

ENSafrica tax in brief

Below, please find issue 62 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

customs and excise

- **Customs and Excise Act, 1964 | Rule amendment notice R328 published in *Government Gazette 44428 of 9 April 2021***
 - Amendment to rules under sections 54AA and 120 – Substitution of the DA180 carbon tax account (DAR 209).
 - Find a copy of the rule amendment [here](#).
 - Find a copy of the DA 180 - Environmental Levy Account for Carbon Tax (Front page) [here](#).
 - Find a copy of the completion notes to the DA 180 [here](#).
- **Customs and Excise Act | Draft amendments to rules under section 38 – SACU UCR Botswana and Namibia**
 - find a copy of the draft amendments to rules [here](#).
 - the due date for public comment is 26 April 2021.
- **Implementation of paragraph 2.3(c)(A)(i) of the External Policy – Administration of Trade Agreements has been postponed from 1 April 2021 as initially announced to 1 June 2021.**
 - The postponement is due to the practical and compliance issues raised by the trading community in relation to the implementation of this paragraph.
 - Find a copy of the letter from SARS detailing the postponement of paragraph 2.3(c) (A)(i) of the External Policy – Administration of Trade Agreements [here](#).
- **Customs Integrity Perception Survey**
 - SARS together with the World Customs Organization request your valued participation in the Customs Integrity Perception Survey during the period from 12 April 2021 until 7 May 2021.
 - Click [here](#) for more information and to take the survey.
- **Customs and Excise Act | Amendments made to tariff headings 1604 and 1605**
 - Amendments made to tariff headings 1604 and 1605, for trade without NRCS approval, for both import and export.
 - A copy of the updated Prohibited and Restrictions Import and Export list as at 20 April 2021 can be found on SARS' website.
- **Customs and Excise Act | Tariff amendment notices, scheduled for publication in the *Government Gazette***
 - Paragraph 8 of Schedule No. 1, to the Value-Added Tax Act, 1991 ("**VAT Act**") as a consequence to the amendment to Schedule No. 4 of the Customs and

Excise Act, Act, 1964 in order to regulate purchases made by diplomats at licensed special shops.

- find a copy of notice [here](#).
- Part 1 of Schedule No. 4, by the substitution of Notes to rebate item 406.00 as well as the amendment of various items under 406.02, 406.03, 406.05 and 406.07 in order to regulate purchases made by diplomats at licensed special shop.
 - find a copy of notice [here](#).
- Part 1A of Schedule No. 6, as a consequence to the amendment of Notes to rebate item 406.00 in Part 1 of Schedule No. 4 as well as the removal of the reference to rebate item “406.01” applicable to the President.
 - find a copy of the notice [here](#).
- Part 1B of Schedule No. 6, as a consequence to the amendment of Notes to rebate item 406.00 in Part 1 of Schedule No. 4 as well as the removal of the reference to rebate item “406.01” applicable to the President.
 - find a copy of the notice [here](#).
- Part 1C of Schedule No. 6, as a consequence to the amendment to Part 1 of Schedule No. 4, the removal of the reference to rebate item “406.01” applicable to the President as well as the substitution of Note 8 to item 620.24 to amend the reference “customs and excise manufacturing warehouse (VM)” with “customs and excise special manufacturing warehouse (SVM)”.
 - find a copy of the notice [here](#).
- Part 1D of Schedule No. 6, as a consequence to the amendment to Part 1 of Schedule No. 4 as well as the removal of the reference to rebate item “406.01” applicable to the President.
 - find a copy of the notice [here](#).
- Part 1E of Schedule No. 6, as a consequence to the amendment to Part 1 of Schedule No. 4 as well as the removal of the reference to rebate item “406.01” applicable to the President.
 - find a copy of the notice [here](#).
- Part 1F of Schedule No. 6, as a consequence to the amendment to Part 1 of Schedule No. 4 as well as the removal of the reference to rebate item “406.01” applicable to the President.
 - find a copy of the notice [here](#).
- Part 2 of Schedule No. 6, as a consequence to the amendment to Part 1 of Schedule No. 4 in order to remove the reference to the President.
 - find a copy of the notice [here](#).
- Part 3 of Schedule No. 6, as a consequence to the amendment of Notes to rebate item 406.00.
 - find a copy of the notice [here](#).
- The amendments are effective **1 July 2021**.
- **Customs and Excise Act | Draft amendments to rules under sections 49 and 120**
 - The draft amendments provides for a transitional arrangement suspending the requirement for an import or export permit issued by the Department of Agriculture, Land Reform and Rural Development (“**DALRRD**”) for SACUM-

EPA tariff rate quotas from the date of implementation until 31 December 2021. This arrangement is in place to afford the DALRRD an opportunity to develop and prepare the required permit system to administer SACUM-EPA tariff rate quotas as from 1 January 2022 or after such further period as may be agreed and published in the SARS website.

- Due date for public comments is **7 May 2021**.
- Find a copy of the draft amendments [here](#).
- **Customs and Excise Act | International Trade Administration Commission (“ITAC”) received an application concerning Customs Tariff**
 - The application relates to the reduction in the rate of duty on stemming plugs for mining and civil blast holes, classifiable under tariff subheading 3926.90.90, from 20% *ad valorem* to free of duty through the creation of an additional 8-digit tariff subheading for the said goods under tariff subheading 3926.90.
 - Written representations should be submitted to ITAC officials within **four weeks** of the date of the notice.
 - Find a copy of the notice [here](#).

other

- **Corporate Income Tax (“CIT”) Audit Letters will now indicate actual dates for submission of relevant material.**
 - Failure to adhere to the stipulated deadlines may result in refunds being withheld or assessments being raised.
 - Find a copy of the letter from SARS detailing the change in the CIT Audit Letters [here](#).
- **OECD to release Taxing Wages 2021 in 29 April 2021**
 - *Taxing Wages 2021* provides unique cross-country comparative data on income tax paid by employees, cash benefits received by in-work families and the associated social security and payroll tax contributions made by employees and employers across the OECD, all of which are key factors when individuals consider their employment options and businesses make hiring decisions.
 - The report illustrates how these taxes are calculated and examines the impact on household incomes. It enables cross-country comparisons of labour costs and the overall tax and benefit position for eight different household types, varying by income level and household composition (single persons, single parents, one or two-earner households, with or without children).
 - The report pays particular attention to what drove the changes in the indicators in 2020, including changes in average wages, as well as to changes made by countries to tax and benefit systems in response to the pandemic. These include changes in personal income tax (at both central and state/local levels), social security contributions, payroll taxes and cash benefits paid to workers.

- **OECD | Update on country tax measures**
 - A copy of the updated database on country tax measures in response to COVID-19 can be found on the OECD's website.
- **Latin America and Caribbean | Tax revenues rose before being hit by COVID-19**
 - Revenue Statistics shows that the average tax-to-GDP ratio in the LAC region rose to 22.9% in 2019, an increase of 0.3 percentage points, due largely to increases in the Caribbean sub-region. Although the COVID-19 pandemic subsequently caused a sharp decline in tax and resource revenues in 2020, the report identifies the key role of fiscal policy in the region's response to the pandemic and considers how tax policy can contribute to a green and inclusive recovery.
 - According to a special feature in the report examining the fiscal policy responses to the COVID-19 pandemic, tax revenues declined sharply during the first half of 2020 amid a collapse in domestic demand, but showed signs of recovery in the second half of the year. Countries expanded social protection provisions, provided direct support to firms, deferred tax payments and established programmes to ease tax liabilities. Meanwhile, latest estimates indicate that total tax revenues in 18 countries across the region declined by 11.2% on average in 2020 from 2019. External public debt rose over the same period and will need co-ordinated management over the period ahead.
 - The report's second special feature examines the performance of hydrocarbon and mining revenues in 2019 and 2020. It shows that hydrocarbon revenues in major regional producers rose from 2.5% of GDP on average in 2018 to 2.7% in 2019, driven by one-off extraordinary receipts. Mining revenues in major producers contracted very slightly over the same period to 0.37% of GDP. Preliminary data show that fiscal revenues from non-renewable natural resources fell sharply in 2020, mainly due to sharp declines in oil prices and the effect of COVID-19 tax relief measures on corporate income tax payments in the mining sector.
 - Find a link to the Revenue Statistics in *Latin America and the Caribbean* report [here](#).

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