

**MOORE STEPHENS**

CHARTERED ACCOUNTANTS (SA)

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**Tax Guide 2011/12**



challenging expectations

## BUDGET PROPOSALS

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### INDIVIDUAL TAX

#### **Tax Brackets**

The primary rebate has been increased from R10,260 to R10,755 a year for all individuals.

The secondary rebate has increased from R5,675 to R6,012 a year for individuals aged 65 and over. A third rebate, which applies to individuals aged 75 years and over, is introduced at R2,000 per year.

The upper income bracket has been increased from R552,000 in 2011 to R580,000.

#### **Medical Scheme Contributions**

From 1 March 2011, the tax deductible portion of monthly contributions to medical schemes is increased for each of the two beneficiaries from R670 to R720 and for each additional beneficiary from R410 to R440.

#### **Interest**

The annual exemption on interest earned for individuals under 65 years of age has increased from R22,300 to R22,800.

The exemption for individuals 65 years and older has increased from R32,000 to R33,000. The threshold for foreign interest and dividends remained unchanged at R3,700

#### **Annual Exclusion of Capital Gains**

Has increased from R17,500 to R20,000

#### **Company Car Fringe Benefit**

The company car fringe benefit rate is now 3.5% of the cost of the vehicle.

#### **Retirement Fund Payments**

From 1 March 2012 an employer's contribution to retirement funds on behalf of an employee will be a taxable fringe benefit in the hands of the employee.

Individuals will from that date be allowed to deduct up to 22.5% of their taxable income for contributions to pension, provident and retirement annuity funds with a minimum annual deduction of R12 000 and an annual maximum of R200 000.

## **National Health Insurance**

National Health Insurance will be phased in over 14 years. Funding options under consideration are a payroll tax (payable by employers), an increase in the VAT rate and a surcharge on individuals' taxable income.

## **Gambling Tax**

Taxation of gambling winnings exceeding R25 000 at 15% from 1 April 2012

## **CORPORATE TAX**

### **Corporate Tax Rates**

There is no change proposed to corporate tax rates.

### **Secondary Tax on Companies (STC)**

No change was proposed to the STC rate of 10%.

### **Dividend Tax**

Dividends tax becomes effective from 1 April 2012 and Secondary Tax on Companies will be discontinued from that date.

### **Youth Employment Subsidy**

Introduction of a youth employment subsidy in the form of a tax credit

### **Learnership Incentive**

Extend the learnership tax incentive for a further five years.

## **INDIRECT TAX**

### **Securities Transfer Tax**

No changes are proposed.

### **VAT**

VAT remains unchanged at 14%.

### **Tax on International Air Travel**

R150 per passenger departing on international flights excluding flights to Botswana, Lesotho, Namibia and Swaziland, in which case the tax is R80. The tax will be increased to R190 and R100, respectively, from 1 October 2011.

## **TAX ADMINISTRATION**

A voluntary disclosure program which began in November 2010 will remain open until 31 October 2011.

## TAX RATES - INDIVIDUALS & SPECIAL TRUSTS

### YEAR ENDED 28 FEBRUARY 2012

<b>Taxable Income</b>	<b>Rates of Tax</b>
R0 – 150,000	18% of taxable income
R150,001 – R235,000	R27,000 + 25% of taxable income above R150,000
R235,001 – R325,000	R48,250 + 30% of taxable income above R235,000
R325,001 – R455,000	R75,250 + 35% of taxable income above R325,000
R455,001 – R580,000	R120,750 + 38% of taxable income above R455,000
R580,001 and above	R168,250 + 40% of taxable income above R580,000

Notes: A special trust is a trust created solely for the benefit of a mentally ill or physically disabled person, or a testamentary trust for the benefit of minor children.

### YEAR ENDED 28 FEBRUARY 2011

<b>Taxable Income</b>	<b>Rates of Tax</b>
R0 – 140,000	18% of each R1
R140,001 – R221,000	R25,200 + 25% of the amount over R140,000
R221,001 – R305,000	R45,450 + 30% of the amount over R221,000
R305,001 – R431,000	R70,650 + 35% of the amount over R305,000
R431,001 – R552,000	R114,750 + 38% of the amount over R431,000
R552,001 and over	R160,730 + 40% of the amount over R552,000

Notes: A special trust is a trust created solely for the benefit of a mentally ill or physically disabled person, or a testamentary trust for the benefit of minor children.

## TRUSTS

	<b>2012</b>	<b>2011</b>
Tax Rates applicable to Trusts other than Special Trusts	40%	40%

## COMPANIES & CLOSE CORPORATIONS

### Normal Tax Rate for Years of Assessment after 31 March

	2012	2011
Company & Close Corporation	28%	28%
South African Branch of foreign company	33%	33%
Employment Companies	33%	33%
Foreign Companies with South African Activities	33%	33%
Public Benefit Organizations & Recreational Clubs	28%	28%

### Small Business Corporations

Financial Years ending on any date between 1 April 2011 and 31 March 2012:

	Rates of Tax:
- On first R59,750	0%
- From R59,750 to R300,000	10% of taxable income above R59,000
- R300,001 and above	R24,025 + 28% of taxable income above R300,000

Financial Years ending on any date between 1 April 2010 and 31 March 2011:

	Rates of Tax:
- On first R57,000	0%
- From R57,001 to R300,000	10% of taxable income above R57,000
- R300,001 and above	R24,300 + 28% of taxable income above R300,000

### Turnover Tax for Micro Businesses

Financial Years ending on 29 February 2012:

	Rates of Tax:
- On first R150,000	0%
- R150,001 – R300,000	1% of taxable income above R150,000
- R300,001 – R500,000	R1,500 + 3% of taxable income above R300,000
- R500,001 – R750,000	R7,500 + 5% of taxable income above R500,000
- R750,001 – R1,000,000	R20,000 + 7% of taxable income above R750,000

## SECONDARY TAX ON COMPANIES

	2012	2011
On net dividends declared on or after 1 October 2007	10%	10%

## DONATIONS TAX & ESTATE DUTY

### Normal Tax Rate for Years of Assessment

	2012	2011
Donations Tax Rate	20%	20%
Annual Exemption for natural persons	R100,000	R100,000
Casual gift exemption (Companies and trusts)	R10,000	R10,000
Estate Duty	20%	20%
Estate Duty abatement	R3,500,000	R3,500,000

## REBATES

	2012	2011
Primary	R10,755	R10,260
65 and over	R6,012	R5,675
Third Rebate	R2,000	-

## TAX THRESHOLDS

	2012	2011
Primary	R59,750	R57,000
65 and over	R93,150	R88,528
75 and over	R104,261	-

## EXEMPT INCOME (SECTION 10)

### 1) INTEREST

	2012	2011
Total interest exemption including foreign interest		
Below 65	R22,800	R22,300
65 and over	R33,000	R32,000
Foreign interest and dividends	R3,700	R3,700

Notes: If any portion of the foreign interest and dividends has been claimed the exemption limits are reduced accordingly.

### 2) PENSIONS

Workmen's Compensation and death benefits  
War and certain disability pensions  
Pensions received from sources outside South Africa

### 3) EXEMPT INCOME REPORTABLE ON PAYROLL

Uniform Allowance – reported against code 3709 on the tax certificate  
Relocation Allowance - reported against code 3714 on the tax certificate  
Foreign Employment Income – Income reported against foreign  
employment codes on the tax certificate

## TAXATION OF LUMP SUM BENEFITS FROM FUNDS

	Taxable Amount	Rate of tax
<b>Retirement or death</b>	0 - R315,000	0%
	R315,001 – R630,000	18% of amount over R315,000
	R630,001 – R945,000	R56,700 +27% of amount over R630,000
	Exceeds R945,001	R141,750 +36% of amount over R945,000
<b>Withdrawal/resignation from fund</b>	0 - R22,500	0%
	R22,501 – R600,000	18% of amount over R22,500
	R600,001 – R900,000	R103,950 +27% of amount over R600,000
	Exceeds R900,000	R184,950 +36% of amount over R900,000

## CRITICAL PAYMENT DATES

### PROVISIONAL TAX

-1st	at half year
-2nd	at year end
-3rd	(Top up) 6 months after year end unless year end is February then 7 months after year end
PAYE	7 days after month end
SDL	7 days after month end
UIF	7 days after month end
STC	End of the month following a dividend cycle
VAT	25th day after period end (last business day if electronically submitted and paid)
STT	Unlisted securities – within 2 months from month end of transfer Listed securities – 14th day of the month following transfer

## SARS ADMINISTRATIVE PENALTIES

### Assessed loss or taxable income for preceding year Penalty

Assessed loss	R250
R0 – R250,000	R250
R250,001 – R500,000	R500
R500,001 – R1,000,000	R1,000
R1,000,001 – R5,000,000	R2,000
R5,000,001 – R10,000,000	R4,000
R10,000,001 – R50,000,000	R8,000
Above R50,000,000	R16,000

SARS implemented the new penalty regime on 23 November 2009. Penalties are levied per month on each outstanding tax return. The penalty amount is based on the taxpayer/s taxable income.

## EMPLOYEES TAX

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### Standard income tax on employees (SITE)

SITE is a final deduction of normal tax from net remuneration up to R60,000. SITE is deducted under the PAYE system and may be refundable in certain scenarios. The most important exclusions from SITE are:

- Director's remuneration
- Self-employed practitioners
- Remuneration that may be set off against any assessed loss

SITE is only calculated at the end of a tax period. Tax deductions are made in terms of the PAYE tables, on a monthly basis. SITE will be phased out over the next two years commencing from 1 March 2011 so the last calculation will be in February 2013.

### Pay as you earn (PAYE)

Any Employee's remuneration which is not 'net remuneration' as defined or exceeds SITE limits (R60,000) is subject to monthly deductions according to the PAYE tables.

- 80% of any Travel Allowance from 1 March 2010 (previously 60%)
- Payment made to directors/members in respect of services rendered are subject to PAYE
- PAYE should be withheld from remuneration paid to labour brokers unless an exemption certificate is obtained.
- Annuities from Annuity Funds are subject to PAYE and SITE

## SKILLS DEVELOPMENT LEVY (SDL)

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The Skills Development Act was introduced to upgrade the level of skills and access to skills by workers. Employers with a payroll in excess of R500,000 are required to register and pay the 1% levy on the total remuneration used to compute employees' tax. Employers are encouraged to create an active learning environment by being eligible for grants if their training programs meet the Sector Education and Training Authority (SETA) requirements.

## DEDUCTIONS & ALLOWANCES - INDIVIDUALS

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### Medical Expenses:

The deduction is claimed by the person who paid the expense

<b>Over 65</b>	All expenses
<b>Under 65</b>	Monthly medical aid contributions capped at R720 per month for each of the first two beneficiaries and R440 for each additional beneficiary. Expenses to the extent they exceed 7.5% of taxable income before retirement lump sum benefits and any medical deductions may also be claimed.
<b>Disabled taxpayers</b>	If the taxpayer, spouse or child has a disability, all qualifying expenses are allowable.

## Qualifying expenditure includes:

- Contributions to medical aid funds in excess of capped amount
- Medical aid fringe benefit determined by the employer
- Payments to pharmacists for prescribed medicines
- Payments to medical practitioners, nursing homes and hospitals
- Payments for physical disabilities
- Payments for the benefit of any dependents

### Pension and Annuity Funds

Pensions fund contributions

Limited to the greater of 7.5% of retirement funding income or R1,750. Excess contributions are not carried forward to the next year of assessment but accumulated for the purpose of determining the tax free element of the lump sum upon retirement.

Retirement Annuity Fund(RAF)

Limited to the greater of 15% of non-retirement funding income or R3,500 less current contributions to a pension fund, or R1,750.

Reinstated RAF Contributions

Up to a maximum of R1,800 per annum. Any excess may be carried forward.

### Donations

Donations to certain designated Public Benefit Organisation's (PBO) will qualify for a tax deduction which is limited to 10% of taxable income before the deduction of donations and medical expenses.

## DEDUCTIONS & ALLOWANCES - EMPLOYEES

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Employees or holders of office who receive remuneration are restricted in terms of allowable deductions to the following:

- Pensions fund or retirement annuity fund contributions
- Legal expenses
- Wear and tear allowance
- Bad debts allowance
- Doubtful debts allowance
- Home office expenses
- Insurance policy premiums
  - Subject to the policy covering the person for loss of income as a result of injury, illness, disability or unemployment, and
  - Amount payable in terms of the policy constitutes income as defined.
- Refunded salary or restraint of trade payments received

## FRINGE BENEFITS

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The value of the benefit that accrues to an employee is calculated in terms of the Seventh Schedule of the Income Tax Act.

## Medical Aid

Any medical aid contribution made by an employer is a taxable fringe benefit.

## Travel Allowance

Allowance may be paid at a fixed monthly rate or per kilometer. 80% of the allowance is subject to PAYE and the full allowance is disclosed on the employee's IRP5 certificate. The percentage is reduced to 20% if the employer is satisfied that at least 80% of the use of the motor vehicle for the tax year will be for business purposes.

Accurate records of the opening and closing odometer readings must be maintained in all circumstances. From 1 March 2010 expenditure claimed against a travel allowance can only be based on a logbook.

The employee may opt to be reimbursed at R3.05 per km where less than 8,000 km relate to business, provided no other travel allowance is received.

## Rates to determine Allowable Deduction

### 2011/12

The table below may be used in determining the allowable deduction for business travel, where no records of actual costs are kept.

Cost of vehicle	Fixed R p.a	Fuel c/km	Repairs c/km
0 - 60 000	19,492	64.6	26.4
60 001 - 120 000	38,726	68.0	29.2
120 001 - 180 000	52,594	71.3	31.9
180 001 - 240 000	66,440	77.7	35.0
240 001 - 300 000	79,185	87.0	44.7
300 001 - 360 000	91,873	93.9	54.2
360 001 - 420 000	105,809	100.9	65.8
420 001 - 480 000	119,683	113.1	67.6
exceeding 480 000	119,683	113.1	67.6

## Subsistence allowance

If an employee spends at least one night away from his/her residence on business, the employer may pay an allowance for meals and incidental costs incurred.

The allowance is subject to PAYE if the employee has not spent the required nights away from home by the last day of the following month.

No proof is required if the allowance is R286 per day for meals and incidental costs or R88 per day for incidental costs.

**Overseas travel** – Allowances for foreign travel can be viewed on page 33 of this booklet.

### **Right of Use of an Asset**

A taxable benefit arises where an employee is granted the right to use an asset for private or domestic use either free of charge or for a consideration lower than the value of use less any amount paid by the employee.

The determined value is either the amount of the rental/lease if the asset is hired by the employer or if the asset is owned by the employer, 15% per annum of the lesser of the cost to the employer or the market value of the asset when first provided to the employee.

### **Low Interest Loans**

A benefit arises on any loan greater than R3,000 if the interest charged on the loan is less than the official rate of interest. Study loans are excluded.

The official rate of interest is:

1 March 2008 – 31 August 2008	12%
1 September 2008 – 28 February 2009	13%
1 March 2009 – 31 May 2009	11.5%
1 June 2009 – 31 June 2009	9.5%
1 July 2009 – 31 August 2009	8.5%
1 September 2009 – 30 September 2010	8%
1 October 2010 – 28 February 2011	7%
1 March 2011 – until further notice	6.5%

### **Acquisition of an Asset at Less than Actual Value**

Where an asset other than money has been acquired by an employee the taxable benefit is the difference between the market value of the asset at the time the employee acquires the asset and the consideration given by the employee.

No value is placed on:

- Lubricants and fuel supplied for the use of a company car,
- An asset awarded as a long service award (initial unbroken period of 15 years or any subsequent unbroken period of not less than 10 years) or bravery award up to R5,000.

### **Meals, Refreshments and Meal and Refreshment Vouchers**

A benefit arises where an employee has been provided with any meal or refreshment or voucher entitling him to a meal or refreshment either free or for a consideration less than the value. The taxable benefit is the cost to the employer less any consideration paid by the employee.

Meals or Refreshments are not taxable if:

- Supplied in a place mainly or wholly patronized by employees,
- Supplied during business hours, extended hours or special occasions
- Enjoyed as part of entertainment of any person on behalf of the employer.

### **Right of Use of Motor Vehicle**

Private use of an employer's motor vehicle is a taxable benefit. Private use includes travelling between the employee's home and place of work. The benefit value is based on the determined value (cost including VAT and finance charges). The benefit of the motor vehicle for each month is 3.5% of the determined value for each vehicle.

- Where the vehicle is the subject of a maintenance plan at the time that the employer acquired the vehicle the taxable value is 3,25% of the determined value.
- 80% of the fringe benefit must be included in the employee's remuneration for the purposes of calculating PAYE. The percentage is reduced to 20% if the employer is satisfied that at least 80% of the use of the motor vehicle for the tax year will be for business purposes.
- On assessment the fringe benefit for the tax year is reduced by the ratio of the distance travelled for business purposes substantiated by a log book divided by the actual distance travelled during the tax year.
- On assessment further relief is available for the cost of licence, insurance, maintenance and fuel for private travel if the full cost thereof has been borne by the employee and if the distance travelled for private purposes is substantiated by a log book.

Depreciation of 15% is allowable for each 12 month period from the date the employer first obtained the vehicle or use of the vehicle to the date the employee was first granted the right to use the vehicle.

### **Residential Accommodation**

A taxable benefit arises where an employee is provided with residential accommodation free of charge or for a consideration less than the determined rental value. The residential accommodation may be furnished, unfurnished with or without meals and with or without power or water.

The value of the taxable benefit is the determined value less and consideration paid by the employee.

The rental value to be determined is the greater of:

- The cost borne by the employer less any amount paid by the employee or an amount determined using the formula  $(A-B) \times C/100 \times D/12$  where:

A = remuneration in the previous year, excluding travel allowance, the taxable benefit of a motor vehicle and taxable value of free or cheap residential accommodation.

B = R54,200 (exclusions may apply)

C = 17 unless accommodation consists of at least 4 rooms and 18 if unfurnished and power or fuel is supplied by employer  
18 if furnished but power and fuel are not supplied by employer

19 if furnished and power or fuel supplied by employer

D = number of months in the year of assessment during which the employee was entitled to the accommodation.

The formula is used in the following circumstances:

- full ownership of the accommodation vests in the employer, or
- full ownership of the accommodation does not vest in the employer, and:
  - it is customary for the employer to provide free or subsidized accommodation; and
  - it is necessary for the employer to provide free or subsidized accommodation:

- for the proper performance of employee duties, or
- as a result of the frequent movement of the employees, or
- as a result of lack of employer owned accommodation and
- The benefit is provided solely for business purposes and employee does not have an interest in the house.

### **Payment of Debt or Release from Debt**

A taxable benefit arises if an employer has:

- Paid an amount owing by the employee to any third person without requiring the employee to reimburse him, or
- Released the employee from an obligation to pay an amount owing by the employee to the employer.

The benefit amount is the amount paid by the employer or the amount of debt from which the employee was released.

### **Cellphones and computers**

From 1 March 2008 no taxable benefit accrues through the private use of cellphones and computers provided by the employer used mainly for business purposes.

## **BURSARIES AND SCHOLARSHIPS**

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Scholarships or bursaries granted to enable any person to study at a recognized educational institution are exempt from fringe benefit tax. Where the benefit is granted to an employee, the exemption will not apply unless the employee agrees to reimburse the employer in the event that the studies are not completed. Where the beneficiary is a relative of the employee, the exemption will only apply if the annual remuneration of the employee is less than R100,000 and to the extent that the bursary does not exceed R10,000.

## **RESTRAINT OF TRADE**

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Restraint of trade payments are taxable in the hands of natural persons, labour brokers and personal service providers as gross income in the year of receipt or accrual.

Where an amount is incurred in respect of the restraint of trade, the deduction, in a year of assessment, is limited to the lesser of:

- 3 years if the period of the restraint is less than 3 years, or
- Over the period of the restraint if longer

## **RESIDENCE BASED TAXATION**

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As from 1 January 2001 residents in South Africa have been taxable on their worldwide income.

A Resident is:

- A natural person ordinarily resident in South Africa; or
- A natural person who is physically present in South Africa for at least 91 days in the current and each of the preceding five tax years and at least 915 days during the five preceding tax years; or

- A company or trust that is incorporated, established, formed or which has a place of effective management in South Africa, but excludes any person deemed to be resident of a country with which a double taxation agreement is in force.

A person ceases to be resident if physically absent for 330 continuous days from the date of departure.

## **FOREIGN INCOME**

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All foreign income must be included in taxable income. Individuals are entitled to R3,700 exempt income from foreign investments in the form of dividends or interest subject to a total exemption of R22,800 (over 65 – R33,000) including local interest.

### **Investments**

Interest, net rental income and income from unit trusts must be included in income. Losses incurred on rental property may not be set off against South African income but must be carried forward to be set against future foreign income.

### **Employment**

South African residents who render services outside South Africa for a period which in aggregate exceeds 183 days commencing or ending during the period of assessment and for a continuous period exceeding 60 days during that 183 days period will not be subject to taxation on their remuneration for the period they are absent from South Africa.

### **Pensions**

Pensions are included in gross income except where they are received in terms of the social security system of another country or relate to past employment in another country.

### **Trading Activities**

Sole proprietors who earn income outside South Africa are taxed in the normal course, except where restrictions are imposed by the foreign country on the remittance of income.

In this instance the income is taxed when remitted. Losses may not be set off against income earned in South Africa

### **Foreign Dividends**

Foreign dividends received from a non-resident company, including deemed dividends, are taxable, except where:

- Profits from which dividends were declared are taxable in South Africa
- Taxpayer holds more than 20% of the equity and voting rights of the company declaring the dividend
- The company is listed and residents hold more than 10% of the equity share
- Taxpayer holds more than 20% of the equity and voting rights of the company declaring the dividend
- The company is listed and residents hold more than 10% of the equity share

- A controlled foreign company (CFC) issues dividends to a person who is resident in South Africa and does not exceed the aggregate of all amounts which have been or will be included in the income of the resident.

Interest is deductible where it is incurred in the production of income from foreign dividends.

The deduction is limited to the foreign dividends included in income during the year of assessment. Excess interest paid may be carried forward to the following year.

#### General

- The amount of foreign tax payable must be converted to South African Rands at the last day of the tax year by applying the average exchange rate for that year of assessment.
- Foreign Income is converted to Rands by applying the spot exchange rate at the date the income accrues. Natural persons and non-trading trusts may elect to apply the average exchange rate for the year of assessment.

#### Tax Rebates

Where a South African resident has to include in his taxable income any foreign sourced income, capital gain or other amounts attributed in terms of the Income Tax Act, a rebate in respect of any foreign taxes paid or payable to a foreign government is allowed but is limited to:

$$\text{Total SA normal tax} \quad \times \quad \frac{\text{Foreign Income}}{\text{Total taxable income}}$$

If the rebate exceeds normal tax payable on the foreign income, the excess may be carried forward to the next year of assessment

#### Controlled Foreign Companies (CFC)

A CFC is a non-resident entity which South African residents own or control at least 50% of the participation or voting rights.

The income of the CFC is imputed as income of the taxpayer in the ratio of the participation share.

$$\text{Net income of CFC} \quad \times \quad \frac{\text{Resident's participation rights in CFC}}{\text{Total participation rights in the CFC}}$$

If the calculation results in a loss, the deductions are limited to income and the excess is carried forward.

The proportionate share of the tax payable by the CFC will be allowed as a tax rebate.

Where the taxpayer holds between 10% and 20% of the participation and voting rights, an election can be made to treat the investment as a CFC **under Section 9D(13)**.

## TAXATION OF NON-RESIDENTS

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### **Interest**

All interest received by or accrued to non-residents is exempt from tax, provided the taxpayer is physically absent from South Africa for 183 days and did not carry on a business and is not deemed to be ordinarily resident.

### **Dividends**

All South African dividends are exempt from tax.

### **Royalties**

Subject to the double taxation agreements, royalties paid to non-residents are subject to a withholding tax of 12%. Residents require the approval of the Department of Trade and Industry and Exchange Control for payments of a royalty to a non-resident.

### **Other Income**

Non-residents will continue to be taxed on South African source income only.

A withholding tax of 15% is payable by non-resident sports persons and entertainers on income earned in South Africa.

### **Sale of Immovable Property**

Where a non-resident disposes of immovable property in South Africa, for R2 million or more, the purchaser will be obliged to withhold the following amounts from the price paid on the sale of the immovable property unless a directive is provided by the seller

- 5% where the seller is a natural person
- 7.5% where the seller is a company
- 10% where the seller is a trust

### **Estate Duty**

Assets located in South Africa will be subject to estate duty, subject to International agreements.

## PROVISIONAL TAX

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Provisional tax is a system that makes taxpayers provide for their tax liability by making two payments on account during the course of the year of assessment. A third voluntary payment may be required to avoid interest being charged.

### **A provisional tax payer is:**

- Any person who derives income which is not remuneration or an allowance or advance,
- Any company
- Any person notified by the Commissioner that he is a provisional taxpayer.

### **Exemptions**

- Natural persons over 65 years old, whose taxable income is less than R120,000 provided such income consists only of remuneration, rental, interest or dividends.
- Any approved tax-exempt PBO
- Any approved tax-exempt Recreational Club

- Any section 10(1)(e) sectional title body corporate, share block company.
- Persons under 65 years who do not carry on business, whose taxable income does not exceed tax threshold or whose interest, foreign dividends and rental income does not exceed R20,000.

### **First Year of Assessment**

If a taxpayer has not been previously assessed, a reasonable estimate must be made as a basic amount of NIL will not be accepted by SARS, as was previously the case.

### **First Payment**

First payment is due six months before the end of the year of assessment. The payment is half of the total tax in respect of the estimated taxable income for the year of assessment. The estimated taxable income must not be less than the taxable income reflected on the latest assessment – basic amount. A lower estimate may be used if justified, subject to consent by SARS.

### **Second Payment**

The second payment, due on the last day of the financial year end, is based on an estimate of taxable income. As from 1 March 2009 the estimate may not be less than 80% of the actual taxable income including lump sums and capital gains.

The above 80% rule is only applicable to taxpayers with taxable income above R1million. SARS have the discretion of imposing a 20% penalty if the estimated taxable income is less than 80% of actual and the taxpayer intended to delay the payment. Taxpayers must be able to prove to SARS that they made as accurate as possible estimates.

If taxable income is below R1million the basic amount has been reinstated, however the basic amount will now include an automatic annual 8% increase if the last assessment is older than 1 year.

### **Third Payment**

The third payment is only applicable to individuals and trusts with taxable income, including capital gains tax, in excess of R50,000 and companies and close corporations with taxable income in excess of R20,000.

The third payment is due 6 months after the financial year end, except where the year end is February, in which case the payment is due by 30 September.

## **TAXATION OF LABOUR BROKERS AND PERSONAL SERVICE PROVIDERS**

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Labour brokers and personal service providers (companies and trusts) are classified as employees from 1 March 2009 and the persons paying them are required to deduct employee tax.

- 'A **labour broker** is any natural person who conducts or carries on any business whereby such person for reward provides a client of such business with other persons to render a service or perform work for such client, or procures such other persons for the client, for which services or work such other persons are remunerated by such person'
- 'A **Personal service provider** means any company or trust, where any service rendered on behalf of such company or trust to a client of such entity is rendered personally by any person who is a connected person in relation to such entity, and one of the following provisions apply
  - The person would be regarded as an employee of the client, if the service was not rendered through an entity; or
  - Where the duties must be performed mainly at the client's premises, such entity is subject to the control or supervision of such client as to the manner in which the duties are performed; or
  - More than 80% of the income derived from services rendered is received from one client or associated person in relation to the client.
- The entity will not be regarded as a personal service provider if it employs three or more full-time employees throughout the year of assessment, none of whom are connected persons in relation to the entity.

A labour broker not in possession of an exemption certificate will be subject to PAYE at the rates applicable to individuals.

A personal service provider will be subject to PAYE at a rate of 33% in the case of a company and 40% in the case of a trust.

## TAXATION OF FARMING INCOME

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There is no definition of farming in the Income Tax Act but various court decisions have, however, laid down guidelines.

Farming income is subject to the provisions of the First Schedule of the Income Tax Act. Because a farmer's income can fluctuate from year to year, he may elect to be taxed in accordance with a rating formula.

This formula does not apply to companies or trusts as they pay tax at a flat rate. An election must be made to be taxed according to the formula which is binding for future years and the following provisions will cease to apply:

- Government livestock reduction scheme
- Rating formula for plantations
- Sugarcane damaged by fire.

The formula taxes the farmer on average taxable income in the current and preceding four years. In the first year of farming the average taxable income will be two-thirds of the taxable income for that year.

## Capital Expenditure

A farmers' capital expenditure is deducted either in full (subject to certain limits) under paragraph 12 of the First Schedule, or as a special depreciation allowance under section 12B or as Wear and Tear under Section 11(e).

The following items of capital expenditure, incurred during the year of assessment, are deductible against farming income:

- Eradication of noxious plants and alien invasion vegetation
- Prevention of soil erosion  
(The above are not restricted to taxable income from farming)
- Dipping tanks
- Dams, irrigation schemes, boreholes and pumping plants
- Fencing
- Erection, extensions, additions or improvements to buildings used in connection with farming operations not domestic buildings
- Planting of trees, shrubs or perennial plants
- Building of roads and bridges used in connection with farming
- Carrying of electrical power from the main transmission lines to the farm apparatus

(The above expenditure is restricted to taxable farming income)

## SECONDARY TAX ON COMPANIES (STC)

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A company resident in South Africa is liable for Secondary Tax on Companies (STC) on dividends declared at a rate of 10% on or after 1 October 2007. STC is payable within a month of the end of the dividend cycle. Interest will be charged at the prescribed rate on late payments.

The dividend cycle is the period between dividend declarations – the earliest date being 1 September 1992.

Dividends declared by a company in liquidation, winding-up or deregistration from capital profits that accrued after 1 October 2001 are subject to STC. Dividends tax becomes effective from 1 April 2012 and STC will be discontinued from that date.

## DIVIDEND TAX

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With effect from 1 April 2012, STC currently imposed on companies declaring dividends will be replaced by dividend tax which is a withholding tax, 10%, to be deducted from dividends when paid to shareholders.

## TURNOVER TAX – MICRO BUSINESSES

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Sections 48 to 48C of the Income Tax Act deals with Turnover Tax payable by Micro Businesses. The simplified turnover-based tax system, which is elective, came into effect from 1 March 2009 and applies to sole proprietors, partnerships, close corporations, companies and co-operatives whose turnover is less than R1million per year.

A business joining the scheme will be required to remain in the system for three years (provided they remain within the monetary threshold).

Once a business has elected to leave the scheme, it will not be able to migrate back for a period of three years. Micro businesses will be exempt from CGT, but 50% of the amounts recovered from the disposal of the business asset will be included in taxable turnover.

Micro businesses are not permitted to be a VAT vendor and are exempt from Secondary Tax on Companies (STC) to the extent that dividends do not exceed R200,000. Any excess will be subject to STC. The business is also taxed on a receipts basis, not accruals therefore the amount of debtors does not affect the tax calculation.

Paragraph 3 of the 6th Schedule sets out the circumstances under which a person does not qualify as a micro business.

### Turnover

### Rates of Tax

R0 – R150,000	Nil
R150,001 – R300,000	1% of amount over R150,000
R300,001 – R500,000	R1,500 + 3% of amount over R300,000
R500,001 – R750,000	R7,500 + 5% of amount over R500,000
R750,001 – R1,000,000	R20,000 + 7% of amount over R750,000

## DONATIONS TAX

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Donations tax is payable by a South African resident or domestic company at a rate of 20% on the value of any gratuitous disposal of property, excluding exempt donations. The tax is payable within three months of the donation.

### Exempt Donations

- Donations between spouses not separated
- By natural persons up to R100,000 per annum
- Donations up to R10,000 by donors other than natural persons
- Donations to Public Benefit Organisations (PBO)
- Donations made by public companies
- Donations cancelled within six months of the effective date
- Donations made in contemplation of death –donatio mortis causa
- Property disposed of under and in pursuance of any trust
- Donations between companies in the same group with effect from 1 October 2001.

## VALUE-ADDED TAX (VAT)

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VAT is currently levied at 14% on the value of all supplies made by a vendor. A vendor is a person who supplies goods and services which are subject to VAT, and who meets certain minimum requirements.

A vendor is required to register for VAT when the taxable turnover in a 12 month period is likely to exceed R1 million. Voluntary registration is allowed where the turnover is likely to exceed R50,000 as from 1 March 2010 and R60,000 in the case of commercial rental establishments in a 12 month period. A registered micro business may not be registered for VAT. PBO's can register for VAT even if they do not carry on an enterprise.

VAT returns must be submitted:

- Every four months if annual turnover is less than R1,5 million
- Every two months if annual turnover is between R1,5 million and R30 million
- Every month if annual turnover is over R30 million
- Every six months for farmers whose annual turnover is less than R1,5 million

VAT returns are to be submitted and payment made by the last business day on or before the 25th day of the month unless the returns are eFiled, in which case the due date is the last business day of the month.

Late submission of a VAT return results in a penalty of 10% of the VAT payable and interest at the prescribed rate.

### **Types of Supply**

The VAT system comprises three types of supply:

#### **Standard-rated supplies**

Supplies of goods and services subject to the VAT rate of 14%

#### **Exempt supplies**

Supplies of certain services not subject to VAT

- Educational Services
- Rental of residential accommodation
- Supply of financial services (unless zero-rated)
- Road and rail transport for passengers
- Share block and body corporate levies
- See Section 12 of the VAT Act for a full list.

#### **Zero-rated supplies**

Supplies of certain goods and services are subject to VAT at zero percent, namely:

- Basic foodstuffs
- Petrol and diesel
- Certain goods for farming purposes
- Certain services rendered to non-residents who are outside South Africa at the time the service was rendered
- Sale of a going-concern if both seller and purchaser are registered for VAT
- See Section 11(1) and 11(2) of the VAT Act for a full list

#### **Input VAT can only be claimed where:**

- The tax is incurred by the vendor for the purpose of making taxable supplies.
- There is a valid tax invoice for any supply in excess of R3,000 which states the name and VAT number of the customer as well as the supplier.

VAT may not be claimed on the following:

- Entertainment expenses.
- Fees or subscriptions in respect of club or society membership.
- On motor cars (including hire). Hearses and game-viewing vehicles are excluded from the motor car definition.

## CAPITAL GAINS TAX (CGT)

Capital Gains Tax was introduced into the Income Tax Act on 1 October 2001. It therefore applies to the sale of all capital assets on or after that date. CGT applies to a resident's worldwide assets and to a non-resident's immovable property or assets of a permanent establishment in the Republic.

### Annual exclusion for natural persons and special trusts

An annual exclusion of R20,000 applies to both gains and losses while in the year of death this increases to R200,000.

### Exclusions from CGT

- A primary residence where proceeds do not exceed R2 million. Where the proceeds exceed R2 million, the exclusion is R1,5 million of the calculated gain.
- Personal use assets, not used for the carrying on of a trade
- Lump sum benefits from pension, provident or retirement annuity funds
- Disposal of small business (where assets do not exceed R5 million) up to R900,000 due to ill health or reaching age of 55, subject to conditions
- Compensation from personal injury, illness or defamation
- Gambling, games and competitions
- Donations and bequests to PBO
- Exercise of options

### Capital Losses

An assessed capital loss may not be deducted from taxable income but carried forward to the next year of assessment.

### Effective Rate of Tax

Taxpayer	Included	Tax Rate	Effective Rate
Natural Person	25%	0-40%	0-10%
Special Trusts	25%	0-40%	0-10%
Other Trusts	50%	40%	20%
Companies	50%	28%	14%
Small business corps	50%	10-28%	5-14%
Employment companies	50%	33%	17%

### Disposals

CGT is triggered on disposal of an asset.

Disposals include:

- Sale
- Donations
- Expropriation, conversion, grant, cession, exchange
- Alienation or transfer of ownership
- Forfeiture of an asset
- Redemption, cancellation, surrender, discharge, release, waiver, expiry or abandonment
- See paragraph 11 of 8th Schedule of Income Tax Act for a full list

Deemed disposals include:

- Ceasing to be a South African resident
- Change in use of an asset

- Reduction or discharge of a debt by a creditor without full consideration, subject to certain exclusions

### **Base Cost**

The base cost of an asset acquired after 1 October 2001 is the expenditure incurred in acquiring or creating the asset. Additional expenditure included in the base cost is costs of transfer, stamp duty, remuneration of advisors, costs of moving an asset and improvement costs.

Expenses excluded from the base cost are expenses deductible for income tax purposes, interest paid, raising fees (except in the case of listed shares and business assets) and expenses initially recorded and subsequently recovered.

Where an asset is acquired by donation the base cost is equal to the deemed proceeds at the date of the donation plus a portion of the donations tax depending on who pays the tax (donor or donee)

The base cost of assets acquired before 1 October 2001 may be determined at the option of the taxpayer on one of the following bases:

- Market value on 1 October 2001, or
- Time-apportioned base cost, or
- 20% of the proceeds on disposal (after taking into account expenditure after 1 October 2001).

If the market value on 1 October 2001 is used the asset must have been valued within three years after the said date i.e. 30 September 2004.

The time apportioned base cost method requires the date of acquisition and cost to be known together with how much has been spent on improving the asset over the period it was owned and is calculated as follows:

$$B + \frac{[(P-B) \times N]}{T + N}$$

B = expenditure incurred before 1 October 2001

P = Proceeds on disposal (or result of the adjustment formula)

N = Number of years held before 1 October 2001

T = Number of years held after 1 October 2001

The adjusted formula applies where a portion of the expenditure allowable in respect of the asset was incurred on or after valuation date. The proceeds (P) to be used in the above formula is calculated as follows:

$$P = R \times B / (A+B)$$

P = Amount to be used as proceeds

R = Actual Proceeds

A = Expenditure incurred after 1 October 2001

B = Expenditure incurred before 1 October 2001

20% of proceeds rule is generally used where no information is available.

## **Rollover Relief**

Rollover relief occurs when a gain is deferred until a future date. Rollovers only apply in certain circumstances as set out in Part IX of the 8th Schedule namely:

- Involuntary disposals
- Reinvestment in replacement assets
- Transfer of asset between spouses
- Interests in collective investment schemes in property
- Transfer of a unit by a share block company to its member
- Mineral rights conversions and renewals

## **Trusts**

A trust pays tax on a portion of its capital gain like any other tax payer. As it is a non-natural person 50% of the gain is included in taxable income whilst gains distributed in the same year are taxed in the beneficiary's hands.

Donations to trusts not vesting in beneficiaries are taxed in the hands of the donor.

## **REINVESTMENT RELIEF**

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Taxable recoupments and capital gains on the sale of business assets (excluding buildings) can be deferred if the sale proceeds are fully reinvested in another qualifying asset within a period of three years. Tax on the recoupment and capital gain upon the disposal of the old asset is spread over the same period as Wear and Tear may be claimed for the replacement asset.

## **SECURITIES TRANSFER TAX (STT)**

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The legislation dealing with Securities Transfer Tax is the Securities Tax Act, No.25 2007 and Securities Transfer Tax Administration Act, No.26 of 2007.

The STT Act came into effect from 1 July 2008 replacing the Stamp Duties Act which dealt with tax payable on the transfer of unlisted shares and the Uncertified Securities Tax Act which dealt with the transfer of listed shares.

No STT is payable on the original issue of shares. STT is payable at a rate of 0.25% on the transfer of all shares in companies incorporated in South Africa as well as foreign companies listed on the South African stock exchange.

It is also payable on the transfer of a member's interest in a close corporation or cession of a right to receive distributions from a company or CC.

STT is payable as follows:

- On listed securities – by 14th of the month following the month during which the transfer occurred.
- On unlisted securities – by the end of the 2nd month following the end of the month during which the transfer occurred.

If it is not paid within the prescribed period interest will be imposed at the prescribed rate and a 10% penalty will be payable.

## PUBLIC BENEFIT ORGANISATIONS (PBO)

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To qualify as a Public Benefit Organization (PBO), an organization must comply with the qualifying provisions as per Section 30 of the Income Tax Act.

An organization must carry on substantially in the Republic in a non-profit manner in one or more public benefit activities listed below which are detailed in the Ninth Schedule to the Act:

- Welfare and humanitarian
- Health care
- Land and housing
- Education and development
- Religion, belief or philosophy
- Cultural
- Conservation, environment, and animal welfare
- Research and consumer rights
- Sport
- Providing funds, assets or other resources

Donations to PBO's are exempt as follows:  
Individual donations limited to 10% of taxable income before the deduction of medical expenses.

Company donations are limited to 10% of taxable income.

## STAMP AND TRANSFER DUTY

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The Stamp Duty Act has been repealed with effect from 1 April 2009.

Transfer duty is payable at the following rates on transactions which are not subject to VAT:

### Acquisition of property by all persons (on or after 1 March 2011)

Property Value	Rate of Tax
R0 – R600,000	0%
R600,001 – R 1 000,000	3% of the value above R600,000
R1 000,001 – R 1 500,000	R12,000 plus 5% of the value above R1 000,000
R 1 500,001 and above	R37,000 plus 8% of the value above R1 500,000

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MOORE STEPHENS  
CHARTERED ACCOUNTANTS (SA)

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## PRE-TRADE EXPENDITURE

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Section 11A provides for expenditure which would normally be deductible from income, actually incurred prior to the commencement and in connection with a specific trade can be deducted from the income of that trade. The deduction is limited to income from the trade. Any excess expenditure can be carried forward to the next tax year.

## ESTATE DUTY

---

If the taxpayer is ordinarily resident in the Republic at the time of death, all assets, wherever they are situated, will be included in the gross value of the estate for the determination of duty payable thereon.

The dutiable amount is arrived at as follows:

Value of all property at date of death (including usufruct)	R .....
Deemed property	R .....
Gross value of property	R .....
Deductions	R (.....)
Net Value of Estate	R .....
Abatement	R (3,500,000)
Dutiable Estate (X)	R .....
Estate Duty 20% of X	R .....

Deemed property includes: Insurance Policies on the life of the deceased as well as property that the deceased was competent to dispose of immediately prior to death.

Deductions include debts due at date of death, bequests to various charities and bequests to a surviving spouse, funeral costs, deathbed expenses, costs of administering and liquidating the estate and CGT.

## MARRIED PERSONS

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Married persons are taxed separately on his/her income. Donations between spouses are not subject to donations tax, though should the donation be made purely to avoid tax, the income earned will attribute to the donating spouse.

Persons married in community of property will be taxed on half the property rentals and interest. Income from independent trade or from assets which are not part of the joint estate or from purchased annuities will be taxed in the hands of the spouse entitled thereto.

## MINOR CHILDREN

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Minor children are taxed on income received by them, unless such income is derived from assets or income donated by a parent. In this case the parent is taxed on such income.

## RING FENCING OF ASSESSED LOSSES

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Section 20A deals with ring fencing losses which means losses are limited to income from that trade.

Ring fencing only applies to natural persons whose taxable income for the year (before setting off any current or preceding assessed losses from any trade) is equal to or greater than the level at which the maximum rate of tax applies and has incurred a trading loss in 3 out of 5 years in a trade listed below:

- Sport practices
- Dealing in collectables
- Animal showing
- Performing or creative arts
- Betting or gambling
- Rental of residential accommodation
- Rental of vehicles or aircraft unless 80% used by persons not related to the taxpayer for at least 6 months
- Farming or animal breeding unless on a fulltime basis.

## TRUST LOSSES

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A loss incurred by a trust cannot be distributed to beneficiaries. The loss is retained in the trust and carried forward to the next year as an assessed loss.

## PRE-PRODUCTION INTEREST

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Interest and finance charges incurred on borrowings raised for the acquisition, instalment, erection or construction of machinery, plant, building etc which are to be used in the taxpayers trade may be deducted in the year in which the asset is brought into use under Section 11(bA).

## RESEARCH AND DEVELOPMENT

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Section 11B applies for years of assessment commencing on or after 1 January 2004. This was subsequently superseded by Section 11D for expenditure on or after 2 November 2006.

Research and development performed for the purposes of:

- Discovering novel, practical and non-obvious information of a scientific or technological nature or,
- Creating any invention, patent, design or computer copyright or similar property of a scientific or technological nature, qualifies for incentive allowances whereby 150% of the operating expenses are deductible and capital expenditure is depreciated on a 50:30:20 basis.

## LEARNERSHIP ALLOWANCE

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These allowances applied from 1 October 2001 and was due to expire on 31 October 2011, however in the Budget this incentive was extended for a further 5 years.

Where an employer enters into a registered learnership agreement with a learner who was previously employed, the employer may deduct the lessor of:

- 70% of the prescribed remuneration of that learner; or
- R20,000

Where the learner was not previously employed, the employer may deduct the lessor of:

- The annual equivalent of the remuneration of the learner; or
- R30,000

When the learner completes the registered learnership agreement the employer can claim the lessor of:

- The prescribed remuneration of that learner; or
- R30,000

The prescribed remuneration is the annual equivalent adjusted pro rata to the period of the learnership agreement if shorter than 12 months.

As from 1 July 2006 an employer employing disabled persons as learners may deduct an initial allowance of 150% of the annual salary of an existing learner, up to a maximum of R40,000 and 175% for an unemployed learner up to a maximum of R50,000. The tax allowance for disabled persons completing a learnership will be 175% of the annual salary up to a maximum of R50,000. Special provisions apply in respect of learnerships and apprenticeships extending over a number of years.

## **EXECUTORS REMUNERATION**

---

An executor is entitled to the following remuneration:

- The remuneration fixed by deceased in the will, or
- 3.5% of gross assets, or
- 6% on income accrued and collected from date of death.

Executors remuneration is subject to VAT where the executor is registered as a vendor.

## **EXCHANGE CONTROL REGULATIONS**

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### **Foreign Capital Allowance**

A natural person, older than 18 years old, qualifies for a R4 million per calendar year foreign investment allowance. Tax clearance must be obtained. Income accruing thereon may also be retained abroad.

For a company or trust to be allowed to invest outside the Republic or own non-South African assets, the permission of the Reserve Bank has to be obtained.

### **Single Discretionary Allowance**

The allowance per individual is R1 million per calendar year and covers the following:

- Monetary gifts and loans
- Donations to missionaries
- Maintenance transfers (only father, mother, brother or sister)
- Travel Allowance
- Study allowance (not for residents living temporarily abroad)
- Emigration

## Companies

Foreign direct investment has been increased from R50 million to R500 million per calendar year. Applications below R500 million will be processed by authorized dealers. South African companies are now able to invest in the Southern African Development Community (SADC) member states through offshore intermediaries. Foreign bank accounts are now able to be opened by South African companies for permissible purposes without prior approval.

## Remittable Income

Income earned by an emigrant on blocked assets may be taken out of the country each year, after providing for income tax, where applicable. Distribution of income from a South African trust to an emigrant requires exchange control.

## Inheritances

Irrespective of whether the deceased was resident or non-resident in South Africa, non-resident beneficiaries are entitled to transfer their inheritance.

## Foreign Investment in South Africa

There are no restrictions on rights to invest in gilts and shares listed on the Stock Exchange and export the proceeds on the sale thereof. Interest and dividends are also freely remittable. Loans by non-residents to South African individuals/entities require prior Exchange Control approval.

## CAPITAL INCENTIVE ALLOWANCES

Asset Type	Conditions	Annual Allowance
Aircraft (S 14bis)	Acquired on or after 1 April 1995 and brought into use for the purposes of trade during the year of assessment	20%
Building in an urban development zone (commercial or residential) (S 13quat)	New building or extension of or addition to any building and Improvements of existing building or addition incidental to that improvement	20% in year 1 5% thereafter 20% of cost
Commercial buildings (S 13quin)	Building or improvements contracted for and construction, erection or installation commenced on or after 1 April 2007. New and unused building or improvement to any building owned by the taxpayer used for purposes of producing income in the course of the taxpayer's trade.	5%
Farming equipment (S 12B)	Machinery, plant, implement, utensils and articles (other than livestock) brought into use on or after 1 July 1988 Biodiesel plant and machinery brought into use after 1 April 1995	50:30:20

Hotel buildings (S 13bis)	Construction commenced after 3 June 1988.	5%
	Improvements which commenced on or after 17 March 1993	20%
Hotel equipment (S 12C)	Brought into use after 15 December 1989	20%
Industrial buildings (S 13(1))	Used wholly or mainly in process of manufacture or similar process.	
Construction or improvements commenced:		
	- between 25 March 1959 and 31 December 1989	2%
	- between 1 January 1989 to 30 June 1996	5%
	- between 1 July 1996 to 30 September 1999 and the building is brought into use before 31 March 2000	10%
	- on or after 1 October 1999	5%
	Buildings acquired and brought into use on or after 1 April 2000	5%
Non – manufacturing assets (small business corporations only)	Acquired on or after 1 April 2005	50:30:20
Plant and machinery	New and unused acquired on or after 1 March 2002 and used in a process of manufacture	40% in year 1 20% thereafter
	Other plant and machinery	20%
Plant and machinery (small business corporations)	Used in the process of manufacture or similar process	100%
All depreciable assets except plant and machinery (small business corporations)	From years of assessment commencing 1 April 2005	50:30:20
Research and development capital costs (S 11B)	Years of assessment commencing on or after 1 January 2004.	50:30:20

Residential buildings (S 13ter)	Housing projects erected on or after 1 April 1982 consisting of at least five units of more than one room intended for letting by the taxpayer or occupation by bona fide full-time employees of the taxpayer	2% and a residential building initial allowance of 10%
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## WEAR AND TEAR ALLOWANCE

### Schedule 19

Type of Asset	% write off
Adding machines	16.6
Air-conditioners (window type, moving parts only)	16.6
Aircraft (light passenger, commercial & helicopters)	25.0
Arc welding equipment	16.6
Balers	16.6
Battery chargers	20.0
Bicycles	25.0
Bulldozers	33.3
Burglar alarms (removable)	10.0
Calculators	33.3
Cash registers	20.0
Cellular telephones	33.3
Cheque-writing machines	16.6
Cinema equipment	20.0
Cold drink dispensers	16.6
Compressors	25.0
Computers (mainframe)	20.0
Computers (personal)	33.3
Computer software (mainframe)	
• Purchased	33.3
• Self developed	100.0
Computer software (Personal computers)	50.0
Concrete transit mixers	33.3
Containers	20.0
Crop sprayers	16.6
Curtains	20.0
Debarking equipment	25.0
Delivery vehicles	25.0
Demountable partitions	16.6
Dental & doctors equip	20.0
Dictaphones	33.3
Drilling equipment (water)	20.0
Drills	16.6
Electric saws	16.6
Electrostatic copiers	16.6
Engraving equipment	20.0
Excavators	25.0
Fax machines	33.3
Fertiliser spreaders	16.6
Fire extinguishers (loose units)	20.0
Fishing vessels	8.3
Fitted carpets	16.6
Fork-lift trucks	25.0
Front-end loaders	25.0
Furniture & Fittings	16.6

Gantry cranes	16.6
Garden irrigation equipment (movable)	20.0
Gas cutting equipment	16.6
Gas heaters and cookers	16.6
Gear shapers	16.6
Graders	25.0
Grinding machines	16.6
Guillotines	16.6
Gymnasium equipment	10.0
Hairdressers' equipment	20.0
Harvesters	16.6
Heat dryers	16.6
Heating equipment	16.6
Hot water systems	20.0
Incubators	16.6
Ironing and pressing equipment	16.6
Kitchen equipment	16.6
Knitting machines	16.6
Laboratory research equipment	20.0
Lathes	16.6
Laundromat equipment	20.0
Law reports	20.0
Lift installations (goods)	8.3
Lift installations (passengers)	8.3
Medical theatre equipment	16.6
Milling machines	16.6
Mobile caravans	20.0
Mobile cranes	25.0
Mobile refrigeration units	25.0
Motorcycles	25.0
Motorised chain saws	25.0
Motorised concrete mixers	33.3
Motor mowers	20.0
Musical instruments	20.0
Neon signs and advertising boards	10.0
Ovens and heating devices	16.6
Ovens for heating food	16.6
Oxygen concentrators	33.3
Paintings (valuable)	4.0
Pallets	25.0
Passenger cars	20.0
Patterns, tooling and dies	33.3
Perforating equipment	16.6
Photocopying equipment	20.0
Photographic equipment	16.6
Planers	16.6
Pleasure craft, etc	8.3
Ploughs	16.6
Portable concrete mixers	25.0
Portable generators	20.0
Portable safes	4.0
Power tools (hand operated)	20.0
Public address systems	20.0
Racehorses	25.0
Radio communication equipment	20.0
Refrigerated milk tankers	25.0
Refrigeration equipment	16.6
Refrigerators	16.6

Runway lights	20.0
Sanders	16.6
Scales	20.0
Security systems	20.0
Seed separators	16.6
Sewing machines	16.6
Shop fittings	16.6
Solar energy units	20.0
Special patterns & tooling	50.0
Spin dryers	16.6
Spot welding equipment	16.6
Staff training equipment	20.0
Surveyors:	
• Instruments	10.0
• Field Equipment	20.0
Tape-recorders	20.0
Telephone equipment	20.0
Television & advertising films	25.0
Television sets, video machines and decoders	16.6
Textbooks	33.3
Tractors	25.0
Trailers	20.0
Traxcavators	25.0
Trucks (heavy duty)	33.3
Trucks (other)	25.0
Typewriters	16.6
Vending machines (inc video game machines)	16.6
Video cassettes	50.0
Washing machines	20.0
Water distillation and purification plant	8.3
Water tankers	25.0
Water tanks	16.6
Weighbridges (movable parts)	10.0
Workshop equipment	20.0
X-ray equipment	20.0

## DEEMED SUBSISTENCE ALLOWANCE

### FOREIGN TRAVEL COSTS:

The below list is the deemed daily maximum amount per country as set out by SARS. Effective from 1 March 2011.

COUNTRY	CURRENCY	AMOUNT
Albania	Euro	97
Algeria	Euro	94
Angola	US \$	340
Antigua and Barbuda	US \$	220
Argentina	US \$	91
Armenia	US \$	279
Austria	Euro	108
Australia	Australian \$	194
Azerbaijani	US \$	145
Bahamas	US \$	191
Bahrain	B Dinars	36
Bangladesh	US \$	79
Barbados	US \$	202
Belarus	Euro	72

COUNTRY	CURRENCY	AMOUNT
Belgium	Euro	145
Belize	US \$	152
Benin	Euro	89
Bolivia	US \$	64
Bosnia-Herzegovina	Euro	78
Botswana	Pula	518
Brazil	US \$	146
Brunei Darussalam	US \$	88
Bulgaria	Euro	92
Burkina Faso	Euro	92
Burundi	US \$	138
Cambodia	US \$	79
Cameroon	Euro	206
Canada	Canadian \$	156
Cape Verde Islands	Euro	65
Central African Republic	Euro	96
Chad	Euro	121
Chile	US \$	103
China (PR of)	US \$	129
Colombia	US \$	94
Comoro Island	Euro	96
Cook Islands	New Zealand \$	201
Cote D'Ivoire	Euro	97
Costa Rica	US \$	74
Croatia	Euro	116
Cuba	US \$	120
Cyprus	Euro	114
Czech Republic	Euro	90
Democratic Republic of Congo	US \$	221
Denmark	Euro	190
Djibouti	US \$	99
Dominican Republic	US \$	99
Ecuador	US \$	110
Egypt	US \$	120
El Salvador	US \$	193
Equatorial Guinea	Euro	130
Eritrea	US \$	92
Estonia	Euro	91
Ethiopia	US \$	65
Fiji	US \$	78
Finland	Euro	154
France	Euro	141
Gabon	Euro	144
Gambia	Euro	105
Georgia	US \$	261
Germany	Euro	107
Ghana	Euro	114
Greece	Euro	120
Grenada	US \$	151
Guatemala	US \$	83
Guinea	Euro	78
Guinea Bissau	Euro	59
Guyana	US \$	118
Haiti	US \$	109

COUNTRY	CURRENCY	AMOUNT
Honduras	US \$	186
Hong Kong	Hong Kong \$	1 000
Hungary	Euro	86
Iceland	ISK	29 827
India	US \$	100
Indonesia	US \$	86
Iran	US \$	81
Iraq	US \$	125
Ireland	Euro	240
Israel	US \$	122
Italy	Euro	121
Jamaica	US \$	151
Japan	Yen	16 655
Jordan	US \$	167
Kazakhstan	US \$	121
Kenya	US \$	116
Kiribati	Australian \$	233
Korea	US \$	154
Kuwait	US \$	166
Kyrgyzstan	US \$	172
Laos	US \$	79
Latvia	US \$	147
Lebanon	US \$	139
Lesotho	Rand	750
Liberia	US \$	97
Libya	US \$	112
Lithuania	Euro	154
Macau	Hong Kong \$	1 196
Macedonia	Euro	100
Madagascar	Euro	107
Madeira	Euro	290
Malawi	Malawi Kwacha	21 699
Malaysia	Ringgit	338
Maldives	US \$	202
Mali	Euro	164
Malta	Euro	132
Marshall Islands	US \$	255
Mauritania	Euro	178
Mauritius	US \$	106
Mexico	US \$	86
Moldova	US \$	165
Mongolia	US \$	69
Montenegro	Euro	119
Morocco	US \$	106
Mozambique	US \$	95
Myanmar (Burma)	US \$	140
Namibia	Rand	787
Nauru	Australian \$	278
Nepal	US \$	64
Netherlands	Euro	123
New Zealand	New Zealand \$	174
Nicaragua	US \$	288
Niger	Euro	99
Nigeria	US \$	121
Niue	New Zealand \$	252

COUNTRY	CURRENCY	AMOUNT
Norway	NOK	1 641
Oman	Rials Omani	68
Pakistan	US \$	66
Palau	US \$	252
Palestine	US \$	147
Panama	US \$	98
Papa New	Guinea Kina	285
Paraguay	US \$	70
Peru	US \$	124
Philippines	US \$	110
Poland	Euro	95
Portugal	Euro	110
Qatar Qatar	Riyals	600
Republic of Congo	Euro	149
Reunion	Euro	164
Romania	Euro	76
Russia	Euro	136
Rwanda	US \$	89
Samoa	Tala	325
Sao Tome	Euro	86
Saudi Arabia	Saudi Riyal	453
Senegal	Euro	95
Serbia	Euro	81
Seychelles	Euro	275
Sierra Leone	US \$	90
Singapore	Singapore \$	201
Slovakia	Euro	101
Slovenia	Euro	85
Solomon Islands	Sol Islands \$	912
Spain	Euro	111
Sri Lanka	US \$	86
St. Kitts & Nevis	US \$	227
St. Lucia	US \$	215
St. Vincent & The Grenadines	US \$	187
Sudan	US \$	121
Suriname	US \$	107
Swaziland	Rand	818
Sweden	Swedish Krona	1 285
Switzerland	S Franc	201
Syria	US \$	95
Taiwan	New Taiwan \$	3 544
Tajikistan	US \$	97
Tanzania	US \$	96
Thailand	Thai Baht	3 849
Togo	Euro	78
Tonga Pa'anga	Pa'anga	216
Trinidad & Tobago	US \$	213
Tunisia	Tunisian Dinar	121
Turkey	US \$	111
Turkmenistan	US \$	125
Tuvalu	Australian \$	339
Uganda	US \$	90
Ukraine	Euro	84
United Arab Emirates	Dirhams	653
United Kingdom	B Pounds	124

COUNTRY	CURRENCY	AMOUNT
Uruguay	US \$	109
USA	US \$	142
Uzbekistan	Euro	117
Vanuatu	US \$	161
Venezuela	US \$	338
Vietnam	US \$	94
Yemen	US \$	94
Zambia	US \$	119
Zimbabwe	US \$	182
Other countries not listed	US \$	215

## OBJECTIONS AND APPEALS

If a taxpayer disagrees with any assessment in respect of income tax, donations tax, STC, withholding tax or employees tax an objection and appeal to the Tax Board and the Tax Court may be made. The objection and appeal procedures are in Part III (sections 81 to 88) of the Act.

Provision is also made for matters to be processed via Alternative Dispute Resolution (ADR). The resolution process can cover four steps namely: Objection, Appeal, ADR Process and Settlement. The steps are as follows:

### Step 1 - Objection

Process	Time Limit
Objection lodged on form ADR1	Within 30 days from date of assessment
SARS informs taxpayer that objection is valid	Within 60 days of receipt of objection
Taxpayer submits amended objection	Within 10 days of SARS notification
SARS to inform taxpayer that all information has been received to reach a decision on the objection.	Within 60 days of receipt of objection
Taxpayer submits further information requested by SARS.	Within 60 days from date of SARS notice
Where no further information is requested by SARS.	A decision must be made within 90 days of receipt of objection
Where further information was requested by SARS	A decision must be made within 60 days of receiving the additional information.
Taxpayer receives the decision from SARS.	

## Step 2 - Appeal

Process	Time Limit
Advise SARS of Notice of Appeal against the objection via form ADR2 indicating the taxpayer wishes to make use of the ADR process	Within 30 days of notice informing the taxpayer of SARS' decision re objection

## Step 3 – ADR Process

Process	Time Limit
Taxpayer indicates on ADR2 form of their intention to make use of the ADR process.	SARS notifies taxpayer within 10 days of receipt of notice of appeal that matter is suitable for ADR
SARS issues ADR Notice to taxpayer	Within 20 days of receipt of the notice of appeal
Taxpayer must accept/reject	Within 10 days of receipt of SARS notice

## Step 4 – Settlement

Process	Time Limit
Taxpayer and SARS finalise ADR process	Within 90 days of SARS' receipt of ADR2, or such further period agreed by SARS
Parties may settle the dispute, subject to certain requirements	
SARS issues an assessment to give effect to the settlement reached	Within 60 days of the date of the settlement reached

## RETENTION OF RECORDS

Below are the recommended retention periods from the date of the last entry in the particular record in terms of the regulations issued under the Companies Act and Close Corporation Act.

Close Corporations	Retention Period
Founding Statement (CK1) Amended Founding Statement (CK2 & CK2A) Minute Book	Indefinite
Annual Financial Statements including: <ul style="list-style-type: none"><li>• Annual Accounts</li><li>• The report of the accounting Officer</li></ul> Accounting Records including supporting schedules	15 Years

## Company Records

## Retention Period

Certificate of incorporation	Indefinite
Certificate of change of name (if any)	
Memorandum and articles of association	
Certificate to commence business (if any)	
Minute book, CM25 and CM26, as well as resolutions passed at general/class meetings	
Proxy forms	3 Years
Proxy forms used at Court convened meetings	
Register of allotments – after a person ceased to be a member (section 111)	15 Years
Registration of members	
Index of members	
Registers of mortgage and debentures and fixed assets	
Register of directors' shareholdings	
Register of directors and certain officers	
Directors attendance register	
Branch register	
Annual financial statements including:	
• Annual accounts	
• Directors' report	
• Auditors' report	
Books of account recording information required by the Act	
Supporting schedules to books of account and ancillary books of account	

### **Record keeping as required in terms of sections 73A (Income Tax) and 73B (CGT purposes) of the Income Tax Act and section 55 of the VAT Act.**

In terms of the above mentioned sections, a taxpayer is required to keep records such as ledgers, cash books, journals, cheque books, paid cheques, bank statements, deposit slips, invoices, stock lists, registers, books of accounts, data in electronic form and records relating to the determination of capital gains or capital losses for a period of five years from the date on which the return for that year of assessment was received by SARS. However, in cases where objections and appeals have been lodged against assessments, it would be advisable to keep all records and data relating to the assessments under objection/appeal until such time that the objection/appeal has been finalised, even if the timeframe for finalisation exceeds five years.

## INTEREST AND PENALTIES LEVIED

TYPE	REASON	PENALTY/INTEREST
Assessment	Late Payment	Interest charged on each completed month from first due date to date of payment.
Provisional Tax	1st and 2nd payment late	10% penalty plus interest charged daily from due date to date of payment.
Provisional Tax	3rd payment	Interest charged daily from effective date to earlier of payment date or assessment date. Effective date is 6 months after year end, except February year ends where effective date is 30 September.
Provisional Tax	Overpayment	Credited daily from effective date to date of refund.
VAT	Late Payment	10% penalty plus interest at the prescribed rate.
VAT	Refund	Calculated monthly, starting 21 business days after receipt of return to date of payment.
Employees Tax	Late Payment	10% penalty plus interest charged daily from due date to date of payment
Loan to employee	Deemed fringe benefit	Official rate for fringe benefit less actual rate x loan x actual months divided by 12.
Skills Development Levy	Late Payment	10% penalty plus interest charged daily from due date to date of payment.

## PREScribed INTEREST RATES

PERIOD	PAYABLE TO TAXPAYER (TAXABLE)	PAYABLE BY TAXPAYER (NON-DEDUCTIBLE)
01/04/2003 to 30/06/2003	12.5%	16.5%
01/07/2003 to 31/08/2003	11%	15%
01/09/2003 to 30/09/2003	10%	14%
01/10/2003 to 30/11/2003	9%	13%
01/12/2003 to 31/10/2004	7.5%	11.5%
01/11/2004 to 31/10/2006	6.5%	10.5%
01/11/2006 to 28/02/2007	7%	11%
01/03/2007 to 31/10/2007	8%	12%
01/11/2007 to 29/02/2008	9%	13%
01/03/2008 to 31/08/2008	10%	14%
01/09/2008 to 30/04/2009	11%	15%
01/05/2009 to 30/06/2009	9.5%	13.5%
01/07/2009 to 31/07/2009	8.5%	12.5%
01/08/2009 to 31/08/2009	7.5%	11.5%
01/09/2009 to 30/6/2010	6.5%	10.5%
01/07/2010 until further notice	5.5%	9.5%

## OFFICIAL RATE OF INTEREST

(Fringe Benefit Rate)

PERIOD	RATE
01/03/2004 to 31/08/2004	9%
01/09/2004 to 31/08/2005	8.5%
01/09/2005 to 31/08/2006	8%
01/09/2006 to 28/02/2007	9%
01/03/2007 to 31/08/2007	10%
01/09/2007 to 29/02/2008	11%
01/03/2008 to 31/08/2008	12%
01/09/2008 to 28/02/2009	13%
01/03/2009 to 31/05/2009	11.5%
01/06/2009 to 30/06/2009	9.5%
01/07/2009 to 31/08/2009	8.5%
01/09/2009 to 30/09/2010	8%
01/10/2010 to 28/02/2011	7%
01/03/2011 until further notice	6.5%

## FINANCING

The table reflects the payment required for each R1,000 borrowed.

Example: A bond of R200,000 for 20 years at 11% is:  
 $200 \times 10.32 = R2,064$  a month over 20 years.

## MORTGAGE BOND

<b>RATE</b>	<b>10 YEARS</b>	<b>20 YEARS</b>	<b>25 YEARS</b>	<b>30 YRS</b>
6%	11.10	7.16	6.44	6.00
7%	11.61	7.75	7.07	6.65
8%	12.13	8.36	7.72	7.34
8.5%	12.4	8.68	8.05	7.69
9%	12.67	9.00	8.39	8.05
9.5%	12.94	9.32	8.74	8.41
10%	13.22	9.65	9.09	8.78
10.5%	13.49	9.98	9.44	9.15
11%	13.78	10.32	9.80	9.52
11.5%	14.06	10.66	10.16	9.90
12%	14.35	11.01	10.53	10.29
12.5%	14.64	11.36	10.90	10.67
13%	14.93	11.72	11.28	11.06
13.5%	15.23	12.07	11.66	11.45
14%	15.53	12.44	12.04	11.85
14.5%	15.83	12.80	12.42	12.25
15%	16.13	13.17	12.81	12.64

## Short term finance – instalment credit and leases

<b>RATE</b>	<b>36 Mnths</b>	<b>48 Mnths</b>	<b>60 Mnths</b>
6%	30.42	23.49	19.33
7%	30.88	23.95	19.80
8%	31.34	24.41	20.28
8.5%	31.57	24.65	20.52
9%	31.80	24.89	20.76
9.5%	32.03	25.12	21.00
10%	32.27	25.36	21.25
10.5%	32.50	25.60	21.49
11%	32.74	25.85	21.74
11.5%	32.98	26.09	21.99
12%	33.21	26.33	22.24
12.5%	33.45	26.58	22.50
13%	33.69	26.83	22.75
13.5%	33.94	27.08	23.01
14%	34.18	27.33	23.27
14.5%	34.42	27.58	23.53
15%	34.67	27.83	23.79

## PRIME OVERDRAFT RATE

<b>PERIOD</b>	<b>RATE</b>
16/01/2002 to 17/03/2002	14%
18/03/2002 to 13/06/2002	15%
14/06/2002 to 15/09/2002	16%
16/09/2002 to 12/06/2003	17%
13/06/2003 to 14/08/2003	15.5%
15/08/2003 to 10/09/2003	14.5%
11/09/2003 to 19/10/2003	13.5%
20/10/2003 to 14/12/2003	12%
15/12/2003 to 15/08/2004	11.5%
16/08/2004 to 14/04/2005	11%

PERIOD	RATE
15/04/2005 to 07/06/2006	10.5%
08/06/2006 to 02/08/2006	11%
03/08/2006 to 12/10/2006	11.5%
13/10/2006 to 07/12/2006	12%
08/12/2006 to 07/06/2007	12.5%
08/06/2007 to 16/08/2007	13%
17/08/2007 to 11/10/2007	13.5%
12/10/2007 to 06/12/2007	14%
07/12/2007 to 10/04/2008	14.5%
11/04/2008 to 12/06/2008	15%
13/06/2008 to 11/12/2008	15.5%
12/12/2008 to 05/02/2009	15%
06/02/2009 to 24/03/2009	14%
25/03/2009 to 03/05/2009	13%
04/05/2009 to 27/05/2009	12%
28/05/2009 to 12/08/2009	11%
13/08/2009 to 25/3/2010	10.5%
26/3/2010 to 09/09/2010	10%
10/09/2010 to 18/11/2010	9.5%
19/11/2010 until further notice	9%

## IRP 5 CODES

### Normal Income Codes

- 3601 Income, Pension, overtime, RA Annuity
- 3602 Income (Excl), Pension (Excl), Arbitration Award (Excl)  
Purchased Annuity (Excl)
- 3603 Pension - taxable
- 3604 Pension - non-taxable
- 3605 Annual Payment
- 3606 Commission
- 3607 Overtime
- 3608 Arbitration Award
- 3609 Arbitration Award - non-taxable
- 3610 Annuity from Retirement Fund
- 3611 Purchased Annuity
- 3612 Purchased Annuity - non-taxable
- 3613 Restraint of Trade
- 3614 Other Retirement Lump Sums
- 3615 Director's Remuneration
- 3616 Independent Contractors
- 3617 Labour Brokers (PAYE/IT)

### Allowance Codes

- 3701 Travel Allowance
- 3702 Reimbursive Travel Allowance (IT)
- 3703 Reimbursive Travel Allowance (Excl)
- 3704 Subsistence Allowance – Local Travel (IT)
- 3705 Subsistence Allowance – Local Travel - non-taxable
- 3706 Entertainment Allowance
- 3707 Share Options Exercised (Section 8A)
- 3708 Public Office Allowance
- 3709 Uniform Allowance - non-taxable
- 3710 Tool Allowance
- 3711 Computer Allowance
- 3712 Telephone/Mobile phone Allowance
- 3713 Other Allowances - taxable
- 3714 Other Allowances - non-taxable

- 3715 Subsistence Allowance - Foreign Travel (IT)
- 3716 Subsistence Allowance - Foreign Travel (IT) - non-taxable
- 3717 Broad-based Employee Share Plan (Section 8B)
- 3718 Director/Employee equity instruments

### **Fringe Benefit Codes**

- 3801 General Fringe Benefit, Right of Use of Asset, Meals, refreshments and meal and refreshment Vouchers, Free or cheap residential or holiday accommodation, Free or cheap services, Low interest or interest free loans or loan subsidies, Payment of employee's debt, Bursaries or scholarships
- 3802 Right of use of Motor Vehicle
- 3803 Right of use of an Asset
- 3804 Meals, refreshments & vouchers
- 3805 Free or cheap accommodation
- 3806 Free or cheap services
- 3807 Low or interest free loans
- 3808 Release of debt
- 3809 Bursaries & scholarships
- 3810 Company contribution to Medical Aid
- 3813 Cost related to Medical Services paid by Company

Important: To report foreign income, add a value of 50 to all normal, allowance, fringe benefit and lump sum codes e.g. 3606 will be 3656

### **Lump Sum Codes**

- 3901 Gratuities (retirement/retrenchment)
- 3906 Special Remuneration (e.g. proto-teams)
- 3907 Other Lump Sums (e.g. Backdated salaries extended over previous tax year, non approved funds)
- 3908 Surplus Apportionments on or after 1 January 2006
- 3909 Unclaimed Benefits paid by Fund
- 3915 Pension, Provident or Retirement Annuity Fund Lump Sum Benefits paid on or after 1 October 2007
- 3920 Lump sum withdrawal benefits
- 3921 Living Annuity

### **Gross Remuneration Codes**

- 3696 Gross Non-Taxable Income
- 3697 Gross Retirement Funding Employment Income
- 3698 Gross Non-Retirement Funding Employment Income
- 3699 Gross Remuneration

### **Deduction Codes**

- 4001 Current Pension Fund Contributions
- 4002 Arrear Pension Fund Contributions
- 4003 Current Provident Fund Contributions, Arrear Provident Fund Contributions
- 4004 Arrear Provident Fund Contributions
- 4005 Medical Aid Contributions
- 4006 Current Retirement Annuity Fund Contributions
- 4007 Arrear (re-instated) Retirement Annuity Fund Contributions
- 4018 Premiums Paid for Loss of Income Policies

### **Employee's Tax Deduction and Reason Codes**

- 4101 SITE
- 4102 PAYE
- 4115 Tax on Retirement Lump Sum Benefits

- 4141 UIF Contribution (employee + employer contributions)
- 4142 SDL Contribution
- 4149 Total Tax, SDL and UIF
- 4150
  - 01- Invalid from March 2002
  - 02- Earn Less than the Tax Threshold
  - 03- Independent Contractor
  - 04- Non Taxable Earnings (including nil directive)
  - 05- Exempt Foreign Employment Income
  - 06- Directors Remuneration – Income Determined in the following Tax Year
  - 07- Labour Broker with IRP30

#### **Company Contribution Codes**

- 4024 Medical services costs deemed to be paid by the employee in respect of himself/herself, spouse or child
  - 4026 Arrear Pension Fund Contributions (NSF)
  - 4030 Donations paid over by Employer
  - 4474 Medical Aid Contributions
  - 4493 Employer's Medical Aid Contributions i.r.o Retired Employees
- 

## **MOORE STEPHENS SERVICES 2011**

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  - BEE VERIFICATION SERVICES
  - BUSINESS ADVISORY
  - BUSINESS RECOVERY
  - COMPANY SECRETARIAL
  - CORPORATE FINANCE
  - CORPORATE RECOVERY
  - ESTATE PLANNING & ADMINISTRATION
  - FORENSICS
  - INTERNAL AUDIT & RISK MANAGEMENT
  - JSE ADVISORY
  - MANAGEMENT SERVICES
  - PAYROLL
  - RETIREMENT FUND FINANCIAL SERVICES
  - TAX COMPLIANCE & PLANNING
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# MOORE STEPHENS

## SERVICES

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- RETIREMENT FUND FINANCIAL SERVICES
- TAX COMPLIANCE & PLANNING

MOORE STEPHENS

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# TAX TIMETABLE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
<b>MOORE STEPHENS</b> <small>CHARTERED ACCOUNTANTS (SA)</small>												
<b>PROVISIONAL TAX:</b>												
<b>CO &amp; CC YEAR ENDS</b>												
<b>JANUARY</b>	2nd						1st & 3rd					
<b>FEBRUARY</b>		2nd						1st	3rd			
<b>MARCH</b>			2nd						1st & 3rd			
<b>APRIL</b>				2nd						1st & 3rd		
<b>MAY</b>					2nd						1st & 3rd	
<b>JUNE</b>						2nd						1st & 3rd
<b>JULY</b>	1st & 3rd						2nd					
<b>AUGUST</b>		1st & 3rd						2nd				
<b>SEPTEMBER</b>			1st & 3rd						2nd			
<b>OCTOBER</b>				1st & 3rd						2nd		
<b>NOVEMBER</b>					1st & 3rd						2nd	
<b>DECEMBER</b>						1st & 3rd						2nd
<b>INDIVIDUALS</b>		2nd						1st	3rd			
<b>TRUSTS</b>		2nd						1st	3rd			