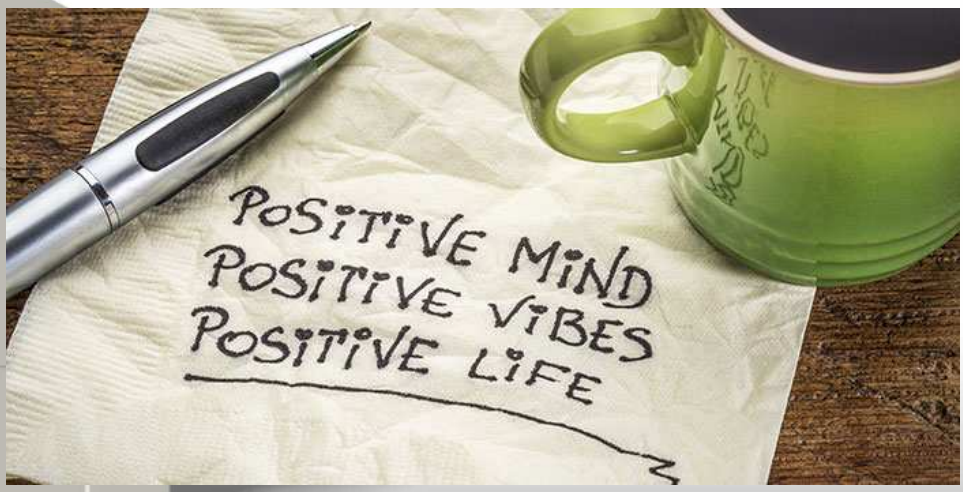
Tax Practitioner Event

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Hosted by B Square Financial - 16 August 2017

WELCOME – QUOTE FOR THE DAY



B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Confidence is often seen as a silver bullet: a cure-all mindset allowing us to feel our best in any situation, go toe to toe with any competitor, boss, or colleague – essentially being anything or anyone we want in any given situation.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

You have a similar scenario when you tell people you are anxious. They might say, "stop being so anxious, then," and expect your problem to magically disappear. They don't understand this state of mind and the difficulty with changing it because they have no first-hand experience of it.

It may be difficult rebuilding your confidence once it is shaken, especially if you have not experienced something similar before.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

There are 5 practices holding you back from unshakable confidence.

1. **Your Inner Critic**

To shut that little bugger up you have to cultivate and practice of self-awareness – you need to catch yourself in the act of self-sabotage.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

You're not good enough

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

You're too old

This is an excuse and we all know it, so stop b**s***ting yourself, and everyone around you, for that matter. There are many who have done great things in the riper stages of life. So why can't you?

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

You're a Fraud

This is when you feel that you are out of your depth, that others in your field are smarter and better equipped for the job than you are.

Simply by being authentic and doing things your own way, you have an unfair advantage.

Oscar Wilde said,
'Be yourself; everyone else is already taken.'

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

There is no point in looking back at what happened in the past; not a month, not a year, not even a day ago. You cannot change anything. You can only change how you move forward.

- Don't dwell on the past, look to forging your future.
- Don't blame your circumstances, aim to change them.
- Don't settle for mediocre, chase the impossible.

Source: bettermanblue print.com

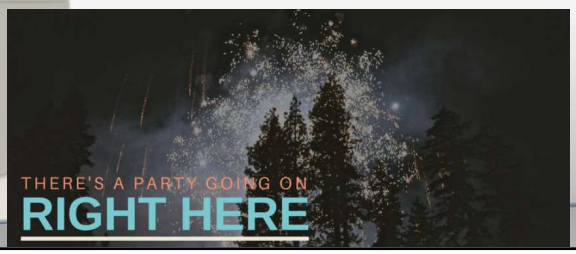
B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

2. Celebrate good times, come on! (No matter how small)

If "action is the antidote to despair" then celebrating the small wins is the "complement to confidence."

Remember the last time you achieved a goal and how you felt? That is confidence.



Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

But how can celebrating something, seemingly insignificant, help you maintain a positive mindset?

Re-emphasise the Importance of Goal-setting

How are we going to get there? What are the daily actions we are going to take to achieve what we want?

When we celebrate our achievements, it shows our plan is working and allows us the opportunity to iterate, pivot, or continue as planned.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Promotes Work-life Balance.

Let's be honest! Many of us burn out if we don't force ourselves to take a moment.

How do we do this? By celebrating a milestone or where you have achieved something (tangible progress) and you get to have a break (balance).

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

It Creates Momentum

Momentum is by far one of the greatest motivators. It keeps you going when times are tough and spurs you on from one phase to the next.

But how can stopping to celebrate create momentum? It sounds counter productive, right?

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

3. You Ungrateful B****!**

Close to half of the world's population survives on less than $2.50 per day. Over 1.3 billion live on half of that.

The pure fact that you are alive, with the means to be educated, the ability to drive to work, and even live in a house, are things to not only be grateful for but astonished by.

There is always something to be grateful for!

By cultivating the practice of gratitude, you begin to look for the good in pretty much everything, which yields profound results.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

It Keeps you Happy and Positive

It's difficult to be sad when you are constantly seeing everything as great. You begin to appreciate and notice things you didn't before.

This, in turn, makes you more observant. You begin to appreciate things you hadn't before.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

It Strengthens your Relationships

When seeing the good in people, the mistakes they made, the wrongs they committed, and the arguments you had, it all seems insignificant. You understand that they are human, the same as you. As Wendy Mass so eloquently put it:

"Be kind, for everyone you meet is fighting a battle you know nothing about."

Simply put, gratitude makes you more empathetic.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Focus on what Actually Matters

Money, cars, and houses are all just things and don't actually add any real value to our lives. If this is all you are after I feel sorry for you. There is so much more to life than this.

Gratitude keeps you humble by focusing your attention on the important aspects of life, relationships with family and friends, and moments of joy and happiness.

Money might provide a mainline injection of happiness, but it doesn't last and will never be enough!

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

Builds Resilience

When times are tough it's difficult to see how we will ever get through it.

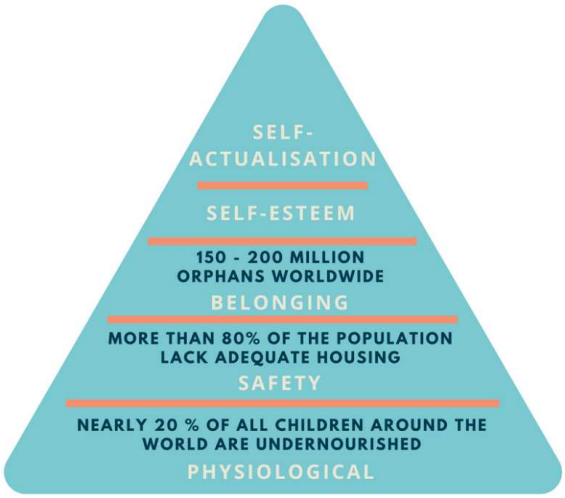
The practice of daily gratitude reminds us of what we do have to be thankful for.

The things we take for granted. Like running water, a roof over our heads, and a family.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY



Maslow's hierarchy of needs, indicating the portion of the world population without the basic means of survival.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

It's quite sobering and humbling to realise that while we're worried about the barista taking too long to make our soya milk decaf double-shot latte with cinnamon sprinkles and a touch of vanilla syrup, people are struggling to fulfill the most basic of human needs.

So, next time you think about losing your top over a problem people in extreme poverty have never even heard of, you'll consider a little restraint and resilience.

"Suck it up buttercup. It's not all that bad! "

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Increases your ability to achieve goals

Looking for the greatness in all situations keeps you motivated towards your goals.

You appreciate challenges as an opportunity to learn. This keeps you focused on your target.

We all love to do what we enjoy doing, so the process of gratitude keeps us focused on the positive.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

Increases your ability to achieve goals

Looking for the greatness in all situations keeps you motivated towards your goals.

You appreciate challenges as an opportunity to learn. This keeps you focused on your target.

We all love to do what we enjoy doing, so the process of gratitude keeps us focused on the positive.

Without gratitude, nothing will ever be enough. You will always be chasing an ever-shifting goal post, never stopping to appreciate what you have, where you are, and how far you have come.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

4. **A Lack of Learning**

"Once you stop learning you start dying" – Albert Einstein

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Fixed mindset vs Growth mindset

The belief that everything and anything can be learned stimulates the confident mindset.

Knowing that you are a constantly evolving means being open to opportunities to learn from people smarter than you and not feeling inadequate because you don't know as much as them. It turns failures into lessons.

Actually, peoples definition of failure is not pushing themselves to develop at all.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

It Prepares You.

Remember leaving the exam hall after writing a test you studied for? You were confident because you knew your work!

It's the same in any other situation. If you are well read on a certain topic of conversation you're eloquent, knowledgeable, and intelligent.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

It Promotes Deliberate Practice

With the growth mindset, you are constantly stretching your potential to be better and learn more.

You avoid stagnation. Simply put, deliberate practice makes you good. Being good makes you confident.

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

WELCOME – THOUGHT FOR THE DAY

It Fuels the Creative Spirit

When constantly learning, our interests become wide-ranging and varied.

We can think outside the box and make connections that we wouldn't have before. This allows us to innovate and create something completely new and unique, something that no one has conceived of before.

If that doesn't make you confident, I don't know what will!

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

5. Taking the Time to Recover

A knock to our confidence in our professional, personal or creative space can hurt!

It can leave lasting wounds.

We need to give ourselves time to tend to those wounds, but not lick them!

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Example – dog with cone after operation

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

When we begin to wallow we tend to get lost down a pit of despair. Once we start down this path, recovery becomes difficult – it becomes an excuse for not taking action.

Source: bettermanblue print.com

WELCOME – THOUGHT FOR THE DAY

Journaling called JAAGG :

- Journal
- Affirmations –how you want to be, but preface each statement with "I am…"
- Achievements
- Gratitude
- Goals

"Know what you want. Clarity is power. And vague goals promote vague results." – Robin Sharma

Source: bettermanblue print.com

B SQUARE FINANCIAL
THE Business to Business BUSINESS

AGENDA

12:30 Registration and refreshments

13:00 Welcome / Introduction
– Mr Martin Barnard

13:10

- What's New
- Open discussion
- Stakeholder meeting items

15:15 Enjoy a drink with us

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Future Events

Future Events

Company Secretarial Practitioner event

23 August 2017 (West Rand)

Guest speaker

Lucinda Steenkamp - Senior Legal Advisor at the CIPC

Future Events

Tax Practitioner Event

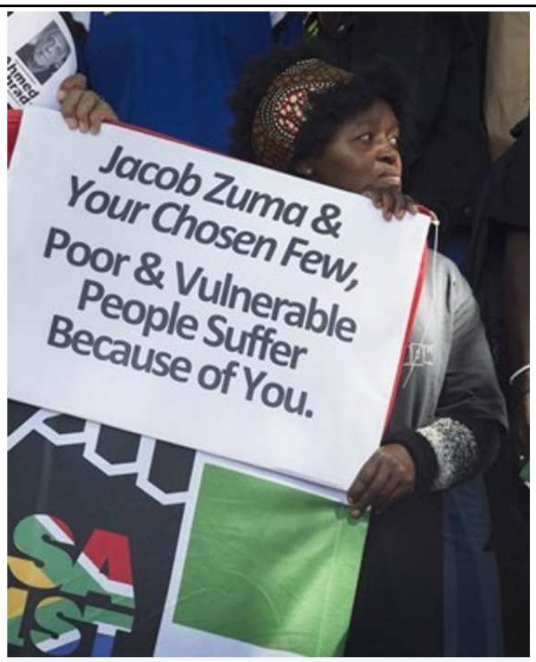
22 September 2017 (West Rand)

Feedback from Quarterly SARS Stakeholders meeting

B SQUARE FINANCIAL
THE Business to Business BUSINESS

What's in the NEWS?

B SQUARE FINANCIAL
THE Business to Business BUSINESS



An anti-Zuma protester in Cape Town. (rodger Bosch, AFP)

LIVE: ANC 'rebels' challenge provincial leadership election in court

2017-08-16 09:17

Unhappy members of the KwaZulu-Natal ANC are challenging the provincial leadership election, and the PEC, in the High Court in Pietermaritzburg.

- PEC ruling to be appealed
- Regional ANC 'stripped of executive powers'
- Utterances made by ANC Western Cape PEC faction regrettable

SOUTH AFRICA

LIVE: Marikana miners remembered as 'heroes'

2017-08-16 09:31

South Africans are remembering the Marikana massacre, in which 34 miners were gunned down by police, that occurred in the North West in 2012.

- Marikana: Where is the political responsibility?
- Five years on: Marikana residents still live in dire conditions
- PICTURES: Remembering Marikana VIEW

SOUTH AFRICA

LIVE: Investigating Officer Marlon Appollis takes the stand in Van Breda trial

40 minutes ago

The trial of triple-murder accused Henri van Breda continues at the Western Cape High Court for day 34 of the proceedings where investigating officer Marlon Appollis is set to testify.

- Van Breda defence zooms in on unsealed evidence

news24 VIDEO

WATCH LIVE | High Court bid to legalise marijuana: Day 11

Five years on: Marikana residents still live in dire conditions

PICTURES: Remembering Marikana

Lions to investigate racist incident at Ellis Park

MOST READ | NEWS IN YOUR AREA | TOP LIFESTYLE

- Grace Mugabe has not handed herself over to police
- Grace Mugabe 'assaulted' me with an extension cord, model, 20, claims
- Police don't know where #GraceMugabe is - AS IT HAPPENED
- ANC to discipline members who voted for Zuma to go
- Gigaba will engage with FNB CEO over SAA boycott

More..

University
or
New York City?

What's NEW?

SARS & Tax related

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Home | About Us | Types of tax | Legal Counsel | Contact Us | Tax Rates | Contact Centre 0800 00 7277

Search this site... Search

SARS

Individuals | Businesses and Employers | Tax Practitioners | Customs and Excise

SARS Home

WHAT'S NEW AT SARS?

Date	What is it?	What is it about?
11 August 2017	Legal Counsel – Publications – Tables of Interest Rates	**Income Tax Act, 1962** • Tables 3 – Rates at which interest-free or low interest loans are subject to income tax has been updated
11 August 2017	Legal Counsel – Secondary Legislation – Tariff Amendments 2017	**Customs & Excise Act, 1964** • Publication details for Tariff Amendment Notices R829, R830 and R831, as published in *Government Gazette* 41038, are now available
10 August 2017	Legal Counsel – Secondary Legislation – Tariff Amendments 2017	**Customs & Excise Act, 1964** The Tariff Amendment Notices scheduled for publication in the *Government Gazette* relate to the amendment of – • Part 3 of Schedule No. 2, by the insertion of item 260.03/72.08/01.04; 260.03/7211.14/01.06; 260.03/7211.19/01.06; 260.03/7225.30/01.06; 260.03/7225.40/01.06; 260.03/7225.99/01.06; 260.03/7226.91/01.06 and 260.03/7266.99/01.06 for remedial action in the form of a safeguard duty against the importation of certain flat hot-rolled steel products – ITAC Report 551; • Part 3 of Schedule No. 2, by the substitution of item 260.03/72.08/01.04; 260.03/7211.14/01.06; 260.03/7211.19/01.06; 260.03/7225.30/01.06; 260.03/7225.40/01.06; 260.03/7225.99/01.06; 260.03/7226.91/01.06 and 260.03/7266.99/01.06 to reduce the rate of safeguard duty against the importation of certain flat hot-rolled steel products from 12% to 10% – ITAC Report 551; and • Part 3 of Schedule No. 2, by the substitution of item 260.03/72.08/01.04; 260.03/7211.14/01.06; 260.03/7211.19/01.06; 260.03/7225.30/01.06; 260.03/7225.40/01.06; 260.03/7225.99/01.06; 260.03/7226.91/01.06 and 260.03/7266.99/01.06 to reduce the rate of safeguard duty against the importation of certain flat hot-rolled steel products from 10% to 8% – ITAC Report 551. Publication details will be made available later

4 August 2017 Media Release Moyane Dubai trip

B SQUARE FINANCIAL
THE Business to Business BUSINESS

TABLES OF INTEREST RATES

Interest rates charged in terms of the legislation administered by SARS are split into three main categories, i.e. -

- interest charged on outstanding taxes, duties and levies and those payable in respect of refunds of tax on successful appeals and certain delayed refunds
- interest payable on credit amounts (overpayment of provisional tax) in terms of section 89*quat*(4) of the Income Tax Act, 1962
- interest applicable to a loan denominated in the currency of the Republic, as described in paragraph *(a)* of the definition of 'official rate of interest' in paragraph 1 of the Seventh Schedule to the Income Tax Act, 1962

For ease of reference, the tables of interest rates are given below in three separate documents, numbered according to the three main categories, i.e. the first group of interest rates can be found in Table 1.

Table	Description
Table 1	Interest rates on outstanding taxes and interest rates payable on certain refunds of tax **updated on 23 May 2017**
Table 2	Interest rates payable on credit amounts **updated on 23 May 2017**
Table 3	Rates at which interest-free or low interest loans are subject to income tax **updated on 11 August 2017** * The South African Reserve Bank changed the "repo rate" on 21 July 2017

Last Updated: 11/08/2017 11:34 AM

B SQUARE FINANCIAL
THE Business to Business BUSINESS

INTEREST RATES
IN RESPECT OF THE VARIOUS ACTS ADMINISTERED BY SARS

Interest rates charged on outstanding taxes, duties and levies and interest rates payable in respect of refunds of tax on successful appeals and certain delayed refunds

DATE FROM	DATE TO	RATE
	30.06.1982	7.50%
01.07.1982	31.08.1984	10%
01.09.1984	31.05.1989	15%
01.06.1989	31.03.1994	18%
01.04.1994	30.11.1998	15%
01.12.1998	30.04.1999	19%
01.05.1999	31.08.1999	16%
01.09.1999	29.02.2000	14.50%
01.03.2000	30.09.2002	13%
01.10.2002	31.03.2003	15.50%
01.04.2003	30.06.2003	16.50%
01.07.2003	31.08.2003	15%
01.09.2003	30.09.2003	14%
01.10.2003	30.11.2003	13%
01.12.2003	31.10.2004	11.50%
01.11.2004	31.10.2006	10.50%
01.11.2006	28.02.2007	11%
01.03.2007	31.10.2007	12%
01.11.2007	29.02.2008	13%
01.03.2008	31.08.2008	14%
01.09.2008	30.04.2009	15%
01.05.2009	30.06.2009	13.50%
01.07.2009	31.07.2009	12.50%
01.08.2009	31.08.2009	11.50%
01.09.2009	30.06.2010	10.50%
01.07.2010	28.02.2011	9.50%
01.03.2011	30.04.2014	8.50%
01.05.2014	31.10.2014	9%
01.11.2014	31.10.2015	9.25%
01.11.2015	29.02.2016	9.50%
01.03.2016	30.04.2016	9.75%
01.05.2016	30.06.2016	10.25%
01.07.2016	Until change in PFMA*rate	10.50%

* Public Finance Management Act 1 of 1999

Note: As from 1 April 2003 the "prescribed rate" is linked to the rate determined in terms of section 80 of the Public Finance Management Act, 1999 (PFMA) but for income tax purposes the rate only becomes effective as from the first day of the second month following the date on which the PFMA rate comes into operation.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

TABLE 2

INTEREST RATES

Interest rates payable on credit amounts (overpayment of provisional tax) under section 89*quat*(4) of the Income Tax Act 58 of 1962		
DATE FROM	**DATE TO**	**RATE**
	01.09.1987	15%
01.10.1987	31.05.1989	12%
01.06.1989	30.06.1993	14%
01.07.1993	30.11.1998	12%
01.12.1998	30.04.1999	14%
01.05.1999	31.08.1999	12%
01.09.1999	28.02.2000	10.5%
01.03.2000	30.09.2002	9%
01.10.2002	31.03.2003	11.5%
01.04.2003	30.06.2003	12.5%
01.07.2003	31.08.2003	11%
01.09.2003	30.09.2003	10%
01.10.2003	30.11.2003	9%
01.12.2003	31.10.2004	7.5%
01.11.2004	31.10.2006	6.5%
01.11.2006	28.02.2007	7%
01.03.2007	31.10.2007	8%
01.11.2007	29.02.2008	9%
01.03.2008	31.08.2008	10%
01.09.2008	30.04.2009	11%
01.05.2009	30.06.2009	9.5%
01.07.2009	31.07.2009	8.5%
01.08.2009	31.08.2009	7.5%
01.09.2009	30.06.2010	6.5%
01.07.2010	28.02.2011	5.5%
01.03.2011	30.04.2014	4.5%
01.05.2014	31.10.2014	5%
01.11.2014	31.10.2015	5.25%
01.11.2015	29.02.2016	5.5%
01.03.2016	30.04.2016	5.75%
01.05.2016	30.06.2016	6.25%
01.07.2016	Until change in PFMA* rate	6.5%

* Public Finance Management Act 1 of 1999

Note: As from 1 April 2003 the "prescribed rate" is linked to the rate determined in terms of section 80 of the Public Finance Management Act, 1999 (PFMA) but for income tax purposes the rate only becomes effective as from the first day of the second month following the date on which the PFMA rate comes into operation.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

SARS
South African Revenue Service

TABLE 3

INTEREST RATES

The term "official rate of interest" is defined in paragraph 1 of the Seventh Schedule to the Income Tax Act 58 of 1962 (the Act)

Where a loan is obtained by an employee from his or her employer in terms of which no interest is payable or where the interest payable is less than the "official rate of interest", the difference between the amount which would have been payable if the loan was granted at the official rate and the amount actually paid by the employee, is taxed as a fringe benefit.

DATE FROM	DATE TO	RATE
01.02.2016	31.03.2016	7.75%
01.04.2016	31.07.2017	8%
01.08.2017	Until change in Repo rate	7.75%

* Repurchase rate as announced by the Reserve Bank

Note: The "official rate" as defined in paragraph 1 of the Seventh Schedule to the Act is specifically linked to the repurchase rate plus one per cent. The official rate is adjusted at the beginning of the month following the month during which the Reserve Bank changes the repurchase rate.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Home | About Us | Types of tax | Legal Counsel | Contact Us | Tax Rates | Contact Centre 0800 00 7277

Search this site... Search

SARS

Individuals | Businesses and Employers | Tax Practitioners | Customs and Excise

SARS Home > Media > Media Releases > 4 August 2017 - Moyane Dubai trip

MOYANE DUBAI TRIP

Pretoria, 4 August 2017 - SARS has noted the media coverage which purports that Commissioner Tom Moyane met members of the Gupta family.

SARS can confirm that Commissioner Moyane was in Dubai on 23 December 2015, in transit to spend Christmas in Portugal. SARS can further confirm that he returned to Dubai on 29 December 2015 and returned to South Africa on the 8th of January 2016.

Commissioner Moyane categorically states that he has never met any member of the Gupta family in either his private or professional capacity.

SARS views the attempts to link the Commissioner and/or SARS as an institution with the Gupta family or their associates, as malicious and reckless in the extreme.

We call on anyone with information to the contrary to provide such to SARS or any organ of state.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

DRAFT DOCUMENTS FOR PUBLIC COMMENT

All comments received on drafts are considered in full, but due to time constraints, no individual correspondence will be entered into.

The draft documents are categorised according to their due date for comments and comments may be submitted per email to the address indicated in the last column.

Latest draft uploaded for comment

Look under:

13 October 2017

Next due date for comments	Legislation Category	Description	Send comments to
18 August 2017	National Legislation	**Draft Bills** • 2017 Draft Taxation Laws Amendment Bill • 2017 Draft Explanatory Memorandum on the 2017 Draft Taxation Laws Amendment Bill • 2017 Draft Tax Administration Laws Amendment Bill • 2017 Draft Memorandum on the objects of 2017 Draft Tax Administration Laws Amendment Bill **Explanatory Note** See the Media Statement: 2017 Draft Taxation Laws Amendment Bill and 2017 Draft Tax Administration Laws Amendment Bill	acollins@sars.gov.za
31 August 2017	Income Tax Act, 1962 Dividends Tax	**Draft Guide** • Draft comprehensive guide to dividends tax (Issue 2) **Explanatory Note:** Issue 1 of the Comprehensive Guide to Dividends Tax has been updated for legislative amendments, including: • The Taxation Laws Amendment Act 15 of 2016 • The Tax Administration Laws Amendment Act 16 of 2016 In addition to legislative amendments, the guide discusses the interaction between certain deemed dividend provisions and dividends tax, including the application of a reduced rate of dividends tax. In this	policycomments@sars.gov.za

B SQUARE FINANCIAL
THE Business to Business BUSINESS

31 August 2017	Income Tax Act, 1962	**Draft Interpretation Note** • Draft Interpretation Note on Section 24I – gains or losses on foreign exchange transactions **Explanatory Note** The draft interpretation note on "Section 24I – gains and losses on foreign exchange transactions" provides guidance on the interpretation and application of section 24I. Section 24I deals with the income tax treatment of foreign exchange gains and losses on exchange items as well as premiums or like consideration received or paid in respect of foreign currency option contracts (FCOC) entered into and any consideration paid in respect of an FCOC acquired by certain persons. The tax treatment of transactions denominated in a foreign currency often requires a consideration of section 24I and other provisions of the Act. This Note identifies some of the situations in which one or more of these provisions may apply. For example, if trading stock, the purchase price of which is denominated in USD, is purchased on credit from a supplier, the provisions of section 25D and section 24I are relevant. This Note will withdraw and replace Practice Note 4 dated 8 March 1999 "Income Tax: The Treatment of Gains and Losses on Foreign Exchange Transactions in terms of Section 24I of the Income Tax Act, 1962 (the Act)".	policycomments@sars.gov.za
15 September 2017	Income Tax Act, 1962	**Draft Interpretation Notes** • Draft IN 69 (Issue 2) – Game farming • Draft IN 79 (Issue 2) – Produce held by nursery operators **Explanatory Note** These Interpretation Notes have been updated to take into account recent developments in case law and legislative amendments. The most significant changes relate to the introduction of section 9HA and the substitution of section 25 of the Income Tax Act 58 of 1962 which relate to the death of a taxpayer on or after 1 March 2016. The relevant paragraphs of the Notes dealing with the death of a farmer have accordingly been completely revised.	policycomments@sars.gov.za

15 September 2017	Income Tax Act, 1962	**Draft Comprehensive Guide to Capital Gains Tax** • Chapter 16 of the Draft comprehensive guide to capital gains tax (Issue 6) **Explanatory Note:** Chapter 16 (Deceased Estates) of the draft Comprehensive Guide to Capital Gains Tax (Issue 6) has been completely revised to reflect the changes brought about by the introduction of section 9HA and substitution of section 25 of the Income Tax Act 58 of 1962. These amendments apply to persons dying on or after 1 March 2016. This draft chapter is presented separately for public comment in view of the urgent need to provide guidance to persons working with deceased estates. The updating of the rest of the guide will continue in the meanwhile.	policycomments@sars.gov.za
13 October 2017 **New!**	Income Tax Act, 1962	**Draft Interpretation Notes** • Draft IN on exemptions - foreign pensions and transfers **Explanatory Note** This Note provides clarity on the interpretation and application of section 10(1)(*g*C)(ii) in respect of a lump sum, pension or annuity received by or accrued to any resident from a source outside the Republic, and in respect of amounts transferred from a source outside the Republic into a local retirement fund.	policycomments@sars.gov.za

ACT : INCOME TAX ACT 58 OF 1962
SECTION : SECTIONS 9HA, 25, 25C AND 26 AND PARAGRAPHS 2, 3, 4 AND 9 OF THE FIRST SCHEDULE
SUBJECT : PRODUCE HELD BY NURSERY OPERATORS

CONTENTS

B SQUARE FINANCIAL
THE Business to Business BUSINESS

4.2 Nursery produce

Section 22 deals with amounts to be taken into account in respect of the value of trading stock and specifically excludes farming.

Under paragraph 2 of the First Schedule a nursery operator's return of income must include the value of all produce held and not disposed of at the beginning and at the end of each year of assessment.

In relation to the meaning of "held", *Juta's Tax Library* states the following:[12]

> "[I]t is therefore considered that a taxpayer holds stock for this purpose where that **stock is owned, and not merely physically held**. The owner, not the possessor, must therefore account for the stock. This view is shared by Meyerowitz (at 9.89). … ."

(Emphasis added)

B SQUARE FINANCIAL
THE Business to Business BUSINESS

4.3 Valuation of produce

4.3.1 Valuation method

Paragraph 9 stipulates that the value to be placed on produce included in any return shall be a fair and reasonable value.

A reasonable value is considered to be the lower of production cost or market value.

The term "market value" is not defined for the purposes of the First Schedule but in the context would bear its ordinary meaning of the price which could have been obtained upon a sale of the produce between a willing buyer and a willing seller dealing at arm's length in an open market.

The value of production costs is determined by considering expenditure allowable for income tax purposes, excluding expenditure deductible under paragraph 12.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

ACT : INCOME TAX ACT 58 OF 1962
SECTION : SECTIONS 9HA, 25, 25C, 26 AND FIRST SCHEDULE
SUBJECT : GAME FARMING

CONTENTS

DRAFT 2

B SQUARE FINANCIAL
THE Business to Business BUSINESS

SARS

Individuals | Businesses and Employers | Tax Practitioners | Customs and Excise

SARS Home > Media > Media Releases > 1 August 2017 - SARS to help deaf and blind taxpayers

SARS TO HELP DEAF & BLIND TAXPAYERS

Pretoria, Tuesday, 1 August 2017 - SARS has embarked on an outreach project to serve and educate the Deaf and Blind communities on tax compliance in specified regions around the country on Thursday, 3 August.

The inaugural rollout was launched at Ekurhuleni School for the Deaf, Katlehong on 27 July and will continue at various branches in cities and towns around the country, including Nelspruit, Giyani, Klerksdorp, Durban, Pietermaritzburg, Mthatha, Port Elizabeth, Kimberly, Thaba Nchu, Worcester, Wynberg and Bellville.

The purpose of the outreach project is for the SARS Language unit to equip the Deaf and Blind communities with skills and knowledge on the requirements to submit tax returns.

It will take place at specific target schools that cater for the Deaf and Blind in selected communities in all the regions.

This service will also be extended to other members of the community where they will be serviced at a specific branch as per the schedule below.

The public is invited to disseminate the message to all the Deaf and Blind in the respective communities to visit the SARS branches to afford the Deaf and Blind taxpayers an opportunity to attend to their tax affairs in the language of choice.

SARS has pledged to improve accessibility for the Deaf and Blind communities to educate the general public about tax matters.

The project is part of SARS Language Policy circumscriptions whereby commitment is made to serve the Deaf and Blind taxpayers in South African Sign Language in predetermined schedules.

For the remainder of the programme, click here.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

31 July 2017	Agreements – Exchange of Information Agreements (Bilateral)	• Samoa TIEA – date of entry into force is 28 May 2017
	Legal Counsel – International Treaties & Agreements – Double	**Income Tax Act, 1962**
31 July 2017	Taxation Agreements & Protocols – DTAs and Protocols (Rest-of-the-World)	• Turkey Protocol – date of entry into force is 15 July 2017

B SQUARE FINANCIAL
THE Business to Business BUSINESS

SARS

Individuals | Businesses and Employers | Tax Practitioners | Customs and Excise

SARS Home > Media > Media Releases > 1 August 2017 - One month left for SVDP

ONE MONTH LEFT FOR SVDP

Pretoria, 1 August 2017 – Taxpayers are reminded of the looming deadline for the Special Voluntary Disclosure Programme (SVDP) on 31 August 2017. SVDP is a window period for individuals and companies to regularise undisclosed or unauthorized foreign assets and associated income. It came into effect on 01 October 2016.

Taxpayers should note that in terms of the new global Common Reporting Standard (CRS) for the automatic exchange of information between tax authorities, SARS will start receiving offshore third party financial data from other tax authorities on a regular basis from September 2017; hence the SVDP window period ends on 31 August 2017.

SVDP application process

- The South African Revenue Service (SARS) and the South African Reserve Bank (SARB) have established a joint application process.
- Applications for tax relief may be made in the new SVDP section of the Voluntary Disclosure Programme (VDP01) form that is available on SARS eFiling
- Applications for exchange control relief may be made on the new SVDP01 form, also hosted on SARS eFiling.

For more information on any of the abovementioned refer to the links below:

- Guide - Special Voluntary Disclosure Programme for Tax Relief
- Guide - Special Voluntary Disclosure Programme for Exchange Control Relief
- Guide - Special Voluntary Disclosure Programme

B SQUARE FINANCIAL
THE Business to Business BUSINESS

sars.gov.za/Legal/Legal-Publications/Pages/Find-a-Guide.aspx

Home | About Us | Types of tax | Legal Counsel | Contact Us | Tax Rates | Contact Centre 0800 00 7277 Search this site... Search

SARS

Individuals | Businesses and Employers | Tax Practitioners | Customs and Excise

SARS Home > Legal Counsel > Legal Counsel Publications > Find a Guide

Find a Guide | Find a Form | Average Exchange Rates | Tables of Interest Rates | FAQs

SARS eFILING

Login

Register Now

Forgot Password?

Forgot Username?

e@syFile

FIND A GUIDE

These Guides are issued in terms of the Tax Administration Act, 2011. This Act commenced on 1 October 2012 and guides are being reviewed to take the provisions thereof into consideration.

These guides are neither "official publications" as defined in the Act, nor are they binding on SARS. They are merely intended to assist taxpayers in the practical interpretation and application of the requirements set by law.

Notes:

The dates in the last column indicate when a particular guide was updated and all the guides on this page are still valid until they are either replaced or withdrawn.

When using the "search this site..." function, the dates indicating the uploading of documents are not to be taken as the last update of the guides, as all documents had to be re-uploaded before the launch of the current SARS website on 7 May 2013.

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Income Tax	
Guide on the taxation of foreigners working in South Africa (2014/15)	October 2015
Guide on income tax and the individual (2016/17) **New!**	28 July 2017
Guide on the determination of medical tax credits (Issue 8) **New!**	21 July 2017

27 July 2017	Legal Counsel – Preparation of Legislation – Draft Documents for Public Comment	**Income Tax Act, 1962 (Dividends Tax)** • Draft comprehensive guide to dividends tax (Issue 2) **Due date for comments: 31 August2017**
24 July 2017	Legal Counsel – Legal Advisory – Published Binding Rulings – Binding Class Rulings – BCR 41-60	**Income Tax Act, 1962** • Binding Class Ruling (BCR) 057 – Section 12J(2) deduction by partners
21 July 2017	Legal Counsel – Publications – Find a Guide	**Income Tax Act, 1962** • Guide on the determination of medical tax credits (Issue 8)
21 July 2017	Legal Counsel – Legal Advisory – Interpretation Notes	Summary of all Interpretation Notes updated

Contents

1. Background

Expenditure of a personal nature may generally not be taken into account in determining a taxpayer's income tax liability, under South Africa's tax system. One of the notable exceptions relates to medical expenditure. South Africa is aligned with the practice in many other countries of granting tax relief for medical expenditure.

There are a number of reasons that tax systems provide such relief. One of the reasons is that serious injury or illness can present taxpayers with disproportionately high medical bills in relation to income, which can be difficult to meet. The resulting hardship affects a number of economic areas for taxpayers, including the ability to settle obligations to the *fiscus*, such as a tax bill.

Historically, South Africa utilised a deduction system to facilitate tax relief for medical expenditure. Allowances, subject to certain limits, were permitted to be deducted from income for contributions to medical schemes, as well as for out-of-pocket medical expenditure.

In 2012, tax relief for medical expenditure began a phased-in conversion from a deduction system to a tax credit system. The reason for the change was to eliminate vertical inequity relating to medical contributions: those at higher marginal tax rates received a larger reduction of tax payable than those on lower marginal rates, in respect of the same amount of medical expenditure. The purpose of the change was to spread tax relief more equally across income groups, thus bringing about horizontal equity – those who pay equal values for medical expenditure receive absolute equal tax relief.

A tax credit system differs from a deduction system in that, instead of permitting a deduction of the medical allowance against a taxpayer's income, the relief is granted as a reduction in tax payable. It therefore operates as a tax rebate.

The new dispensation consists of a two-tier credit system:

1. A **medical scheme fees tax credit (MTC)** that applies in respect of qualifying contributions to a medical scheme; and
2. An **additional medical expenses tax credit (AMTC)** that applies in respect of other qualifying medical expenses.

The two types of credits are dealt with separately in this guide, namely:

(i) **Part A** – the **MTC**, dealing with contributions to a medical scheme; and

(ii) **Part B** – the **AMTC** (which replaced the deduction of the medical allowance)[1] dealing with other qualifying medical expenses, including out-of-pocket expenses.

For ease of reference, the legislation applicable to section 6A (which provides for the MTC) and section 6B (which provides for the AMTC) is quoted in **Annexure A**.

2.1.1 Meaning of a "dependant"

There are two definitions for the term "dependant", one of which applies in relation to the MTC and the other which applies to the AMTC. When determining a "dependant" for purposes of the MTC, the definition of "dependant" in section 1 of the MS Act applies.[2]

A "dependant" is defined in section 1 of the MS Act to mean –

> (*a*) the spouse or partner, dependant children or other members of the member's immediate family in respect of whom the member is liable for family care and support; or
>
> (*b*) any other person who, under the rules of a medical scheme, is recognised as a dependant of a member.

The term "immediate family" in the definition of "dependant" in the MS Act refers to a particular group of relatives used in rules of law. This group is limited to a person's spouse or life partner, parents (including adoptive and step-parents), children (including adopted and step-children) and siblings.[3]

B SQUARE FINANCIAL
THE Business to Business BUSINESS

What's NEW?

Provisional Tax Trap

Property Sale

B SQUARE FINANCIAL
THE Business to Business BUSINESS

PROVISIONAL TAX TRAP – Property Sale

The pregime operates as a continuous cash flow mechanism in favour of Government whereby tax on income earned is paid over provisionally in anticipation of the final tax liability to be calculated when a person is finally assessed to income tax.

Where a person is required to be registered for provisional tax, estimates of taxable income are required to be submitted to SARS bi-annually (and provisional taxes paid accordingly), being after the first 6 months of the start of the person's tax year, and again on the last day of that tax year.

Quite a number of our clients are not registered for provisional tax, nor are they required to be so registered.

Typically, provisional tax registration is required only to the extent that income will be earned that is not in the form of remuneration (and which will therefore already be subject to pay-as-you-earn, whereby tax is already "pre-paid" on the taxpayer's behalf on a monthly basis). Individuals therefore only earning a salary (and perhaps other immaterial taxable receipts) during a year, will not be required to register as provisional taxpayers.

PROVISIONAL TAX TRAP – Property Sale

What happens quite often in practice though is that these non-provisional taxpayer individuals may sell a significant asset during a tax year (typically in the form of immovable property), and thereby realising significant taxable capital gains.

In such a scenario, these individuals too would need to register for and pay provisional tax for the tax year under consideration. Unfortunately though, many taxpayers are completely unaware of this requirement, thereby exposing themselves to onerous penalties as relates to the underestimation of provisional tax for failure to submit the requisite returns.

Where no provisional tax return has been entered by the individual concerned, SARS may deem a Rnil estimate to have been returned by the taxpayer for provisional tax purposes.

[1] As a result, SARS will consider the taxpayer to have underestimated its taxable income for the relevant year of assessment, and impose a penalty of up to 18% (or 20% or 90%) of the taxable income for the relevant year of assessment.

[2] Considering that this once-off event will likely involve a substantial asset having been realised (with a significant attendant tax cost), the penalty involved may also be quite substantial.

PROVISIONAL TAX TRAP – Property Sale

It is possible to request SARS to remit the penalty levied on underestimation, either in terms of the relevant provisions of the Tax Administration Act,

[3] or in terms of the Fourth Schedule to the Income Tax Act.

[4] In our experience though, SARS is reluctant to provide relief to taxpayers, and any remittance request often amounts to an involved and drawn out process. It is therefore preferable for taxpayers to be aware of the potential provisional tax consequences linked to a disposal of significant assets, and to discuss this with their tax practitioners before entering into significant transactions so that the necessary tax filing obligations can be observed in time.

What's NEW?

S7C

FURTHER REFINEMENTS TO THE ATTACK ON INTEREST FREE LOANS TO TRUSTS

With the introduction of section 7C of the Income Tax Act, 58 of 1962 targeted anti-avoidance provision,

National Treasury sought to attack interest free loans granted to trusts by connected persons of that trust.

FURTHER REFINEMENTS TO THE ATTACK ON INTEREST FREE LOANS TO TRUSTS

Typically, these loans would have arisen by virtue of an individual that would sell his or her asset to a trust of which he/she is a beneficiary for estate duty purposes on interest free loan account.

By doing so, the asset's value will grow in the trust, while the interest free loan will remain a non-appreciable, static asset in the hands of the beneficiary, thereby excluding future capital growth on the asset from estate duty when that individual should one day pass away.

Section 7C deems an interest component to arise on interest free or low interest loan accounts to the extent that interest is not charged at the prescribed rate. The amount of the deemed interest is then treated as an annual donation by the trust, thereby attracting donations tax on the value of the deemed donation made to the trust.

Were the trust creditors to actually charge interest on the loans to the trusts on the other hand, this will lead to taxable income accruing in their hands, and which will be subject to income tax being charged thereon at prevailing income tax rates.

FURTHER REFINEMENTS TO THE ATTACK ON INTEREST FREE LOANS TO TRUSTS

The new proposals contained in the draft Taxation Laws Amendment Bill, published on 19 July 2017, contain two significant reforms which further focus the extent of the anti-avoidance provisions of section 7C and counter two specific planning solutions being conceived in practice to counter the application of section 7C in its current form.

The first such proposal to take note of is that loans to trusts are no longer the sole target, but also interest free loans extended to companies (owned by trusts) by the beneficiaries of that trust. This is in an attempt to counter structuring solutions whereby loans owing by a trust were shifted by way of complex restructurings to companies owned by trusts.

FURTHER REFINEMENTS TO THE ATTACK ON INTEREST FREE LOANS TO TRUSTS

The second proposal is aimed at loans due by trusts being transferred from the creditor individual to another, thereby effectively "breaking the link" between the person that extended the loan to the trust and the person now entitled to the amounts due by the trust. In other words, section 7C would only previously apply to the person who extended the loan to the trust.

Since the person now holding the loan claim did not originally grant the loan to the trust, the provisions of section 7C, in its original form, would not have applied. The second new revision to section 7C counters this approach making it clear that a connected person acquiring a loan claim is also caught by the provisions of section 7C (and thus required to charge interest) irrespective thereof that that person did not itself extend any loan finance itself to the trust.

The above are still mere proposals, but are proposed to become effective 19 July 2017 if enacted (which appears likely). Taxpayers with loan accounts to trusts are therefore well-advised to seek guidance on how to treat such loan accounts going forward.

WHAT'S NEW

Where to find it?

B SQUARE FINANCIAL
THE Business to Business BUSINESS

What's NEW?

Where to find it;

http://www.sars.gov.za/Pages/Whats-New.aspx

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Open discussion

BRANCH MEETING DATES

Office	Date	Date	Date	Time
Krugersdorp	6 April	29 June	5 October	10h00 – 11h30
Roodepoort	18 April	29 June	19 October	10h00 – 11h30
Randfontein	11 April	18 July	17 October	10h00 - 11h00

AGENDA ITEMS

SARS Stakeholder meeting

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Agenda

??????

B SQUARE FINANCIAL
THE Business to Business BUSINESS

Contact details

B SQUARE FINANCIAL

THE Business to Business BUSINESS

www.bsquare-financial.co.za
Martin : 083 634 0092
Suzette : 084 700 9776
info@b2square.co.za