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CHARTERED INSTITUTE FOR
BUSINESS ACCOUNTANTS NPC



Guide for Immigration Accountants

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About CIBA

The Chartered Institute for Business Accountants NPC
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CIBA is a Professional Accountancy Organisation for bookkeepers, financial administrators, accountants, financial managers, chief financial officers, accounting officers, tax practitioners, and independent reviewers providing accountancy services to the public for a fee.

CIBA is statutorily recognised to perform a public service in terms of the following empowering legislation:

- Recognised Professional Body and Registered Professional Designations: National Qualifications Framework Act 67 of 2008
- Recognised Controlling Body for Tax Practitioners: Section 240A of the Tax Administration Act
- Professional Accountancy Organisation for Assurance and Non-assurance Providers: Regulation 29(4) of the Companies Act, 2008 and Section 60(2) of the Close Corporations Act, 1984.

For further information on this guide, please email: technical@ciba.org.

The mission of the Chartered Institute for Business Accountants NPC (CIBA) is to serve the public interest, strengthen the accountancy profession in Southern Africa and contribute to the development of a strong regional economy by establishing and promoting adherence to high-quality professional standards, furthering cooperation on such standards and speaking out on public interest issues where the profession's expertise is most relevant. This will enable CIBA to deliver trusted advisors to Southern African small business and support staff to big business.

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1. Glossary

CIBA	Chartered Institute for Business Accountants
AUP	Agreed Upon Procedures
CIPC	Companies and Intellectual Properties Commission
BAP(SA)s	Business Accountants in Practice
DTI	Department of Trade and Industry
Immigration Act	Immigration Act, No. 13 of 2002
ISRS4400	International Standard on Related Services 4400
SAQA	South African Qualifications Authority

2. Introduction

This guide is intended for Chartered Institute of Business Accountants (CIBA) Business Accountants in Practice (BAP(SA)s) seeking to issue certificates in accordance with agreed-upon procedure engagements related to business visa or permanent residence permit applications. BAP(SA)s who are registered with CIBA and hold a valid Immigration Accountant License are authorised to carry out these engagements and issue the requisite certificates mandated by the Immigration Act, No. 13 of 2002 (Immigration Act).

The Immigration Act and its accompanying Regulations, as revised in 2018, stipulate that all business visa and permanent residence permit applications must be accompanied by either a certificate or a factual finding report. Furthermore, the Regulations explicitly designate BAP(SA) as the qualified professionals entrusted with providing such certificates.

In conducting these engagements and generating corresponding reports, accountants are expected to adhere to the stipulations of the International Standard on Related Services 4400 (ISRS 4400). While the procedures undertaken share certain similarities with audit processes, it's important to emphasise that an agreed-upon procedure report does not constitute an assurance report.

This guide is designed to assist BAP(SA)s in of applying ISRS 4400 for these engagements. Although the standard primarily focuses on financial information, it may also offer valuable guidance for verifying non-financial information, contingent on the BAP(SA)'s familiarity with the subject matter under consideration and reasonable criteria upon which findings can be based.

Furthermore, only BAP(SA) designation holders who completed the Immigration Accountant License of CIBA can perform these engagements and sign an agreed upon procedures or factual findings report.

3. Business visa applications

3.1. Business Visa Eligibility

Section 15(1) of the Immigration Act outlines the criteria for foreign individuals seeking to establish or invest in a business in South Africa to obtain a business visa. To qualify for a business visa, applicants must fulfil the following conditions:

Minimum Investment

- A minimum investment of R5 million in a South African business, with the investment capital originating from abroad. This investment can be included in the overall book value of the intended business, but it must be in the form of new machinery and/or equipment.
- The Department of Trade and Industry (DTI) periodically establishes and revises this investment threshold.
- Capital contribution requirements may be reduced or waived in specific cases, especially when a business is deemed to be in the national interest or upon a request to the DTI.

Certificate Issued by a Qualified Accountant

A certificate issued by a BAP(SA) (registered accountant) confirming compliance with the provisions of the Immigration Act. This compliance certificate issued by the accountant must be renewed every 24 months.

Proof of Registration or Commitment to Register

- The applicant must comply with or commit to comply with any relevant registration requirements as stipulated by laws administered by the South African Revenue Service (SARS).
- Proof of registration with the following entities:
 - South African Revenue Service
 - Unemployment Insurance Fund
 - Compensation Fund for Occupational Injuries and Diseases
 - Companies and Intellectual Properties Commission (CIPC), if legally required
 - The relevant professional body, board, or council recognized by SAQA (South African Qualifications Authority), if applicable.

Additional Requirements

- Proof that at least 60% of the total workforce employed in the business consists of South African citizens or permanent residents in permanent positions.
- A police clearance certificate.
- A letter of recommendation from the Department of Trade and Industry, confirming:
 - The viability of the business.
 - The positive impact of the business on the national interest of the Republic.
- For existing businesses, the following must be submitted:
 - Financial statements for the previous financial year.
 - Proof of investment made in the business. Section 15(1) of the Immigration Act outlines the criteria for foreign individuals interested in establishing or investing in a business in South Africa to obtain a business visa.

3.2. Certification requirements for business visa

The Immigration Regulations expands on the requirements for a certificate from the accountant. Business Accountants in Practice (BAP(SA)) who are registered with CIBA and hold an immigration accountant license are authorised to issue this certificate based on an agreed upon procedures report in line with ISRS4400.

The Immigration Regulations distinguish requirements for two different scenarios:

- **Requirements when a business is not yet established in South Africa**

When a business that hasn't been established yet the certificate should confirm that there are sufficient funds available, either in cash or a combination of cash and capital, to invest in the business.

- **Requirements for established or existing business in South Africa**

When a business has already been established the certificate should confirm that the minimum required amount, either in cash or a combination of cash and capital contribution, has been invested in the business or is available for investment.

The certificate issued by the accountant should confirm that:

- At least the amount (R5 million) to be invested in South Africa is available in cash; or
- At least an amount (R5 million) in cash and a capital contribution is available or already invested.
The capital contribution must be in the form of new machinery and/or equipment.

4. Permanent residence applications

4.1. Eligibility criteria for permanent residence permit

Section 27 of the Immigration Act sets out the requirements for foreign individuals interested in establishing or investing in a business in South Africa to obtain a business visa. The following requirements must be met before the permit is issued:

Offer for Permanent Employment

The applicant must have an offer for permanent employment in South Africa.

Original Job Advertisement Clipping

- Provide an original job advertisement, not older than four months at the time of application, from national printed media that:
 - Clearly identifies the relevant newspaper or magazine and the publication date.
 - Specifies the minimum qualifications and experience required for the position.
 - Clearly defines the position offered and its responsibilities.
 - Measures at least 60 millimetres by 60 millimetres.
 - States the closing date for applications.
 - The offer should include a market-related salary and benefits, certified by the Department of Labour.
 - Demonstration of Extraordinary Skills
- Demonstrate extraordinary skills or qualifications as specified in the Critical Skills List published in the Gazette.

Certificate from Professional Body

Provide a certificate from a professional body, council, or board recognised by the South African Qualifications Authority (SAQA), such as CIBA, where applicable.

Proof of Registration or Commitment to Register

If the applicant has established or plans to establish a business, provide proof of registration with the following entities, as required:

- South African Revenue Service
- Unemployment Insurance Fund
- Compensation Fund for Occupational Injuries and Diseases
- Companies and Intellectual Properties Commission (CIPC), if legally required
- The relevant professional body, board, or council recognized by SAQA (South African Qualifications Authority), if applicable.

Additional Requirements

- Provide proof that at least 60% of the total workforce employed in the business consists of South African citizens or permanent residents in permanent positions.
- A police clearance certificate.

- A letter of recommendation from the Department of Trade and Industry, confirming:
 - The viability of the business.
 - The positive impact of the business on the national interest of the Republic.
 - For existing businesses, submit the following:
 - Financial statements for the previous financial year.
 - Proof of investment made in the business.

Certificate Issued by a Qualified Accountant

When the applicant intends to establish a business in the Republic, the financial contribution to be part of the intended book value must be certified by a qualified accountant to ensure compliance with the provisions of the Immigration Act. Section 27 of the Immigration Act outlines the criteria for foreign individuals interested in establishing or investing in a business in South Africa to obtain a business visa. The following requirements which need to be met before the permit is issued are listed below.

4.2. Certification requirements for permanent residence application

In line with paragraph 24.4 of the Immigration Regulations, the qualifying accountant plays a crucial role in issuing a certificate when an individual applies for a permanent residence permit. Specifically, Business Accountants in Practice (BAP(SA)) registered with the Chartered Institute of Business Accountants (CIBA) and hold an immigration accountant license are authorised to issue this certificate in accordance with the Regulations.

The Regulations established under the Immigration Act outline comprehensive content requirements for the certificate or factual findings report. The accountant's certificate or factual findings report must confirm the following:

- Availability of at least R5 million in cash for investment in South Africa.
- Availability of at least R5 million in cash, along with an accessible or already invested capital contribution in new machinery and/or equipment.

The certificate should validate that the applicant plans to establish a business in South Africa, and is willing to invest the prescribed financial contribution, as determined by a qualified accountant, to be a part of the intended book value.

5. The agreed upon procedures engagement

5.1. Performing the engagement

The factual findings report is the product of an agreed-upon procedures engagement which is performed following ISRS 4400. The objective of the engagement is to carry out specific agreed procedures and issue a report on the findings.

The following steps are followed in the engagement:

1. Agree on the scope of the engagement with the client and sign the engagement letter;
2. Plan the engagement and the procedures to be performed;
3. Perform the procedures and obtain evidence;
4. Issue the factual findings report/certificate as required.

There is no assurance expressed in the factual findings of agreed-upon procedures. However, it provides conclusions and findings that enable users to draw their own conclusions from the BAP(SA)'s work.

The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.

5.2. Principles underlying the engagement

The agreed-upon procedures engagement should comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code). Ethical principles governing the BAP(SA)'s professional responsibilities for this type of engagement are:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour
- Technical standards and
- Independence.

Independence is not normally a requirement for agreed-upon procedures engagements. However, a BAP(SA) registered with CIBA should comply with the independence requirements of the IESBA Code. Where the BAP(SA) is not independent, a statement would be made in the report.

The BAP(SA) should comply with the International Standards of Quality Management (ISQM1) when performing agreed-upon procedures engagements. This means that accountants should be aware of and systematically manage risks associated with the engagements, ensuring that their work is performed by competent professionals and maintaining a strong focus on professional ethics and independence.

Professional scepticism is very important to keep in mind when looking at the evidence provided by the applicant. Often when dealing with a document, confirmations, and bank statements from foreign

countries, we are not familiar with the procedures followed and the formats we are looking at. The reliability of evidence needs to be carefully examined and confirmed.

5.3. Defining the Terms of the Engagement

Before commencing any engagement, it is essential to establish clear terms with the party or parties receiving the report. These terms are documented in an engagement letter to ensure a mutual understanding of the procedures and conditions of the engagement.

The matters agreed upon in the engagement letter include:

- Nature of the engagement, clarifying that the procedures conducted are not an audit or review and therefore do not provide assurance.
- Purpose and intended users specifying the purpose of the engagement and identifies the intended recipients of the report.
- The financial information subject to the agreed-upon procedures.
- List of the specific procedures, detailing their nature, timing, and extent.
- Description and format of the factual findings report.
- Any restrictions on the report's distribution. Engagements conflicting with legal requirements may lead to a refusal.

The engagement letter serves as confirmation of the Business Accountant in Practice (BAP(SA)) accepting the appointment. It helps prevent misunderstandings regarding the engagement's objectives, scope, the BAP(SA)'s responsibilities, and the report format.

An example of an engagement letter is included in Annexure 1. This letter is not intended to be a standard letter. It should be customised to meet the specific requirements and circumstances of each engagement.

5.4. Planning

Understanding the risks relating to engagements and designing appropriate procedures is essential. Even though this is not an assurance engagement, the practitioners have responsibility to make sure that risks are addressed by the procedures performed. Table 1 below summarises the possible risks and the procedures which relate to them.

The objective of the engagement is to confirm that the relevant cash and a capital contribution are available or already invested. Table 1. lists some of the possible risks and the relevant procedures which can be performed to minimise them.

Table 1. Risks and procedures

Possible risks	Procedures
The applicant does not have the funds in his/her name	Obtain documents, and confirmations directly from third parties
Dealing with documents and processes of a foreign country	Research the formats/logo's from banks and compare the formats to the documents received. Obtain original documents rather than copies.

Possible risks	Procedures
	Request confirmations directly from a third party.
Funds are not invested in the business as stipulated	<p>Confirm information i.e. share certificates</p> <p>Obtain financial statements, contracts, deeds of purchase directly from the accountant of the applicant.</p> <p>Confirm that the accountant is a member of a recognised professional body.</p>
Complex ownership structures set up which are confusing	Gain appropriate understanding of the structures and their purpose
The established business show assets at an incorrect value	Obtain valuation certificates for fixed assets
	Physically inspect business premises and verify the existence and condition of fixed assets.
	For properties obtain the deed of purchase and confirm ownership via Windeed.

5.5. Documents to obtain

These documents and pieces of information are essential for accountants to conduct the necessary agreed-upon procedures and prepare the factual findings report required for immigration-related applications in South Africa. It's important to customise the document checklist based on the specific circumstances of each client and the type of application being submitted. Additionally, maintaining clear communication with the client throughout the process is crucial to ensure the accuracy and completeness of the documentation.

When the applicant has already established a business in South Africa:

1. Signed visa application form.
2. Information about the business in South Africa, including the business name, nature of the business, registration number(s), and details of directors/partners/owners.
3. Original or certified true copy of the company's registration documents, including the registration certificate.
4. Original or certified true copies of the audited financial statements for the preceding year.
5. Certified true copy of the tax return filed in terms of those financial statements.
6. Details of bank accounts, including account names, types, branch numbers, and account numbers.
7. Confirmation of the legal owner of the bank account(s).
8. Written Authorisation (if applicable) for the accountant to receive bank statements directly from the bank(s).
9. Bank Statements:
 - Bank statements for the business entity/individual for at least the preceding three financial years.
 - Bank statements for the last month preceding the visa application.
10. Bank confirmation certificates directly from the relevant bank(s) for the cash on deposit.
11. Tax clearance certificate obtained from the appointed auditor or accountants of the company.
12. Certified true copy valuation of the company's net assets/property from a registered valuer registered with a recognised professional body.
13. Certified signed copy/(s) of the contract/(s) relevant to the purchase of the capital contribution.
14. Machinery and Equipment Details (if applicable):

- List of machinery and equipment provided for investment in a business in South Africa (fixed asset register).
 - Descriptive details of the circumstances surrounding the purchase of the machinery and equipment, including ownership and physical location.
15. Any other information or circumstances related to the cash or capital contribution that may affect the application, including matters related to existence, ownership, rights, obligations, completeness, and value.
 16. Towards the end of the engagement, request a written representation from the applicant including relevant details as per Annexure 2.

When the applicant intends to establish a business in South Africa:

1. Signed visa application form
2. Details of bank accounts, including account names, types, branch numbers, and account numbers.
3. Confirmation of the legal owner of the bank account(s).
4. Written Authorization (if applicable) for the accountant to receive bank statements directly from the bank(s).
5. Bank Statements:
 - Bank statements for the business entity/individual for at least the preceding three financial years.
 - Bank statements for the last month preceding the visa application.
6. Bank confirmation certificates directly from the relevant bank(s) for the cash on deposit.
7. Towards the end of the engagement, request a written representation from the applicant including relevant details as per Annexure 2.

5.6. Performing the procedures

The BAP(SA) should perform the procedures listed in the engagement letter (refer to Annexure 1.).

Documented work and collected evidence should support the factual findings report and the engagement carried out per the ISRS4400.

The BAP(SA) should carry out the agreed-upon procedures and use the evidence obtained to report factual findings. The procedures applied in the engagement may include the following:

- Inquiry and analysis
- Recomputation, comparison and other clerical accuracy checks
- Observation, and
- Inspection.

Management representations as evidence

Management representations are crucial pieces of evidence in various types of engagements. Much like auditors, practitioners in an Agreed-Up On Procedures (AUP) engagement often have limited access to the inner workings of a company. Management representations provide additional evidence by directly involving those with intimate knowledge of the company's operations.

How does it work?

An AUP engagement is like solving a jigsaw puzzle without having all the pieces.

To issue a factual findings report, practitioners must ensure the accuracy of certain aspects. The following steps outline how representations can encompass all relevant statements.

Step 1. Identify the facts that need to be confirmed

To get the right answer, you need to ask relevant questions relating to the objectives of the engagement. Formulate the representation statements so it covers key risks and areas where you need further evidence.

Step 2. Obtain confirmations

Like in the puzzle, when you're unsure about a piece, you might ask someone who knows more. That's where management representations come in. It's like asking the company manager, "Is this piece of the puzzle accurate?" They tell us, "Yes, it's correct," or "No, we made a mistake."

Step 3. Trust but verify

Sometimes, there are laws and rules companies must follow when they do their financial reports. Think of these like the rules of a game. Managers need to say, "We played by the rules," and practitioners need to check if they did. Management representations help us see if the company followed the rules and didn't break any.

Step 4. Confidence in the results

Imagine completing the puzzle with some help from others. If you're confident that every piece you used is correct, you'll feel good about the final picture. In the same way, when auditors have management representations that say everything is okay, it gives them more confidence that the financial information they're checking is reliable.

In summary, management representations are like getting assurances and directions from the client confirming that they believe everything is in order. It's like having a trusted guide to complete the financial puzzle accurately. In an AUP engagement representations assume a pivotal role in focusing the work performed, aligning with regulatory requirements, mitigating information disparities, and ultimately enhancing the reliability and credibility of the audit findings.

Annexure 2 includes basic facts to be confirmed, but it should be customised where necessary to include all relevant facts.

5.7. Documentation and supporting evidence

All procedures conducted must be meticulously documented on working papers and retained in the records. Information in these working papers should be substantiated by reliable evidence capable of withstanding scrutiny. This evidence should be pertinent to the subject of investigation, consistent with the drawn conclusions, dependable, and durable over time.

All procedures performed should be documented on working papers and kept on file. Facts on the working papers should be supported by evidence that is reliable and will stand up to scrutiny. It should be relevant to what is investigated, and consistent with the conclusions drawn. It should also be dependable and stand the test of time.

5.8. Reporting

The report on an agreed-upon procedures engagement describes the purpose of the engagement and the agreed-upon procedures in sufficient detail to enable the reader to understand the nature and the extent of the work performed. The report of factual findings should contain:

- Title
- Addressee (ordinarily the client who engaged the BAP(SA) to perform the agreed-upon procedures)
- Identification of specific financial or non-financial information to which the agreed-upon procedures have been applied
- A statement that the procedures performed were those agreed upon with the recipient
- A statement that the engagement was performed in line with the International Standard on Related Services applicable to agreed-upon procedures engagements or with relevant national standards or practices
- When relevant, a statement that the BAP(SA) is not independent of the entity
- Identification of the purpose for which the agreed-upon procedures were performed
- The specific procedures performed
- Factual findings, including sufficient details of errors and exceptions found
- A statement that the procedures performed do not constitute an audit or a review and, as such, no assurance is expressed
- A statement that had the BAP(SA) performed additional procedures, an audit or a review, other matters might have come to light that would have been reported
- A statement that the report is restricted to those parties that have agreed to the procedures to be performed
- A statement (when applicable) that the report relates only to the elements, accounts, items or financial and non-financial information specified and does not extend to the entity's financial statements taken as a whole
- Date of the report
- BAP(SA)'s address and signature.

Annexure 3 contains a template report of factual findings for an agreed-upon procedures engagement.

6. Conclusion

This guide is an invaluable resource for CIBA-affiliated Business Accountants in Practice (BAP(SA)s) holding an immigration accountant license involved in certifying compliance with immigration regulations for business visa and permanent residence permit applications under the Immigration Act, No. 13 of 2002. It comprehensively covers legislative requirements, evidentiary criteria, and ethical standards, emphasizing adherence to ISRS 4400.

It highlights the importance of ethical principles like integrity and confidentiality, emphasizing the need for clear engagement terms through written letters to prevent misunderstandings. The guide outlines a step-by-step process for conducting agreed-upon procedures engagements, ultimately leading to the issuance of factual findings reports, serving as a basis for users to draw their own conclusions.

In conclusion, this guide empowers BAP(SA)s with the knowledge and guidance to navigate complex immigration regulations, ensuring effective engagements and accurate certificates. It plays a pivotal role in facilitating the smooth processing of visa and permit applications while upholding the highest standards of professional ethics, making it an indispensable resource for practitioners in this field.

7. Resources

The following is a list of documents available to provide more detail:

Title	Link
Immigration Act, 2002, No. 13 of 2002 .	https://www.gov.za/sites/default/files/gcis_document/201409/a13-020.pdf
Draft First Amendment of the Immigration Regulations, 2014 Made Under the Immigration Act	https://www.gov.za/sites/default/files/gcis_document/201811/42071rg10890gon1328.pdf
International Standard on Related Services (ISRS) 4400 (Revised)	https://www.iaasb.org/publications/international-standard-related-services-isrs-4400-revised
Immigration Act: List of undesirable business undertaking in relation to an application for business visa.	https://www.gov.za/sites/default/files/gcis_document/201409/37837gon561.pdf
Financial or capital contribution for business in respect of business visa and permanent residence permit	https://www.gov.za/sites/default/files/gcis_document/201409/37837gon560.pdf
Critical Skills List October 2023	http://www.dha.gov.za/images/PDFs/CriticalSkills_102023.pdf
Guide on the Factual Findings Report of the Chartered Accountant / Professional Accountant to the Applicant on Application for a Business Visa / Permanent Residence Permit in terms of the Immigration Act and Immigration Regulations	https://www.saipa.co.za/wp-content/uploads/2021/09/guide-on-the-immigration-act-and-regulations-final.pdf

Annexure 1. Illustrative Engagement Letter

Take note on how to complete the template:

1. Facts indicated in the square brackets (*[insert name]*) or stated in italics should be customised.
2. Customisation includes deleting guidance and prompts included in this template.

To: *[Name of the Applicant]*
[Address]

[Date of the letter]

Engagement letter for an agreed-upon procedures engagement

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services that we will provide.

You have requested that we perform an agreed upon procedures engagement with respect to your application for a *[business visa in line with Section 15 and Regulation 14(1) (a) / Regulation 14(2) (a) in terms of section 15 of the Immigration Act (as amended) OR permanent residence permit (section 27(c) and regulation 24(5)) in terms of section 27 of the Immigration Act (as amended)]*.

We/I will conduct this engagement in accordance with:

- The International Standard on Related Services 4400 applicable to agreed-upon procedures engagements
- The Code of Ethics issued by the IAESB, and the
- International Standard of Quality Management.

An agreed-upon procedures engagement performed under ISRS 4400 involves performing the procedures agreed with you and communicating the findings in our report. The findings are the factual results of the agreed-upon procedures performed. This engagement is not an assurance engagement and accordingly, we do not express an opinion on an assurance conclusion.

The procedures listed below will be performed solely to assist you in the application for *[a business visa OR a permanent residence permit]*. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed lies with yourself and the Department of Trade and Industry (DTI). Our report is not suitable for another purpose, and the Applicant's representations and application form may also not be suitable for another purpose. A copy of our report may, however, be made available to the Department of Home Affairs as part of the application but is not to be distributed to any other parties.

Agreed-Upon Procedures

We have agreed to perform the following procedures and report to you the factual findings from our work:

1. Obtain and inspect all applicable government notices as required by the Immigration Regulations sections [14(1) (a), 14(2) or 24(5)]. These include the latest Immigration Act, Regulations and Government Notices regarding the minimum amount of cash and/or investment required.

2. Obtain and inspect the signed application for a *[business visa OR permanent residence permit]* submitted by the applicant and confirm that the correct format was used as required by the Department of Trade and Industry (DTI).
3. Obtain the following information directly from the applicant's bank:
 - Minimum 3 months bank statements before the signature date on the signed application form. Bank statements should be stamped by the bank. When obtaining the bank statements directly from the bank is not possible, the applicant may arrange that the information is sent directly to the email we provide.
 - Confirmation that the required amount in cash is not encumbered and is available for immediate transfer, pending compliance with normal transfer requirements as applicable in the circumstances.
4. Confirm that bank account(s) are in the name of the applicant. If this is not the case, confirm that there is appropriate evidence provided by the applicant detailing the circumstances and how the applicant is related to the account.
5. Convert all foreign currency balances into Rands¹ on the date the applicant signed the application for *[a business visa / a permanent residence permit]* or the last date reflected on the bank statements. Spot rate should be used on each specific date.
6. Aggregate the individual foreign currency transfers on the bank statements comprising the investment to calculate the amount received in cash, as reflected in the bank account/(s) concerned. (Delete procedure if not applicable)
7. Inspect the bank statements of the receiving party in South Africa and confirm that all the transferred amounts have been received.
8. In case of capital investment(s) inspect the copy/(ies) of the contract/(s) provided by the applicant and confirm the information as reflected in the relevant paragraph as part of the applicant's representations provided. Purchase prices indicated in foreign currency should be converted using the ruling spot rate on the date when the contract was signed.
9. Inspect the list of machinery and or equipment provided by the Applicant in paragraph [number] of the attached representation letter for the Rand value of such capital contribution. Furthermore, where any purchase prices are indicated in foreign currency, convert the foreign currency amount at the indicated date of the transaction to a Rand value, using the spot rate on that date. Aggregate these amounts to arrive at the total.
10. Inquire from the applicant whether the machinery and or equipment forming part of the capital contribution is available for physical inspection by the DTI or its authorised representative/(s), as may be arranged with the applicant or the owner or other relevant parties.

Written Representations

As part of our engagement process, we will request that you provide us with the required written representations in connection with the engagement. These representations will accompany our factual findings report for submission to you and the DTI, together with the signed application form. Where you cannot affirm a specific statement/(s), this may result in us being unable to continue with the engagement. In such circumstances, we may determine that it is appropriate to withdraw from the engagement and consider informing the DTI of the circumstances.

¹ Delete procedure if not applicable

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus reimbursive expenses when necessary. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the terms of the engagement including the specific procedures which we have agreed will be performed.

Agreement of Terms

We look forward to your full cooperation and we trust that you will make available to us whatever records, documentation and other information requested in connection with our engagement.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the terms of the engagement including the specific procedures which we have agreed will be performed.

Acknowledged by:

[Name and title of the Applicant]

[Date]

Annexure 2. Written representation letter

Take note on how to complete the template:

1. Facts indicated in the square brackets (*[insert name]*) or stated in italics should be customised.
2. The letter already includes basic facts to be confirmed, but it should be customised where necessary to include all relevant facts..
3. Customisation includes deleting guidance and prompts included in this template.

Written Representation provided in connection with an agreed upon procedure engagement

BY:

TO:

DATE:

Representations

This representation letter is provided in connection with my application to the South African Government in respect of [a business visa / a permanent residence permit²] in terms of Regulation [14(1) / 14(2) / 24(5)] 9 of the Immigration Regulations, 2014, issued in terms of the Immigration Act, No. 13 of 2002.

I confirm that to the best of my knowledge and belief, having made such inquiries and obtained such information as I considered necessary for the purpose of appropriately informing myself:

11. Obtain a signed written representation from the applicant, confirming the following:
 - When the bank account is not in the applicant's name, details of circumstances of how the applicant is related to the account should be described.
 - List of new machinery and equipment provided for investment in a business in South Africa
 - Descriptive details of the circumstances surrounding the purchase of the machinery and or equipment, the ownership of such items and their physical location for investment in a business in South Africa.
1. The application for *[a business visa / a permanent residence permit]* is in the format required by the Department of Home Affairs.
2. The application form was completed *[by myself or on my behalf by (name of organisation/representative)]* and *[includes/does not include]* all the information required for application purposes. The application *[was signed by me on [insert date] OR was not signed by me]*.
3. I declare that the information provided in the application and this representation is truthful, complete, and accurate. Furthermore, it does not represent any false, untrue, or fraudulent statements or information.

I *[have established / will establish]* the following business in South Africa:

² Delete whichever is not applicable.

- Name of the business: *[insert information]*
 - Nature of the business: *[insert information]*
 - Registration number(s): *[insert information]*
 - Directors/partners/owners of the business: *[insert information]*
 - Relationship between the applicant and the other directors/partners/owners of the business: *[insert information]*
 - Other necessary information: *[insert information]*
4. As at the date of signature of the application, I *[have available OR have already invested]* an amount in cash of *[indicate currency and amount]* *[for purposes of establishing a business or investing in a business in the Republic of South Africa]*
5. *(Paragraph 6 should be included when a cash investment has not yet been made as per Regulation 14(1) or 24(5))*
 The details of the bank account/(s) where the amount of cash is currently held are as follows:
[Identify the name of the bank/(s), country of the bank/(s), the physical address of the bank/(s) and contact details, the name of the account holder, type of account, branch or similar number, account number].
6. I confirm that I am the legal owner of the bank account/(s).

[OR]

I confirm that the legal owner of the bank account(s) is *[include the name of the account holder]* and the following information is true and correct:

[physical address and

- *contact details,*
- *registration details (if applicable),*
- *relationship to the applicant and*
- *confirmation of a guarantee regarding the availability of the amount in cash for transfer to the applicant or on behalf of/ for the benefit of the applicant.*

Include descriptive details of the circumstances, including how the amount in cash qualifies or will qualify in terms of the applicant's contribution to the establishment of, or investment in a business in South Africa.]

7. I *[declare and undertake / am not able to declare and undertake]* that the amount in cash will remain available in the bank account/(s) as identified above and will not be withdrawn, until such time as the money is transferred to a bank/(s) in South Africa.
8. *[Include this paragraph only when a cash investment was already made by the applicant]*
 The details of the bank account/(s) from where the amount of cash was transferred are as follows:
[Identify the name of the bank/(s), country of the bank/(s), the physical address of the bank/(s) and contact details, the name of the account holder, type of account, branch or similar number, account number].

I am the legal owner of the bank account/(s) identified, above.

[OR]

The legal owner of the bank account/(s) identified in this paragraph is as follows: provide the

name of the account holder, physical address and contact details, registration details (if applicable) and relationship to the applicant. Furthermore, include descriptive details of the circumstances, including how the amount in cash qualifies in terms of the applicant having established or invested in a business in South Africa.

9. *[Include this paragraph only when a cash investment was already made by the applicant]*
The details of the bank account/(s) where the amount in cash was transferred to in the South Africa are as follows: *[Identify the name of the bank/(s) in South Africa, the physical address of the bank/(s) and contact details, the name of the account holder, type of account, branch or similar number, account number]. [The full amount in cash was transferred on [date] / The amount in cash was transferred in tranches from [date] to [date]].*

10. *[Include this paragraph only when a cash investment was already made by the applicant]*
I *[declare and undertake / am not able to declare and undertake]* that the amount in cash that has already been transferred, as referred to above, *[represents / represents part of]* my investment in a business in the Republic of South Africa and will not be withdrawn and taken out of South Africa, other than in accordance with a legally binding agreement and subject to the rules and regulations of the South African Government.

11. *[Include this paragraph when a written authorisation was provided by the applicant]*
I *[have provided / have not provided]* you with written authorisation for the bank/(s) identified above, including authorisation from the account holder/(s) where I am not the account holder, to provide via email directly to your email address, bank certified copies of the bank statements that provide a transaction trail of the amount in cash concerned and that covers a period of at least three months before the date of signature of the application up to the day before the bank certified copies of the bank statements are dispatched to your email address.

[Include this paragraph if the cash investment is still to be transferred]

Furthermore, I *[have made / have not made]* arrangements that the bank/(s) concerned will specifically confirm to you, in the same email as described above, that the amount in cash is not encumbered in any way whatsoever and is available for immediate transfer, pending compliance with normal transfer requirements as applicable in the circumstances.

12. *[This paragraph should be included when an arrangement was made by the applicant with the bank to send statements]*

I *[have made / have not made]* arrangements with the bank/(s) identified above, including arrangements with the account holder/(s) to arrange with the bank/(s) concerned where I am not the account holder, to provide via email directly to your email address, bank certified copies of the bank statements which provide a transaction trail of the amount in cash concerned and that covers a period of at least three months before the date of signature of the application up to the day before the bank certified copies of the bank statements are dispatched to your email address.

[Include this paragraph if the cash investment is still to be transferred]

Furthermore, I *[have made / have not made]* arrangements that the bank/(s) concerned will specifically confirm to you, in the same email as described above, that the amount in cash is not encumbered in any way whatsoever and is available for immediate transfer, pending compliance with normal transfer requirements as applicable in the circumstances.

Capital investments

13. *[Include the paragraph below when the required capital contribution is supported by a*

contract/(s)]

As at the date of signature of the application, I *[have available / have already invested]* a capital contribution in the form of new machinery and or equipment to the value of *[indicate currency and amount]*, which amount has been determined with reference to *[the cost price paid for the identified machinery and or equipment / the contractual purchase price to be paid for the identified machinery and or equipment]*.

14. I *[have provided / have not provided]* you with a certified signed copy/(ies) of the contract/(s) in terms of which the capital contribution *[will be / has been]* purchased.

[Provide further descriptive details surrounding the purchase of the machinery and or equipment for purposes of the applicant's investment in a business in South Africa to clarify the circumstances regarding the contract, the contracting parties and the execution of the contract].

15. *[This paragraph is included when the capital contribution has already been purchased and is in an identified physical location, either before or after investment in South Africa]*

The following is a list of the machinery and or equipment that comprise my capital contribution:

Date of purchase: *[Insert relevant information]*

Unique / identification number: *[Insert relevant information]*

Description of item: *[Insert relevant information, i.e. make, model, purpose and other characteristics]*

Currency: *[Insert relevant information]*

Purchase price: *[Insert relevant information]*

As at the date of signature of the application, the following machinery and or equipment is located at *[provide physical address]*

16. Furthermore, as at the date of the application, the legal owner/(s) of the machinery and or equipment listed above is/(are): *[Provide full details of the legal owner, including name, physical address and contact details, registration details (if applicable), relationship to the applicant (if not the applicant)]. [Furthermore, provide descriptive details of the circumstances surrounding the purchase of the machinery and or equipment for purposes of qualifying as the applicant's investment in a business in the Republic of South Africa].*

[Sections 15 and 16 should be repeated if machinery and or equipment are located in more than one location]

16. I *[declare / am not able to declare]* that I am not aware of any other information or circumstances relating to the amount in cash or in cash and capital contribution, as applicable in my circumstances, that may adversely affect my application, including, but not limited to, any matters in terms of its / their existence, ownership, rights and obligations, completeness, and value.

SIGNED by applicant at [identify physical location in terms of town, province, country] on date

Annexure 3. Illustrative Report

Illustration of a Report of Factual Findings in Connection sections 14(1)(a) and (2)(b) of the Immigration Regulations (as amended) under the Immigration Act, No. 13 of 2002.

Take note on how to complete the template:

1. Facts indicated in the square brackets (*[insert name]*) or stated in italics should be customised.
2. Customisation includes deleting guidance and prompts included in this template.
3. This report should be amended as circumstances require.

[Letter head of BAP(SA)]

For attention

Representative individual

Business entity name

Contact details

REPORT OF FACTUAL FINDINGS OF THE BUSINESS ACCOUNTANT TO *[NAME OF APPLICANT]* ON THE APPLICATION OF A *[BUSINESS VISA OR PERMANENT RESIDENT PERMIT]*

We have performed the procedures listed below as agreed with you in respect of your application for a *[business visa /permanent resident permit]* in terms of *[Section 15 and Regulation 14(1) (a) / Regulation 14(2) (a) in terms of section 15 of the Immigration Act (as amended) OR permanent residence permit (section 27(c) and regulation 24(5)) in terms of section 27 of the Immigration Act (as amended)]*

Our engagement followed the requirements of the International Standard on Related Services (ISRS) 4400, the Code of Ethics for Professional Accountants and the International Standard of quality Control.

The procedures we performed solely to assist the applicant in the application for a *[Business visa OR permanent resident permit]*. These procedures performed are listed below.

[Note: the example below reflects a business person operating in his/her home country within a company form applying for a business visa to operate in South Africa. The procedures that may need to be updated to reflect the circumstances related to the applicant.]

1. We obtained a certified and true copy of the company registration documents for the entity. We confirmed the company and director names, to the company and director names as stated in the certified true copy of the audited financial statements prepared for the preceding year.
2. We obtained the certified as true copy of the audited financial statements prepared for the preceding year and the certified as true copy of the tax return filed in terms of those financial statements and compared the company details and the turnover amounts.

3. We obtained confirmation certificates directly from the relevant bank(s) for the cash on deposit. We agreed the balance confirmed by the bank to the amount shown on the financial statements of the business entity/individual in respect of the preceding three financial years.

The bank balances as per bank certificates and the financial statements are as follows:

	Audited Financial Statements on [date, year 1] (R)	Audited Financial Statements on [date, year 2] (R)	Audited Financial Statements on [date, year 3] (R)
Bank A			
Bank B			
Bank C			
Total amount			

4. We obtained confirmation directly from the bank(s) confirming the cash on deposit held by the business entity/individual as of the last month preceding the Business Visa application. We agreed to the confirmed balance to the amount shown on the bank reconciliations maintained by the company as follows:

	Month end immediately preceding the application	Amount as per bank reconciliation (R)	Amount as per bank confirmation (R)
Bank A	[date]		
Bank B	[date]		
Bank C	[date]		
Total amount			

5. We requested written confirmation directly from the entity's auditor to confirm that he/she is the currently appointed auditor of the entity and whether there are any professional reasons why we should not proceed with the engagement.
6. We requested and obtained the company's tax clearance certificate from the appointed auditor of the company.

[Procedures 7 and 8 are regarding the net business assets applicable where an applicant nominates net business assets for consideration]

7. We obtained a certified true copy valuation of the company net assets/property from a registered valuer registered with a recognised professional body and compared this value to the capital requirement as per Regulation 14(1)(a) and (b).
8. We mathematically calculated the total amount of cash on deposit and/or capital as per the above, and converted the foreign currency amount to the Rand value using the applicable exchange rate as at *[insert date]* and we agreed the confirmed balance to the minimum amount of cash and/or capital contribution in terms of Regulations 14(1)(a) and/or (b) of the latest published Government Gazette pertaining to Immigration Regulations.

We report our findings below:

- a. With respect to item 1 we found the details to *[agree/not agree]*.
- b. With respect to item 2 we found the company details and the turnover amounts to *[agree/not agree]*.
- c. With respect to item 3 we found the amounts to *[agree/not agree]*.
- d. With respect to item 4 we found the amounts to *[agree/not agree]*.
- e. With respect to item 5 we *[obtained/did not obtain]* a professional reason we should not continue with the engagement.
- f. With respect to item 6 we *[obtained/did not obtain]* a tax clearance certificate.
- g. With respect to item 7 we found the amounts to *[agree/not agree]*.
- h. With respect to item 8 we found the amounts to *[agree/not agree]*.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices) we do not express any assurance on the accounts and balances of the *[insert name of the business entity]*.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

This report relates only to the accounts and items specified above and does not extend to any financial statements of *[Insert the company name]*, taken as a whole.

BAP(SA)

Date

Address

Join. Earn Grow.



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