

# Is your PEA CERTIFICATE *still valid?*

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*All recruitment agencies are required to be registered with the Department of Labour as a Private Employment Agency and although this is currently a free-of-charge registration, changes within the Employment Services Act (expected to be promulgated soon) will mean a licensing fee in future in the region of a few thousand Rand.*

APSO has had sight of the draft Employment Services regulations and can confirm that a grace period (during implementation stages of the new legislation) will allow any agency that is in possession of a valid PEA to be exempted from re-licensing for the duration (validity period) of that certificate or for two years from the date of promulgation, whatever comes first. For this reason APSO is highly encouraging all members to review their PEA certificates and to apply now if yours has, or will within the next 6 months, expire. To assist you, please find some more information below:

## What is a PEA Certificate?

This is a certificate issued to recruitment companies by the Department of Labour. The Private Employment Agency (PEA) Certificate is issued after the Department of Labour has conducted a site visit and should be renewed every 2 years, or when the business moves or makes any fundamental change.

All agencies offering private employment services for gain (fee-charging) must register with the Department of Labour. In terms of Skills Development Act, Section 24(1) – (4):

1. Any person who wishes to provide employment services for gain must apply for registration to the Director-General in the prescribed manner.
2. The Director-General must register the applicant if satisfied that the prescribed criteria have been met.
3. If the Director-General—
  - a. Registers an applicant, the prescribed certificate must be issued to the person; or
  - b. Refuses to register an applicant, the Director-General must give written notice if the decision to the applicant
4. A registered employment service must comply with the prescribed criteria.

**In terms of Section 33(d) of the Skills Development Act, 1998, it is an offence for any person to keep or conduct an employment office for any person unless s/he is in possession of a Certificate of Registration issued under S24(3)(a) of the Act.**

The application for the registration of an employment service for gain application form must be completed and submitted in triplicate. The application form must be accompanied by the following documents:

- Company Registration Documents
- SARS Registration
- COIDA and UIF Registration

## How do you apply for the Department of Labour PEA Certificate?

The applications must be submitted to your nearest Department of Labour office, in person. It is important that the forms are submitted to the centre closest to you, as the Department of Labour Centres work according to jurisdiction and can only process the applications in their vicinity.

Once your application is received, an inspector from the Department of Labour will arrange a meeting at your offices where the site visit will be conducted.

APSO can assist you by providing a list of contacts of local Department of Labour offices and, wherever possible, the name and number of the Public Employment Services practitioner stationed there.

## How much does it cost to register with the Department of Labour for a PEA Certificate?

There is currently no charge for registering as a private employment agency however the new regulations, expected to come into effect soon, will mean licensing at a fee. It is for this reason that APSO highly encourages all members to review their PEA certificate and renew as soon as possible.

## What should one expect when the Department of Labour does their visit?

Generally, the Department of Labour would look at the following things:

- Confirmation of the company's details – physical address, telephone numbers, e-mail addresses and fax numbers. This information can be submitted in the form of a company letterhead.
- Have the statutory registrations been completed and is the company in good standing? This would include SARS registrations, UIF Registrations, COIDA (Compensation Commissioner) etc
- Is there a proper filing system and are records relating to candidates, placements and clients kept accurately and for the prescribed 3-year period?
- Is the office compliant in terms of Occupational Health and Safety Act? E.g.: Sufficient ventilation, first aid box, regularly serviced fire extinguishers etc.
- Do you have a visible sign that says: "No charge to candidates"
- Are the BCEA, EEA, and OHSA posters displayed in the office where employees can see them?
- Are your employment contracts in line with the Basic Conditions of Employment Act?
- If this is a renewal application: Has your previous PEA Certificate been displayed on a wall in the office or on your website as prescribed?

## What else must one keep in mind?

Your certificate is dependent on all information (as at the time of application) remaining the same. Therefore any address changes must be made known to the Department of Labour. Where you have moved premises you will have to complete a new application and submit it to the Department of Labour Centre closest to the new premises. A new certificate reflecting the new address will be issued once the inspectors have conducted a visit. Where a private employment agency has more than one office, each office must register for a private employment agency certificate at the Department of Labour Centre closest to that branch. The branch may not use the same certificate as the head office.