

ENS tax in brief

Below, please find issue 121 of ENS' tax in brief, a snapshot of the latest tax developments in South Africa.

SARS publications

- Draft Interpretation notes | published for comment
 - Draft Interpretation Note | Income Tax Exemption: Water Services Provider
 - This Note provides guidance on the interpretation and application of the definition of “water services provider” in section 1(1) for purposes of the exemption of the receipts and accruals of a qualifying water services provider from normal tax under section 10(1)(t)(ix) of the Income Tax Act, 58 of 1962 (“ITA”).
 - Comments are due by **7 June 2024**.
 - Find the draft interpretation note [here](#).
- Interpretation notes | published
 - Interpretation Note 105 (Issue 2) | Deductions in respect of buildings used by hotel keepers
 - The interpretation note provides guidance on the interpretation and application of section 13bis of the ITA, which provides for an allowance on any buildings used in the trade of hotel keeper.
 - Issue 1 is replaced by Issue 2 with effect from **29 April 2024**.
 - Find the interpretation note [here](#).
- Interpretation Note 131 | Exemption of income relating to South African ships used in international shipping
 - The interpretation note provides guidance on the interpretation and application of section 12Q of the ITA, which provides for an exemption from normal tax, capital gains tax, dividends tax and withholding tax on interest for an international shipping company meeting the requirements of the section.
 - Find the interpretation note [here](#).
- Dispute Resolution Enhancements for Trusts
 - The Trust dispute process was previously a manual process by way of the ADR1 and ADR2 forms (alternative dispute resolution forms). The new enhancements for Trusts will entail the submission of disputes through eFiling or by visiting a South African Revenue Service (“SARS”) branch.
 - The current electronic functionalities for disputes, Requests for Reasons, Requests for Remission, Notices of Objection, and Notices of Appeal, have been updated to accommodate submissions by Trusts.

- It should however be noted that Trusts that submitted any of the processes mentioned above before 20 April 2024 should still conclude their dispute through the manual process.
- Find the newsflash [here](#).
- SARS Annual Performance Plan | 2024 – 2025
 - The SARS Annual Performance Plan (“APP”) 2024/25 is now available.
 - In this financial year, SARS commits to inter alia:
 - Prioritise the most essential and beneficial strategic initiatives;
 - Further the implementation of SARS’ revenue management philosophy that conceptualises revenue as made up of revenue from the economy (including tax-policy interventions) and an efficient compliance programme; and
 - Build people capability.
 - Find a copy of the APP [here](#).
- Trade statistics for March 2024
 - South Africa recorded a preliminary trade balance surplus of R7.3 billion in March 2024. This surplus was attributable to exports of R164.1 billion and imports of R156.8 billion, inclusive of trade with Botswana, Eswatini, Lesotho and Namibia (“**BELN**”).
 - The year-to-date (01 January to 31 March 2024) preliminary trade balance surplus of R10.8 billion was an improvement from the R5.7 billion trade balance deficit for the comparable period in 2023. On a year-on-year basis, export flows for March 2024 (R164.1 billion) were 15.3% lower compared to R193.7 billion recorded in March 2023, whilst import flows were 15.2% lower having decreased from R184.9 billion in March 2023 to R156.8 billion in the current period.
 - See the full media release [here](#).

exchange control

- Exchange Control Circular No. 5/2024
 - Amendment of the trading name of Tourvest Financial Services (Pty) Limited
 - The name of Tourvest Financial Services (Pty) Limited has been changed to Tourvest Financial Services (Pty) Limited trading as Travelex with immediate effect. Corresponding updates were made in section A.2(A) and A.2(B) of the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority and the Currency and Exchanges Manual for Authorised Dealers (Manuals), respectively, as well as the guideline documents for business entities and individuals (guideline documents).
 - Find the Circular [here](#).
- Exchange Control Circular No. 6/2024
 - Amendment of the trading name of Travel Forex (Pty) Limited
 - The name of Travel Forex (Pty) Limited has been changed to Travel Forex (Pty) Limited trading as Travelex with immediate effect. Corresponding updates were made in section A.2(A) and A.2(B) of the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority and the Currency and Exchanges Manual for Authorised Dealers

(Manuals), respectively, as well as the guideline documents for business entities and individuals (guideline documents).

- Find the Circular [here](#).

customs and excise

- Customs and Excise Act, 91 of 1964 | Tarriff Amendments
 - Amendment Notice R.
 - The amendment provides for the imposition of provisional payments in relation to anti-dumping duties against the alleged dumping of active yeasts classifiable in tariff subheading 2102.10, originating in or imported from the Republic of Zimbabwe – ITAC Report No. 729.
 - Publication details will be made available later

international

- The Organisation for Economic Co-Operation and Development (“**OECD**”) | Ministerial Council Statement and Outcomes
 - Ministers have issued a joint statement at the conclusion of the 2024 Council Meeting at Ministerial Level held in Paris on 2-3 May 2024.
 - Under the Chairmanship of Japan, with Mexico and the Netherlands as Vice-Chairs, Ministers and high-level representatives met for discussions around the theme “Co-Creating the Flow of Change: Leading Global Discussions with Objective and Reliable Approaches towards Sustainable and Inclusive Growth.”
 - Find the joint statement [here](#).
- OECD | Economic outlook: Steady global growth expected for 2024 and 2025
 - The global economy is continuing growing at a modest pace, according to the OECD’s latest Economic Outlook publication. The Economic Outlook projects steady global GDP growth of 3.1% in 2024, the same as the 3.1% in 2023, followed by a slight pick-up to 3.2% in 2025.
 - Find more information [here](#).

ENS takes your privacy and the protection of your personal information very seriously and is committed to doing the right thing as underpinned by our [privacy policy](#) and values.

It is our understanding that you are receiving this communication because you are an esteemed client of our firm or have historically elected to opt-in to receive communications from us. If you no longer wish to receive communications from us, please [click here to unsubscribe](#) so we can ensure your details are removed from all our communication lists. Should you change your mind, you can subscribe to specific areas of interest using the following link <http://www.ensafrica.com/contact-us>.

We appreciate your ongoing support and interest.

ENS | Original Thinking

info@ENSafrica.com | [ENSafrica.com](http://www.ensafrica.com)

[privacy statement](#) | [unsubscribe](#)

