

ENSafrica tax in brief

Below, please find issue 44 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

case law

- **Supreme Court of Appeal | *CSARS v United Manganese of Kalahari (Pty) Ltd***
 - Correct method of calculating gross sales for purposes of sections 6(2) and 6(3) of the Mineral and Petroleum Resources Royalty Act, 2008, considered.
 - Role of context in the interpretation of statutes, considered.
 - Circumstances under which the High Court may grant declaratory relief in tax matters, considered.
 - Find a copy of this judgment [here](#).
- **Supreme Court of Appeal | *Diageo South Africa (Pty) Ltd v CSARS***
 - Application of section 8(15) of the Value-Added Tax Act, 1991, considered.
 - Vendor having made a supply of advertising and promotional services to a non-resident, including the supply of promotional giveaways and samples that were not exported but consumed in South Africa.
 - Whether such supplies were capable of dissociation into separate supplies each carrying a different VAT rating, considered.
 - Find a copy of this judgment [here](#).

legislation and draft legislation

- **Further proposed changes to the COVID-19 tax measures**
 - Following submissions to National Treasury, further changes are proposed to the tax measures under the Draft Disaster Management Tax Relief Bill, 2020 and the Draft Disaster Management Tax Relief Administration Bill ("Tax Relief Bills").
 - The proposed further changes relate, in particular, to the Employment Tax Incentive measures, the deferral of Employees' Tax and Provisional Tax liabilities of SMEs, the Skills Development Levy contributions deferral, expanded access to living annuity funds, an increase in the limit of deductions in respect of donations to the Solidarity Fund, the fast-tracking of value-added tax ("VAT") refunds, deferred payment of alcohol and tobacco excise duties, and the deferral of the first carbon tax payment and returns submissions.
 - Find a copy of the explanatory notes to the further measures [here](#).

- **Postponement of some Budget 2020 measures**
 - In addition to the further measures mentioned above, which are to be implemented in terms of the Tax Relief Bills, National Treasury has announced that certain proposals in Budget 2020 will not be pursued until at least January 2022. The measures affected are:
 - restricting net interest expense deductions to 30% of earnings; and
 - limiting the use of assessed losses carried forward to 80% of taxable income.
 - Find a copy of the statement from National Treasury [here](#).
- **Intergovernmental Fintech Working Group's (IFWG) Position Paper on Crypto Assets**
 - This position paper has been published following the receipt of public comment on a consultation document issued in January 2020.
 - Find a copy of the document [here](#).

SARS publications

- **VAT Reference Guide for Foreign Donor Funded Projects ("FDFPs")**
 - Recent legislative changes resulted in a significant change in the administration of FDFPs for VAT purposes.
 - The purpose of this reference guide is to provide certainty to taxpayers on the VAT treatment of FDFPs implemented by an implementing agency.
 - Find a copy of the document [here](#).
- **VAT Rulings Process Reference Guide (Issue 2)**
 - This Guide sets out the process to be followed in applying for a VAT ruling or VAT class ruling.
 - The Guide incorporates amendments contained in the Taxation Laws Amendment Act, 2019, and the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2019.
 - Find a copy of the document [here](#).

international

- **OECD | OECD issues recommendations on implications of the COVID-19 crisis on cross-border workers and other related cross-border matters**
 - The OECD Secretariat has published its views on cross-border tax implications arising from travel restrictions, based on an analysis of tax treaties.
 - Find a copy of the statement [here](#).

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