

ENSafrica tax in brief

Below, please find issue 90 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

case law

- **Tax Court of South Africa, Bloemfontein | IT 25042**
 - This is an appeal to the Tax Court concerning the deductibility of finance charges under section 24J of the Income Tax Act, 1962 by the taxpayer and the determination of the validity of the 50% understatement penalty imposed by the Commissioner for the South African Revenue Service (the "**Respondent**") under Chapter 16 of the Tax Administration Act, 2011.
 - The Tax Court upheld the appeal and remitted the matter to the respondent to enable them to issue a new assessment for the 2016 tax year.
 - Find a copy of the judgment [here](#).

tax rulings

- **Binding Private Ruling 376 | Corporate Restructuring**
 - Published on 18 August 2022, this ruling determines the capital gains tax, donations tax and securities transfer tax consequences of the applicant's restructuring.
 - The ruling involves the interpretation and application of:
 - the Income Tax Act:
 - section 9C(6);
 - section 45;
 - section 54;
 - section 58(1);
 - paragraph 4 of the Eighth Schedule to the Income Tax Act ("**Eighth Schedule**");
 - paragraph 12A of the Eighth Schedule;
 - paragraph 13(1) of the Eighth Schedule;
 - paragraph 20(1) of the Eighth Schedule;
 - paragraph 32(3) of the Eighth Schedule;
 - paragraph 35(1) of the Eighth Schedule;
 - paragraph 38 of the Eighth Schedule; and
 - paragraph 39 of the Eighth Schedule.
 - the Securities Transfer Tax Act No. 25 of 2007
 - section 8(1)(a)(iii); and
 - section 8(1)(a)(iv)(C).
 - Find a copy of the ruling [here](#).

SARS publications

- **Interpretation Note 75 (Issue 4) | Exclusion of certain companies and shares from a "group of companies"**

- Published on 18 August 2022 in respect of the exclusion of certain companies and shares from a “group of companies”, as defined in section 41(1).
- Find a copy of the interpretation note [here](#).
- **Interpretation Note 122 | Public benefit activity: Bid to host or hosting of any international event**
 - Published on 18 August 2022 in respect of a public benefit activity: bid to host or hosting of any international event.
 - Find a copy of the interpretation note [here](#).
- **New feature on SARS Online Query System**
 - You can now request a Notice of Assessment and Statement of Accounts via the SARS Online Query System by clicking [here](#).
 - An updated guide was published [here](#) for this new feature.
- **SARS Tax Practitioner Readiness Programme**
 - The SARS Tax Practitioner Readiness Programme frequently asked questions are now available.
 - Find the frequently asked questions [here](#).
- **Latest *Government Connect* newsletter (Issue 5)**
 - The August 2022 issue of the Government Connect newsletter is now available.
 - Find a copy of the newsletter [here](#).
- **Legal Counsel Publications | Guide to Section 18A Approval (Issue 4)**
 - The “Basic Guide to section 18A Approval” has been published.
 - Find a copy of the guide [here](#).
- **Legal Counsel Publications | *Guide to Building Allowances* (Issue 2)**
 - The “Guide to Building Allowances” has been published.
 - Find a copy of the guide [here](#).
- **Latest *Tax Practitioner Connect* newsletter (Issue 35)**
 - The August 2022 issue of the Tax Practitioner Connect newsletter is now available.
 - Find a copy of the newsletter [here](#).

customs and excise

- **Customs and Excise Act, 1964 | Draft Rule Amendment Notice**
 - The rule amendment relates to the insertion of rules under sections 64F, 75 and 120 – Drawbacks and refunds
 - DA 63 - Application for refund – Export for trade purposes of imported duty paid goods (Refund item 522.03)
 - DA 64 - Application for drawback/refund
 - DA 66 - General Application for drawback/refund
 - Due date for comments was 26 August 2022.
 - Find the proposed amendments [here](#).
- **Customs and Excise Act | Draft Schedule Amendment**
 - The schedule amendment relates to Part 2 of Schedule No. 5.
 - The amendment proposed is the substitution of Note 2, Note 5(a), and item 522.00.
 - Due date for comments was 26 August 2022.
 - Find the proposed amendments [here](#).
- **Customs and Excise Act | Facility code list SC-CF-10-A02**
 - The facility and code list attached to the external policy has been revised.
 - The details of the new approved terminal in Durban, V6 Manuchar South Africa (Pty) Ltd, have been added.
 - Find a copy of the external policy [here](#).
- **Customs and Excise Act | Tariff Amendment Notice R.2384 as published in *Government Gazette* 46736**
 - SARS published Tariff Amendment Notice R.2384, which relates to an amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1701.12, 1701.13, 1701.14, 1701.91, and 1701.99, to reduce the rate of customs duty on sugar from 299 46c/kg to 195 28c/kg in terms of the existing variable tariff formula – ITAC Minute 02/2022.
 - The implementation date of this notice was 19 August 2022.

- Find a copy [here](#).

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