

Quarterly CSP Metro Update on Implementation of the Doing Business Reform Programme

June 2020

Starting a Business

- **BizPortal** (see <https://bizportal.gov.za/>), South Africa's new integrated digital platform for company registration brings together enterprise formalisation in Government to Business (G2B) services to ensure smooth and seamless business registration within South Africa.
- **The BizPortal** registration process merges all company registration steps into one procedure.
- **The online platform** was created through a collaborative effort of multiple Government agencies, namely the Companies and Intellectual Property Commission (CIPC), the South African Revenue Service, Department of Home Affairs, Compensation Fund (CF) and the Unemployment Insurance Fund (UIF).
- **Entrepreneurs are now able to register a business online in a few hours**, without any paperwork or uploading of documents. The entrepreneur (and/or any other directors) is authenticated directly with Home Affairs, online.
- The introduction of **BizPortal** has achieved a **reduction of 3 procedures** in the *Doing Business Starting a Business* indicator through a **combination of procedures and the use of automation**.

Dealing with Construction Permits

One Stop Shop for SDP and Building Plan submissions

- **The City of Johannesburg has implemented a physical One Stop Shop to streamline a manual building plan application process and improve customer centricity**, prior to the process being automated in late 2020.
- The One Stop Shop is located on the 5th floor at the City of Johannesburg where Johannesburg Road Agency, Johannesburg Water and Johannesburg Fire Department go to provide a comment/stamp.
- An architect or developer now submits a Site Development Plan (SDP) application (directly to the municipal One Stop Shop without any pre-approvals or stamps from municipal owned entities (notably, water, roads, and electricity).
- The One Stop Shop officials conduct a pre-scrutiny of the plans before it is accepted. The pre-scrutiny is validated against an approved checklist. The plans are rejected if there is non-

compliance to the checklist. The main purpose of this is to ensure that quality submissions are being made to the City.

- The **City of Johannesburg then circulates the SDP application internally to the municipal owned entities for their comments and inputs** as and when appropriate depending on the type of development.
- The **One Stop Shop improves the customer experience** as the architect or developer now only interacts with the City of Johannesburg Land Use and Building Management/ Development team once-off in a single procedure to submit an SDP and/or a building application plan.

Standard Operating Procedures Approved

- The **City of Johannesburg has designed, approved and implemented new Standard Operating Procedures (SOPs) that target specific turnaround times for Site Development Plans (SDPs), building plans examinations, and building inspections.**
- These Standard Operating Procedures require **SDPs to be approved within 28 days; building plans to be approved or refused within 30 days**, irrespective of the size of the buildings; **commercial building SDPs to be approved within 15 days; commercial building plans to be approved or refused within 5 to 10 days; and occupancy certificates to be issued within 4 days.**
- Approved Standard Operating Procedure are an **important tool to reduce turnaround times and improve management and service delivery accountability** in the building plan application process.
- Capacity building and training of City of Johannesburg staff, as well as clear Standard Operating Procedures and related checklists, supported by continuous monitoring and reporting have ensured that the targeted turnaround times are being achieved.

Optimising the Building Plan Application Process by Combining/ Removing Procedures

- The **City of Johannesburg has updated its Standard Operating Procedures for Building Inspections to reflect that the open trench and setting out inspection is not required to be completed by the City of Johannesburg building inspector, where appropriate professionals such as the ‘engineer in charge’ or land surveyor are already onsite** (this is typically the case in a commercial property scenario).
- The **private sector building professionals on site will therefore provide a Certificate of Compliance (COC)** as part of the final inspection.
- The rationale for this reform is that the Municipal building inspector will not be able to conduct an appropriately robust inspection as the commercial property incorporates a rational design, rather than a ‘deem to satisfy’ design as per the SANS 10400 standard.
- In lay terms, the typical commercial property would have a steel structure and would require an engineer to calculate the relevant dimensions and weight, prior to recommending an appropriate trench inspection.

- The updated City of Johannesburg Standard Operating Procedures for Building Inspections have been approved and **formally communicated to both internal and external stakeholders.**

Regular Engagement with External Stakeholders

- The City of Johannesburg has **formalised a Communication Plan for Dealing with Construction Permit Reforms** that includes:
 - Quarterly engagements with architects and developers to provide feedback of their customer experience on the building plan application process into continuous system improvement;
 - Bi-annual customer satisfaction surveys, analysis of results and feedback into a continuous building plan application process improvement plan. The second survey was completed in March 2020.

Getting Electricity

Calculation method for Reliability Indices for City Power

- **The Doing Business reporting calculation of the City of Johannesburg’s City Power Reliability of Supply indices** (SAIDI: System Average Interruption Duration Index and SAIFI: System Average Interruption Frequency Index) was previously based on City Power’s total customer base.
- **The total City Power customer base represents ‘Manageable areas’ and ‘Risk areas’.** ‘Manageable areas are areas where field operations can be carried out in a regular manner. ‘Risk areas’ are areas where field operations have security risks and threats, mainly in informal areas with high energy losses.
- Of the total of 485 463 areas in 2019, 89 112 ‘Risk areas’ distorted the SAIFI and SAIDI values due to limitations on field operations in these areas.
- In agreement with the *Doing Business team*, City Power has now submitted SAIDI and SAIFI values for ‘Manageable areas’ only for 2020.

Registering Property

City of Johannesburg E-Rates Clearance System

- **City of Johannesburg has launched a new online Rates clearance system.** Conveyancers are now able to register on the online platform at <https://eclearances.joburg.org.za/>.
- This will **reduce the turnaround time for conveyancers to receive a rates clearance certificate from the City of Johannesburg to 7 days** (down from 11 days).
- The changes introduced included:
 - Applying a security certificate to the Portal;
 - Using Advanced Electronic Signatures;

- Integrating with the back office and having a dedicated team to deal with any inquiries by the system in a timely manner;
- Concluding Service Level Agreements with City Power and Johannesburg Water for timely electricity and water meter readings;
- Allocation of payments;
- Allowing access for the Deeds Office;
- Providing rates clearance figures through the Portal; and
- Providing a Rates eClearance Certificate to replace the previous paper based certificates.

Electronic Deeds Registration System Act promulgated

- The recent **Electronic Deeds Registration Systems (EDRS) (No. 19 of 2019) Act** aims to streamline property registration in the Deed's Office. This entails enabling the electronic processing, preparation and lodgement, registration of Deeds documents by conveyancers and the Registrar of Deeds through an Electronic Deeds Registration System or e-DRS.
- The automation of the Deeds Office is a significant shift from the traditional lengthy manual method for lodgement, prescribed by the Deeds Registries Act (No. 47 of 1937).

Improved Efficiencies at the Johannesburg Deeds Office

- The **Johannesburg Deeds Office has reduced the time taken to conduct a transfer of a Deed from 11 days to an average of between 5 to 7 days** as a result of close monitoring and reporting on the time taken for each step in the process once a conveyancer has lodged at the Deeds Office.
- The target of the Johannesburg Deeds Office is to **maintain a 5 days turnaround time for the Human Settlement project**.

New Deeds Website

- The Department of Agriculture, Land Reform and Rural Development (DALRRD) has taken a step forward in **launching a new Deeds website, enhancing the transparency of information to the public**.
- The new website (See <http://deeds.drdir.gov.za/property-transfer-process.php>) reflects the registering property process and the relevant documents required to transfer a property.
- The website also provides information/statistics on property transactions from 1995-2018 per province. (See Statistics at: <http://deeds.drdir.gov.za/statistics.php>).

Paying Taxes

SARS Reduced Time to Obtain a VAT Refund

- **SARS has** implemented reforms to reduce the time taken to obtain a VAT refund from 15 weeks to 5 weeks.

- **In this respect SARS launched its Service Charter** in mid-2018 to promote voluntary submissions and to improve its efficiencies
- SME tax filers are prioritised, and SARS has recently employed an **SME Head to focus specifically on servicing the SME segment.**
- **Over 3 000 technical training sessions were undertaken in the various tax products**, which contributed to the more efficient processing of VAT refunds.
- **SARS undertakes daily monitoring and reporting of performance measures and targets in line with its Service Charter** by means of live dashboards.

SARS Reduced Time to Complete a Corporate Income Tax Audit

- **SARS has reduced the time taken to complete a corporate income tax audit from 32 weeks to 17 weeks**
- **Efficiencies were achieved through process streamlining** to ensure expeditious conclusion of audits and **adjustment to SARS' risk engine** to ensure fast-tracked audits for firms with a history of compliance/without red flags. **SARS has also conducted extensive training to its audit division** to apply adjusted risk engine.

Trading Across Borders

- *Doing Business Reform* programme is ensuring synergies with the Presidency in engagements with Transnet given the President's commitment for a fundamental overhaul of Durban Port – the main port servicing Johannesburg and measured by the annual World Bank *Doing Business* survey.
- In late 2019 **Transnet issued official communications to their customers in respect of enforcing more efficient 'stack closing' times on export cargo (reduced from 72 hours to 24 hours)**, as well as adoption of the marine survey process to reduce inspection times of export cargo in light tunnels, and requiring OEMs to submit the import discharge and load sequence for all vessels as part of pre-plan documentation.
- These customer communications are aimed at **improving the turnaround time of automotive exports moving through the Durban Port in particular.**
- **SARS Customs and Excise continues to improve** turnaround times in customs processes through the expansion of their preferred traders programme (117 by December 2019) and launch of its new Authorised Economic Operator (AEO) programme with a pilot in the auto sector.