REPORTING IN TERMS OF THE IMMIGRATION ACT (AS AMENDED) AND THE IMMIGRATION REGULATIONS

Background
The amendments to the Immigration Act, No.13 of 2002, (the Act), promulgated in 2004, reduced the requirement of the chartered accountant to prepare a report when individuals or organisations apply for a permit in terms of the Act. The new regulations that were published on 27 June 2005 and that came into effect on 1 July 2005, only require a chartered accountant to prepare a report for a business permit as required in terms of Regulation 12 (1) and 23(4).

A chartered accountant is a person that has completed certain specified qualifications and has been registered as a member of the South African Institute of Chartered Accountants.

The purpose of this circular is to provide guidance for those chartered accountants that are engaged to prepare a report in terms of the current Immigration Regulations. This guidance, which has been prepared in conjunction with the Department of Home Affairs, includes in Annexure 1, the agreed-upon procedures the chartered accountant should perform and the illustrative factual findings report that should be issued in accordance with the requirements of the regulations.

Engagement Acceptance
Prior to accepting the appointment to report in terms of the regulations, the chartered accountant should ensure that he or she has adequate knowledge of the Act (as amended) and the Immigration Regulations.

Johannesburg IS Sehoole
September 2005 Executive President

Issued September 2005
ANNEXURE 1

BUSINESS PERMIT

REPORT OF THE CHARTERED ACCOUNTANT TO THE DEPARTMENT OF HOME AFFAIRS ON FACTUAL FINDINGS ON APPLICATION FOR BUSINESS PERMIT IN TERMS OF SECTION 15 AND/OR 27 OF THE IMMIGRATION ACT (AS AMENDED)

Scope

In terms of the provisions of Regulation 12(1) or 23(4) of the Immigration Regulations, we have performed procedures agreed upon with the Department of Home Affairs and described below in respect of an application for a business permit/s for [the name of applicant] dated [insert date].

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures is that of the Department of Home Affairs. Our procedures were performed solely to assist the Department of Home Affairs in evaluating the application for a business permit, and should be used only for this purpose. The procedures are summarised as follows:

Agreed-upon procedures and findings

1 We inspected documentation relating to the:
   1.1 availability of funds for transfer from abroad (e.g. a letter from the bank); or
   1.2 proof of prior transfer from abroad.

2 We have reviewed documentation relating to assets making up the capital contribution for the business (e.g. a valuation certificate received from the South African Council of Valuers or an equivalent body in the country where the assets are located, or any document that has an irrefutable indicator of the value of the capital contribution).
3 We have inspected documentation to prove that the capital contribution originated from abroad.

4 We have perused the relevant regulation stating the minimum prescribed amount to be invested in a business to obtain a business permit.

5 We have converted the foreign currency amount to a Rand value using the applicable exchange rate being [insert exchange rate] at [give date].

Findings

We found that the value of financial or capital contribution of at least [insert amount in Rands, foreign currency value and exchange rate if required], including intangibles generally accepted in terms of the South African Statement of Generally Accepted Accounting Practice on Intangible Assets, IAS 38(AC 129), was invested as part of the prescribed financial or capital contribution for the establishment of a business. [Provide details of exceptions.]

OR

We found that the requirements for investment have been waived or reduced by the Department of Home Affairs in terms of section 15(3) of the Act. [Attach a copy of a section 15(3) and/or 27(c)(i) waiver from the Department of Home Affairs.]

Because the above procedures do not constitute either an audit or review done in accordance with the International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance that information given to us in good faith meets the requirements of the Immigration Act.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.
CIRCULAR 11/2005

REPORTING IN TERMS OF THE
IMMIGRATION ACT (AS AMENDED)
AND THE IMMIGRATION REGULATIONS

Our report is solely for the purpose set out in the first paragraph of this report and for your information, and is not to be used for any other purpose, nor to be distributed to any other parties.

[Name]
Chartered Accountant (SA)
[Date]
[Address]