape Province and Richards Bay in KwaZulu Natal. Zones have been proclaimed at OR Tambo International Airport in Johannesburg and the port of Saldanha north of Cape Town in the Western Cape. The Government has prepared legislation for special economic zones to provide a coordinated legal

framework for the zones and which will have various incentives for firms to establish themselves in the zones.

Financing at reduced interest rates may be obtained from the State owned Industrial Development Corporation (IDC). Financing and other assistance is also available to small and medium sized businesses from the State owned Khula Enterprise Finance and Small Enterprise Development Agency. South Africa has been admitted to the European Community Investment Partner program. Projects may also obtain financing from the Development Bank of Southern Africa. Various foreign funders and donors including the World Bank, International Finance Corporation (IFC), Commonwealth Development Corporation and USAID have a presence in South Africa.

## LEGAL SYSTEM

The legal system is based on Roman Dutch common law with important influences from English law. The Constitution is the supreme law and entrenches basic freedoms, human rights and the independence of the judiciary. The court system comprises lower Magistrates Courts and the High Courts. Administrative decisions may be reviewed by the courts. Constitutional matters are dealt with by the Constitutional Court which is empowered to strike down legislation which conflicts with the Constitution. Appeals on non-constitutional matters are heard by the Supreme Court of Appeal in Bloemfontein. Foreign judgements and arbitral awards may be enforced in South Africa.

South Africa has signed the New York Convention and (although its 1965 Arbitration Act needs reform) arbitration has become popular especially for commercial disputes. A local independent body, the Arbitration Foundation of Southern Africa (AFSA), has established a good reputation and track record. AFSA has also been involved in the establishment of Africa ADR, an alternative dispute resolution body for African commercial disputes which provides a cheaper local alternative to arbitrations outside Africa under for example the rules of the International Chamber of Commerce (ICC) and London Court of International Arbitration (LCIA). A new International Arbitration Act is pending which is intended to establish South Africa as an African dispute resolution forum. An arbitration centre for the resolution of African disputes involving Chinese investors has been established in Johannesburg.

## MEMBERSHIP OF INTERNATIONAL AND REGIONAL ORGANISATIONS

South Africa is a member of the Southern African Customs Union (SACU), Common Monetary Area (CMA), Southern African Development Community (SADC), World Bank, International Monetary Fund (IMF), African Union (AU) and its New Partnership for African Development (NEPAD) program, the United Nations and its agencies, the World Trade Organisation (WTO), the British Commonwealth, the G20, IBSA (India, Brazil and South Africa) and BRICS (Brazil, Russia, India, China and South Africa).

## LABOUR RELATIONS

There are several statutes regulating labour relations, basic

conditions of employment and occupational health and safety and protecting the rights of employees. The Employment Equity Act promotes affirmative action for black people, women of all races and people with disabilities. Employers pay skills levies (equal to a percentage of the value of their payrolls) under the Skills Development Levies Act. A Commission for Conciliation, Mediation and Arbitration (CCMA), Labour Court and Labour Appeal Court deals with labour disputes. Expatriates require work permits.