

Company Formation in South Africa: STA Law Firm





We're business lawyers who offer practical, value-driven solutions through outstanding legal knowledge, experience and distinguished reputation.

At STA, we offer bespoke, flexible service delivered by entrepreneurial people. Our team strives for innovative and lateral legal and business solutions to achieve our clients' business objectives. Expansion beyond Horizon...

OUR EXPERTISE

Why STA?

STA has extensive legal experience in all forms of corporate and commercial matters across the United Arab Emirates. We provide a range of corporate and commercial services and advice, including:

- ADX, Nasdaq Dubai, ESCA, and DFM
- Corporate governance
- Capital market and private equity transactions
- Due Diligence
- Joint ventures and shareholder agreements
- Mergers and acquisitions including reverse and hostile takeovers, compulsory acquisitions and divestments
- Private equity and venture capital raising
- Trust structures

We have advised a range of businesses including:

- Financial services
- Construction and infrastructure
- Mining, energy and resources
- Fast moving consumer goods
- Hospitality and tourism
- Transport and aviation

We have earned an outstanding reputation as trusted legal advisors who are closely aligned with our clients, who can add value and who are easy to work with on all corporate and commercial transactions and governance issues

STA has a highly experienced corporate team, providing commercially sound and cost effective legal advice in a wide range of complex corporate as well as commercial transactions. At STA, we strongly believe 'Good is not good enough'; we aim to set high standards in the legal profession.

GLOBAL COMPANY FORMATION

At STA, we're not just commercially-minded; we're entrepreneurial, clear and also result oriented. At STA, we render legal advice that is timely, practical and individually tailored to meet specific requirements of our clients.

We don't simply form companies. We pay careful attention to varied aspects of formation. We deploy our senior associates and associates to carefully understand clients' requirements. We brainstorm and discuss the right structure, the right entity type or the legal form, tax implications, and shareholder structuring. We draft necessary business plans, forms, and contracts including shareholders' agreement, management contracts and other necessary documents to ensure that contentious shareholder disputes are best avoided. That is why we call 'expansion beyond horizon...'

DISCLAIMER

Although STA makes every effort to ensure that the information supplied herein is true and correct, please be advised that information supplied herein does not constitute legal or financial advice. You must under every circumstances obtain necessary legal counsel and financial advice.

	Company Formation in South Africa										
Sr. No.	Particulars	Sole Proprietorship	Private Company	Public Company	Personal Liability Company	Partnership	Non-Profit Company	External Company (Branch)			
1	Domestic law governing the entities	No specific laws covering sole proprietors, register with Companies and Intellectual Property Commission	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission.	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission	Companies Act No. 71 2008, register with Companies and Intellectual Property Commission			
2	Minimum share capital requirement	No prescribed minimum share capital	No prescribed minimum share capital	No prescribed minimum share capital	No prescribed minimum share capital	No prescribed minimum share capital	No prescribed minimum share capital	No prescribed minimum share capital			
3	Minimum number of shareholders	Minimum one shareholder required	Minimum one shareholder required	Minimum seven shareholders required	Minimum one shareholder required	Minimum two shareholders	Minimum seven shareholders required	N/A			
4	Requirement of shareholder who is a citizen	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	Requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.			
5	Liability of the shareholders or partners	Unlimited	Limited by shares	Limited by shares	Jointly and severally limited	General partner's liability is unlimited. Limited partner's liability is limited by shares.	Members can become personally liable if they have act beyond the scope and limits of the constitution, or if they conduct the affairs of the association in a reckless or fraudulent manner.	Liability to head office			
6	Minimum number of directors (only natural persons)	One	One	Three	One	One	Three	One			
7	Requirement of resident director or manager or company secretary	Requirement of resident director or representative.	Requirement of resident director or representative.	Requirement of resident director or representative.	Requirement of resident director or representative.	Requirement of resident director or representative.	Requirement of resident director or representative.	Requirement of resident director.			

Company Formation in South Africa											
8	Auditing requirements	None. Sole traders must comply with normal record-keeping and reporting requirements for taxation and legal purposes.	The company must issue annual audited financial statements.	Auditor must be appointed, must file annual tax return even if the tax liability is 0%	The company must issue annual audited financial statements.	No statutory audit requirements, however, must comply with normal record-keeping and reporting requirements for taxation and legal purposes.	The company must issue annual audited financial statements.	Auditor must be appointed, must issue annual audited financial statements.			
9	Company registration fee	N/A	The registration fee is R3000 (approx. \$211.12)	The registration fee is R3000 (approx. \$211.12)	The registration fee is R3000 (approx. \$211.12)	N/A	Free of charge	The registration fee is R400 (approx. \$28.04)			
10	Company license fee	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.	May apply depending on business activity. Vary by municipality.			
11	Annual license renewal fee	Vary by municipality.	Vary by municipality.	Vary by municipality.	Vary by municipality.	Vary by municipality.	Vary by municipality.	Vary by municipality.			
12	Tax liability	Personal Income Tax at a rate of 18% to 40%	Corporation income tax at a rate of 28%	Corporation income tax at a rate of 28%	Corporation income tax at a rate of 28%	Personal Income Tax at a rate of 18% to 40%	May be eligible for tax exempt status	Taxed at a rate of 28% for net profit			
1	Are 'shelf companies' allowed?	Not allowed	Allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed			
14	Approximate time period for company incorporation	1 – 2 weeks	2 – 4 weeks	2 – 6 weeks	2 – 4 weeks	1 – 2 weeks	2 – 8 weeks	2 – 8 weeks			