

## Special points of interest:

- Daily amount for meals and incidental costs will increase from R522 to R548 per day from 1 March 2024.
- Daily amount for incidental costs only will increase from R161 to R169 per day from 1 March 2024.
- The SARS Complaints Management Office (CMO) contact number has changed to a toll-free number. The new number is 0800 12 12 16.

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## National Budget 2024

“Balancing sustainable public finances & social needs”

### 1 SOURCES OF GOVERNMENT INCOME IN 2024/25



<b>R1 863.0bn</b>   <b>83.3%</b>	<b>TAXES</b>
<b>R332.4bn</b>   <b>14.8%</b>	<b>BORROWING</b>
<b>R41.9bn</b>   <b>1.9%</b>	<b>NON-TAX REVENUE</b>

### 2 GOVERNMENT SPENDING IN 2024/25



<b>R387.3bn</b>   <b>16.3%</b>	<b>SOCIAL DEVELOPMENT</b>
<b>R382.2bn</b>   <b>16.1%</b>	<b>DEBT-SERVICE COSTS</b>
<b>R324.5bn</b>   <b>13.7%</b>	<b>BASIC EDUCATION</b>
<b>R271.9bn</b>   <b>11.5%</b>	<b>HEALTH</b>
<b>R265.3bn</b>   <b>11.2%</b>	<b>COMMUNITY DEVELOPMENT</b>
<b>R255.4bn</b>   <b>10.8%</b>	<b>ECONOMIC DEVELOPMENT</b>
<b>R244.0bn</b>   <b>10.3%</b>	<b>PEACE &amp; SECURITY</b>
<b>R144.0bn</b>   <b>6.1%</b>	<b>POST-SCHOOL EDUCATION &amp; TRAINING</b>

Source: People's Guide #RSABUDGET2024

“A crude distinction between economics and politics would be that economics is concerned with expanding the pie while politics is about distributing it”.

Alberto Alesina and Dani Rodrik



## Increases in social grants

The following social grants were increased:

Type	2023/24	2024/25	Increase per month
State old age grant	R2 085	R2 185	R 100 (4.8%)
State old age grant (>75yrs)	R2 105	R2 205	R 100 (4.8%)
War veterans grant	R2 105	R2 205	R 100 (4.8%)
Disability grant	R2 085	R2 185	R 100 (4.8%)
Foster care grant	R1 125	R1 180	R55 (4.9%)
Care dependency grant	R2 085	R2 185	R 100 (4.8%)
Child support grant	R505	R 530	R25 (5%)

*Make your  
vision so clear  
that your fears  
become  
irrelevant.  
Kerwin Rae*

## Income tax: Individuals

Tax payable by individuals for the tax year ending between 1 March 2024 and 28 February 2025 is calculated as follows:

Taxable Income (R)	Rate of Tax (R)
R0 to R237 100	18% of taxable income
R237 101 to R370 500	R42 678 + 26% of taxable income above R237 100
R370 501 to R512 800	R77 362 + 31% of taxable income above R370 500
R512 801 to R673 000	R121 475 + 36% of taxable income above R512 800
R673 001 to R857 900	R179 147 + 39% of taxable income above R673 000
R857 901 to R1 817 000	R251 258 + 41% of taxable income above R857 900
R1 817 001 and above	R644 489 + 45% of taxable income above R1 817 000

## Two-pot retirement reform

The two-pot retirement reform allows pre-retirement access to a portion of a person's retirement assets. This can assist fund members in times of need while encouraging higher savings rates and ensuring preservation of the remainder of savings to retirement.

The reform is intended to harmonise permissible pre-retirement withdrawals across funds. From 1 September 2024, contributions to retire-

ment funds will be split, with one-third going into a "savings component" and two-thirds going into a "retirement component".

Contributions remain tax deductible and tax free while growing in the fund. Retirement fund members will be able to withdraw amounts from the savings component before retirement, while the retirement component will remain protected.

### Savings pre-reform

Savings accumulated up to the date of implementation will not be affected, except for the initial seed capital amount. This amount will be the lower of 10 per cent of the fund value on 31 August 2024 or R30 000, and will be transferred from accumulated retirement savings to the savings component to assist fund members who may prefer an immediate withdrawal due to a financial emergency.



## Two-pot retirement reform

This seeding will be a once-off event. If not used, it will still be available in the future.

### Tax rate

Pre-retirement withdrawals from the savings component will be taxed at marginal rates, like all other income. However, when taxable income is lower, taxpayers will be taxed at lower rates.

### Limit on number of withdrawals

Only one withdrawal may take place in a tax year, and the minimum withdrawal amount

is R2 000. The optimal option is still to preserve retirement savings as long as possible, as the amounts grow at compound rates and can attract lower tax rates.

### Withdrawal on retirement

Amounts left in the savings component on retirement can be withdrawn and will be taxed according to the retirement lump sum table, which includes a tax-free lump sum of R550 000. The reforms will be implemented through amendments contained in the Revenue Laws Amendment

Bill and the Pension Fund Amendment Bill, both currently before Parliament. This will enable changes to fund rules of retirement funds.

An estimated R5 billion is likely to be raised in 2024/25 due to tax collected as fund members access once-off withdrawals due to the two-pot retirement reform. The seed capital transfer is a once-off event, so this revenue will not flow into the following fiscal years



## Implementing the global minimum corporate tax

The global minimum tax aims to limit the race to the bottom of effective corporate tax rates for large multinationals, with countries competing to attract income by offering low tax rates and tax incentives. South Africa helped develop tax rules to address base erosion and tax challenges arising from the digitalisation of the economy as a member of the Steering Group of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting. These rules are designed to limit the channels that multinationals use to shift profits from high- to low-tax countries. The 2023 Budget Review outlined the two pillars of this framework, which were endorsed by more than 135 countries in 2021.

### Pillar 1

The first focuses on the digital economy and the coherent tax treatment of multinationals. It will be implemented through a multilateral convention to ensure that the biggest and most profitable multinationals reallocate part of their profit to all countries where they sell their products and provide their services.

### Pillar 2

The second pillar introduces the global minimum tax. It ensures that any multinational with annual revenue exceeding €750 million will be subject to an effective tax rate of at least 15 per cent, regardless of where its profits are located.

### Proposed measures

The following two measures were proposed to effect this change

- an income inclusion rule
- a domestic minimum top-up tax for qualifying multinationals from 1 January 2024.

The income inclusion rule will enable South Africa to apply a top-up tax on profits reported by qualifying South African multinationals operating in other countries with effective tax rates below 15 per cent.

The domestic minimum top-up tax will enable SARS to collect a top-up tax for qualifying multinationals paying an effective tax rate of less than 15 per cent in South Africa.

The Explanatory Memorandum and Draft Global Minimum Tax Bill will contain more details on these proposals as well as a request for public input.

*Vision is able to  
see the sun  
before it shines.*





## Individuals, savings and employment

The following changes are proposed in respect of individuals:

### Employment tax incentive scheme

The Employment Tax Incentive Act was amended in 2021 and 2023 to address the abuse of the employment tax incentive, e.g. where it was used by training institutions to claim the incentive for students. It is proposed that the punitive measures supporting those amendments be refined.

### Remuneration proxy

The definition of

“remuneration proxy” refers to an “associated institution” in relation to the employer and will be amended to include a reference to “an ‘associated institution’ as defined in paragraph 1 of the Seventh Schedule”.

### Payroll amendments

With the move by the South African Revenue Service (SARS) for payroll administrators to report payroll monthly, it is proposed to amend section 11(nA) of the Income Tax Act to cater for taxpayers wanting refunds of amounts

received or accrued during the same year of assessment.

### Low-interest/interest free loans

To avoid the possibility double taxation, the trust anti-avoidance measures specifically exclude low- or no-interest loan arrangements that are subject to the transfer pricing rules. It is proposed that the law will be amended to provide clarity on the interaction between the trust anti-avoidance rules and transfer pricing rules.

*The best way to succeed is to have a specific intent, a clear vision, a plan of action and the ability to maintain clarity.*

**Steve Maraboli**

## Partnerships—Connected persons

Each member of the partnership is a connected person in relation to any other member of the partnership and any connected person in relation to any member of such partnership or foreign partnership. Therefore, partners are connected to each other as well as to all connected persons of the partners in the partnership.

### En commandite

An en commandite partnership is carried out in the name of only some of the partners. The undisclosed partners contribute a fixed sum and are not liable for more than their capital contribution in the case of a loss.

These undisclosed partners are referred to as limited partners.

### Limited partners

Limited partners are currently affected by the wide ambit of the definition of connected person. It is proposed that the status of connected persons in relation to a “qualifying investor” as defined be reviewed in the definition of “connected person” in the Income Tax Act.

## Corporate reorganisation

### Value shifting

Disposals between group companies falling under the corporate rollover relief provisions should, in principle, be tax neutral. The rationalising a group of companies can result in the market value of an existing shareholding of one group entity decreasing and another group entity’s newly acquired shareholding increasing. However, commercially, the market value of the ultimate holding company’s combined direct and indirect interests in all the subsidiary companies remains unchanged. It is

proposed that the definition of “value shifting arrangement” be amended to exclude certain corporate rollover transactions between groups of companies or where the value of the effective interest of the connected person remains unchanged.

### Amalgamation

In general, “amalgamation transaction” rules do not apply if assets are transferred to companies that are wholly or partially exempt or fall outside the South African tax base because they are not fully

taxable, in order to ensure that rollover relief is not used to obtain a permanent exemption. In some instances there is a misalignment with the place of effective management rules. It is proposed that this interaction be reviewed and clarified.

### Degrouping charge

The anti-avoidance measures of the intra-group corporate reorganisation rules set out the tax consequences for capital assets, allowance assets and trading stock in the event of de-grouping subsequent to



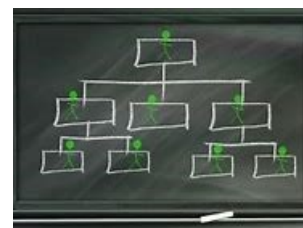


## Corporate reorganisation (continued)

an intra-group transaction. This is commonly referred to as a de-grouping charge. It is applied when the transferee company and a transferor company cease to form part of the same group of companies or when the transferee company ceases to form part of the same group as any controlling group company in relation to the transferor company.

For the de-grouping charge to be triggered, the de-grouping must take place within six years of the transfer of the assets if the assets were transferred between group companies. It is proposed that the scope of the de-grouping charge be narrowed to avoid the de-grouping charge being triggered when there is a change in shareholding affecting a group of companies,

while the companies involved in the original intra-group transactions are still part of another group of companies.



## International tax

The following proposals were made in respect of international tax:

### Exchange item

Certain financial arrangements, including preference shares, are eroding the tax base due to a mismatch because some elements of the arrangement result in an exchange loss for tax purposes, while gains on the preference shares are not being taken into account for tax purposes. It is proposed to address the tax leakage associated with these financial arrangements by extending the definition of “exchange item” to include shares that are disclosed as financial assets for purposes of financial reporting in terms of IFRS.

### Hyperinflationary currencies

The net income of a controlled foreign company (CFC) is determined in the currency used by that CFC for financial reporting (the functional currency) and is translated into rand at the average exchange rate for that foreign tax year.

An “exchange item” is treated as not attributable to any permanent establishment of the CFC if the currency used for financial reporting is that of a country with an official

rate of inflation of 100 per cent or more throughout the foreign tax year.

However, in contrast to the intention that a hyperinflationary functional currency not be used for translation purposes, section 9D(2A)(k) of the Income Tax Act requires the local currency to be used. It is proposed that the rules be changed so that section 9D(2A)(k) does not allow the use of a hyperinflationary functional currency for translation purposes.

### CFC translation

Foreign taxes payable by a CFC must be translated to rand at the average exchange rate for the year of assessment, of the resident having an interest in the CFC, in which an amount of net income of the CFC is included in the income of that resident. However, the net income of the CFC must be translated by applying the average exchange rate for the foreign tax year of the CFC. A mismatch arises when the year of assessment of the resident and the foreign tax year of the CFC are different. To address this anomaly, it is proposed that the Income Tax Act align the years used to translate net income and foreign tax payable by referring to the foreign tax year of the CFC.

### Participation exemption

In 2023, the tax law was amended to require an 18-month holding requirement for the participation exemption on the foreign return of capital similar to the participation exemption relating to the disposal of shares in a foreign company.

However, the test for the holding period for a foreign return of capital does not cover the situation where more than one company in a group of companies was holding the shares during the 18-month period. It is proposed that the holding period rules be amended to cater for this situation.

### Foreign rebate—CGT

South African tax residents are subject to income tax on their worldwide income. Double taxation relief is provided where the same amount is taxed by more than one tax jurisdiction. The relief is provided in the form of a tax credit for the taxes paid in the relevant foreign jurisdiction, but the credit is limited to the South African tax on the amount taxed in South Africa.

According to the foreign tax credit rules dealing with foreign dividends, the tax-exempt portion must not be taken into account when determin-

*A vision and strategy aren't enough. The long term key to success is execution. Every day.*

**Richard Kovacevich**





## International tax (continued)

ing the allowable foreign tax credit. However, the rules dealing with capital gains have no corresponding provision for the non-taxable portion of the capital gain. It is proposed that section 6quat be amended to explicitly allow for a full foreign tax credit against tax payable in South Africa on a capital gain for taxes payable in the relevant foreign jurisdiction on the disposal of an asset.

### Assessed loss set-off

When determining taxable income, the Income Tax Act enables taxpayers to set off their balance of assessed losses carried forward from the preceding tax year against their income, provided that the taxpayer continues trading.

The interaction between the assessed loss set-off and exchange differences rules mean

that a foreign exchange loss on an exchange item may not be set off in future years against gains from the same exchange item if the trading requirement is not met.

It is proposed that consideration be given to ring-fencing all foreign exchange losses on exchange items from a future year of assessment.

## Value-added tax

### Educational institutions

The VAT treatment of supplies provided by educational institutions to third parties is unclear, resulting in inconsistent treatment of these supplies. It is proposed that the VAT Act be amended to clarify the policy intention relating to these supplies.

### Electronic services

Government proposes to revise and update the Electronic Services Regulations (and relevant sections of the VAT Act) to keep up with changes in the digital economy and ease the administrative burden.

The scope of the regulations should be limited to only non-resident vendors supplying electronic services to non-vendors or end consumers.

### Foreign donor funded projects

The VAT Act requires each foreign donor funded project to be separately registered for VAT as a branch of the implementing agency. This results in an increased administrative burden for recipients of foreign donor funding. To ease the administrative burden on the implementing agents, it is proposed that the foreign donor funded project regime be reviewed.

### Foreign lessors

Previously, foreign lessors of parts of ships, aircraft or rolling stock were required to register for VAT because they were not covered under the exclusion in the definition of "enterprise". However, the 2023 amendment implied that foreign lessors were now required to deregister. This amendment had the unintended consequence of such vendors now facing an output tax liability under section 8(2). It is proposed that the VAT Act be amended to provide relief from this unintended consequence.

### Fruit and vegetables

The law VAT Act will be amended to clarify that the supply of pre-cut or prepared fruit or vegetables do not qualify for zero-rating under Schedule 2.

### Gambling

Government reviewed the impact of section 72 decisions to ascertain whether they should be discontinued or incorporated into the VAT Act. The amended section 72 affected the gambling industry and more specifically table games of chance, which previously accounted for VAT in terms of a section 72 arrangement or decision with SARS. It is proposed that this specific

ruling relating to accounting for VAT for table games of chance be incorporated into the VAT Act.

### Imports

Before the Tax Administration Act, the VAT Act made specific provision for a refund of tax paid in excess of what was properly chargeable under the VAT Act. While the VAT Act, read with the Tax Administration Act, provides for a refund of an amount under an assessment and of an amount erroneously paid, it does not adequately cater for a reduction in the amount of tax chargeable as result of a subsequent event in respect of the import of goods by persons who are not registered as vendors or in respect of imported services. It is proposed that this be corrected.

VAT should be accounted for and is payable by the recipient of imported services within 30 days of the earlier of receipt of the invoice issued by the supplier or the recipient or the time any payment is made by the recipient in respect of that supply. In many instances it is impractical to comply with the 30-day time period. Failure to pay VAT within this timeframe will result in the imposition of penalties and interest. To address this con-

*If you are  
working on  
something you  
really care  
about, you  
don't have to  
be pushed. The  
vision pulls  
you.  
Steve Jobs*



## Value-added tax (continued)

cern, it is proposed that the 30-day time period be extended to 60 days.

### Mudaraba

Section 8A of the VAT Act does not address the VAT treatment of Mudaraba financing arrangements. Mudaraba is an Islamic financing arrangement, mostly used as an investment or transactional account. It is proposed that the VAT Act be amended to clarify this.

### Non-residents

Due to the wide definition of "enterprise", non-resident vendors may be required to register as vendors, despite not having any physical presence in South Africa or having a very limited presence for a short period of time.

These non-residents have difficulties in appointing a representative vendor who resides in South Africa and in opening a South African bank account.

As a result, non-resident suppliers of electronic services were exempted from these requirements. To facilitate engagement and compliance, it is proposed that electronic services suppliers be required to appoint a representative vendor, but that the requirement that such person must reside in South Africa be waived while maintaining the exemption from opening a South African bank account. Furthermore, it is recommended that the same dispensation be afforded to non-resident vendors with no, or a limited, presence in South

Africa provided certain conditions are met.

### National Housing Programme

Since there is confusion about the VAT status of rental stock under the National Housing Programme, it is proposed to clarify the VAT status of this rental stock.

### Prescription—input tax

To ease the administrative burden on both taxpayers and SARS, it is proposed that the VAT Act be amended in relation to the tax period in which past unclaimed input tax credits may be claimed.

To ensure ease of audit functions and clarity of returns in this regard, it is also proposed to clarify that such deductions must be made in the original period in which the entitlement to that deduction arose.

### Recovery of bad debts

Currently, a recipient of an account receivable at face value on a non-recourse basis is entitled to a deduction of the tax amounts written off as irrecoverable.

However, the VAT Act does not provide for any claw-back of these deductions on amounts subsequently recovered. It is proposed that the VAT Act be amended to provide for this.

### Services supplied to non-resident subsidiaries

The definition of "resident of the Republic" refers to the definition of "resident" in section 1 of the Income Tax

Act.

The proviso envisages a resident as someone conducting an "enterprise" in the Republic. Non-resident subsidiaries of companies based in the country may qualify under the definition of "resident" in the Income Tax Act (as a result of being effectively managed in the Republic), and hence in the VAT Act as well.

As a result, services supplied by the resident to the non-resident subsidiary may not be zero-rated. Since these services will be effectively consumed outside the country, it is proposed that the VAT Act be amended to exclude such subsidiaries from the definition of "resident of the Republic".

### Valuable metals

Regulations on the domestic reverse charge mechanism relating to valuable metal was introduced to curb VAT fraud schemes in relation to gold and goods containing gold.

The regulations exclude the gold produced by "holders" from the definition of "valuable metal".

It has come to government's attention that these schemes and malpractices have now shifted to the primary gold sector. It is proposed that the regulations be revised to foreclose these schemes.



*Vision is the act  
of seeing what  
is invisible to  
others.*

*Jonathan Swift*

## Dispute resolution

Alternative dispute resolution proceedings can only be accessed at the appeal stage of a tax dispute. It is proposed that SARS review the dispute resolution process to improve its efficiency, which may include allowing alternative dispute resolution proceedings at the objection phase of a tax dispute.







## Tax Administration proposals

### Appointment of public officer

Every company that carries on business or has an office in South Africa must be represented by a public officer. Since companies are automatically registered for income tax on formation, it is proposed that the one-month period within which the public officer must first be appointed be removed. A newly formed company will thus have both its directors and public officer in place on formation.

### Original assessments

Concerns have been raised that the current legislative framework only covers certain types of original assessments

by implication. It is proposed that the legislative framework be further clarified.

### In-person presentation of information

SARS may require an in-person meeting at a SARS office for a person to be interviewed by a SARS official concerning the tax affairs of a person.

This would be the case where the interview is intended to clarify issues of concern to SARS that would render further verification or audit unnecessary or to expedite a current verification or audit. It is proposed that the provision be expanded to also include instances where a taxpayer is

subject to recovery proceedings for an outstanding tax debt or has applied for debt relief, to expedite the processes

### Temporary write-off

SARS may decide to temporarily write off an amount of tax debt if it is satisfied that the tax debt is uneconomical to pursue or for the duration of the period that the debtor is subject to business rescue proceedings under the Companies Act.

It is proposed that the circumstances under which SARS may decide to temporarily write off an amount of tax debt be reviewed.



*A vision is not  
just a picture of  
what could be;  
it is an appeal  
to our better  
selves, a call to  
become  
something  
more,  
Rosabeth Moss  
Kanter*

## Constitutional invalidity of certain provisions

In *Arena Holdings (Pty) Limited t/a Financial Mail and Others v South African Revenue Service and Others* [2023] ZACC 13, the Constitutional Court has made findings regarding the constitutional invalidity of certain provisions of the Promotion of Access to Information Act as well as the Tax Administration Act. It has ordered that Parliament considers measures to address their constitutional validity and, in the meantime, the court has ordered a “read-in” to the relevant provisions of the Promotion of Access to Information Act and those of the Tax Administration Act. It is proposed that these measures and the necessary amendments to affected legislation be addressed during the next legislative cycle

## What is new at SARS?

The following draft documents are open for public comment:

- Customs—Amendment to rules on the transfer of ownership of warehoused goods—Due date for comments is 1 March 2024.
- Draft interpretation note on the consequences of an employer’s failure to deduct or withhold employees tax—Due date for comments is 15 March 2024.
- Draft Tax Bills and Global Minimum Tax Bills—Due date for comments is 31 March 2024.

SARS also published the following documents

- External Policy—Inbound and Outbound Duty and Tax-Free Shops (16 February 2024)
- Multilateral Instrument synthesized texts (15 February 2024)
- VAT22402—Dealing with apportionment and single composite supplies (13 February 2024)
- *Walter v CSARS*—Trade payments (31 January 2024)
- VAT2218—Services supplied to non-resident (foreign tourists) (31 January 2024)
- Provisional tax guidance on solar energy tax credit (26 January 2024)





## VAT estimated assessments

SARS has implemented the estimated-assessment functionality for VAT. If a vendor does not provide the relevant material requested by SARS during the VAT verification process, SARS may raise an estimated assessment in terms of section 95(1)(c) of the Tax Administration Act.

The details of the estimated assessment appear on the notice (VAT217) issued to the vendor. A Request for Correction will not be allowed if SARS has raised an estimated assessment for VAT in the same period.

Vendors who do not agree with the estimated assessment must submit the requested documents within 40 business days from the date of the VAT217 notice issued.

The vendor can submit the documents on eFiling, at a SARS branch, or through the SARS Online Query System (SOQS).

Vendors can submit a Request for Extension if they cannot submit the documents within 40 business days.

If SARS approves the Request for Extension, the vendor will

have up to the date of extension, or five years plus 40 business days to submit the relevant material.

The vendor can submit a Request for Suspension of Payment if the estimated assessment results in an amount payable for the period stipulated in the VAT217 notice issued.

The vendor cannot submit a Notice of Objection because an estimated assessment issued in terms of Section 95(1)(c) cannot be disputed.

**Vision without  
action is**

**daydream.**

**Action without**

**vision is**

**nightmare.**

**Japanese  
proverb**

## Minimum requirements for tax practitioners

To register as a tax practitioner, an individual must be registered with both a recognised controlling body ("RCB", e.g. the IAC, and SARS. This means that an individual who wishes to register as a tax practitioner and is not yet registered with an RCB should ensure that they meet the requirements below, as well the additional requirements specified by the RCB with which they choose to register with.

An individual who intends to register as a tax practitioner must ensure that he/she meets the following minimum requirements:

- Qualifications and experience
  - \* NQF level 6 with at least one accounting and one tax module, plus at least 1 year's tax working experience,
  - \* NQF level 5 plus at least 4 year's tax working experience, or
  - \* NQF level 4 plus 10 year's tax working experience.
  - \* The tax working experience must be verifiable by employers or clients.
- Successfully complete the SARS Tax Practitioner Readiness Programme, i.e. passed the assessment.
- Be tax compliant and have an active tax reference number.
- Not have been removed by a controlling body for serious misconduct in the preceding five years, or not have convicted of an offence

## Criminal record

An individual cannot be registered as a tax practitioner, and a tax practitioner cannot remain registered if their criminal record reflects that during the preceding 5 years, they have been convicted (whether in the Republic or elsewhere) of

- a serious tax offence, or

- theft, fraud, forgery, uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004,

- or any other offence involving dishonesty,

for which the person has been sentenced to a period of im-

prisonment exceeding two years without the option of a fine or to a fine exceeding the amount prescribed in the Adjustment of Fines Act, 1991 (Act No. 101 of 1991).

The person must submit an independently verified criminal record to their RCB, e.g. a certificate issued by the South African Police Service.



## Registering as a tax practitioner with SARS

Persons applying to be a tax practitioner must have the following:

- Certificates of qualifications.
- Summary of working experience accompanied by testimonials from employers or clients.
- Independently verified criminal record check.
- Proof of completion of the SARS Tax Practitioner Readiness programme and of the 90% pass mark.
- Letter of tax compliance status which is issued by SARS and contains the pin for verification of tax compliance.
- Declaration that the person has not been removed by any RCB or controlling body due to serious misconduct



## Deregistering as a tax practitioner

A tax practitioner can deregister him/herself via eFiling.

### Initiated by RCB

If the registered tax practitioner's IAC membership has been revoked due to serious misconduct, the IAC is required to:

- Deregister the tax practitioner on SARS eFiling.
- Inform SARS.
- Inform all other RCBs.

### Deregistration by SARS

Section 240 of the Tax Administration Act allows SARS to deregister a tax practitioner if the following conditions are met:

- An RCB or a controlling body of a related profession has during the preceding of five years revoked the membership of the tax practitioner due to serious misconduct.
- During the preceding five years, the tax practitioner has been sentenced (whether in the republic or elsewhere) for more than 24 months due to the offences listed in section 240 (3)(b) of the Act.
- During the preceding five years, the tax practitioner has been convicted for a serious tax offence defined in section 1 of the Act. iv)
- During the preceding 12 months, the tax practitioner has for an aggregate period of at least six months not been tax compliant to the extent referred to in section 256(3) of the Act, AND the tax practitioner failed to demonstrate that s/he has been compliant for the period stipulated in (b)(iv) above or remedy the non-compliance within the period specified in a notice by SARS.

If SARS deregisters a tax practitioner, SARS will inform the relevant RCB to also deregister the tax practitioner on SARS eFiling. All other RCBs will also be informed of this.

**Goals are  
simply a way of  
breaking a  
vision into  
smaller,  
workable units.**  
**Nido R. Qubein**

## Deregistration process

The tax practitioner is advised by letter of SARS' intention to deregister the person and will have 21 business days to regularise his/her tax affairs. The letter of intent is sent to the email on record, is tracked for delivery, and SARS maintains records that verify whether delivery has taken place. If a notification is received that the email cannot be delivered because of incorrect registered particulars, updated details are traced using the information across all tax products. Taxpayers are required to inform SARS of any changes to their contact information and failure to do so is a criminal offence.

If the non-compliance is not corrected or addressed within the period allowed and the practitioner remains non-compliant when verified, a case is prepared to request that the appropriate governance Committee approve deregistration.

If approved, the practitioner is deregistered on the SARS system. SARS will notify his/her RCB to deregister the person from eFiling on their side. The RCB may pursue additional disciplinary action against the tax practitioner.



## Congratulations to our new and upgraded members

TECHNICAL ACCOUNTANT/CERTIFIED TAX PRACTITIONER		
MEMBERSHIP NUMBER	SURNAME	NAME
6912488(TA/CTP)	Davies	Elaine
7362679(TA/CTP)	Le Sueur	Beverley
6402699(TA/CTP)	Williams	Carmen
2774801(TA/CTP)	Chene	Butterworth
7969798(TA/CTP)	Odeyeni	Hannah
9441431(TA/CTP)	Kapp	Heidi
9102899(TA/CTP)	Van Leeuwen	Inge
3981742(TA/CTP)	Pretorius	Bridget
8307400(TA/CTP)	Loots	Martina
8038877(TA/CTP)	Exley	Shurien
5978511(TA/CTP)	Van Staden	Pieter
9673384(TA/CTP)	Young	Mariana
2523885(TA/CTP)	Roothman	Amanda
961592(TA/CTP)	Taylor	Keegan
9536055(TA/CTP)	Taylor	Victoria
2194255(TA/CTP)	Emma	Haworth
3455793(TA/CTP)	van der Colff	Naomi
2183934(TA/CTP)	Soutegate	Jessica
8503134(TA/CTP)	Roux	Zareth
319484(TA/CTP)	Lambrechts	Leanne
9731713(TA/CTP)	Pearson	Garth
6287718(TA/CTP)	Kannemeyer	Annelise
2338297(TA/CTP)	Coetzer	Theo
9531961(TA/CTP)	Lukhele	Celiwe
1795598(TA/CTP)	Van den Berg	Ronette Jantine

## In Memoria

*It is with great sadness that we share the news that Mr. Niresh Bekraj Persadh passed away in December 2023.*





## Congratulations to our new and upgraded members

INDEPENDENT ACCOUNTING PROFESSIONAL (REVIEWER) / TAX PRACTITIONER		
MEMBERSHIP NUMBER	SURNAME	NAME
9605908(IAP/CTP)	Bosch	Johannes Coenraad

FINANCIAL ACCOUNTANT IN PRACTICE/CERTIFIED TAX PRACTITIONER		
MEMBERSHIP NUMBER	SURNAME	NAME
6920424(FAP/CTP)	Mundell	Barbara Susan
9725041(FAP/CTP)	Bhyat	Yasmeen
9725040(FAP/CTP)	Barnett	Desray Carol
9731098(FAP/CTP)	Van den Heever	Chantel Leigh
7436673(FAP/CTP)	Botha	Marthinus Christoffel
8730240(FAP/CTP)	Nortjie	Marloui

FINANCIAL ACCOUNTANT IN COMMERCE/CERTIFIED TAX PRACTITIONER		
MEMBERSHIP NUMBER	SURNAME	NAME
4447000(FAC/CTP)	Koekemoer	David Kyle

CERTIFIED TAX PRACTITIONER		
MEMBERSHIP NUMBER	SURNAME	NAME
2570018(CTP)	Van Zyl	Gaye
40405135(CTP)	Maipisi	Tanaka
4737925(CTP)	Segalla	Barbara
183827(CTP)	De Villiers	Natalie
TECHNICAL ACCOUNTANT		
MEMBERSHIP NUMBER	SURNAME	NAME
5708730(TA)	Tulsie	Chandreka
4887877(TA)	Mbangula	Samkelo

STUDENT ON LEARNERSHIP		
MEMBERSHIP NUMBER	SURNAME	NAME
362182	Madzikanda	Felistus

STUDENT		
MEMBERSHIP NUMBER	SURNAME	NAME
2377394	Valashiya	Siyabonga
2148250	Owis	Caydin

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ACCOUNTING AND  
COMMERCE**

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7780

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ceo@iacsa.co.za

**ENQUIRIES**

**General:**

Bronwyn Scholtz  
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**Membership**

Soraya Busch  
members@iacsa.co.za

**Finance**

Valencia Williams  
finance2@iac.co.za

**CEO & Technical**

Prakash Singh  
ceo@iacsa.co.za

**Office Hours:**

Monday - Thursday  
08:00 - 16:00  
Friday  
08:00 - 15:30

**www.iacsa.co.za**

**A dynamic world-class professional accounting institute**

**Vision**

To be a dynamic world class Professional Accounting Institute (incorporating related fields) at the forefront of technology and an integrated approach to the profession.

**Mission**

It is the aim of the Institute to be recognised as the pre-eminent Professional Body for Accountants and other related professionals by actively promoting the effective utilization and development of qualified professionals, through the achievement of excellence in standards of professional competence and socially acceptable ethical conduct amongst its members, through a dynamic integrated approach to the legislative and environmental arena.

## Business Rescue Practitioner

Business Rescue Practitioners (BRP) assist companies who are technically insolvent from trading out of the state insolvency back to solvency. According to Section 138(1) of the Companies Act 71 of 2008, a person who is a member in good standing of a Recognized Controlling Body (RCB) with CIPC may be appointed as a BRP if the person has a qualification in law, accounting or business management. In order to register with the IAC as a BRP, a person needs to meet the following requirements:

**Academic component**

The person must have completed an NQF 7 qualification in law, accounting or business management.

**Work experience requirement**

Currently, no minimum number of experience is stipulated in the legislation. The IAC that an applicant should have at least 5 years practical experience as a Practising Accountant / Commercial Lawyer or a Business Manager.

**Competency assessment**

The person is required to complete a 4 hour assessment (2.50 hours written and 1.50 hours oral) covering the following:

- The administrative requirements for the BRP with CIPC, i.e., the completion and timeous submission of the various forms required by CIPC.
- Principles of Management.
- Accounting
- Company and Commercial Law
- The Law of Insolvency (Insolvency Act)
- Taxation.

**Continuous professional development**

To ensure the currency of professional knowledge and to retain the Professional Designation, the professional must have at least 20 hours CPD, of which:

- 12 hours must be verifiable / structured of which 4 hours must be business rescue related and 8 hours non-core that have the elements of Tax, Finances, Company and Commercial Law.
- 8 hours not verifiable / unstructured, e.g., reading material, etc.

The CIPC Committee recommended that the renewable period of the license be done every 3 years, and therefore an evaluation needs to be done every 3 years as well.

**Professional indemnity insurance**

In order to comply and fall within the scope of the IAC, all Business Rescue Practitioners registered with the IAC are required to have satisfactory PII for each and every business rescue appointment accepted by such member. The Member has the right to elect any Insurance Company as their chosen provider of PII. Failure on the Members part to acquire PII Cover will be strictly regarded as a violation of IAC membership conditions and as a result the Member may be subjected to disciplinary charges.

**Code conduct**

The person is required to sign, and adhere to, the IAC's Code of Conduct.