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SUBMISSION BY THE SMALL BUSINESS INSTITUTE TO THE COMPETITION COMMISSION OF SOUTH AFRICA

Review of Regulatory Barriers to Competition and SME Participation

Submitted to:
Competition Commission of South Africa
Economic Research Bureau
For the attention of Mr Yongama Njisane
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Submitted by:
Small Business Institute (SBI)

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Executive Summary

The Small Business Institute (SBI) submits that regulatory barriers to competition are not confined to individual rules or license conditions. The evidence collected through the SBI survey points to a cumulative system of complex requirements, long and uncertain approval periods, fixed compliance costs, fragmented administration, inconsistent enforcement and repeated demands for the same information. These burdens delay entry and expansion, divert scarce management time, increase the cost of participating in markets and reduce the ability of smaller firms to compete with established businesses.

Central finding: The survey does not support a choice between reforming regulations and improving implementation. Of the 72 respondents who answered the causation question, 30, or 41.67%, identified both the requirement and its implementation as the source of the problem. Nineteen respondents, or 26.39%, considered the requirement itself too difficult or restrictive, while 15, or 20.83%, considered the requirement reasonable but the process slow, confusing or poorly managed. Accordingly, 62.50% identified implementation as at least part of the problem and 68.06% identified regulatory design as at least part of the problem.

Headline survey finding	Result
Complex, lengthy or uncoordinated authorisation and licensing processes	39 respondents (53.42%)
High compliance costs	38 respondents (52.05%)
Inconsistent or unpredictable implementation	34 respondents (46.58%)
Reduced ability to compete	44 respondents (60.27%)
Delayed expansion	31 respondents (42.47%)
Different effect on smaller businesses than on larger businesses	52 of 69 respondents (75.36%)

Source: SBI survey, "Help Remove the Barriers Holding Small Business Back", August 2026. Questions permitting multiple selections are reported as a percentage of all 73 survey responses.

The practical evidence illustrates how these barriers operate. Respondents reported municipal and sectoral approvals taking months or years; licenses and certificates that are essential to trade being held up by backlogs or minor errors; accreditation processes being restarted when functions moved between institutions; and compliance costs that continued even while businesses could not use vehicles, premises, qualifications or productive assets. These experiences are illustrative and have not independently been verified, but they reveal recurring mechanisms through which regulation can restrict entry and participation.

The SBI recommends a cross-cutting programme of proportionality, process and accountability reforms. Priority measures should include an SME competition and proportionality test; published requirements, fees and binding service standards; trackable applications and automatic escalation; a once-only information principle; risk-based and size-sensitive compliance; temporary or conditional permissions where public risk is low; consistent enforcement against both compliant and non-compliant operators; and targeted review of municipal approvals, COIDA administration, training-provider accreditation, transport and other sector licenses, and exclusive private certification requirements.

1. Introduction

The Small Business Institute (SBI) welcomes the opportunity to contribute to the Competition Commission of South Africa's review of regulatory barriers to competition and SME participation.

The Competition Commission's letter dated 21 July 2026 invites the SBI to identify regulations, sector policies and licensing frameworks that may restrict competition, entry or expansion by small and medium enterprises. The Commission specifically seeks evidence on the practical experience of businesses in complying with regulatory requirements, the effect of those requirements on competition and participation, and practical reforms that could remove or reduce barriers while maintaining the underlying purpose of regulation.

In response, the SBI undertook a survey titled "**Help Remove the Barriers Holding Small Business Back".** The survey invited small businesses and organisations to describe their experience of laws, rules, licenses, permits, approvals, standards and other compliance requirements; the time and cost involved; the effect on their businesses; and the changes that would have made compliance easier.

This submission draws on both the quantitative survey results and the underlying open-ended responses. It seeks to give effect to what respondents told the SBI by identifying recurring barriers, explaining their competitive consequences, presenting anonymised illustrative case studies and proposing practical reforms.

2. Purpose and Central Submission

The purpose of this submission is to bring to the Competition Commission's attention the extent to which regulatory design and administration can operate as barriers to entry, expansion and effective participation by smaller firms.

The SBI does not submit that regulation is unnecessary or that all compliance costs are avoidable. Regulation serves legitimate objectives, including consumer protection, worker safety, environmental protection, public health, financial stability and the correction of market failures. The relevant competition question is whether the same objective can be achieved through a process that is less restrictive, more proportionate, more transparent and more predictable for smaller firms.

The central message arising from the survey is that the barrier is often not a single rule. It is the cumulative effect of multiple requirements administered by different bodies, each with its own documents, fees, systems, officials and timelines. A formally neutral requirement may therefore have a materially unequal competitive effect. Larger businesses can employ compliance, legal and administrative personnel, absorb delays and finance repeated applications. In small businesses, these responsibilities commonly fall on the owner, and a delayed certificate or approval may prevent the business from trading at all.

3. Survey Methodology and Respondent Profile

The SBI survey received 73 responses. It was distributed to SMEs, business chambers, industry associations and organisations in the SBI network. The survey was voluntary and self-selected and should therefore be treated as indicative evidence of business experience rather than a statistically representative sample of all South African SMEs.

The response base was nevertheless strongly weighted towards the smaller firms most likely to experience fixed regulatory and administrative costs disproportionately. Sixty of the 72 respondents who answered the employment question, or 83.33%, employed between one and ten people.

Respondent characteristic	Responses	Share
Operating for less than one year	6 of 73	8.22%
Operating for 1–5 years	27 of 73	36.99%
Operating for 5–10 years	15 of 73	20.55%
Operating for longer than 10 years	25 of 73	34.25%
Employing 1–10 people	60 of 72	83.33%
Employing 11–50 people	5 of 72	6.94%
Employing 51–100 people	3 of 72	4.17%
Employing more than 100 people	4 of 72	5.56%

One respondent did not answer the employee-count question. Percentages may not total exactly 100% because of rounding.

The respondents operated across a wide range of sectors, including construction, tourism and hospitality, manufacturing, agriculture, transport and logistics, retail, training and consulting, services, technology, pharmaceuticals, property, facilities management and non-profit activities. This diversity supports the conclusion that the reported barriers are not confined to one regulated market, although the precise form of the barrier differs by sector.

4. Evidence from the SBI Survey

4.1 Nature of the regulatory problem

Respondents were asked to identify the main nature of the regulatory problem they had experienced. Complex, lengthy or uncoordinated authorisation and licensing processes were selected by 39 respondents, representing 53.42%. High compliance costs were identified by 38 respondents, or 52.05%. Inconsistent or unpredictable implementation by officials was identified by 34 respondents, or 46.58%, while excessive paperwork was selected by 26 respondents, or 35.62%.

Restrictions relating to price, location, quality or marketing were identified by 20 respondents, or 27.40%. Eleven respondents, or 15.07%, identified a cap or artificial limit on the number of operators or suppliers allowed. Eighteen respondents, or 24.66%, identified other problems. As respondents could select more than one option, these results demonstrate the overlapping nature of the barriers rather than mutually exclusive categories.

4.2 Regulatory design and implementation

The survey distinguished between a requirement that was itself too difficult or restrictive and a reasonable requirement administered through a slow, confusing or poorly managed process. Thirty of the 72 respondents who answered the question selected both. Nineteen identified the requirement itself, 15 identified implementation, and eight were unsure.

Reported cause	Responses	Share of 72
Both the requirement and its implementation	30	41.67%
Requirement itself too difficult or restrictive	19	26.39%
Requirement reasonable, but process slow, confusing or poorly managed	15	20.83%
Unsure	8	11.11%

Derived from 72 responses to the causation question.

These findings support a dual reform agenda. Administrative improvements alone will not address rules that are intrinsically disproportionate or unnecessarily restrictive. Conversely, legislative amendment will not resolve delays, conflicting guidance, weak systems, poor communication or inconsistent enforcement where the underlying requirement is legitimate.

4.3 Effect on market participation and competition

The reported consequences were commercial and competitive rather than merely administrative. Forty-four respondents, or 60.27%, indicated that the barrier reduced their ability to compete. Thirty-one, or 42.47%, reported delayed expansion. Twenty-seven, or 36.99%, reported losing customers or contracts, while 26, or 35.62%, reported increased costs. Twenty-two, or 30.14%, reported delayed opening, and 14, or 19.18%, reported delayed hiring.

A delayed approval may exclude a new firm from a market during the period of delay. A missing certificate may prevent an otherwise capable supplier from tendering or joining a private supply chain. A zoning, building-plan or water-use delay may strand investment. Repeated fees and management time raise the minimum efficient scale at which compliance becomes affordable. Each of these effects can protect established firms from entry or expansion by smaller rivals even where no rule expressly excludes SMEs.

4.4 Disproportionate effect

Of the 69 respondents who answered whether the requirement affected their business differently from larger businesses, 52, or 75.36%, said yes. Only three, or 4.35%, said no, while 14, or 20.29%, were unsure.

Respondents repeatedly explained that larger firms can assign compliance to specialist staff, pay consultants, absorb periods without income and use existing premises, accreditations, networks or financial records. Small firms often depend on a single approval and have limited cash reserves. The same formal obligation therefore produces a larger opportunity cost and a greater risk of market exit for the smaller firm.

Of the 67 respondents who identified the group most affected, 30, or 44.78%, selected start-ups; 23, or 34.33%, selected historically disadvantaged entrepreneurs; nine, or 13.43%, selected township businesses; and five, or 7.46%, selected women-owned businesses. The survey therefore raises concerns not only about firm size, but also about inclusive participation and the ability of new and historically excluded firms to enter markets.

5. How Regulatory Barriers Restrict Competition

The evidence indicates six recurring mechanisms through which regulation and its administration can restrict competition.

Barrier mechanism	Effect on SMEs and competition
Delay and uncertainty	Defers entry, expansion and investment; may cause contracts, customers or funding windows to be lost while the incumbent continues trading.
Fixed and cumulative compliance costs	Raise the cost of market participation regardless of firm size and consume a larger share of the smaller firm’s revenue and management capacity.

Barrier mechanism	Effect on SMEs and competition
Fragmented and duplicative administration	Requires repeated submissions and follow-ups across institutions, increasing error risk and creating multiple points at which entry can be delayed.
Inconsistent decisions and enforcement	Creates unequal treatment and may disadvantage compliant firms where unlicensed or non-compliant competitors are allowed to operate without equivalent cost.
Binary certificates and all-or-nothing eligibility	Turns a minor error, delayed renewal or missing document into complete exclusion from tenders, supply chains, premises or regulated activity.
Exclusive standards, approvals or gatekeepers	Can channel access through a limited institution or private body and restrict equivalent products, services or entrants without a demonstrated necessity.

The mechanisms are derived from the quantitative results and recurring patterns in the open-ended survey responses.

5.1 Delay can operate as a de facto restriction on entry

Where a business cannot lawfully trade, use a vehicle, occupy premises, offer accredited training or participate in procurement without an approval, the time taken to decide the application is economically equivalent to a temporary prohibition on entry. If the delay is indefinite, the practical restriction may become permanent because the business exhausts its working capital or loses the underlying commercial opportunity.

5.2 Formally equal requirements can have unequal effects

Uniform requirements do not necessarily create a level playing field. A fixed license fee, consultant cost or reporting obligation is proportionately heavier for a microbusiness. Requirements based on long trading histories, extensive financial records, costly premises or specialist personnel may entrench incumbent advantage even where the stated rule applies equally to all applicants.

5.3 Weak enforcement can reward non-compliance

Some respondents reported that registered and compliant businesses incur license fees, rates, renewals and administrative costs while unlicensed competitors continue operating without equivalent enforcement. In such circumstances, the problem is not excessive enforcement against SMEs alone. It is inconsistent enforcement that penalises the compliant firm and permits a lower-cost competitor to evade the same rules.

5.4 Administrative discretion can become a competitive variable

Unclear criteria, changing instructions, inaccessible decision-makers and inconsistent interpretation make business outcomes dependent on the official, office or relationship involved. Several responses alleged favoritism, corruption or unequal access. These allegations have not been independently verified, but they reinforce the need for transparent criteria, auditable decisions and effective review mechanisms.

6. Recurring Regulatory Barrier Themes

6.1 Municipal licenses, zoning, land use and building approvals

Municipal approvals were among the clearest recurring themes. Respondents referred to business permits, zoning and rezoning, building plans, health certificates, Certificates of Acceptability, rates and multiple departmental approvals. Reported problems included being sent between offices, inaccessible officials, repeated signatures, requirements relating to long-established structures and delays ranging from months to years.

These approvals can determine whether a business may lawfully occupy premises, trade from a location, install productive infrastructure or qualify for funding. Their effect on entry and expansion therefore warrants specific competition scrutiny.

6.2 Sector licenses and operating permits

Respondents in tourism, transport, pharmaceuticals, hospitality and other regulated activities described delays in operating licenses and permits essential to lawful trade. Reported consequences included inability to use tourism vehicles, temporary permit costs, non-production, reputational risk and loss of contracts. The legitimate need for safety or sector oversight does not remove the requirement for timely and predictable administration.

6.3 COIDA and certificates of good standing

Several respondents identified registration with the Compensation Fund, returns of earnings and certificates of good standing as barriers. The recurring concern was not worker protection itself, but backlogs, difficult online systems, weak query resolution, the consequences of minor errors and the use of a current certificate as a gateway to tenders and corporate supply chains.

6.4 Accreditation, training-provider and standards processes

Respondents described lengthy accreditation processes involving SETAs and the Quality Council for Trades and Occupations, including delays when functions moved between institutions and requirements to secure workplace agreements before accreditation. Other respondents referred to product testing, SABS or NRCS standards and professional or sector accreditation. Where a particular accreditation is a prerequisite for lawful operation or customer acceptance, delay or exclusive access can directly limit market entry.

6.5 Procurement and supplier access

Some respondents connected compliance documentation, grading, certificates and experience requirements to exclusion from public and private procurement. Others raised concerns about tenders, unequal information, favoritism and requirements structured around the capacity of established firms. These issues should be distinguished from general dissatisfaction with access to work: the competition concern arises where eligibility rules, documentation or procurement design unnecessarily exclude capable smaller suppliers.

6.6 Digital systems, duplication and access to assistance

Respondents referred to systems being offline, difficulty obtaining one-time passwords, repeated submission of documents across government platforms, circular online processes and help desks unable to resolve errors. Several respondents proposed functional online applications, status tracking, reminders, trained help-desk staff and the integration of systems such as COIDA, CSD and CIPC.

7. Compliance Costs and Administrative Burden

Sixty-five respondents provided information about time and 49 provided some form of cost information. The responses were not supplied in a standardised numerical format and included hours, working days, months, years, lost income, professional costs and estimates of broader commercial loss. It would therefore be misleading to calculate an aggregate or average monetary burden from these entries.

The qualitative evidence nevertheless shows that compliance costs arise in several forms: application and renewal fees; professional and consultant fees; travel and repeated follow-ups; staff and owner time; temporary permissions; financing costs while waiting; lost production; lost contracts or funding; and the cost of maintaining assets that cannot yet be used.

The opportunity cost of owner time is particularly important. For an enterprise with one to ten employees, the person completing paperwork and following up with authorities is often also responsible for sales, operations, staff and finance. Administrative time therefore removes productive capacity from the business rather than being absorbed by a dedicated compliance department.

8. Illustrative SME Case Studies

The following anonymised case studies are drawn from individual survey responses. They are included to illustrate the mechanisms identified in the broader results. They record respondents' accounts and have not been independently verified by the SBI. Personal identifiers have been removed.

Case study 1: Tourism and hospitality approvals

A tourism and hospitality business operating for more than ten years reported that its municipal business license took more than six months and its National Public Transport Regulator operator licenses took approximately two years. It estimated annual direct fees and staff or management time at R15,000–R30,000, excluding lost income. It also reported awaiting municipal building-plan approval for a solar installation.

The business could not legally use regulated assets while approvals were outstanding. The delay increased costs, deferred investment and placed an owner-managed SME at a disadvantage to firms with dedicated compliance personnel.

Case study 2: COIDA registration and supply-chain access

A cleaning business reported waiting four months for Compensation Fund registration despite submitting the required paperwork. It stated that it could not operate without a workers' compensation number and estimated the effect at R50,000. Other respondents described certificates of good standing being required for tenders and corporate supplier registration.

A delayed certificate can exclude an otherwise capable business from both public procurement and private supply chains. The administrative delay therefore becomes a market-access barrier beyond the underlying worker-protection objective.

Case study 3: Training-provider accreditation

One provider reported waiting more than six years for accreditation and incurring more than R30,000, including having to restart when the process moved from a SETA to the QCTO. Another respondent reported a six-year QCTO approval process and estimated approximately R500,000 in cost and management time.

Accreditation is necessary to offer recognised training. Extended institutional delays can protect already-accredited providers from entry and prevent new providers from meeting customer demand.

Case study 4: Municipal planning and zoning

A business reported waiting two years for building-plan and zoning signatures despite the relevant officials being within one municipality. Another reported that rezoning required a town planner costing approximately R125,000 and would take more than a year. An agricultural respondent reported losing access to funding because rezoning was not completed within the funding window.

The combination of professional cost, sequential approvals and uncertain timelines raises the cost of entry and can strand investment. The loss of time-limited funding demonstrates how an administrative process can prevent expansion even before a final refusal is issued.

Case study 5: Certificate of Acceptability and alternative evidence

A small food and beverage business operating from rented family property reported being unable to obtain a Certificate of Acceptability because it could not produce the title deed. The respondent proposed accepting lawful proof of occupancy or allowing other parts of the health-assessment process to continue while ownership evidence was resolved.

Where the regulatory objective is food safety, requiring only one form of property evidence may be more restrictive than necessary. Equivalent evidence could protect the same public interest without excluding lawful occupiers.

Case study 6: Product testing and certification

A paint manufacturer reported waiting eight months for product testing and stated that the results supplied related to a different product. The respondent reported losing potential business that required certification.

Where certification is required by customers or regulation, delay or error by the testing process prevents market access. Clear service standards, traceability and an effective correction process are therefore competition-relevant.

Case study 7: Water-use rights and emerging agricultural participation

An agricultural respondent reported discovering that a leased farm previously used for cane production no longer had usable water rights. The business reported a two-year process and estimated a monthly commercial impact of R300,000. The respondent believed that control of licenses limited participation by emerging farmers.

The account is not sufficient to establish unlawful conduct, but it identifies a potential competition concern where access to a scarce regulatory entitlement determines whether an emerging farmer can enter or expand. The allocation, transfer and transparency of such rights warrant targeted investigation.

Case study 8: Exclusive private approval requirement

A logistics and security business reported that an insurer required approval or membership associated with a particular private vehicle-security body and estimated the cost at R30,000 per year. The respondent proposed recognition of equivalent international and communications standards.

Where a private approval becomes a practical condition of insurance or market participation, the necessity, proportionality and availability of equivalent standards should be assessed to prevent unnecessary private gatekeeping.

9. Practical Reforms Proposed by SMEs

Respondents did not only describe problems. Their suggestions reveal a consistent preference for practical, transparent and proportionate administration. The recurring proposals included:

- a single point of entry or one-stop service for applications involving multiple authorities;
- published requirements, fees, decision criteria and realistic turnaround times;
- online applications that function reliably, show application status and allow businesses to track outstanding actions;

- automatic escalation and accountable officials where a published or statutory timeline is exceeded;
- trained and responsive help desks, regional support and practical guidance for first-time applicants;
- reminders before certificates, returns and affidavits expire;
- integration between government systems so that the same information is not submitted repeatedly;
- temporary or provisional permission, grace periods and opportunities to correct minor errors before complete exclusion;
- fees and requirements scaled to business size, risk or turnover, including appropriate exemptions for microbusinesses;
- acceptance of equivalent evidence or standards where these achieve the same regulatory objective;
- consistent enforcement so that compliant firms do not carry costs avoided by unlicensed competitors; and
- clearer and fairer access to accreditation, procurement and market opportunities for new and smaller firms.

These proposals do not require the removal of legitimate protections. Most seek to make compliance possible, predictable and proportionate.

10. SBI Recommendations for the Competition Commission

1. Adopt an SME competition and proportionality test

The Commission should recommend that existing and proposed regulations, by-laws, licensing frameworks and sector standards be assessed against an explicit SME competition test. The test should consider whether the requirement restricts entry or expansion; imposes a fixed cost disproportionate to firm size; requires evidence or capacity that only established firms are likely to possess; creates unnecessary discretion or uncertainty; or relies on exclusive approval when equivalent safeguards are available.

2. Require published requirements, fees and service standards

Every license, permit, certificate and approval process should publish a complete checklist, applicable fees, decision criteria, responsible authority, expected turnaround time and escalation route. An applicant that meets the published checklist should not be subjected to additional undocumented requirements without written reasons.

3. Introduce trackable applications and automatic escalation

Applications should receive a reference number and provide a visible status, outstanding action and responsible office. Where a prescribed or published period is exceeded, the matter should escalate automatically to a senior decision-maker. For low-risk permissions, government should consider provisional or conditional approval mechanisms, subject to appropriate safety and public-interest exclusions.

4. Apply a once-only information principle

Businesses should not be required to submit information already held by another public authority unless there is a lawful or operational reason. Systems such as CIPC, SARS, CSD and the Compensation Fund should, with appropriate safeguards, exchange verified status information. Integration should reduce duplication without creating a single system failure that excludes the applicant from every process.

5. Use risk-based and size-sensitive compliance

Regulatory obligations, inspection frequency, fees and reporting should be proportionate to the risk of the activity and the capacity of the business. Where the public-policy objective can be achieved through simplified reporting, phased compliance, scaled fees or an exemption for low-risk microbusinesses, the less restrictive method should be preferred.

6. Provide cure periods for minor or technical non-compliance

A minor clerical error, pending renewal or short administrative delay should not automatically disqualify an otherwise compliant SME from a tender, supply chain or licence where the underlying risk can be controlled. Cure periods, provisional certificates and proof that a renewal is under consideration should be recognised where appropriate.

7. Improve consistency, reasons and reviewability

Officials should apply standard criteria and provide written reasons for adverse decisions or additional requirements. Regulators should maintain effective internal review and complaint channels and publish performance information. Training and decision templates should reduce differences between offices and officials.

8. Ensure enforcement neutrality

Simplification should be accompanied by consistent enforcement. Registered and compliant SMEs should not face higher effective costs than unlicensed competitors operating without equivalent oversight. Enforcement should focus on material risk and deliberate evasion, while helping willing businesses to regularise compliance.

9. Review exclusive and private gatekeeping requirements

Where insurers, customers, regulators or procurement systems require membership, certification or approval from a particular private body, the Commission should assess whether the exclusivity is objectively necessary, whether equivalent standards are recognised and whether the arrangement raises entry costs or forecloses alternative providers.

10. Establish a targeted referral and monitoring programme

The Commission should refer specific high-impact barriers to the responsible departments, regulators and municipalities, with a request for time-bound responses and reform plans. The Commission should publish a prioritised barrier register, identify responsible institutions, monitor implementation and report on whether reforms have reduced entry times, compliance costs and differential effects on smaller firms.

11. Priority Areas for Targeted Review and Referral

On the basis of the survey responses, the SBI recommends that the following areas receive priority attention. The list is not exhaustive and does not imply that every identified authority or framework is responsible for the same type or degree of barrier.

Priority area	Reported competition concern	Proposed focus
Municipal business licences, zoning, land use, building plans and health approvals	Months or years of delay; sequential signatures; professional costs; inability to trade or use premises	Standardised checklists, parallel processing, online tracking, service standards, escalation and acceptance of equivalent evidence
Transport and tourism operating permits, including NPTR processes	Vehicles or services cannot be used legally; contracts and income lost while waiting	Backlog reduction, published timelines, interim permissions where safe, status tracking and coordinated renewal
COIDA registration and certificates of good standing	Tender and supply-chain exclusion caused by backlog, system failure or minor errors	Simplified registration, responsive query resolution, cure periods, status integration and proportional treatment
QCTO, SETA and training-provider accreditation	Extended delay and repeated processes protect existing accredited providers from new entry	Capacity review, transitional arrangements, application tracking, service standards and assistance securing workplace evidence
Water-use licenses and rights	Access to a scarce entitlement determines whether emerging agricultural businesses can participate	Transparency of allocation and transfer, time-bound decisions and competition assessment of concentration or restrictive control
Product testing, standards and exclusive private approvals	Certification delay, error or exclusivity prevents access to customers, insurance or regulated markets	Recognition of equivalent standards, transparent pricing and timelines, correction and appeal, and review of unnecessary exclusivity

Priority area	Reported competition concern	Proposed focus
Cross-government compliance data	Repeated documents, inconsistent status records and multiple portal failures	Once-only submission, interoperable verification, reminders and safeguards against cascading exclusion

Priority areas reflect recurring or particularly competition-relevant survey accounts. Further evidence should be obtained before findings are made against a specific authority or instrument.

12. Follow-up Evidence and Engagement

Forty-six of the 70 respondents who answered the supporting-document question indicated that they had documents such as emails, letters, application forms, invoices or other correspondence. This creates an opportunity for the Commission, subject to respondent consent and appropriate confidentiality protections, to test specific cases against the relevant statutory requirements, service standards and administrative records.

The SBI is willing to assist the Commission to identify respondents prepared to participate in follow-up interviews or provide supporting documentation. A next phase could select a limited number of cases across priority themes and map, for each case, the applicable instrument, responsible authority, required steps, actual elapsed time, direct cost, commercial consequence and less restrictive alternative.

Such case-based investigation would enable the Commission to distinguish between an isolated service failure, a recurring implementation problem and a regulatory requirement that is inherently restrictive.

13. Limitations of Evidence

The SBI considers it important to distinguish between what the survey establishes and what it does not establish. The survey was voluntary and self-selected, and the respondents do not constitute a representative statistical sample of all South African SMEs. Not every respondent identified the formal name of the relevant legislation, regulation, by-law or authority, and the level of detail varied substantially between responses.

The open-ended cost and time responses were not standardised and cannot support an aggregate national cost estimate. The case studies report respondents' experiences and allegations and have not been independently verified. They should therefore be treated as evidence identifying potential barriers and priorities for investigation rather than final findings against a regulator, municipality or private body.

These limitations do not remove the value of the evidence. The quantitative results show consistent perceptions of delay, cost, unpredictability and competitive harm, while the qualitative responses explain the mechanisms through which those effects arise. The availability of supporting documents from many respondents provides a basis for verification and targeted follow-up.

14. Conclusion

The evidence collected by the SBI demonstrates that regulatory and administrative barriers can materially affect whether small businesses enter, expand and compete. The dominant problems are not regulation in the abstract, but complexity, duration, cost, fragmentation, inconsistency and a failure to recognise the practical capacity of smaller firms.

The reported effects are competition effects. Businesses described delayed openings and expansion, lost contracts and customers, stranded investment, inability to hire, exclusion from procurement and supply chains, and a reduced ability to compete. These effects are particularly important for start-ups, historically disadvantaged entrepreneurs and firms without specialist administrative or legal capacity.

The SBI accordingly recommends that the Commission treat proportionality and implementation as linked priorities. Legitimate regulatory objectives should be preserved, but the route to compliance should be clear, timely, trackable, consistently enforced and no more restrictive than necessary. Where an approval, certificate or standard controls access to a market, delay and unnecessary exclusivity must themselves be treated as potential barriers to competition.

The Commission's review presents an opportunity to move beyond a general call to reduce red tape and establish a practical programme of specific reforms, responsible institutions, measurable service standards and follow-up accountability. The SBI supports this objective and is available to assist with further evidence and engagement.

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