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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 5693

Ms M C Mafagane (MK) to ask the Minister of Trade, Industry and Competition:

(1) Whether the Companies and Intellectual Property Commission (CIPC) has an integrated mechanism with the Department of Home Affairs to verify and track in real time the immigration status of foreign nationals applying for business registration or business licences in the Republic; if not, why not; if so, what measures have been put in place to ensure that applicants whose immigration status is invalid or has expired are appropriately flagged before their applications are approved;

(2) whether the verification is mandatory for every relevant application; if not, why not; if so, what are the relevant details? NW6163E

REPLY:

(1) CIPC does not maintain an integrated mechanism with the Department of Home Affairs to verify or continuously monitor the immigration status of foreign nationals for purposes of company or close corporation registration. Immigration status is not a legislative requirement for incorporation, ownership, beneficial ownership, directorship or close corporation membership under the legislation administered by CIPC.

CIPC verifies South African identity numbers against the Department of Home Affairs live database. In respect of foreign nationals, CIPC verifies identifying information contained in passports or foreign identity documents through the applicable registration processes before a director or member appointment is recorded. These verification processes are intended to verify identity only.

(2) CIPC applies identity verification processes in respect of relevant company and close corporation registration transactions involving directors and members.

The Companies Act does not require verification of immigration status as a prerequisite for company registration, company ownership, beneficial ownership, appointment as a director or membership of a close corporation. Consequently, immigration status verification is not a mandatory legislative requirement within the registration processes administered by CIPC.

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