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Company formation in South Africa

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Flag



Coat of arms

Common form	Private company ((Pty) Ltd) [1]
Registry	Companies and Intellectual Property Commission (CIPC) [1]
Minimum capital	None [1]
Directors	1 director [1]
Local director	Not required [1]
Corporate tax	27% [2]
VAT / sales tax	15% [2]
Typical timeline	Often 1–5 working days online [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	South African rand (ZAR)

In short: To set up a company in South Africa, most founders form a private company, registered with the Companies and Intellectual Property Commission (CIPC). [1] Minimum capital: none. Corporate tax: 27%. Registration: often 1–5 working days online (as of November 2026).

A **private company ((Pty) Ltd)** in **South Africa** is registered online with the **Companies and Intellectual Property Commission (CIPC)**, usually within a few working days. Companies must file beneficial ownership information with the CIPC.

Business structures

Most founders in South Africa form a private company, registered with the Companies and Intellectual Property Commission (CIPC). [1] Other forms are listed below.

- **Private company ((Pty) Ltd)** – the usual choice
- **Public company (Ltd)** – for larger or listed businesses
- **Non-profit company (NPC)** – for non-profit purposes
- **Sole proprietorship** – no separate entity

Requirements

Minimum share capital in South Africa (2026): none. Directors required: 1 director. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: none.
- Directors: 1 director.
- Local residency: not required.
- A registered office address in South Africa.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the beneficial ownership register filed with the CIPC.

Registration process

Typical time to register a company in South Africa (2026): often 1–5 working days online. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the Companies and Intellectual Property Commission (CIPC).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the South African Revenue Service (SARS).

Taxation

The corporate tax rate in South Africa in 2026 is 27%. [2] Standard VAT or sales tax: 15%. [2]

Tax	Rate and notes
Corporate income tax	27%
VAT / indirect tax	15%
Withholding tax on dividends to non-resident companies	20%

Ongoing compliance

Annual compliance in South Africa: Companies file an annual return with the CIPC, an income tax return with SARS, and VAT returns if registered. [1]

Double tax treaties

South Africa has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
20%	15%	15%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for South Africa lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in South Africa?

Typical registration time in South Africa: often 1–5 working days online (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in South Africa?

Minimum share capital in South Africa: none (as of November 2026).

What is the corporate tax rate in South Africa in 2026?

The corporate tax rate in South Africa in 2026 is 27%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in South Africa?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in South Africa: not required.

What withholding tax applies to dividends paid from South Africa?

South Africa withholds 20% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Companies and Intellectual Property Commission (CIPC)
- South African Revenue Service (SARS)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Mauritius

- Company formation in Angola
- Company formation in Botswana
- Company formation in Cabo Verde
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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