



NATIONAL YOUTH DEVELOPMENT AGENCY
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NYDA Submission on the Draft Business Licensing Bill

2026

1. Introduction

The National Youth Development Agency (NYDA) welcomes the opportunity to comment on the Draft Business Licensing Bill, 2026. The Agency recognises the government's efforts to modernise the existing business licensing framework, improve regulatory consistency across spheres of government, support economic inclusion, and address challenges associated with informal and unregulated business activities. The objectives of promoting policy coherence, streamlining licensing procedures, and creating a uniform business licensing system are broadly supported.

However, from a youth development perspective, it is critical that the Bill strikes an appropriate balance between regulatory oversight and the need to promote entrepreneurship, enterprise development, and employment creation among young people. South Africa continues to face exceptionally high youth unemployment, with many young people turning to self-employment and informal economic activities due to limited opportunities in the formal labour market. Any new licensing framework should therefore avoid creating unintended barriers to youth-owned enterprises, particularly start-ups, informal businesses, township enterprises, creative economy businesses and digital entrepreneurs.

2. General NYDA Position

The NYDA supports the Bill's overall objectives but recommends strengthening the legislation to explicitly recognise youth-owned enterprises as a priority category within the business licensing framework. The Agency believes that the Bill should be guided not only by principles of regulation and compliance, but also by the constitutional imperatives of economic inclusion, transformation and youth empowerment.

3. Specific Comments

3.1. Explicit Recognition of Youth-Owned Enterprises

While the Bill makes reference to small enterprises and economic inclusion, it does not specifically recognise youth-owned enterprises as a category requiring targeted support.

NYDA Recommendation:

Insert a provision requiring licensing authorities to consider youth-owned enterprises when implementing preferential licensing measures.

Proposed wording: "Licensing authorities must take reasonable measures to facilitate the participation of youth-owned enterprises in the economy through simplified licensing procedures, reduced administrative burdens, and targeted support mechanisms."

This would align the Bill with the objectives of the National Youth Policy 2020-2030 and the Integrated Youth Development Strategy.

3.2. Support for Start-Ups and Youth Entrepreneurs

The NYDA welcomes the inclusion of provisions allowing exemptions for start-ups and small enterprises requiring temporary relief from licensing requirements. However, the Bill does not define the duration or scope of such relief.

NYDA Recommendation:

Provide for:

- A licensing grace period for youth-owned start-ups.
- Simplified application procedures during the first three years of operation.
- Reduced licensing fees for youth-owned enterprises.
- Digital application processes specifically accessible to first-time entrepreneurs.

These measures would lower barriers to entry and encourage business formalisation.

3.3. Preferential Licensing for Youth-Owned Businesses

Clause 15 provides for preferential licensing for small businesses. The NYDA strongly supports this provision but recommends expanding it.

NYDA Recommendation:

Clause 15 should specifically include youth-owned enterprises, women-owned enterprises, enterprises owned by persons with disabilities, as well as enterprises operating in townships, informal settlements, and rural areas.

The Bill should further encourage:

- Fast-tracked approval processes
- Fee waivers
- Dedicated licensing support desks

3.4. Designated Trading Areas

The NYDA supports Clause 16, which allows municipalities to designate exclusive trading zones for small enterprises. Many young people participate in informal trading due to limited formal employment opportunities.

NYDA Recommendation:

Municipalities should be required to prioritise youth participation within designated trading areas by:

- Allocating a minimum percentage of trading spaces to youth-owned enterprises
- Providing basic infrastructure
- Linking trading areas to entrepreneurship support programmes
- Providing access to business development services and mentorship

3.5. Reservation of Certain Business Activities and Sectors

The NYDA notes the introduction of Clause 17, which allows the Minister to reserve certain business activities, wholly or in part, for South African citizens or for majority South African-owned entities. While the objective of protecting vulnerable sectors and supporting local economic participation is understood, the NYDA recommends caution.

NYDA Recommendation:

Before any sector reservation is implemented, the government should undertake rigorous assessments of:

- Employment impacts
- Youth entrepreneurship impacts
- Investment impacts
- Informal sector impacts
- Consumer welfare impacts

The Agency recommends that youth-owned enterprises be explicitly considered within any impact assessment process. Sector reservation should not unintentionally reduce market opportunities, increase prices, or discourage investment that could support youth employment.

3.6. Digital and Online Businesses

The Bill appears primarily focused on traditional place-based businesses. However, an increasing number of young entrepreneurs operate through e-commerce platforms, digital services, content creation, software development, online consulting and creative economy platforms.

NYDA Recommendation:

The Bill should explicitly clarify the licensing requirements applicable to digital businesses and ensure that regulatory requirements remain proportionate to the risk profile of such enterprises.

3.7. Youth Representation in Business Licensing Structures

The Bill establishes national and provincial coordination committees. However, there is no provision for representation in the youth sector.

NYDA Recommendation:

The NYDA should be included as a permanent stakeholder in:

- National Inter-Departmental Coordination Committee structures; and
- Provincial consultation mechanisms where youth enterprise development issues are discussed.

This would strengthen policy coordination and ensure that youth development considerations are integrated into implementation.

3.8. Reducing Administrative Burdens

The NYDA strongly supports the Bill's principles requiring licensing systems to minimise administrative burdens and promote efficiency. However, implementation will be critical.

NYDA Recommendation:

The Department should establish:

- Maximum turnaround times for licensing applications
- Fully digital licensing systems
- One-stop licensing platforms
- Mobile licensing support services for rural and township communities.

Young entrepreneurs frequently cite regulatory complexity as a barrier to business formalisation.

3.9. Monitoring Youth Outcomes

The Bill requires the collection of licensing data.

Nyda Recommendation:

The national licensing database should collect disaggregated information on age, gender, location, sector and enterprise size. This will allow the government to measure:

- Youth business participation
- Youth business survival rates
- Youth business growth trends
- Geographic disparities in entrepreneurship.

In the Agency's view, such data would significantly improve evidence-based policymaking.

4. Conclusion

The NYDA supports the broad objectives of the Draft Business Licensing Bill, 2026 and its efforts to modernise South Africa's business licensing framework. However, given the scale of youth unemployment and the growing importance of entrepreneurship as a pathway to economic participation, the Bill should contain stronger provisions that explicitly support youth-owned enterprises.

The NYDA therefore recommends that the Bill be amended to:

1. Recognise youth-owned enterprises as a priority category.
2. Introduce youth-focused preferential licensing measures.
3. Simplify compliance requirements for start-ups.
4. Promote youth participation in designated trading zones.
5. Assess the youth impacts of sector reservation measures.
6. Provide clarity on digital and online businesses.
7. Include youth representation in coordination structures.
8. Strengthen data collection on youth entrepreneurship outcomes.

These amendments would ensure that the Bill contributes not only to regulatory efficiency but also to the broader national objectives of youth economic inclusion, entrepreneurship development and employment creation.