

# ENSafrica tax in brief

Below, please find issue 47 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

## case law

- **Tax Court, Megawatt Park | VAT 1626**
  - Appellant changing to direct attribution method from previously applied apportionment method following segmentation of its currency exchange business into branch operations and treasury operations.
  - Whether payment of commissions disqualifies currency exchange transactions as a financial service, considered.
  - Held that the South African Revenue Service's ("SARS") insistence on reverting to the apportionment method was unreasonable.
  - Find a copy of this judgment [here](#).

## legislation and draft legislation

- **Public Notices gazetted | Expanded access to living annuity funds**
  - These notices form part of the disaster management tax relief framework and allow individuals to temporarily increase or decrease the proportion that they receive as annuity income.
  - Find a copy of the notices [here](#) and [here](#).

## advance tax rulings

- **Binding private ruling 344 | Transfer of listed financial instruments to collective investment schemes in exchange for participatory interests**
  - This ruling determines the tax consequences of a transfer of listed financial instruments to collective investment schemes in exchange for participatory interests in those schemes.
  - The ruling relates to section 42 of the Income Tax Act, 1962 ("Act") and paragraphs 20 and 61(3) of the Eighth Schedule, as well as section 8(1)(a) of the Securities Transfer Tax Act.
  - Find a copy of the ruling [here](#).

## SARS publications

- **Interpretation Note 87 (Issue 3) – Headquarter Companies**
  - This interpretation note has been updated to reflect legislative amendments in terms of the Taxation Laws Amendment Act, 2019.
  - Find a copy of the document [here](#).

## international

- **Platform for Collaboration on Tax | toolkit on offshore indirect asset transfers released**
  - The Platform for Collaboration on Tax (“PCT”) released a Toolkit on the Taxation of Offshore Indirect Transfers providing guidance on the design and implementation issues when one country seeks to tax gains on the sale of interests in an entity owning assets located in that country by an entity which is a tax resident in another country.
  - Find a copy of the document [here](#).

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