



BERGRIVIER MUNICIPALITY INFORMAL TRADING STALLS MANAGEMENT POLICY

May 2025



TABLE OF CONTENTS

1. DEFINITIONS.....	3
2. INTRODUCTION	4
3. LEGISLATIVE FRAMEWORK	5
4. STRATEGIC ALIGNMENT	6
5. PURPOSE OF THE POLICY.....	7
6. RESPONSIBILITY AND ACCOUNTABILITY	7
7. DELEGATIONS	7
8. POLICY OBJECTIVES AND PRINCIPLES	8
9. DEMARCATION PROCEDURE	9
10. APPLICATION PROCESS	10
11. ALLOCATION OF TRADING BAYS.....	11
12. ASSISTANCE TO INFORMAL TRADERS.....	12
13. PROVISION OF INFRASTRUCTURE.....	12
14. TARIFF STRUCTURE.....	13
15. INSTITUTIONAL ARRANGEMENTS.....	13
16. LAW ENFORCEMENT	13
17. DISPUTE RESOLUTION PROCEDURE	14
18. REGULAR REVIEW PROCESSES.....	14

1. DEFINITIONS

1.1 For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Businesses Act	Means the Businesses Act, 1991 (Act No. 71 of 1991), including any regulations issued thereunder.
Demarcated trading area	Means an area designated for the purposes of informal trading after having followed the process for demarcation in terms of the Businesses Act, 1991 (Act No. 71 of 1991).
Illegal goods	Goods that are illegal to sell or to buy (including but not limited to counterfeit goods as defined in the Counterfeit Goods Act, 1997 (Act No. 37 of 1997)).
Informal trader	Means a person, or an enterprise which is not registered or incorporated in terms of the corporate laws of South Africa, and who or which engages in informal trading, including registered Small, Medium and Micro Enterprises (SMMEs) who do not have other formalities like business bank accounts and tax registration.
Informal Trader Runner	An informal trader runner is a person authorized by an informal trader to sell their goods away from a fixed stall, typically on pavements or in high-traffic areas of a town. This role helps increase exposure and sales when foot traffic at the main trading stall is low. The runner is mobile and operates within the vicinity or across different parts of the town where the stall is located, allowing the trader to extend their reach without relocating their primary setup. Each stall is allowed 2 runners only.
Informal Trader stallholder	Means a person or an enterprise that is not registered or incorporated in terms of the corporate laws of South Africa and which engages in informal trading and has a

	lease agreement with the Municipality in terms of renting the municipal informal trader stalls.
Law Enforcement officer	Refers to an officer who is duly authorized to act as a peace officer in terms of The Criminal Procedure Act, 1977 (Act No. 51 of 1977).
Municipality	Means Bergrivier Municipality as established in terms of Section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Provincial Notice 488 dated 22 September 2000.
Permit-holder	Means an informal trader who has been granted a permit by the Municipality to conduct informal trading in a demarcated trading area.
Previously disadvantaged individuals	Means persons who, although of legal age to vote, did not have the right to vote before 1994 in the South African elections.
Special events	May include, but are not limited to, sports events, night markets, flea markets, bazaars, traditional events, fundraising events, cultural events, music festivals, promotional events and religious events.

2. INTRODUCTION

- 2.1 In terms of Section 152 of the Constitution of the Republic of South Africa, 1996, the promotion of social and economic development is one of the objectives of local government. Section 22 of the Constitution confers upon every citizen the right to choose their trade, occupation, or profession freely, subject to regulation thereof by law.
- 2.2 The Municipality recognizes the important contribution that the informal sector makes to the economic and social development of Bergrivier Municipality's citizens and thereby assists informal traders to be absorbed into the mainstream economy.
- 2.3 The Bergrivier Municipality recognizes the existence of the historical non-demarcated informal trading sites. It takes cognizance of the relevant legislative frameworks when facilitating access to suitable infrastructure within the local legislative framework. In

respect of historical non-demarcated informal trading sites, the Municipality will endeavour to ensure that informal traders have reasonable access to a dignified enabling environment, in areas where it is in accordance with relevant policies, acts and circumstances to trade. The approval of these sites will be facilitated subject to engagement with all relevant authorities including the relevant road authority. Clear guidelines will be provided to officials who manage informal trade in the municipality to ensure that policy guidelines are adhered to.

Furthermore, this policy is aligned to the Municipality's Bylaw on informal trade (9 November 2009) which contains the provisions that govern informal trade trading areas.

3. LEGISLATIVE FRAMEWORK

- 3.1 The following are key legislative imperatives that provide a mandate to Bergrivier Municipality to support, manage and control activities within the informal trading sector:

LEGISLATION	RELEVANCE
Constitution of the Republic of South Africa, 1996	Section 22 of the Constitution of the Republic of South Africa (the Constitution) provides for the freedom of trade, occupation and profession. It provides that "every citizen has the right to choose their trade, occupation or profession freely." It is accepted that this freedom extends to informal trading. Section 22 of the Constitution further provides that "the practice of a trade, occupation or profession may be regulated by law."
The Businesses Act, 1991 (Act 71 of 1991)	Prohibits the conduct of any business without the possession of a requisite license. It grants the Municipality the powers to make Bylaws regarding the control and supervision of informal trading. It also authorizes the Municipality to demarcate areas where informal trading may be prohibited or restricted and to let or otherwise allocate stands for informal trade.
The National Road Traffic Act, 1996 (Act 93 of 1996)	Determines where, on public roads, a trader may/may not trade.

LEGISLATION	RELEVANCE
The Promotion of Equality and the Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000)	Prohibits the state or any person from discriminating unfairly against any person on the grounds of race or gender through the denial of access to opportunities for rendering services or by failing to take steps to reasonably accommodate the needs of such persons.
Government Notice R638 promulgated under the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)	Regulates hygiene on food premises and the issue of certificates of acceptability.
Air Quality Act, 2004 (Act 39 of 2004)	Establishes the framework for the prevention of pollution in the atmosphere and provides for matters incidental thereto.
Counterfeit Goods Act, 1997 (Act 37 of 1997)	Introduces measures aimed against the trade of counterfeit goods.
Meat Safety Act, 2000 (Act No. 40 of 2000)	The Act aims to provide for measures to promote meat safety and the safety of animal products, to establish and maintain essential national standards in respect of abattoirs, to regulate the importation and exportation of meat and to establish meat safety schemes.

4. STRATEGIC ALIGNMENT

- 4.1 The Bergrivier Municipality's Informal Trading Stalls Management Policy aligns strategically with its Integrated Development Plan (IDP), particularly through the Informal Trading By-law, 2023. This policy aims to regulate and support informal trading within the municipality, ensuring that it contributes positively to local economic development and social inclusion.

The Bergrivier Municipality's IDP focuses on building resilience, strengthening rural-urban linkages, promoting spatial transformation, enhancing service delivery, transitioning to smart infrastructure, and exploring opportunities in agricultural and ocean economies. The Informal Trading By-law, 2023, supports these objectives by

promoting social and economic development, ensuring equal treatment, protecting heritage and environmental areas, and aligning with spatial planning. The municipality must compile a draft policy, publish a notice, hold a public meeting, and consider objections before adopting the policy.

4.1.1 Integrated Development Plan

The Integrated Development Plan outlines the Municipality's development priorities in respect of sustainable and inclusive economic development. The IDP specifically focuses on poverty alleviation initiatives, which include the promotion of sustainable entrepreneurship and priority sector development.

4.1.2 Local Economic Development Framework

The Local Economic Development Strategy identifies the need for the further development of informal trading areas in Bergrivier Municipality and funding needs to be sourced. This includes the ease of doing business, especially in the informal sector.

4.1.3 Spatial Development Framework

The municipality's Spatial Development Framework supports efforts to provide a structured framework to facilitate targeted business support initiatives to informal sector entrepreneurs to increase this sector's contribution towards the local economy.

5. PURPOSE OF THE POLICY

- 5.1 The purpose of this policy is to create a favourable economic environment that recognizes informal trade as a legitimate expression of business and economic activity through effective management, control and law enforcement.

6. RESPONSIBILITY AND ACCOUNTABILITY

- 6.1 The Council has the overall responsibility and accountability for adopting and approving the Informal Trading Stalls Management Policy.

7. DELEGATIONS

- 7.1 The Municipal Manager is authorised in terms of the System of Delegations to grant in principle and final approval in respect of applications for the right to use, specifically the letting of informal spaces on report from the Head: Strategic Services and on recommendation by the Manager: Strategic Services. Furthermore, the Municipal Manager is hereby authorised to deviate from this policy on good cause shown and after consultation with the Portfolio Chairperson of Economic Development.

8. POLICY OBJECTIVES AND PRINCIPLES

8.1 Policy Objective

- 8.1.1 Bergrivier Municipality acknowledges the relevance and contribution of informal trading to the economic and social development of the area. Informal trading provides income and work opportunities to those who are unemployed. The main aim of the Informal Trading Stalls Management Policy is to create a favourable economic environment that recognizes informal trade as a legitimate expression of business and economic activity through effective management, control and law enforcement.

8.2 Guiding Principles

- 8.2.1 The key principles that govern the Bergrivier Municipality's approach to informal trading are encapsulated in the respective strategies, which focus specifically on the integration of the economic, social and spatial principles listed below.

8.2.1.1 Economic Principles

Economic growth in the informal trading sector will be facilitated through:

- (a) Linking the development and growth of trading areas to commercial zones in order to create viable hubs of business activity that will mutually benefit formal/informal businesses;
- (b) Providing a range of facilities, capacity building and business support services that cater for different levels of traders, from the weekly trader and small survivalist trader to larger traders;
- (c) Ensuring that the buildings and property owned by the Bergrivier Municipality are used for the maximum social and economic development of the community within which they are located;
- (d) The Bergrivier Municipality recognizes the historical existence of non-demarcated informal trading sites. It takes cognizance of the relevant legislative framework when facilitating access to suitable infrastructure within the local government legislative framework. The Municipality will endeavour to ensure that informal traders are provided with a dignified enabling environment to trade.
- (e) Targeting highly accessible and visible locations for the promotion of tourist related trading to derive benefit for informal traders from the tourist potential.

8.2.1.2 Social Principles

The promotion of equity within Bergrivier Municipality to create dignified trading is achieved through:

- (a) Spreading public spending in an equitable manner throughout the area with an emphasis on the poorer parts of the Bergrivier Municipal Area that have not historically benefited from Public Sector investment;
- (b) Viewing the location of Public Sector investment as an opportunity to integrate communities that have historically been spatially separated; and
- (c) Providing basic services such as water and refuse at municipal owned facilities at a cost to the trader where public health and public safety are at risk.

8.2.1.3 Spatial Principles

Informal trading contributes to the value of public spaces as amenities, places of dignity, and has the potential to be a catalyst for generating positive public spaces through:

- (a) Enhancing, if financially and administratively and legally feasible, those areas that will have most significant impact on the largest number of people, i.e. areas with large flows of pedestrian traffic;
- (b) Allocating spaces for informal trading areas in accordance with broad spatial planning policies of Council and the Spatial Development Framework; and
- (c) Providing minimal infrastructure for informal trading, which would vary depending on the type of activity.

9. DEMARCATION PROCEDURE

9.1 Demarcation by way of Section 6A of the Business Act of 1991

Demarcation in terms of Section 6A(2)(a) of the Businesses Act of 1991 shall be applied in the following manner:

- 9.1.1 The Bergrivier Municipality may resolve to demarcate areas where informal trading may be prohibited or restricted;
 - (a) After adoption of the resolution, the Municipality must compile a plan showing the position of the area concerned.
 - (b) The Bergrivier Municipality must advertised the resolution with the proposed areas to be demarcated for public comment for 21 days.
 - (c) Once the demarcated areas have been advertised for 21 days, the Municipality must publish the demarcated areas in the Provincial Gazette.

- 9.1.2 After publication, the Municipality must submit a copy of the demarcated trading plan and the notice published to the Provincial Department of Local Government for notification.

9.2 Demarcation in terms of Section 6A (3) (b)

- 9.2.1 The Bergrivier Municipality may by resolution set apart and demarcate stands or areas for the purposes of informal trade on any public road or property of the municipality and may extend, reduce or disestablish any such stand or area.
- 9.2.2 The Municipality may by agreement let or otherwise allocate any stand or area demarcated under paragraph 9.1.2.

10. APPLICATION PROCESS

10.1 Informal Trading from Bricked Structures

- 10.1.1 The Municipality's Department of Strategic Services in conjunction with the Department of Town Planning and Environmental Management, will identify vacant trading spaces in municipal-owned bricked structures built specifically for informal trading and micro enterprises.
- 10.1.2 The vacant trading spaces in bricked structures will be advertised in the local media and available social media platforms for a period determined by the Municipality, normally 21 days;
- 10.1.3 Prospective applicants may be required to submit a prescribed templated business plan that explains the type of business they will be operating from the premises;
- 10.1.4 Applicants must submit the prescribed application form, which must be completed in full with supporting documents and handed to the Head of Strategic Services for processing before the closing date.
- 10.1.5 Only applications received on or before the closing date will be considered and evaluated based on criteria as outlined in this Policy;
- 10.1.6 Applicants whose application forms meet the criteria will be shortlisted;
- 10.1.7 Shortlisted applicants may be invited for an interview to determine the suitability and sustainability of their proposed informal business; if one applicant is provided with the opportunity to make oral representations, then all applicants should be provided with the opportunity;
- 10.1.8 Applicants may not be in the employ of the state or private sector;
- 10.1.9 The application review panel may consist of staff members of the Strategic Services Department, Town Planning, Law Enforcement, Economic Portfolio Committee

Chairperson and the Municipal Finance Department. The Head of Strategic Services on recommendation from the review panel, will draft a memorandum with a recommended list of successful applicants, for approval by the Municipal Manager as per 7.1.

- 10.1.10 Successful applicants will be informed of the outcomes of their applications within one calendar month after the application review process has been concluded and be invited to sign lease agreements; and
- 10.1.11 The relevant information is captured on the municipal central informal trader database.

11. ALLOCATION OF TRADING BAYS

- 11.1 **Central to equitable allocation of trading bays is the compilation of trader's information in a particular area, included but not limited to-**

- (a) ID number or any recognized form of identification;
- (b) proof of address;
- (c) description of goods being sold; and
- (d) trading location and any other required information;

11.2 Criteria for Bricked Structures

- 11.2.1 Only emerging micro-enterprises shall be considered;
- 11.2.2 Preference will be given to previously disadvantaged individuals;
- 11.2.3 The trader/business owner must be in possession of a valid South African identification document or working permit;
- 11.2.4 The trader/business owner must trade for at least 4 days per week and for 45 weeks of the year;
- 11.2.5 Only one trading space will be issued per business owner;
- 11.2.6 Only one trading space will be issued per household;
- 11.2.7 In the case of foodstuffs, the business owner must be in possession of a Certificate of Acceptability, have a 4,5kg fire extinguisher on site and must complete an indemnity form at the Municipality's Fire Department to indemnify Council from any claims that may arise from the use of gas. Furthermore, the following should be adhered to if applicable:
 - (a) The stall must be in a designated trading stall area. No extensions are allowed.
 - (b) No open flames are allowed.

(c) No existing sidewalks must remain open for pedestrian use.

(d) Emergency numbers must be available.

11.2.8 Applicants who have successfully operated an emerging micro-enterprise in the past year will get preference;

11.2.9 Applicants who submit compulsory comprehensive business plans will get preference;

11.2.10 Preference will be given to applicants who are selling South African products or are self-producing the stock or service; and

11.2.11 Where possible, trading spaces will be allocated in such a manner to prevent those informal traders selling or producing similar items being in close proximity to one another.

11.3 Other Conditions

11.3.1 Subject to, and in compliance with Section 6A (1), (2) and (3) of the Businesses Act No. 71 of 1991, the allocation of trading bays is to be based on the following:

(a) The nature of the goods and services the permit holder is permitted to trade (preference will be given to locally produced goods);

(b) In high demand zones, alternative allocation models will be explored, where deemed appropriate to enhance the trading mix; and

(c) Once bays are allocated, informal traders will be encouraged to join an Association of informal traders in the area.

(d) Two (2) runners are allowed and must wear bibs with the stall number clearly visible on it.

12. ASSISTANCE TO INFORMAL TRADERS

The Municipality shall facilitate access to various support interventions for informal traders as and when required. This could include facilitating linkages to potential funders and service providers that provide business support to informal traders such as the Small Enterprise Development Agency and the Small Enterprise Finance Agency.

13. PROVISION OF INFRASTRUCTURE

13.1 In certain instances, the Municipality provides basic infrastructure to informal traders by utilizing its capital budget to build shelters for informal traders. The structures that are built are rented to the traders under strict conditions for a period ranging from 12 to 36 months renewable, through the application process as outlined in this policy. The duration will be made clear in the lease agreement to be signed by the trader and the

municipality. Should any terms in the lease agreement be breached by the trader (lessee), the lease agreement will be terminated.

14. TARIFF STRUCTURE

14.1 Council will determine the tariff structure based on the following services offered at different areas designated for informal trading:

- (a) Storage and Security;
- (b) Refuse Removal and Cleaning Services; and
- (c) Electricity, water and ablution facilities.

15. INSTITUTIONAL ARRANGEMENTS

15.1 There are 4 key components to informal trading within the municipal Council:

- (a) Policy formulation and revision;
- (b) Regulation and enforcement;
- (c) Developmental responsibilities; and
- (d) Management/operations.

16. LAW ENFORCEMENT

16.1 The conduct of traders will be strictly monitored in order to enhance the sector's public image for residents and visitors. Anti-social and other unruly behavior will be viewed as misconduct.

16.1.1 No trader will be permitted to carry on such business in a manner, which creates a nuisance, is a danger or threat to public health and safety, or damages any Council property;

16.1.2 Where a trader violates the permit conditions, he or she will be informed in writing of the violation and course of action. Permit fees will not be refundable if the permit is revoked or suspended;

16.1.3 Punitive measures could include a warning, suspension for specified period, the revocation of such lease agreement, or criminal prosecution where regarded necessary;

16.1.4 If in the reasonable opinion of a Law Enforcement Officer, an informal trader is suspected of trading in illegal goods, those goods be immediately confiscated, and, in the event of such confiscation, the authorised official must immediately surrender the suspected illegal goods to the possession of the South African Police Service.

17. DISPUTE RESOLUTION PROCEDURE

- 17.1 All traders that are informed by the Strategic Services Department that their application was unsuccessful shall be entitled to make representations to the Municipality. The process shall be as follows:
- 17.1.1 The trader shall request in writing to the Head: Strategic Services to furnish reasons why he or she was not successful. The Head: Strategic Services must respond within 14 days of receipt of request.

18. REGULAR REVIEW PROCESSES

- 18.1 The Informal Trading Management Policy must be reviewed annually to ensure that it complies with the Municipality's strategic objectives and relevant current local and national-informal trading legislation and regulations.