



## Tax Alert

To the point...

### Latest tax developments in South Africa and beyond

Welcome to our Tax Alert newsletter which highlights some of the latest tax developments in Africa.

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Issue 3/2015
31 March 2015
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### Recent tax developments in South Africa

#### South Africa

**Proposed reduction of Unemployment Insurance Fund (UIF) contributions**  
In his 2015 annual Budget Speech, the Minister of Finance proposed a temporary reduction in contributions by employers and employees to the Unemployment Insurance Fund, while keeping UIF benefits unchanged. It is proposed that the remuneration threshold, against which the contributions are calculated, be reduced from the current monthly amount of R14 872 to R1 000 with effect from 1 April 2015. A final decision on the proposed reduction will be taken following a public consultation process. [More](#)

**List of Reportable Arrangements - Public Notice**  
On 16 March 2015 (Government Gazette No. 38569), a public notice was issued listing arrangements that will constitute a 'reportable arrangement' and 'excluded arrangement' for purposes of rules in the Tax Administration Act. This replaces previous lists and draft lists issued under the Income Tax Act and Tax Administration Act. [More](#)

**Tax free savings and investment accounts - Publication of the final notices and regulations**  
National Treasury issued a Media Statement on 20 February 2015 to indicate that the Minister has approved the publication of the final Notices and Regulations under section 12T(8) of the Income Tax Act that allows for the introduction of Tax Free Savings and Investment Accounts with effect from 1 March 2015. [More](#) [More](#)

**Section 12L allowances - energy efficiency savings**  
On 6 March 2015, amendments to regulations issued under section 12L of the Income Tax Act were published in Government Gazette 38541. The amendments are set to take effect on 1 April 2015. [More](#) [More](#)

**Notice 175 (GG 38516) - Fixing of the rate per km in respect of motor vehicles**  
Notice No. 175 has been issued fixing of the rate per km in respect of motor vehicles in terms of section 8(1) (b) (ii) and (iii) of the Income Tax Act. This is effective from 1 March 2015. [More](#)

**Notice to render employer returns (EMP501)**  
Notice has been given (Government Gazette No. 38618 dated 27 March 2015) that employer's returns (EMP501) for the period 1 March 2014 to 28 February 2015 must be rendered on or before 29 May 2015 and for the period 1 March 2015 to 31 August 2015 must be rendered on or before 30 October 2015.

**Tax directives forms updated - Fund Administrators**  
Tax directives forms A&D, B and E have been updated to make provision for the fund administrator to include the portion of the service that was rendered outside South Africa. [More](#) [More](#) [More](#)

**SARS summary on withholding tax (WHT) on interest**  
With effect from 1 March 2015, interest paid to non-residents may be subject to withholding tax (WHT) at a rate of 15%. Certain exemptions apply (e.g. government bonds, listed debt and local collective investment schemes). [More](#)

**SARS Electronic Communications Guide**  
This guide provides users with an understanding of the rules for electronic communication issued under section 255 of the Tax Administration Act. The Electronic Communications Rules commenced on 25 August 2014. [More](#)

**SARS Comprehensive Guide to Dividends Tax**  
The purpose of this guide is to assist users in gaining a more in-depth understanding of dividends tax. [More](#)

**High Court Judgment - Ackermans Limited v CSARS - HG 16408-2013 NG**  
The judgment relates to a decision to raise additional assessments. Issues dealt with include misrepresentation or non-disclosure and review of a decision in terms of the Promotion of Administrative Justice Act. [More](#)

**Tax Court Judgment – Case 12466 - ABC (PTY) Ltd and the Commissioner for SARS**  
This case relates to the determination of base cost for purposes of calculating a capital gain or loss on the disposal of shares. [More](#)

**Binding Private Ruling (BPR) 187 - Waiver of an intra-group loan**  
This ruling deals with the waiver of a loan that funded the acquisition of a mining operation as a going concern under an intra-group transaction contemplated in section 45 of the Income Tax Act. [More](#)

**Binding Private Ruling (BPR) 188 - Conversion of a PBO to a for-profit company**  
This ruling deals with the conversion of a tax exempt Public Benefit Organisation (PBO) to a for-profit company. [More](#)

**Binding Private Ruling (BPR) 189 - Acquisition of shares subject to suspensive conditions**  
This ruling deals with the time of acquisition of shares which are acquired under an agreement subject to suspensive conditions. [More](#)

**Binding General Ruling (BGR) 26 – VAT Treatment of supply and importation of herbs**  
This BGR sets out the VAT treatment applicable to the supply and importation of herbs. [More](#)

**Draft Binding General Ruling (BGR) – VAT treatment of supply and importation of fruit and vegetables**  
This BGR sets out the VAT rate applicable to the supply and importation of fruit and vegetables. Comments are due for submission by 31 May 2015. [More](#)

**Budget 2015/16**  
A copy of the Deloitte Quick Tax Guide, summarizing the tax rates applicable for the period 2015/16 and other tax developments announced in the Minister of Finance's annual Budget Speech on 25 February 2015, is attached below. [Download here](#)

**Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill 2015**  
The Draft Rates and Monetary Amounts and Amendment of Revenue Laws Amendment Bill 2015 and its Explanatory Memorandum were released on the day of the Minister of Finance's annual Budget Speech. [More](#)

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### Recent tax developments in the rest of Africa

#### Angola

**Budget Law 2015 and Amending Budget Law 2015**  
On 29 January 2015, Budget Law 2015 (Law No. 23/14 of 31 December 2014) was made available. This was followed by the Amending Budget Law which was adopted during an extraordinary plenary session of the National Assembly. According to public announcements, the amending text aims to adapt the tax policy to the recent developments in the international economic arena.

**Financial Institutions Law and Stock and Shares Code approved**  
Parliament has approved the Financial Institutions Law and the Stock and Shares Code. The texts aim at regulating financial markets according to economic developments and international exposure of Angola, and enhancing the securities market.

**Import, export and re-export of foreign currency – Official notice issued**  
Government has issued Official Notice (Aviso) No.1/15, which establishes import, export and re-export procedures of foreign currency and travel vouchers by banks. The Official Notice applies from 29 January 2015. It provides that banks are the sole institutions authorised to import, export and re-export foreign currency, as well as to issue travel vouchers. The text provides regulations regarding such transactions, including penalties applicable in the case of non-compliance and returns to be filed for each transaction.

#### Benin

**Finance Law 2015**  
Finance Law for 2015, issued on 23 December 2014, has been made available to the public. The Finance Law deals with direct and indirect taxation and, unless otherwise indicated, applies from 1 January 2015. [More](#)

#### Chad

**Budget Law 2015 adopted**  
Confirmation was given on 1 March 2015 that Budget Law 2015 was adopted by Parliament on 31 December 2014.

#### Congo

**Finance Law 2015 (part I) – Individual income tax**  
The provisions of Taxation in South Africa 2014/2015 (Law No.48-2014 of 31 December 2014) have been made available. The amendments on individual income, which apply as from 1 January 2015, are summarised below. [More](#)

#### Kenya

**Revenue Authority issues guidelines for withholding tax on natural resource income**  
On 20 February 2015, the Revenue Authority issued guidelines for withholding tax on natural resource income. Withholding tax on natural resource income was introduced by the Finance Act 2014 with effect from 1 January 2015.

#### Lesotho

**Exchange of information agreement between Guernsey and Lesotho**  
On 3 January 2015, the Guernsey - Lesotho Exchange of Information Agreement (2013) entered into force. The agreement generally applies from 3 January 2015.

#### Nigeria

**Rules governing transactions with related parties or interested persons**  
The Nigeria Stock Exchange has issued rules governing transactions with related parties or interested persons effective from 1 November 2014. [More](#)

#### Senegal

**Treaty between Senegal and United Kingdom**  
Senegal and the United Kingdom signed an income and capital gains tax treaty.

#### Tunisia

**Treaty between Finland and Tunisia – negotiations**  
Negotiations for a tax treaty between Finland and Tunisia are scheduled to take place in February 2015.

#### Zambia

**Treaty between Norway and Zambia initialed**  
On 18 February 2015, Norway and Zambia initialed a new tax treaty. Once signed, in force and effective, the new treaty will replace the Norway - Zambia Income Tax Treaty (1971). [Back to top](#)

### Update on key resources and events across Africa

#### Resources

**SARS Guide: Taxation in South Africa 2014/2015 \*\* South Africa**  
SARS has released its guide on Taxation in South Africa 2014/15. This is a general guide providing an overview of the various forms of tax legislation administered in South Africa by SARS. [More](#)

**SARS Tables A and B of the Average Exchange Rates \*\* South Africa**  
Tables A and B of the average exchange rates have been updated. The next update can be expected in June 2015. [More](#) [More](#)

**Deloitte West Africa Tax Alert \*\* Francophone West Africa.**  
The Alert focusses and provides information on transfer pricing in French-Speaking Africa. [More](#)

#### Events

**Tax Administration Act Back to Basics \*\* South Africa**  
Deloitte School of Tax is hosting "Tax Administration Act Back to Basics" workshops in the following venues:

- Port Elizabeth - 15 April 2015
- Durban - 21 April 2015
- Cape Town - 22 April 2015
- Johannesburg - 29 April 2015
- Pretoria - 23 April 2015

**VAT Back to Basics Electronic Course \*\* South Africa**  
Deloitte School of Tax has launched its "VAT Back to Basics E-learning course", effective 1 April 2015. This online training course will ensure that you have a thorough understanding of the fundamentals of VAT, including areas where the most common mistakes happen. It also includes the latest information and legislation to ensure that you are up to speed with the most recent amendments.

Visit [schooloftax.co.za](http://www.schooloftax.co.za) to register online. Alternatively you can contact the School of Tax administrator for more information at: [dsot@deloitte.co.za](mailto:dsot@deloitte.co.za) [More](#)

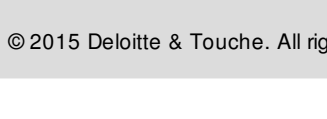
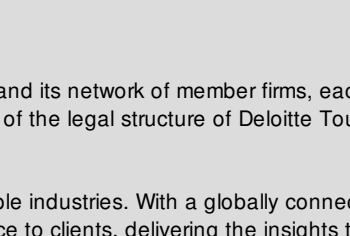
For further details and dates regarding events/training, please refer to the Deloitte School of Tax (DSOT) calendar which can be accessed at: <http://www.schooloftax.co.za/>

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