Special Economic Zones (SEZs) are geographically designated areas of a country set aside for specifically targeted economic activities. They are supported through special arrangements (that may include laws) and systems that are often different from those that apply in the rest of the country.

Act No. 16 of 2014: SEZ Act, 2014 provides for:
- the designation, promotion, development, operation and management of SEZs;
- the establishment of the SEZ Advisory Board and the SEZ Fund; and
- the regulation of application, issuing, suspension, withdrawal and transfer of SEZ operator permits and the functions of SEZ operators.

The objectives of the Act are to:
- ensure proper designation, operation, promotion, development and management of SEZs; and
- enact regulatory measures and incentives for SEZs in order to attract domestic and foreign direct investment (FDI).

Benefits of operating within an SEZ:
- 15% corporate tax
- Building allowance
- Employment incentive
- Customs-controlled Area
- 12i tax allowance
- SEZ Fund

Existing SEZs in South Africa

Coega SEZ – Eastern Cape
East London SEZ – Eastern Cape
OR Tambo SEZ – Gauteng
Musina-Makhado SEZ – Limpopo
Richards Bay SEZ – KwaZulu-Natal
Saldanha Bay SEZ – Western Cape
Atlantis SEZ – Western Cape
Nkomazi SEZ – Mpumalanga
Maluti-A-Phofung SEZ – Free State

The SEZ Fund will be available for pre- and post-designation to:
- applicants that are currently operating an IDZ with a valid operator permit, subject to confirmation that an investor that requires infrastructure support has been signed and the investment is in line with the programme objectives;
- applicants in the process of setting up an SEZ subject to submission of a comprehensive business/concept proposal determining clear socio-economic benefits;
- applicants that are licensees in terms of Chapter 5 of the SEZ Act;
- SEZ operators in terms of the SEZ Act and;
- a registered entity in South Africa in terms of the Companies Act.

The SEZ Fund is effective from 1 July 2013 to 31 March 2023.

The applicant will not qualify for the following costs:
- selected top structures
- customised factory buildings for investors
- general infrastructure outside the zone
- social and recreational infrastructure
- residential buildings and office parks
- operational expenditure (post-designation)

Contact us at SEZenquiries@thedti.gov.za for additional information regarding SEZs.