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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

Revenue Laws Amendment Act (Act No. 2 of 2016)

The Revenue Laws Amendment Act was published in Government Gazette No. 40006 dated 20 May 2016. The Amendment Act principally deals with provident fund issues, delaying the requirement for provident fund members to purchase an annuity at retirement and the ability to transfer accumulated retirement savings between all retirement funds tax free until 1 March 2018.

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EMP501 reconciliation deadline

The deadline for the submission to SARS of Pay-As-You-Earn (PAYE) Employer Annual Reconciliations is 31 May 2016, confirming or correcting payroll tax amounts which were declared during the 2015/2016 tax period.

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For further developments in South Africa ...

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Key tax developments in the rest of Africa

Angola

Deadline for submitting transfer pricing dossier and tax returns¹

¹ Report from IBFD correspondent, Dr Anapaula Trindade Marinho

The General Tax Administration (AGT) has announced that large taxpayers which generated turnover of more than KWZ 7 billion in 2015 are required to submit transfer pricing dossiers for approval by the AGT by 30 June. Furthermore, it has been announced that the deadline for submitting the income tax return Model 1 for Group A taxpayers is 31 May. Taxpayers are required to provide supporting documents with the submission.

Namibia

Tax Amendment Bills

The Minister of Finance tabled the Income Tax and Export Levy Bills in the National Assembly recently. Export levy goods are listed in schedules 1, 2 and 3 of the Bill and different rates such as 2% on minerals, gas and crude oil products, between 1% and 1.5% for listed fish.

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Nigeria

2016 Budget Law²

The Appropriation Bill 2016 (2016 Budget) was signed into law following the President's assent on 6 May 2016.

For further developments in the rest of Africa ...

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Update on key resources and events across Africa

Resources and publications

2016 Deloitte Global Transfer Pricing Country Guide

The Deloitte Global Transfer Pricing Country Guide is one of the most comprehensive and authoritative guides of its kind, detailing essential information on transfer pricing regimes in 67 jurisdictions around the world.

[More](#)

The Link Between Transfer Pricing and Customs Valuation

Customs valuation and transfer pricing issues are complex, with frequent new developments as well as increasing scrutiny of related party transactions by customs and tax authorities around the globe. This publication provides a starting point for inquiries on the customs-related impacts of setting and adjusting transfer prices.

[More](#)

Tracking the trends 2016: The top 10 issues mining companies will face this year.

² Report from IBFD Research Associate, Obiageli Chiedu

Miner's business are embedded in the countries in which they operate but they still find themselves subject to growing scrutiny from the rash of regulations and treaty changes that are now altering the global tax landscapes.

[More](#)

Comparison of European Holding Company Regimes – including South Africa

The analysis provides a useful high-level guide to holding company regimes.

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Guide to Controlled Foreign Company Regimes

Controlled foreign company regimes are used in many countries as a means to prevent erosion of the domestic tax base and to discourage residents from shifting income to jurisdictions that do not impose tax or that impose tax at lower rates.

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King IV – Bolder than ever

In this document, Deloitte highlights its assessment of what is different and what is new, both in the underpinning philosophy and principles of King IV.

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Africa from the Inside: Spotlight on retail in Ghana

Due to rapid economic growth, rising disposable income as well as the broadening of the middle class, in 2014, Ghana has in recent years moved into the focus of pan-African retailers such as Massmart, Shoprite, Edcon and Woolworths.

[More](#)

Africa from the Inside: Spotlight on China in Africa

Sub-Saharan African economies have been overly reliant on Chinese resource demand for their economic performance. The supercharged days of double-digit growth in China are over with the world's second-largest economy "rebalancing" from being one driven by over-investment towards a consumer and services driven economy.

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Spotlight on Nigeria: Government tightens regulatory reins

The global oversupply of petroleum products and the slowdown of the global economy has caught many oil-producing countries but also some investors by surprise. As Africa's largest oil producer, Nigeria's growth outlook and fiscal position have been implicated negatively by 'half-priced' oil. Investors should also take note of a likely stricter regulatory compliance environment.

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Oil and gas taxation in Ethiopia

The guide provides information on the tax regime specific to the Ethiopian oil and gas industry.

Income tax matters in Ethiopia are generally governed by the Income Tax Proclamation No.286 of 2002. There are specific tax rules, albeit brief, applicable to upstream petroleum activities set out in the Petroleum Operations Income Tax Act Proclamation No. 296 of 1986 which states that such rules override any other legislation in the event of a conflict.

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Oil and gas taxation in Kenya

The Petroleum (Exploration and Production) Act, last revised in 2012, is the principal law governing upstream activities in Kenya. Kenya is presently reviewing its energy-related legislation, including that applicable to the upstream oil and gas sector, and a raft of legislation has been presented to the Parliament of Kenya for debate and enactment.

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Oil and gas taxation in Namibia

The Ministry of Mines and Energy regulates the Namibian oil industry. The 1991 Petroleum Act and respective model contract governing the Namibian upstream oil and gas business sets out three main fiscal elements:

- royalty levied at 12.5% on the market value of oil and gas produced;
- petroleum income tax levied at 42% on the taxable base; and

- additional petroleum tax linked to company's real after-tax rate of return.

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Oil and gas taxation in South Africa

Oil and gas companies in South Africa are generally subject to ordinary tax rules in the same way as other companies that fall within the ambit of the tax system. There are certain specific concessions that exist in the Tenth Schedule to the Income Tax Act which are aimed at incentivising investment in exploration and post-exploration activities.

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Oil and gas taxation in Tanzania

Upstream business activities are carried out based upon a Production Sharing Agreement (PSA) entered into with the Government. For the most part, a PSA does not override the general principles of Tanzanian income tax law unless legalized by way of Government notice or specifically provided for in the legislation.

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Events ** South Africa

Input VAT - Back to Basics

- Webinar recording – available until 31 August 2016

Customs Duty - Back to Basics

- Cape Town - 7 June 2016
- Johannesburg - 14 June 2016
- Durban - 15 June 2016

The new ITR14 Tax Return for Companies

- Durban - 9 June 2016
- Cape Town - 24 June 2016
- Johannesburg - 30 June 2016
- Johannesburg - East Rand - TBC

Transfer Pricing

- Johannesburg - 21 June 2016
- Cape Town - 22 June 2016
- Durban - 23 June 2016

Tax Administration Act

- *Session 1: Back to Basics (morning):*
 - Durban - 07 July 2016
- *Session 2: Personal liability and tax compliance for finance professionals (afternoon):*
 - Johannesburg - 12 July 2016
 - Johannesburg - East Rand -TBC
 - Cape Town - 14 July 2016

Provisional Tax Workshop

- Durban - 22 July 2016
- Cape Town - TBC
- Johannesburg - 29 July 2016
- Johannesburg - East Rand – TBC

Visit www.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

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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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