



**DLA CLIFFE DEKKER
HOFMEYR**

EMPLOYMENT

ALERT

AUGUST 2014

MINISTER OF HOME
AFFAIRS ANNOUNCES
FINANCIAL OR CAPITAL
CONTRIBUTION FOR
BUSINESS

2013

1st in M&A Deal Flow,
1st in M&A Deal Value,
1st in Unlisted Deals - Deal Flow.

2012

1st in M&A Deal Flow,
1st in General Corporate Finance Deal Flow,
1st in General Corporate Finance Deal Value,
1st in Unlisted Deals - Deal Flow.

2011

1st in M&A Deal Flow,
1st in M&A Deal Value,
1st in General Corporate Finance Deal Flow,
Legal Advisor - Deal of the Year.

DealMakers

**HIGHEST
RANKING
OF CLIENT
SATISFACTION
AMONGST
AFRICAN
FIRMS 2013**

Legal Week

**VOTED
NO.1 LAW
FIRM FOR
CLIENT
SERVICE
EXCELLENCE
FOUR YEARS
IN A ROW**

pmi
africa

MINISTER OF HOME AFFAIRS ANNOUNCES FINANCIAL OR CAPITAL CONTRIBUTION FOR BUSINESS

A foreign national who intends establishing a business or investing in a business that is established within the Republic of South Africa will need to obtain a certificate from an accredited chartered accountant which verifies that an amount prescribed by the Minister of Home Affairs (Minister) is available. On 15 July 2014, the Minister announced the financial or capital contribution to be a minimum of R5 000 000,00.

A foreign national who intends establishing or investing in such a business will be eligible to apply for a business visa or permanent residence permit, provided that the foreign national is able to demonstrate possession of at least R5 000 000,00. In addition, a foreign national who is successful in obtaining a business visa will need to ensure that they employ or prove that at least 60% of the business' total staff compliment are South African citizens or permanent residents.

We also note that under the new regulations, no business visa will be issued or renewed to a foreigner who intends to establish or invest in a business that is listed as an 'undesirable' business undertaking.

The Minister is yet to publish a list of such business undertakings that are considered to be 'undesirable'.

Therefore, foreign nationals who intend establishing a business or investing in a business that is established within the Republic of South Africa will need to show possession of at least R5 000 000,00 and any foreign national who is successful in obtaining a business visa will need to prove that at least 60% of the business's staff are South African citizens or permanent residents.

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