



**UMZIMVUBU**  
— LOCAL MUNICIPALITY —

<b>Policy Name</b>	Business Regulation and Compliance Licences
<b>Policy Number</b>	
<b>Year</b>	2014
<b>Last Amended</b>	Not Applicable

Umzimvubu Local Municipality  
813 Main Street  
Mount Frere  
5090

## **UMZIMVUBU LOCAL MUNICIPALITY: POLICY ON PROCEDURES FOR BUSINESS REGULATION AND COMPLIANCE LICENCES**

### **1. PREMABLE**

**WHEREAS** the council recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities;

**WHEREAS** the council recognizes the need to adopt a developmental approach to informal trading within a well-managed municipal area. This requires that, in managing informal trading, consideration must also be given to –

- (a) the promotion of social and economic development;
- (b) the promotion of a safe and healthy environment;
- (c) municipal planning;
- (d) the licensing and control of undertakings that sell food to the public; and
- (e) the management of public places and public roads;

**WHEREAS** the council has competence in terms of Part B of Schedules 4 and 5 of the Constitution relating to such matters as the control of street trading, trading and markets

**AND WHEREAS** the Umzimvubu Local Municipal council has competence, in terms of the section 156 (2) of the Constitution of the Republic of South Africa, to make and administer by-laws for the effective administration of the matters which it has the right to administer;

**NOW THEREFORE** the Umzimvubu Local Municipal council, acting in terms of section 156 read with Part B of Schedule 5 of the Constitution of the Republic of South Africa, and read with section 11 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), hereby makes the following Policy:

## **2. PURPOSE**

This policy on the procedure for application and issuing of licenses is in terms of the Businesses Act, Act 71 of 1991, as amended and Regulations promulgated under this Act. The operation of business issued with these licenses shall be within this policy

## **3. OBJECTS OF THE POLICY**

The object of this By-law is to regulate business in a manner which:–

- (a) ensures that informal trading is conducted in an orderly manner;
- (b) enables access to job and entrepreneurial opportunities within the business sector;
- (c) harmonizes the relationship between the informal trading sector and the formal trading sector; and
- (d) ensures the health and safety of the public.

## **4. DEFINITIONS**

- “Act” means the Businesses Act, Act 71 of 1991, as amended.
- “Business premises” means the premises upon, in or from which businesses mentioned in paragraph 4 below is carried out or is to be carried out.
- “Municipality” means the Umzimvubu Local Municipality.
- “sell” includes to prepare, process, store, offer or display for sale;

## **5. APPLICABLE LEGISLATION**

Businesses Act 71 of 1991 as amended and Regulations promulgated under this Act.

Regulations Governing General Hygiene Requirements for Food Premises and the Transport of Food in terms of Sections 35 and 40 of the Health Act 63 of 1977.

Umzimvubu Local Municipality By-law relating on Business Trading Days and Hours for Liquor Licensed Premises.

Umzimvubu Local Municipality By-law relating to Street Trading.

All applicable amendments in terms of the above.

## **6. BUSINESSES COVERED BY THIS POLICY**

### **Types of business trading licenses**

The following types of businesses must be in possession of a Business License

#### **ITEM 1**

Accommodation establishment (guest house), baker, butcher, café keeper, fishmonger or fish fryer, food manufacture, fruit, vegetables and plant dealer, general dealer, Hardware shops, Petrol Stations, Funeral Undertaker, Professional businesses, Motor spares, Car wash, Salons, milk shop, miller, restaurant keeper, need to apply for a trading license, Corporate businesses

#### **ITEM 2**

Provision of certain types of health facilities or entertainment

- a) Providing Turkish Baths, Saunas or other health baths
- b) Providing massage or infra – red treatment
- c) Making the services of an escort, whether male or female, available to any other person
- d) Keeping three or more mechanical, electrical or electronic contrivances, instruments, apparatus or devices which are designed or used for the purpose of recreation or amusement
- e) Keeping three or more snooker or billiard tables
- f) Keeping or conducting a night club or discotheque
- g) Keeping or conducting a cinema or theatre
- h) Adult premises

#### **ITEM 3**

Hawkers (Only perishables and food vending)

Business License can be issued subject to site inspection by three departments Local Economic Development, Community safety and Infrastructure and Planning, Invitations can be extended to other departments such as Department of Labour, Department of Health, Department of Rural Development and Land Reform and Department of Rural Development and Agrarian Reform.

All businesses mentioned under schedule 1 of the Act namely:

### **6.1 Sale or supply of meals or perishable foodstuffs**

The carrying on of business by the sale or supply to consumers of -

6.1.1 any foodstuff in the form of meals for consumption on or off the business premises; or

6.1.2 any perishable foodstuff Page 3 of 9

## **6.2 Health Establishments**

The carrying on of business by

6.2.1 providing Turkish baths, saunas or other health baths;

6.2.2 providing massage or infrared treatment;

6.2.3 making the services of an escort, whether male or female, available to any other person

## **6.3 Entertainment**

The carrying on of business by

6.3.1 keeping three or more mechanical, electronic or electrical contrivances, instruments, apparatus or devices which are designed or used for the purpose of the playing of any game or for the purpose of recreation or amusement, and the operation which involves the payment of any valuable consideration, either by the insertion of a coin, token coin or disc therein or in an appliance attached thereto or in any other manner;

6.3.2 keeping three or more snooker or billiard tables;

6.3.3 keeping or conducting a night club or discotheque;

6.3.4 keeping or conducting a cinema or theatre.

## **6.4 Hawking in meals or perishable foodstuffs**

The carrying on of business, whether as principal, employee or agent, by selling any foodstuff in the form of meals or any perishable foodstuff

6.4.1 which is conveyed from place to place, whether by vehicle or otherwise;

6.4.2 on a public road or at any other place accessible to the public; or

6.4.3 in, on or from a movable structure or stationery vehicle; unless the business is conveyed by a license for a business referred to in item 1 of this Schedule

## 6.5 One day Events

6.5.1 License issued to traders for one day events allows a trader to sell during soccer matches, festivals and other special events.

6.5.2 The One – day license is valid for that particular day of the event. The license is issued after the applicant attends a prescribed workshop or a briefing about the event.

6.5.3 It is expected that all the businesses to comply with all the regulations pertaining the license requirements

## 7. BUSINESSES EXCLUDED FROM THIS POLICY AND PROCEDURES

All business mentioned under schedule 2 of the Act namely:

7.1 Business carried on by the State or the municipality;

7.2 Business carried on by a charitable, religious, educational cultural, agricultural association, organization of a public nature if all profits derived from the business are devoted entirely for the purpose of that or any other such association organization or institution;

7.3 the case of a business referred to in 4.1, such a business which is carried on:

7.3.1 by a social sports or recreation club which is a non-proprietary club and restricts the business to the sale or supply to its members and their guests of foodstuffs for consumption on or in the business premises;

7.3.2 by or on behalf of an employer for an employee as such of the employer.

**No person shall be allowed to operate businesses mentioned in paragraph 4 above within the Umzimvubu Local Municipal area without a valid business licence issued by the Umzimvubu Local Municipal Municipality.**

## 8. APPLICATION PROCEDURE

**Procedure to apply for a license in terms of the Business Act:**

Formal Business License

- In case of a company, certificate of incorporation reflecting company's ID number, full names and surname of owner, residential and postal address.
- ID and full name and surname of responsible manager

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- In case of close corporation, CK1 or CK2 must be attached
- In case of a partnership a separate schedule reflecting full name and surname, identity number and address of each partner must be attached
- In case of a proprietor, a copy of the owner ID must be attached
- In case of a restaurant or café keeper, a menu must be attached
- Application fee for sale or supply of meals or perishable; renewable after 12 months
- Application fee for provision of certain types of Health Facilities or entertainment or Adult Premises; renewable after 12 months.
- Every business that is operating within the area of Umzimvubu jurisdiction must be in a procession of valid business license.
- Every hawker operating with Umzimvubu area of jurisdiction must be in a procession of the valid trading permit.

Licenses are required for the above business types. To obtain information on licenses, contact the local Economic Development Division at the following telephone numbers: 039 255 8500/ 039 255 8539/40/41

To apply for a business license, visit the local Economic Development offices at:

813 Main Street  
Mount Frere  
5090

An individual or firm/company wishing to conduct a business covered in 4 above must follow the following procedure:

8.1 An application shall be lodged with the Manager: Local Economic Development on the applicable application form as per Annexure B in this Policy.

8.2 The prescribed application fee in terms of the Tariff List approved by Council must be paid when submitting the application. A license shall only be processed once the stipulated license fee has been paid.

8.3 Business License can be issued subject to site inspection by three departments Local Economic Development, Community safety and Infrastructure and Planning, Invitations can be extended to other departments such as Department of Labour, Department of Health, Department of Rural Development and Land Reform and Department of Rural Development and Agrarian Reform.

8.4 The departments mentioned in paragraph 6.3 above shall be given a maximum of seven (7) working days to submit their inspection report and/or comments to the Manager: Local Economic Development

8.5 The Manager: Local Economic Development shall communicate the outcome of the application to the applicant within seven (7) working days after the receipt of all inspection reports and/or comments from the relevant departments.

8.6 A cancelled license application will require the applicant to lodge a new application and due processes in terms of a new application will be followed.

8.7 A license application for change of ownership and/or change of business will be treated the same way as if it is a new application for a business license.

8.8 The application process will be finalized within 21 (twenty-one) days after receipt of the application. Subject to no unforeseen events, delays or circumstances taking place and subject to all applicable and requested documentation being submitted.

## **9. VALIDITY OF BUSINESS LICENCE**

The business license shall remain valid until:

- 9.1 A new application is lodged;
- 9.2 The nature of the business change;
- 9.3 The ownership of the business change;
- 9.4 The premise of the business change;
- 9.5 The Municipality revokes or amends the license in terms of non-adherence to any or all applicable legislation or any of the conditions stated in the Policy.

## **10. APPEAL PROCEDURE**

Applicants may appeal against a decision in terms of Section 62 of the Local Government Municipal Systems Act 32 of 2000.

- 10.1 A formal appeal must be lodged in writing by the applicant to the Municipal Manager within 21 days of the applicant being informed of the outcome of the application.

## **11. GENERAL**

- 11.1 When a business change ownership the new owners must obtain a new Electrical Certificate. 9.2 Before opening a business owners should ensure that the appropriate land use and zoning are in place.



## **12. DESIGNATED STRUCTURE TO APPROVE, ADJUST AND IMPROVE THE POLICY**

12.1 The LED Committee shall have the authority to recommend to the Council the approval, adjustments and improvements necessary to this policy. It is the Council that will provide the final approval of all adjustments and improvements to the policy.

## **13. ADMINISTRATION OF THIS POLICY**

13.1 The administration of this policy shall be the primary responsibility of the Local Economic Development Unit of the Umzimvubu Municipality. The Municipal Manager with the assistance of the Senior LED Manager shall ensure that the policy is implemented, managed and monitored appropriately.

13.2 The dispute on interpretation of this policy shall be determined in writing by any party concerned

13.3 The office of the Municipal Manager shall give a final interpretation of this policy in the case of written dispute.

## **14. PERMANENT/TEMPORARY WAIVER OF THIS POLICY**

14.1 This policy may be wholly waived by the Municipal Council on temporary or permanent basis.

14.2 Notwithstanding clause 7.1 the Municipal Manager may under circumstances of emergency temporarily waive this policy subject to reporting of such waiver to Council

## **15. COMMENCEMENT**

This Policy shall commence once approved by the Council

## **16. SUSPENSION OF THIS POLICY**

16.1 This policy may be repealed by the Council

16.2 This policy may be suspended by the council



**APPLICATION FOR A LICENCE TO CARRY ON A BUSINESS**

BUSINESS ACT NO. 71 OF 24 APRIL 1991

1. Name of licensing authority: Umzimvubu Local Municipality

2. Indicate with an X whether this application is in respect of:

a. A new license

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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b. A relocation of a business to new premises

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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c. An alteration of information on existing license i.e. New Director/Associates

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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3. Full name of applicant (name of individual, company, partnership, etc. in whose name the licence should be issue). Please attach copy of ID and where applicable business registration documents.

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4. Trade name of business:

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5. Street address of business:

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6. Postal address of business:

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7. Street address of premises where goods will be stored:

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8. Erf number: \_\_\_\_\_ 9. Zoning: \_\_\_\_\_

10. License/s applied for:

- Business
- Hawker
- Food Premises
- Health

11. Telephone numbers of applicant: \_\_\_\_\_

12. If the application is for a business include in Item 2 of Schedule 1 of the Act, full name, identification number and residential address of the person who will be in effective control of the business.

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13. Was the application the holder of a Business license which was withdrawn in the twelve months preceding this application? (YES/NO)

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**PLEASE ANSWER THE FOLLOWING QUESTIONS:**

**1. FOOD PREMISES**

1. Did you obtain a Certificate of Acceptability from Alfred Nzo District Municipality? If yes, please attach.

- **YES** \_\_\_\_\_

- **NO** \_\_\_\_\_

2. How many toilet facilities is on the premises?

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**1. ENTERTAINMENT**

1. Type of entertainment (Tick the appropriate type of business)

- Machines / games / pool tables
- Disco / club / karaoke

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- Cinema
- Casino
- Adult Shop

- a). Do you have a liquor license? If yes, please attach.
- b). Are you making use of live artists / DJ's? (Indicate Yes or No)
- c). Indicate the time the live artists / DJ's will perform:

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2. Is the premises sound proof? (Indicate Yes or No)

3. What measures do you have in place to manage noise from your premises?

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4. What is the trading hours of the business?

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**HEALTH ESTABLISHMENT**

- 1. Did you obtain a Certificate of Acceptability from Alfred Nzo District Municipality? If yes, please attach.
- 2. How many toilet facilities is on the premises? Indicate Number\_\_\_\_\_
- 3. Is there a first aid kit on the premises? (Indicate Yes or No)\_\_\_\_\_
- Is there a person with first aid knowledge present at the premises?\_\_\_\_\_
- 4. Are the equipment sterilized in a correct manner? (Indicate Yes or No)\_\_\_\_\_
- 5. Is the waste water disposed of in a correct manner (Indicate Yes or No)\_\_\_\_\_

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**HAWKER**

- 1. Do you have an approved stand? (Indicate Yes or No)\_\_\_\_\_

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2. Is it a private or business property? (Indicate Private or Business) \_\_\_\_\_  
\_\_\_\_\_

I, \_\_\_\_\_ certify that the information contained in this application is true and correct to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Capacity of applicant: \_\_\_\_\_

Date: \_\_\_\_\_