



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 755

Ms M Kennedy (Limpopo: EFF) to ask the Minister of Trade, Industry and Competition:

In light of the low registration of spaza shop owners, what measures are in place to (a) simplify registration process, (b) reduce administrative burden on spaza shop owners, particularly those that are operating in informal settlements and (c) ensure that inspectors are adequately trained and well equipped to assess such shops? CW861E

REPLY:

The Companies and Intellectual Property Commission has advised as follows:

(a) The Presidential call for business registration was not necessarily for small businesses to formally register as companies, as this process adds complexity and administrative requirements. Instead, spaza shop owners and informal food handlers were encouraged to apply for business licenses under the Business Act and obtain a Certificate of Acceptability for public health and safety compliance. It is important to clarify that registration with Companies and Intellectual Property Commission (CIPC) as a company remains optional for informal food handlers.

Currently, CIPC offers the following company registration channels:

- For companies with South African directors:
 - Fully automated platforms via BizPortal, CIPC Self-Service Walk – In Centres, kiosks, or Walk - In partner sites, with real-time identity validation via the Department of Home Affairs.
 - Hybrid registration via e-Services, which requires additional back-office validation.
- For companies with foreign national directors:
 - A hybrid registration process via e-Services is required after identity assurance through the CIPC's Foreigner Assurance Process.

The cost of a short standard company registration, including name reservation, is R175.

(b) To reduce the administrative burden, the CIPC provides multiple electronic registration options at a low cost of R175. To simplify compliance, CIPC has automated key filings, including:

- Annual Returns
- Beneficial Ownership Declaration
- Financial Accountability Supplement

These services are available through electronic platforms such as:

- BizPortal – www.bizportal.gov.za
- E-Services – www.eservices.co.za
- Self-Service Centres and partner sites across South Africa
- Mobile App

The CIPC also provides electronic reminders via email and SMS, guiding business owners through the filing process. Furthermore, CIPC collaborates with the Small Enterprise Development and Finance Agency (SEDFA) and other **dtic** entities to educate informal traders on their legal compliance obligations. The CIPCs education and awareness efforts include:

- Participation in national compliance drives
- Hosting webinars on business compliance
- Running social media awareness campaigns
- Free online directors training programme

The CIPC encourages all informal food handlers who opted to register as companies to follow CIPC on any of its social media platforms to receive information relating to changes, filing obligations and how to access the CIPC services.

(c) There is no legislation applicable to CIPC that mandates inspections of spaza shops.

-END-