

# ENSafrica tax in brief

Below, please find issue 116 of ENS' tax in brief, a snapshot of the latest tax developments in South Africa.

## SARS publications

- **Tax Practitioner Connect Newsletter | Issue 49**
  - This issue includes information on the solar energy tax credit, recognition of controlling bodies, registration of tax practitioners, VAT enhancements for estimated assessments and local assets at market value declared on the ITR12 return
  - Find a copy of the Newsletter [here](#).
- **Tax Directive System Enhancements Implemented**
  - SARS has enhanced the Tax Directives system in line with legislative and system requirements.
  - The following changes to the Tax Directives process will affect external stakeholders:
    - Taxation of local and foreign income will now cater for South African citizens who earned income both locally and abroad in one Year of Assessment, but who do not qualify for 10(i)(o)(ii).
    - There will be free portability between funds, such as with transfers to unclaimed benefit funds:
      - Unclaimed Pension Preservation Fund
      - Unclaimed Provident Preservation Fund
    - The provisions of the Income Tax Act No. 58 of 1962 (“ITA”) confirm that a deduction equal to the value of the amount transferred will be allowed as a deduction for any transfer from a pension fund and pension preservation fund (including an unclaimed-benefit pension preservation fund).
    - This means that the transfer will be tax neutral.
    - The update to the directives system will allow the “Transfer – Unclaimed Benefits” (code 48) to account for transfers between pension, preservation, and provident funds, and unclaimed-benefit funds of each type.
    - The following fund types will be added to the eFiling RT01 screen drop-down menu:
- **Tax Directives Legislative Changes**
  - Tax directive guides have been updated to include the following changes:
  - The new fields added on the IRP3(s) form to allow for the taxation of local and foreign income for South African citizens who have worked both locally and overseas who do not qualify for exemption under s10(i)(o)(ii).

- The new fund types added to the ROT01 form which are Unclaimed Pension Preservation Fund and Unclaimed Provident Preservation Fund.
- Find the Completion Guide for IRP3(a) and IRP3(s) forms [here](#).
- Find the Guide to Complete, Submit and Cancel a Recognition of Transfer [here](#)
- **Media Release | Commissioner Kieswetter's term extended**
  - SARS has confirmed that President Cyril Ramaphosa requested that Mr Edward Kieswetter stay beyond his current term, which was meant to expire on 30 April 2024.
  - Both parties agreed to the extension of his term as Commissioner for a period of two years.
  - The term extension provides inter alia the necessary time to continue the existing investment to strengthen the SARS leadership bench and prepare for an orderly leadership transition in the organisation over the next two years.
- **Media Release | Trade Statistics for January 2024**
  - In the year 2023, South Africa recorded a full year total trade balance surplus of ZAR62.2 billion.
  - SARS has released the trade statistics for January 2024, recording a preliminary trade balance deficit of ZAR9.4 billion.
  - The deficit is attributable to exports of ZAR144.3 billion and imports of ZAR153.7 billion, inclusive of trade with Botswana, Eswatini, Lesotho and Namibia.
  - Find the full media release [here](#).
- **Information on Employees' Allowances for the 2025 Year of Assessment**
  - The Minister of Finance has approved the new table of rates per kilometre for motor vehicles in respect of the 2025 year of assessment, for purposes of Section 8(1) of the ITA.
  - The Commissioner for SARS has determined the daily amount for expenditure in respect of meals and incidental costs in the country and the daily amount for travel outside the country in respect of the 2025 year of assessment, for purposes of Section 8(1) of the ITA.
  - Find the updated Guide for Employers in respect of Allowances [here](#).
  - Find the External Annexure for the Rate Per Kilometre Schedule [here](#).
  - Find the External Annexure for the Subsistence Allowance Foreign Travel [here](#).
- **Securities Transfer Tax | Guide updated**
  - The Securities Transfer Tax guide has been updated to include an email address and the REV16 (Request for refund) form.
  - Find the updated guide [here](#).

## customs and excise

- **Customs and Excise Act, 1964 | Tariff Amendments 2024**
  - The tariff amendments notices, scheduled for publication in the *Government Gazette*, relate to the amendments to –
    - Part 1 of Schedule No. 1, by the Deletion of tariff subheadings 1604.20.30 and 1604.20.35 as well as the insertion of tariff

subheadings 1604.20.31; 1604.20.39 and 1604.20.45 in order to give effect to the Ministerial directive to reduce the general rate of customs duty on canned minced anchovies from 25% to a specific duty of 6c/kg – ITAC Report 719;

- Part 2 of Schedule No. 4, by the insertion of rebate item 460.06/3823.13/01.06 in order to create a temporary rebate provision for tall oil fatty acids classifiable in tariff subheading 3823.13 – ITAC Report 689;
- Part 2 of Schedule No. 4, by the substitution of rebate item 460.03/0207.14.1/01.07 in order to reduce the extent of rebate from “Full duty less 30%” to “Full duty less 12%”, for the importation of meat and edible offal of the species Gallus Domesticus – ITAC Report 726 (With retrospective effect from 26 January 2024); and
- Part 2 of Schedule No. 4, by the substitution of rebate item 460.03/0207.14.9/01.07 in order to increase the extent of rebate from “Full duty less 25%” to “full duty less 37%”, for the importation of meat and edible offal of the species Gallus Domesticus – ITAC Report 726.

- **Customs and Excise | Biodiesel External Policy updated**

- The Biodiesel external policy has been revised as follows:
  - To align with the relevant sections of the Act.
  - The biodiesel process flow and the process for reprocessing, destruction and abandonment have been deleted from the external policy.
  - Robbery and theft have been included as exclusionary items under “Vis Major losses”.
- Find the revised policy [here](#).

- **Customs and Excise | Declaration and Return Submission through eFiling Guide updated**

- The Declaration and Return Submission through eFiling guide has been revised as follows:
  - To remove references to specific products and apply them to all products.
  - Relevant processes have been revised to reflect current eFiling system functionalities.
  - The process for capturing all duties and levies has been updated.
  - The document has been converted from a manual to a guide and the document Q-Code was changed from SE-ACC-02-M02 to SE-ACC-08.
  - This update resulted in the withdrawal of SE-ACC-06-M01 – Return and Submission of HTML5 forms via eFiling – External Manual.
- Find the new guide [here](#).

- **Health Promotion Levy on Sugary Beverages | Guide updated**

- The Health Promotion Levy on Sugary Beverages external policy has been revised to align with the relevant sections of the Customs and Excise Act No. 91 of 1964.
- Find the revised policy [here](#).

## legislation and draft legislation

- **2024 Draft Tax Bills and Draft Global Minimum Tax Bills**
  - Draft Revenue Laws Amendment Bill, 2024 (“**RLAB**”) and Draft Explanatory Memorandum on the RLAB
    - The 2024 Draft RLAB is aimed largely at clarifying the existing language and to simplify the directives system for both administrators and SARS to allow for the implementation of the ‘two-pot’ retirement reform.
  - Draft Global Minimum Tax Bill, 2024 and Draft Explanatory Memorandum on the Global Minimum Tax Bill
    - The Draft Global Minimum Tax Bill is aimed at implementing the GloBE Model Rules in South Africa to enable South Africa to impose a multinational top-up tax at a rate of 15% on the profits of in-scope multinational enterprise groups.
  - Global Minimum Tax Administration Bill, 2024
    - The Draft Global Minimum Tax Administration Bill is aimed at the administration of the Draft Global Minimum Tax Bill.
  - Draft Rates and Monetary Amounts Bill, 2024
  - The Bills can be accessed [here](#).
  - Due date for comment is 31 March 2024.
- **Finance Bills | Tabled in the National Assembly on 21 February 2024**
  - Division of Revenue Bill (B4-2024)
    - The Division of Revenue Bill is aimed at providing for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2024/25 financial year, the determination of each province’s share, the allocations to provinces, local government and municipalities and the responsibilities of all three spheres pursuant to such division and allocations.
  - Find a copy of the Bill [here](#).
  - Appropriation Bill (B5-2024)
    - The aim of the Appropriation Bill is to appropriate money from the National Revenue Fund for the requirements of the State for the 2024/25 financial year, and to prescribe the conditions for the spending of the funds withdrawn for the 2025/26 financial year before the commencement of the Appropriation Act for the 2025/26 financial year.
  - Find a copy of the Bill [here](#).
  - Second Adjustments Appropriation (2023/24 Financial Year) Bill (B6-2024)
    - The aim of the Second Adjustments Appropriation Bill is to effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2023/24 financial year.
  - Find a copy of the Bill [here](#).

- Gold and Foreign Exchange Contingency Reserve Account Defrayal Amendment Bill (B7-2024)
  - The aim of this Bill is to amend the Gold and Foreign Exchange Contingency Reserve Account Defrayal Act, 2003, so as to provide for direct charges against the National Revenue Fund for the requirements of the South African Reserve Bank and the reporting thereof.
- Find a copy of the Bill [here](#).

## advance tax rulings

- **Binding Class Ruling 088 | En commandite partners investing in solar assets**
  - This ruling determines the deductibility of expenditure to be incurred, and the limitation of any allowance and deductions claimed by en commandite partners investing in photovoltaic solar energy assets to be owned by the en commandite partnerships which will be installed at clients' premises in terms of power purchase agreements.  
Sections of the ITA considered: 12B(1)(h), 24H and 20(1)(b) and 20(2A)(a).
  - Find a copy of the ruling [here](#).

## exchange control

- **Exchange Control Circular No. 1/2024 | Appointment of Tookiyo Trading (Pty) Ltd as an Authorised Dealer in Foreign Exchange With Limited Authority.**
  - Find a copy of the circular [here](#).
- **Exchange Control Circular No. 2/2024 | Statement on Exchange Control**
  - During the budget speech it was announced that National Treasury will continue to modernise South Africa's capital flows management framework.
  - Further exchange control reforms were announced.
  - In this context, a number of draft circulars have been published. Find a copy of the circular with the relevant draft circulars as annexures [here](#).
  - Interested parties are invited to submit comments in the prescribed format as per Annexure C to [SARB-ExconCirculars@resbank.co.za](mailto:SARB-ExconCirculars@resbank.co.za) by 28 March 2024.

## International

- **Final OECD Report on Amount B of Pillar One**
  - On 19 February 2024, the OECD/G20 Inclusive Framework on BEPS released the report on Amount B of Pillar One, which provides a simplified and streamlined approach to the application of the arm's length principle to

baseline marketing and distribution activities, with a particular focus on the needs of low-capacity countries.

- Find the report [here](#).

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