

ENSafrica tax in brief

Below, please find issue 28 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

advance tax rulings

- **binding general ruling 51 | cancellation of registration of a foreign electronic services supplier**
 - sections 24(1) and (2), and 72 of the Value-Added Tax Act, 1991 (the "VAT Act").
 - the purpose of this ruling is to make an arrangement under section 72 of the VAT Act for a foreign electronic services supplier that will have taxable supplies of a value not exceeding ZAR1-million in a 12-month period to apply to cancel their registration.
 - find a copy of this ruling [here](#).
- **binding class ruling 67 | tax consequences for members arising out of conversion of association to private company**
 - sections 41(1) and (4), 44, and 56 of the Income Tax Act, 1962 (the "ITA").
 - paragraph 35 of the Eighth Schedule to the ITA.
 - section 2(1)(d) read with the definition of "equity security" in section 2(2) of the VAT Act.
 - this ruling determines the income tax and VAT consequences for the members of an unincorporated *universitas*, formed to administer a national sporting league, of its conversion to a newly formed private company and related matters.
 - find a copy of this ruling [here](#).
- **binding private ruling 320 | conversion of association to private company**
 - sections 1(1) – definition of "company", 11(a) read with 23(g), 41(1) and (4), 44, and 56 of the ITA.
 - section 8(25) of the VAT Act.
 - section 9(1)(l) of the Transfer Duty Act, 1949.
 - sections 8(1)(a)(ii) and 8(1)(r) of the Securities Transfer Tax Act, 2007 (the "STT Act").
 - this ruling determines the income tax, VAT, transfer duty, and STT consequences of the conversion of an unincorporated *universitas* to a newly formed private company and certain related matters.
 - find a copy of this ruling [here](#).

customs and excise

- tariff amendment notices | *Government Gazette* 42497
 - Notice R.843 | amendment to Part 5A of Schedule No. 1, to give effect to the budget proposal to implement the carbon fuel tax on fuel as announced by the Minister of Finance on 20 February.
 - implementation: with effect from **5 June 2019**.
 - find a copy of the notice [here](#).
 - Notice R.844 | amendment to Part 3 of Schedule No. 6, to exclude the carbon fuel tax as announced by the Minister of Finance on 20 February 2019 from the diesel refund scheme.
 - implementation: **5 June 2019**.
 - find a copy of the notice [here](#).
- rule amendment notice | *Government Gazette* 42497
 - Notice R.845 | amendment to the Rules in terms of the Customs & Excise Act, 1964, relating to part-shipment.
 - implementation: **31 May 2019**.
 - find a copy of the notice [here](#).
- draft rule amendment notice and related forms
 - draft rule amendment | insertion of rule 107A – requirements in respect of tobacco leaf threshers.
 - the insertion of draft rule 107A aims to ensure control of the supply chain in the tobacco industry. The rule provides requirements in respect of tobacco leaf threshers. Tobacco leaf threshers are required to register their factories with the commissioner and keep records for purposes of inspection by the commissioner.
 - [form DA 185](#) | application form for registration/licensing of customs and excise clients.
 - [form DA 185.4A17](#) | application form for registered leaf threshing factory.
 - due date for public comments: **28 June 2019**.
 - find a copy of the draft notice [here](#).

international

- OECD | international community agrees on a road map for resolving the tax challenges arising from digitalisation of the economy
 - the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting adopted a programme of work laying out the process for reaching global agreement for taxing multinational enterprises.
 - the programme of work will explore technical issues to be resolved through two main pillars:
 - potential solutions for where tax should be paid and on what basis, as well as what portion of profits could or should be taxed in the jurisdictions where clients or users are located; and
 - the design of a system to ensure that multinational enterprises pay a minimum level of tax.
 - find a copy of the programme of work [here](#) and the policy note [here](#).

- OECD | implementation of tax transparency initiative delivering results
 - more than 90 jurisdictions participating in the OECD's Common Reporting Standard (CRS) have exchanged information on 47-million offshore accounts, with a total value of around EUR4.9-trillion.
 - the Automatic Exchange of Information (AEOI) initiative – activated through 4 500 bilateral relationships – is the largest exchange of tax information in history.
 - find the OECD media release [here](#).

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