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Tax Alert

To the point...

Latest tax developments in South Africa and beyond

Welcome to our Tax Alert newsletter, providing you with monthly news/alerts on the latest tax developments in South Africa and the greater Africa region.

What you can expect to find in this month's edition

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Key tax developments in South Africa

South Africa

Tax Clearance (TCC) process

SARS has announced the introduction of an enhanced Tax Compliance Status System, aimed at making it easier for taxpayers to obtain a Tax Clearance Certificate (TCC). The system will allow taxpayers to obtain a Tax Compliance Status (TCS) PIN, which can be used in place of a TCC by authorised third parties to verify a taxpayer's compliance status online). SARS has indicated that it intends moving away from the use of the TCC mechanism and that, in future, the Tax Compliance Status and PIN system will be the only system in use.

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Voluntary Disclosure Programme (VDP)

In the 2016 Budget Speech, the Minister of Finance announced a Special Voluntary Disclosure Programme to give opportunity for non-compliant taxpayers to voluntarily disclose offshore assets and income. With a new global standard for the automatic exchange of information between tax authorities providing SARS with additional information from 2017, time is now running out for taxpayers who still have undisclosed assets abroad. At the same time a program has been introduced to enable South African residents to regularize any past exchange control violations. This is a final opportunity for South Africans to regularize any undisclosed foreign assets that they may have from both an income tax and exchange control perspective and they would be strongly advised to make use of it. For more information on the VDP programme click [here](#).

On 12 April 2016, National Treasury issued an additional media statement on the VDP: [More](#)

For further developments in South Africa ...

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Key tax developments in the rest of Africa

Algeria

Tax exemption on government bonds¹

The Algerian Tax Administration recently issued a note regarding the issuance of government bonds starting from 17 April 2016, with interest on those bonds benefiting from a tax exemption. Subscriptions will be available for both individuals and companies, and the interest rates will range from 5% to 5.75%, dependent on the reimbursement period.

Democratic Republic of Congo

Refund of input VAT credits²

The DRC government has decided to suspend the refund of input VAT credits for all taxpayers on 18 April 2016. This measure is a direct consequence of the fall of tax revenues triggered by the decrease in prices of commodities (mainly copper and cobalt). The VAT Law provides that export businesses, companies ceasing their activities, oil and mining companies (during the exploration phase) and companies making significant investments are entitled to request input VAT credit refunds.

South Sudan

Financial Act 2014/2015³

The Ministry of Finance and Economic Planning announced that the Financial Act 2014/2015 was signed into law on 21 March 2016. The Act makes the following main revisions to the Taxation Act 2009 (as amended):

- The classification of enterprises and the business profits tax (BPT) rates payable by each class have been revised.
- The exemption previously granted to basic food items, from advance payments of income tax on imported goods, has now been eliminated. Therefore, all imported food items are now subject to tax at the rate of 2%, while all other imported goods are now subject to tax at the rate of 4%.

The amendments to the classification of enterprises and BPT rates apply with effect from the 2015 tax year (i.e. returns due for filing on or before 1 April 2016). The amendments to the excise duty rates are applicable to returns for April 2016 (i.e. due for filing on or before 15 May 2016).

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For further developments in the rest of Africa ...

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¹ Report from IBFD Research Associate, Sabrine Marsit.

² Report from IBFD correspondent, Teddy Kabongo.

³ Report from IBFD Research Associate, Obiageli Chiedu

Update on key resources and events across Africa

Resources

SARS Guide for Tax Rates/Duties/Levies (Issue 12) ** [South Africa](#)

This guide provides a current and historical view of the rates of various taxes, duties and levies collected by SARS. It has been updated to include the provisions of the Taxation Laws Amendment Act 25 of 2015 promulgated on 8 January 2016, the Rates and Monetary Amounts and Amendment of Revenue Laws Act 13 of 2015 promulgated on 17 November 2015, as well as the Budget Review of 2016.

[More](#)

SARS VAT 411 - Guide for Entertainment, Accommodation and Catering ** [South Africa](#)

This guide is a general guide dealing with the application of VAT to supplies of goods or services which fall into the category of “entertainment”. It serves as a supplement to the VAT 404 – Guide for Vendors which deals with the general operation of VAT.

[More](#)

SARS VAT 412 - Guide for Share Block Schemes ** [South Africa](#)

The VAT 412 is a general guide dealing with the application of the VAT Act to share block schemes in South Africa

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Taxation in South Africa 2015/2016 ** [South Africa](#)

This is a general guide providing an overview of the most significant tax legislation administered in South Africa by the Commissioner for the South African Revenue Service (SARS).

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Mergers and Acquisitions Tax Guide: Sub-Saharan Africa ** [Sub-Saharan Africa](#)

The Deloitte M&A team has compiled a comprehensive M&A tax guide to help your business identify tax and deal structuring for the 9 countries classified within the Sub-Saharan African region.

The guide gives key insight on the following:

- In country overview
- Deal structure considerations
- Post-deal tax management
- Exit strategies
- Economic and investment outlooks of the listed countries

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Developing Ethiopia: First-mover Investment Opportunities ** [Ethiopia](#)

The Ethiopian government’s economic strategy has been premised on sound macroeconomic policies, diversification by promoting agriculture and industrial development, and creating a business environment that is conducive to investment, supported by infrastructure development.

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Africa from the Inside: Spotlight on Africa’s Growth Model ** [Africa](#)

In Africa, 2016 promises to be another year of economic readjustment for most African economies whose terms of trade have turned negative following the end of the so-called commodity super-cycle. Economic headwinds are often compounded by lethargic governments who are unwilling to carry out overdue structural reforms.

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African Powers of Retailing: New horizons for growth ** [Africa](#)

The report is the first in an annual series where we track the progress of the top African retail performers on the continent.

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Northeasterly bearing: Economic Analysis of Burundi 2015 ** [Burundi](#)

Despite great strides in the improvement of the business environment, the development of the private sector remain still constrained by lack of electricity and the weakness of the judicial system. Long term wise, the future of Burundi is very promising and the acceleration of the construction of hydroelectric dams projects, mining of the reserves of Nickel and the reform of both coffee and tea sector, seem to be able to bring the country's growth to 8% + and to reduce the level of poverty.

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Global Tax Reset: The changing world of tax ** [Global](#)

The G20 engaged the Organization of Economic Development of address inequities and inconsistencies in the global tax landscape. It became known as the Base Erosion and Profit Shifting Actions (BEPS). It will become a platform for international tax consistency and sharing of information with and between tax authorities.

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Ivory Coast - Fiscal outlook (French) ** [Ivory Coast](#)

Presentation on the fiscal outlook and 2016 fiscal legislation.

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Events

South Africa:

Input VAT Back to Basics

- Webinar recording – available until 31 August 2016

Withholding Tax Webinar Part 1

- Webinar – 5 May 2016

Withholding Tax Webinar Part 2

- Webinar – 11 May 2016

Corporate Tax Bootcamp

- Johannesburg - 18 – 19 May 2016

Tax Accounting for Specific Transactions

- Cape Town – 12 May 2016
- Durban - 20 May 2016
- Johannesburg – 31 May 2016

Visit schooloftax.co.za to register online. Alternatively, you can contact the School of Tax administrator for more information at: dsot@deloitte.co.za

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

Deloitte Tax LinkedIn

To engage in conversation around any of the topics, click on the following:

http://www.linkedin.com/groups/Deloitte-South-Africa-Tax-3909634?trk=myg_ugrp_ovr

Should you require further information regarding this newsletter, kindly contact Moray Wilson on +27(0)21 4275515 or morwilson@deloitte.co.za . Should you wish to share your stories, please send your submissions to [za tax publications](#).

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