

# **South Africa Foreign Company Setup & Exchange Control**

**From**

**\$800.00 USD**

Gateway to the African Market with Strategic Regulatory Framework

## Overview

South Africa stands as a key entry point for doing business across Sub-Saharan Africa, backed by a sophisticated legal framework, an established financial infrastructure, and strong ties with BRICS and global markets. Setting up a foreign company in South Africa allows international investors to establish a legally compliant business presence while maintaining full foreign ownership.

FPS Financial Group, in partnership with in-country legal and accounting professionals, provides a full suite of services for the registration, compliance, and exchange control management of foreign companies in South Africa.

## Key Features of a Foreign Company in South Africa

- 100% Foreign Ownership Permitted
- Must register as an "External Company" with CIPC
- Requires a local registered address and public officer
- Follows Companies Act 2008 and Exchange Control Regulations
- Eligible to open local ZAR-denominated bank accounts
- Allows repatriation of profits subject to exchange control rules
- Entity is tax-resident in South Africa and must comply with local tax laws

## Included in Formation Package – **\$800 USD**

- Name reservation with Companies and Intellectual Property Commission (CIPC)
- Registration of Foreign/External Company
- Preparation of CIPC registration documents
- Appointment of Public Officer (local)
- Registered address service (1 Year)
- Tax registration with SARS
- Exchange control registration
- Filing of form FIP (Foreign Investment Purposes)
- Professional support and onboarding via FPS local partner network

## Annual Renewal – **\$560 USD**

- Maintenance of registered address
- Annual CIPC return filing
- Ongoing support for statutory record-keeping
- SARS tax update & compliance maintenance
- Exchange control monitoring (if applicable)

## Exchange Control Overview

South Africa operates a regulated exchange control system managed by the South African Reserve Bank (SARB). Foreign companies are permitted to repatriate profits, pay royalties, and invest capital provided these transactions are duly registered and compliant.

Key points:

- Capital invested by non-residents must be reported via Form FIP
- Dividend or profit repatriation must be approved through Authorized Dealers (commercial banks)
- Intercompany loans and IP-related payments must be pre-approved
- Non-compliance can result in delays or penalties

FPS ensures that all filings, approvals, and reporting are handled through experienced exchange control specialists.

## Taxation & Compliance

- External companies are taxed at the standard corporate tax rate (currently 27%) on South African-source income
- Annual Financial Statements required
- VAT registration may be necessary depending on the nature of business
- Transfer pricing rules apply for transactions with related foreign entities
- Mandatory appointment of a local Public Officer for tax representation

## Timeline

Company registration typically takes 7–9 working days from submission of all due diligence documents.

## Why Choose South Africa?

- Strategic access to emerging African economies
- Developed legal and banking systems
- BRICS-aligned economic framework
- Investment treaties with EU, China, USA, and others
- Opportunity for ZAR and USD bank accounts
- Recognized jurisdiction for asset structuring, B2B trade, and regional expansion

**FPS Financial Group — Your Legal and Strategic Partner for Cross-Border Entity Management.**