

ENSafrica tax in brief

Below, please find issue 25 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

case law

- **Tax Court, Cape Town | *A Company v C:SARS***
 - whether revenue from the "sale" of gift cards constituted part of the taxpayer's "gross income", as defined in section 1 of the Income Tax Act, 1962 (the "Act"), in the year of assessment that the revenue is received by the taxpayer or when the gift cards were redeemed or expired, considered.
 - the proper characterisation of the transactions (ie, the "sale" of the gift cards by the taxpayer to its customers), considered.
 - the effect of section 63 and 65 of the Consumer Protection Act, 2008 (the "CPA"), considered.
 - whether, irrespective of the CPA, holding the revenue received from the 'sale' of the gift cards in a separate bank account and discretely accounting for such revenue demonstrated that the revenue was not received for the taxpayer's benefit and therefore inconsistent with "gross income", considered.
 - the legal effect of sections 63 and 65 of the CPA on the characterisation of the taxpayer's revenue from the "sale" of gift cards, considered.
 - find full case [here](#).

legislation and draft legislation

- **notice 215 | *Government Gazette 42391***
 - determination of rate of levy for 2017 tax period and payment date in terms of section 3 of the Merchant Shipping (International Oil Pollution Compensation Fund) Contributions Act, 2013.
 - the Minister of Finance determined the rate of levy from 1 January 2017 to 31 December 2017 in the 2017 tax period to be GBP0.0097818 (to be translated at ZAR18.6791 to 1 GBP), due and payable by 31 May 2019.
 - find a copy of the notice [here](#).

exchange control

- **Exchange Control Circular 7/2019**
 - the South African Bank of Athens Limited's appointment as an Authorised Dealer is cancelled.
 - GroBank Limited is appointed as an Authorised Dealer.
 - find a copy of the circular [here](#).
- **Exchange Control Circular 8/2019**
 - various amendments to the Currency and Exchanges Manuals, some of which follow from circular no. 7/2019 (the renaming of The South African Bank of Athens Limited to GroBank Limited).
 - find a copy of the circular [here](#).
- **Exchange Control Circular 9/2019**
 - non-residents may freely invest in South Africa, provided suitable documentary evidence is provided to ensure such transactions are concluded at arm's length, at fair market related prices, and are financed in an appropriate manner (introduction of foreign currency or ZAR from a non-resident ZAR account).
 - find a copy of the circular [here](#).

international

- **Model Tax Convention on Income and on Capital 2017 (Full Version)**
 - the full version contains the full text of the Model Tax Convention as it read on 21 November 2017, including the Articles, Commentaries, non-member economies' positions, the Recommendation of the OECD Council, the historical notes and the background reports.
 - find a link to the full version [here](#).

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