

Mobility: Immigration alert

October 2023



South Africa

South Africa opens applications for the Trusted Employers Scheme pilot program

Executive summary

On 11 October 2023, South Africa's Department of Home Affairs (DHA) began accepting applications for the Trusted Employers Scheme (TES) pilot program. The TES is aimed at easing the immigration process for eligible employers that hire foreign nationals.

Background

The DHA initially proposed the TES in its 2017 White Paper to attract skilled labor and foreign investment. Under the TES, companies will be assigned points based on whether (and to what extent) they meet specific requirements. To qualify, they must score a minimum of 80 points out of 100 across applicable categories. Qualifying companies will benefit from simplified immigration application requirements and priority processing of applications, among other things. From 25 April 2023 until 19 May 2023, the DHA invited public comments on a planned pilot of the TES.

Key developments

In the Government Gazette dated 11 October 2023, the DHA announced that companies will be required to meet the following criteria:

- ▶ **Pledges/Proven Investment (maximum 30 points).** Companies will be assigned points based on their historical investments, current investments or investment pledges. The DHA has confirmed that to qualify, fixed capital investments of at least R100 million (approximately USD 5 million, excluding operational expenditures) must be made in entities located in South Africa. Employers that make

qualifying historical investments or South Africa Investment Conference (SAIC) pledges of at least R100 million will receive 20 points, while those that make historical investments or SAIC pledges of at least R200 million (approximately USD 10 million)) will receive 30 points.

- ▶ **Employment (maximum 25 points):** Employers with at least 100 employees, of which 60% are South African Citizens (SAC) or Permanent Residence Permit (PRP) holders, will receive a minimum of 20 points. Those that have more than 150 employees, of which 60% are SAC or PRP holders, will receive a maximum of 25 points.
- ▶ **Sector (maximum 15 points).** Employers in the manufacturing, advanced manufacturing, services and resourced-based industries sectors will receive a maximum of 10 points. Those in the energy (i.e., power generation and renewable energy) and infrastructure sectors will receive a maximum of 15 points.
- ▶ **Skills Transfer/Development (maximum 20 points).** Employers that participate in skills transfer programs (for their employees), bursary schemes (for students who will be joining a college or university) or graduate development programs (for recent university or college graduates) will receive 20 points.
- ▶ **Equity Equivalence (maximum 10 points).** Employers at a Black Economic Empowerment (BEE) Level of 5 to 8 will receive five points, while those at a BEE Level of 1 to 4 will receive 10 points. Employers that have implemented an [equity equivalence agreement](#) with the Department of Trade, Industry and Competition will also receive 10 points.

The DHA has confirmed that the TES pilot program will be run for a period of five years. Companies that seek to participate in the pilot must submit their applications to the DHA on or before 20 November 2023. It is not yet known whether new applications will be accepted after this deadline.

Impact on employers

The TES will enable qualifying companies to attract international talent by reducing administrative requirements and shortening application processing times.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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