

# ENS tax in brief

Below, please find issue 108 of ENSafrica's tax in brief, a snapshot of the latest tax developments in South Africa.

- **Digitalisation of Tax Administrations and contemporary issues**
  - The 2nd Network of Tax Organisations (“**NTO**”) technical conference under the theme “Digitalisation of Tax Administrations and contemporary issues” was held on 5 September 2023 in Cape Town.
  - Find more information [here](#)
- **Publication of VAT Modernisation Discussion Paper**
  - SARS has published a Discussion Paper on Value-Added Tax (“**VAT**”) Modernisation.
  - This discussion paper sets out the high-level vision for the modernisation of the South African VAT administrative framework.
  - Find the discussion paper [here](#)
- **Upgrade of Tax Directives platform**
  - Enhancements to the Tax Directives system will be made in line with the IBIR-006 Tax Directives Interface Specification. Version on 15 September 2023.
  - Find more information [here](#)
- **New Air Passenger Tax (“**APT**”) System**
  - With effect from 15 September 2023, taxpayers will be issued with new APT tax numbers, which must be used to register the APT client on eFiling and activate the tax type.
  - Find more information [here](#)
- **Average Exchange Rates**
  - SARS published the list of the average exchange rates for purposes of section 1(1) of the Income Tax Act 1962 (“**Act**”).
  - Table A contains a list of the average exchange rates of selected currencies for a year of assessment as of December 2003.
  - Find a copy of Table A [here](#)
  - Table B contains a list of the monthly average exchange rates to assist a person whose year of assessment is shorter or longer than 12 months.
  - Find a copy of Table B [here](#)
- **Tax Exempt Institutions Connect Issue 3**
  - SARS published *Tax Exempt Institutions Connect Issue 3*.
  - Find a link to the newsletter [here](#)
- **Government Connect Newsletter Issue 13**
  - SARS published the *Government Connect Newsletter Issue 13*.
  - Find a link to the newsletter [here](#)
- **Tax Practitioner Connect Newsletter Issue 46**

- SARS published the *Tax Practitioner Connect Newsletter* Issue 46.
- Find a link to the newsletter [here](#)
- **SARS Payment Rules Guide**
  - SARS published the updated guide to include African Bank and Bank Zero for payments that can be made via Electronic Fund Transfer (EFT) to the SARS public beneficiaries listed on the banking platform. With effect from 15 September 2023, Air Passenger Tax (APT) payments will only be allowed on eFiling.
  - Find a copy of the guide [here](#)
  - **Enhancements to Trust Beneficial Ownership information**
    - SARS published an updated version of the Comprehensive Guide to the Income Tax Return for Trusts, which set out the details of the information to be provided by all beneficial owners of registered Trusts in order to comply with the Financial Action Task Force (FATF) requirements.
    - Find a copy of the updated guide [here](#)
  - **EMP501 – External guide**
    - SARS published the following updated external guides:
      - Guide for Codes Applicable to Employees Tax Certificates 2024
        - Find a copy [here](#)
      - Guide for Validation Rules Applicable to Reconciliation Declarations 2024
        - Find a copy [here](#)
      - Guide for Completion and Submission of Employees Tax Certificates 2024
        - Find a copy [here](#)
      - A Guide to the Employer Reconciliation Process
        - Find a copy [here](#)
      - **Tax Directives**
        - The following tax directive system enhancements have been implemented to “Form C retirement annuities” to facilitate the transfer of retirement annuity funds.
          - The tax directive system and the Form C tax directive application form were enhanced to allow up to four contracts/policies to be transferred to multiple approved retirement annuity funds.
          - The tax directive system will reject a tax directive application if:
            - The amount to be transferred is split in such a way that the value of each contract/policy does not exceed ZAR371 250; and/or
            - The remaining amount in the retirement annuity fund does not exceed the amount of ZAR371 250, in circumstances where the member’s vested interest is not transferred in full.

## customs and excise

- **Customs and Excise Act, 1964 | Excise Duty on Vaping Products**
  - The Minister of Finance announced in the 2022 Budget on 23 February 2022 that excise duty on vaping tobacco products would be introduced.
  - Nicotine and nicotine-substitute solutions in vaping products was included in the tax net with a flat excise duty rate of ZAR2.90/ml from 1 June 2023.
  - The forms DA260 Excise Account for Tobacco Products, in which the vaping products are accounted for excise duty purposes, were also amended accordingly to insert the vaping products.
  - Find frequently asked questions on vaping products [here](#)
- **Customs and Excise Act, 1964 | Tariff Amendment 2023**
  - The tariff amendment relates to:
    - Part 1 of Schedule No. 5, by the substitution of Note 5 in order to make reference to new rule 75.26 that provides for the electronic submission of drawbacks and refunds; and
    - Part 2 of Schedule No. 5, by the substitution of Notes 2 and 5(a), as well as the descriptions under rebate items 522.00 and 523.02 in order to make reference to new rule 75.26 that provides for the electronic submission of drawbacks and refunds.
    - Find a copy of the tariff amendment notice [here](#)
- **Customs and Excise Act, 1964 | Rule Amendments 2023**
  - The rule amendments relate to the amendments to rules under sections 59A, 60, 64F, 75, 101A and 120 – Electronic submission of applications for drawbacks and refunds of Schedules No. 5 and 6, and related rule amendments (DAR251).
  - Find a copy of the rule amendment notice [here](#)
- **Customs and Excise Act, 1964 | Rule Amendments 2023**
  - The rule amendments relate to the amendments to rules under sections 47B and 120 – Insertion of forms for the air passenger tax in the Schedule to the Customs and Excise Rules (DAR250).
  - Find a copy of the rule amendment notice [here](#)
- **Customs and Excise Act, 1964 | Registration, Licensing and Designation**
  - The title of SC-CF-50 has been amended to Relationship Management on the Customs Trader Portal and:
    - the link to the definitions, acronyms and abbreviations has been updated; and
    - the disclaimer paragraph has been added.
  - The facility codes used in Box 30 on the Customs Clearance Declaration (CCD) have been updated to:
    - remove the physical address of terminal V6, Manuchar South Africa (Pty) Ltd.; and
    - add the details of the new licensed container depots in:
      - Cape Town, AM – Grindrod Logistics (Pty) Ltd; and
      - Durban, AN – Grindrod Logistics (Pty) Ltd.
- **Customs and Excise Act, 1964 | DA66 Automation**

- The Customs and Excise Refunds and Drawbacks have been automated and the application must be made on an electronic form on eFiling.

## international

- **Organisation for Economic Co-Operation and Development (“OECD”) | Papua New Guinea deposited its instrument of ratification for the Multilateral Convention**
  - Papua New Guinea deposited its instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS Convention) as well as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
  - Find more information [here](#)
- **OECD | Countries deploy tax policy to shield households and businesses from decade-high inflation**
  - Tax Policy Reforms 2023 describes tax reforms announced and enacted in 2022 across 75 jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, including all OECD countries. It provides an overview of the macroeconomic environment and tax revenue context in which these tax reforms were made, highlighting how governments deployed tax policy to respond to historically high levels of inflation and address long-run structural challenges.
  - Find more information [here](#)

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