



SAA | ACCOUNTING
ACADEMY
Connect. Partner. Succeed.

Compliance & Legislation Update

Presenter: Lettie Janse van Vuuren CA(SA)

27 JULY 2020

*Stay informed on the multitude of
Compliance and Legislation Updates*

This webinar covers changes during the month of June 2020

About SAAA

Creating opportunities to connect our partners to succeed

SAAA offers CPD training for accountants, auditors, bookkeepers and tax practitioners. We give you access to professional and technical content that ensures both your knowledge and skills are maintained so you remain professionally competent.

The CPD policy is compliant with IFAC IES7

All training offered by SAAA is recognised for CPD hours by the relevant professional bodies.

CPD Subscribers gain access to various rewards

These can be accessed from your profile by logging in and navigating to your [“My Rewards”](#) > [“Find out more”](#) to see the reward partner benefits and claim it.

These rewards include discounts, reduced premiums and free stuff.

Reward Partners



Acts Online provides legislation, including amendments and regulations, in an intuitive, online format.



Draftworx provides automated drafting and working paper financial software.



EdNVest offers an exciting and unique product that leverages Section 10(1)(q) of the Income Tax Act



InfoDocs Company Secretarial Software.

Reward Partners



Practice Ignition simplifies onboarding - from engagement letter creation to securing client signatures.



QuickBooks Cloud Accounting Platform: The one place to grow and manage your entire practice.



Join the largest accounting and tax franchise in Southern Africa.

Webinar Housekeeping

The **Webinar Material** and **Source Documents** will be uploaded to your SAAA profile after the webinar – it's usually a good idea to check the next day.

The **webinar recording** and **presentation** will also be available at the end of the webinar within your SAAA profile.

These can be accessed from your profile by logging in and navigating to your **“My Dashboard” > “View Events”** and then clicking on **“Links & Resources”** next to the webinar title.

The webinar is available under the **“Recording(s)”** tab and the **Webinar Material, Source Documents and Presentation** under the **“Files”** tab.

Claiming CPD Hours

You can claim your CPD hours for this webinar at the end of the webinar within your SAAA profile.

This can be accessed from your profile by logging in and navigating to your “[My Dashboard](#)” > “[View Events](#)” and then clicking on “[Links & Resources](#)” next to the webinar title.

Complete the [Self-Assessment Questions](#) to qualify for an additional 1 bonus hour of CPD

The “[Claim My CPD](#)” option is available under the “[CPD](#)” tab. Once claimed you will be able to view and download your certificate.

Ask Questions

To ask questions and interact during the webinar please use the chat sidebar to the right of the video / presentation on the screen.

Feel free to ask your questions during the webinar in the chat, these will be addressed in the formal Q & A at the end of the presentation.

Where appropriate, a **Q & A Summary will be uploaded to your profile as soon as all answers have been documented.**

Presenter

Lettie Janse van Vuuren CA(SA), RA, CBA(SA)

- Lettie joined SA Accounting Academy in November 2017 as Head of Technical. She is a Chartered Accountant, Registered Auditor and Certified Business Accountant.
- She is a **professional trainer and webinar host**, and with her relaxed and humorous presentation style, she is able to hold the attention of an audience. She has a unique ability to communicate with delegates at their respective levels of knowledge and experience. Over the last 20 years, she has trained thousands of partners, managers, trainee accountants and other professionals.
- She is responsible for our MCLU (Monthly Compliance and Legislation Updates).
- She was the Professional Development Manager at SAICA for 4 years and in charge of accrediting new training offices and monitoring existing ones (including the moderation of training offices and trainee assessments).
- Lettie is passionate about improving the efficiency and standardisation at practices. She has extensive experience on a variety of technical and practical topics which she consults on, including: SAICA re-accreditation assistance and preparation, IRBA inspection assistance and preparation, audit file reviews (post-issuance monitoring and EQCR), Quality control implementation, other office-specific manuals, and FASSET skills development facilitation.



Disclaimer

Disclaimer

Whilst every effort has been made to ensure the accuracy of this presentation and handouts, the presenters / authors, the organisers do not accept any responsibility for any opinions expressed by the presenters / author, contributors or correspondents, nor for the accuracy of any information contained in the handouts.

Copyright

Copyright of this material rests with SA Accounting Academy (SAAA) and the documentation or any part thereof, may not be reproduced either electronically or in any other means whatsoever without the prior written permission of SAAA.

WHAT'S ON THE AGENDA?

Table of Contents

Accounting Update	:	3 items
Auditing Update	:	6 items
Company Secretarial Update	:	1 items
COVID-19 Update	:	13 items
Employment Law Update	:	2 items
Other Laws & Regulations Update	:	4 items
Taxation Update	:	15 items + 6 court cases
Regulator News	:	19 items
General Announcements	:	Nothing this month

Quote

*The only thing you can be sure of,
is that things WILL change.*

- Unknown

ACCOUNTING UPDATE

Accounting Update

The following items are dealt with here:

1. IFRS Monthly News Summary
2. IASB issues amendment to IFRS 16 regarding COVID-19-related rent concessions
3. IASB issues amendments to IAS 16 regarding proceeds before intended use

IFRS News Summary

- **June 2020**

10 items, including:

- ❑ **Combinations of businesses under common control—one size does not fit all**
 - The International Accounting Standards Board (Board) is carrying out a research project to consider filling a gap in IFRS Standards by improving the comparability and transparency of reporting on combinations of businesses under common control.
 - IFRS 3 Business Combinations covers how to account for mergers and acquisitions between unrelated parties but it does not cover combinations of businesses under common control

➤ *Refer to Webinar Material for detail and links to explanatory material on the IFRS website*

IASB issues amendment to IFRS 16 regarding COVID-19-related rent concessions

- The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.
 - It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021
- *Refer to Source Document available to you*

IASB issues amendments to IAS 16 regarding proceeds before intended use

- The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
- Instead, a company will recognise such sales proceeds and related cost in profit or loss

➤ *Refer to Source Document available to you*

AUDITING UPDATE

Auditing Update

The following items are dealt with here:

Guidance:

1. IRBA draws attention to COVID-19 Key Audit Matters in auditor's reports
2. IRBA issues Staff Audit Practice Alert 4 re Fraud Considerations
3. IRBA issues Staff Audit Practice Alert 5: The Auditor's Considerations with respect to Transaction that are not at Arm's Length
4. IRBA alerts auditors regarding the possible impact of the COVID-19 pandemic on the reporting of interim financial information

Standards:

1. IRBA issues updated SAAEPS 1

Other:

1. IAASB issues illustrative examples on ISA 540

IRBA draws attention to COVID-19 Key Audit Matters in auditor's reports

- The COVID-19 pandemic presents a unique set of circumstances and challenges to the financial reporting chain, which preparers and those charged with governance must ensure are sufficiently disclosed in the financial statements.
- In response, if the matter meets the definition of a KAM, the auditor's report should also indicate how the auditor addressed these challenges, which might include how the auditor addressed the additional audit risks presented by, for example, valuations, accounting estimates and events which occurred after the financial reporting date

➤ *Refer to Source Document available to you*

IRBA issues Staff Audit Practice Alert 4 re Fraud Considerations

- This IRBA Staff Audit Practice Alert provides auditors with implementation guidance in responding to the risks of material misstatements due to fraud and/or non-compliance with laws and regulations.
 - **Separate webinar on this topic will be hosted by Lettie during August 2020**
- *Refer to Source Document available to you*

IRBA issues Staff Audit Practice Alert 5: The Auditor's Considerations with respect to Transaction that are not at Arm's Length

- This IRBA Staff Audit Practice Alert serves to provide auditors with guidance and considerations to be made with respect to transactions that are not at arm's length, and the possible auditor's responses to the resulting audit risks.
 - **Separate webinar on this topic will be hosted by Lettie during August 2020**
- *Refer to Source Document available to you*

IRBA alerts auditors regarding the possible impact of the COVID-19 pandemic on the reporting of interim financial information

- The 2020 interim reporting period is expected to disclose information over and above what is typically disclosed – specifically related to COVID-19.
 - IRBA have provided links to access numerous documents to assist auditors.
 - IAASB released a 14-page document in this regard
- *Refer to Source Document available to you*

IRBA issues updated SAAEPS 1

- *SAAEPS = South African Assurance Engagements Practice Statement*
 - SAAEPS 1 was issued for use by practitioners on 5 September 2018, effective for the Acceptance and Continuance - Preconditions for the Assurance Engagement phase of the sustainability assurance engagement for reporting periods beginning on or after 15 December 2020
 - The updated SAAEPS 1 is aimed at providing practical assistance to practitioners on certain preconditions that need to be present when requested to accept a sustainability assurance engagement in accordance with the requirements of the ISAE 3000 (Revised).
 - **Focus info**
- *Refer to Source Document available to you*

ISA 540 – Examples

IAASB issues illustrative examples on ISA 540

- 52 pages
 - The examples demonstrate how an auditor's work effort, to comply with the requirements of ISA 540 (Revised), may be scaled down and scaled up when auditing simple and complex accounting estimates.
 - ❑ Simple Accounting Estimate – Provision on Inventory Impairment
 - ❑ Complex Accounting Estimate – Provision on Property, Plant and Equipment Impairment
- *Refer to Source Document available to you*

COMPANY SECRETARIAL UPDATE

Company Secretarial Update

The following items are dealt with here:

1. Notice 32 of 2020 – CIPC new process for updating customer code contact details or password reset

Notice 32 of 2020

CIPC new process for updating customer code contact details or password reset

- ❑ Previously, customers wishing to update their cell phone number and/or email address to be able to reset their password for their customer code, need to send an email to resetpassword@cipc.co.za, and it will only be attended to until the 31st of July 2020. Thereafter, only requests via the CIPC enquiries system will be accepted
- ❑ NOW all requests need to be logged on the CIPC Enquiries system (<https://enquiries.cipc.co.za>) by clicking on *Forgot password..*
- ❑ **From 1 June 2020**, all customers wishing to update their cell phone number and/or email address will have to log a request via the CIPC Enquiries system

➤ *This Notice is available to you as a Source Document*

COVID-19 UPDATE

COVID-19 Update

The following items are dealt with here:

Important & Practical issues:

1. CIPC certificate not required under Alert Level 3
2. OHS Directive amended re Vulnerable Persons

Legislative Changes:

1. Alert Level 3 Lockdown Regulations
2. Disaster Management Tax Relief Bill [B11 — 2020]
3. Disaster Management Tax Relief Administration Bill [B12 — 2020]
4. Memorandum of Objects of the Disaster Management Tax Relief Administration Bill, 2020

COVID-19 Update *(continued)*

The following items are dealt with here:

New Announcements/Guidance:

1. Q&A: COVID-19 Tax Relief for Employers (note added to nr 28's answer)
2. COVID-19 Notices relating to the expiry of ITAC certificates
3. COVID-19 relief for Provisional Taxpayers
4. PAYE BRS
5. FAQ published for COVID-19 SASSA grant applications being declined with a SARS reason
6. Payment holiday for Skills Development Levy contributions
7. Article: Tax Treatment of losses incurred during lockdown

Certificate to travel to work

CIPC certificate not required under Alert Level 3

- 7-page court order
 - Following a judgement by the Pretoria High Court, businesses are now able to produce their own permits for staff to present to law enforcement when they are travelling to and from work, or while conducting business during the work day whilst we are in lockdown Alert Level 3.
 - The only requirement is that employees who travel across district-, metropolitan- or provincial borders for work purposes, must be in possession of a permit, issued by the employer, that complies substantially with **Form 2** that was used during Level 4 lockdown
- *This court order as well as Form 2 is available to you as a Source Document*

Vulnerable Persons

OHS Directive amended re Vulnerable Persons

- The Department of Health issued a guidance document related to the treatment of “vulnerable persons” in the workplace, and each employer’s workplace plan must be updated accordingly.
 - CDH also published a 3-page summary document on Vulnerable persons and updating workplace plans to include “Vulnerable persons”
-
- *Refer to Source Document available to you*
 - *Refer to 3-page summary*

Legislative updates

1. Alert Level 3 Lockdown Regulations

- Summary available to you

2. Disaster Management Tax Relief Bill [B11 – 2020]

3. Disaster Management Tax Relief Administration Bill [B12 – 2020]

4. Memorandum of Objects of the Disaster Management Tax Relief Administration Bill, 2020

➤ *Refer to Source Documents available to you*

Q&A: COVID-19 Tax Relief for Employers

- Payments received from COVID-19 disaster relief organisations remuneration
- The following note has been added to the answer for question no.28:
"Please note that these amounts remain subject to UIF".
- *Refer to Source Document available to you*

COVID-19 Notices relating to the expiry of ITAC certificates

- **Notice 305**, as published in Government Gazette 43384, relates to the expiration of the VAT certificate issued by the International Trade Administration Commission of South Africa (ITAC) on 8 April 2020 under Schedule 1(8) of the Value-Added Tax Act, 89 of 1991, item 412.11/00.00/01.00
- **Notice 296**, as published in Government Gazette 43361, relates to the expiration of the rebate certificates issued under rebate item 412.11/00.00/01.00 in terms of the Fourth Schedule to the Customs and Excise Act, 91 of 1964

➤ *Refer to Source Document available to you*

COVID-19 relief for Provisional Taxpayers

COVID-19 relief for Provisional Taxpayers

- Updated FAQ no 11
 - Now includes: When applying for the COVID-19 relief, make sure that you capture the gross income amount in the turnover block (must not be zero) on the IRP6 return.
- *Refer to Source Document available to you*

PAYE BRS

- *BRS = Business Requirement Specification*
 - PAYE BRS for Employer Reconciliation (2020 release) version 19.04
 - The descriptions of the source codes for the donations to the COVID19 Solidarity Fund has been amended, as well as the ETI fields to cater for additional ETI that may claimed as part of the COVID19 Tax Relief
 - In this version the descriptions of the source codes for the donations to the COVID19 Solidarity Fund has been amended, as well as the ETI fields to cater for additional ETI that may claimed as part of the COVID19 Tax Relief.
- *Refer to Source Document available to you*

FAQ published for COVID-19 SASSA grant applications being declined with a SARS reason

- Question - I'm unemployed and applied for the COVID-19 grant at SASSA but it was declined with a response 'Registered at SARS for PAYE' or 'Receiving an income'?
- Answer - It should be noted that SASSA determines the criteria for paying of the grant or not. According to SASSA, to qualify for the grant, you need to be unemployed (not having any source of income) and not receive UIF or any other grants. Should this not be correct, please email SASSA on srd@sassa.gov.za if any complaints

➤ *Refer to Source Document available to you*

SDL payment holiday

Payment holiday for Skills Development Levy contributions

- ☐ The COVID-19 outbreak together with extended lockdown continues to have a negative impact on the cash flow of employers. The government has therefore proposed a four months' payment holiday (non-payment) for Skills Development Levy (SDL) contributions by employers.
- The four months' payment holiday came into effect from 1 May 2020 and will end on 31 August 2020. This means that employers who are registered for SDL are not required to declare any SDL liability on their May to August 2020 EMP201 returns and make payment for these periods. See the updated Guide for Employers in respect of Skills Development Levy

➤ *Refer to Source Document available to you*

Article: Tax Treatment of losses incurred during lockdown

- Individuals and business who incur expenditure or losses as a result of the COVID-19 pandemic, must ensure that they meet the relevant requirements to claim such expenditure or loss incurred as a deduction for income tax purposes.
- This publication takes a look at this effect that the national lockdown may have on expenditure or losses incurred by individuals and businesses. It also looks at the tax consequences that may arise as a result of employers providing their employees with personal protective equipment. To this end 2 scenarios are considered.
- • Scenario 1: Tax treatment of losses incurred during lockdown
- • Scenario 2: the provision of personal protective equipment

➤ *Refer to CDH 9-page Source Document available to you*

EMPLOYMENT LAW UPDATE

Employment Law Update

The following items are dealt with here:

1. Refusal to Work by Employee
2. What about my holiday leave in SA after the lockdown?

Refusal to Work

Refusal to Work by Employee

- The Department of Employment and Labour issued amended regulations in respect of OHS requirements and return to work policies that employers, who are permitted to operate under Alert Level 3, must adhere to.
- Among these regulations is a directive that an employee may refuse to perform any work, including attending work, where “with reasonable justification”, it appears to the employee that performing such work will pose a serious or imminent risk of exposure to Covid-19.
- Although a no-work-no-pay policy will apply, the employer may not take any disciplinary action against such an employee for exercising this right.

➤ *Refer to Webinar material for links available to you*

What about my holiday leave in SA after the lockdown?

- Because annual leave has been cancelled during lockdown, companies are faced with the challenge of accumulated unused leave which presents a financial risk
- Often, employers allow employees to accumulate leave in excess of the statutory leave of 15/21 days during an annual leave cycle
- Unused leave that is carried over can create financial issues for a business too, because accrued leave pay is registered in a company's accounts as a liability
- **Some FAQs about employee leave & COVID-19 are included at the end of the article**

➤ *Refer to Webinar material for detailed article*

OTHER LAWS & REGULATIONS

Other Laws & Regulations

The following items are dealt with here:

1. SAICA Legal Update Volume 15 Issue 12
2. POPIA is effective from 1 July 2020
3. Deadline for Mandatory Grant extended again to 31 July 2020
4. Subordinated debt in business rescue

- ❑ Covers new relevant National laws up to 13 July 2020.

The Big 5 in issue 12 include:

1. The Disaster Management Act: Regulations and directions;
2. The Disaster Management Tax Relief Administration Bill;
3. The Electronic Communications and Transactions Act: 30 June 2021 amendments;
4. The Promotion of Access to Information Act: 30 June 2021 amendments; and
5. The Protection of Personal Information Act: Commencement dates

- *This SAIKA Legal Update document is available to you as a Source Document, and contains all the relevant summaries and one-liner reminders*

POPIA is effective!

POPIA = Protection of Personal Information Act

- Imposes substantive obligations on businesses (including employers) regarding the processing of personal information. It is also important that their employees are equally aware of, and comply with these obligations when processing any such information on behalf of the employer.
- Even though employers will have 12 months, until 30 June 2021, to ensure that such measures are in place, the time to act is now, and all organisations need to become compliant as soon as possible.
- **Effective date = 1 July 2020**
- **Separate webinar on this topic was hosted by Lettie on 9 & 23 July 2020**
- **Webinar series starts on 6 August 2020 – monthly until June 2021**

Mandatory Grant

Deadline for Mandatory Grant extended again to 31 July 2020

- The Department of Higher Education and Training has extended the deadline for applications for mandatory grants to the SETAs (Sector Education and Training Authorities).
 - FASSET originally extended their submission deadline until 31 May 2020.
 - Employers who wish to submit applications for mandatory grants for the 2020/2021 financial year, can still do so until 31 July 2020.
 - **The new deadline for Mandatory Grants is now 31 July 2020**
- *Refer to the gazette for more detail*

Subordinated debt in business rescue

- CDH article
- As society weathers the financial impact of the COVID-19 pandemic, the subordination of unsecured debts is one of the measures that companies and lenders alike are starting to consider in order to kickstart their businesses and avoid the inevitable financial distress of the company.
- However, such subordination does come with associated risks, especially should a debtor company be placed under business rescue proceedings (i.e. being unable to vote on a business rescue plan) and further being open to directors' liability

➤ *Full details have been included in the Webinar Material*

TAXATION UPDATE

Taxation Update

The following items are dealt with here:

- **Guides (new, updated & issued):**
 1. Guide to Manage Declaration for Non Registered VAT Vendors (Version 2)
 2. Guide for Tax Compliance Status on eFiling (Version 13)
 3. Updated Tax Relief FAQs for Employers
- **Interpretation Notes (updated & issued):**
 1. Draft IN – Vesting of income in a resident beneficiary by a non-resident trust: Interaction between section 25B(1) and section 7(8)
 2. IN 18 (Version 4) – Rebate and deduction for foreign taxes on income

Taxation Update *(continued)*

The following items are dealt with here *(continued)*:

- **Binding Rulings (Private/Class/General) issued:**
 1. BPR 344 - Transfer of listed financial instruments to collective investment schemes in exchange for participatory interests
 2. BPR 345 - Asset-for-share transactions followed by an unbundling transaction and a sale of shares to a third party
 3. BGR 53 - Rules for the taxation of interest payable by SARS under section 7E
 4. BGR 54 - Unbundling of unlisted company: Impact of non-qualifying shareholders
 5. BCR 070 - Recipients of shares in an “unbundled” company

Taxation Update *(continued)*

The following items are dealt with here *(continued)*:

- **Notices and other publications issued:**

1. Tax Exempt Organisations - Submission of IT12EI
2. Updated Tables A and B of the Average Exchange Rates
3. Request your Tax Number
4. Supplementary Budget Review
5. Deduction of donations made by employees to Solidarity fund

Tax Court cases:

3 published during the period

High Court cases:

3 published during the period

Guide to Manage Declaration

Guide to Manage Declaration for Non Registered VAT Vendors (Version 2)

- Date published = 29 May 2020
- *6-page document*
- The purpose of this document is to guide a person, who is not a registered VAT vendor, on
- the documentation and payment of VAT on imported services and where the person is the
- seller of goods that is sold in satisfaction of envisaged debt.

➤ *The Guide is available to you as a Source Document*

Tax Compliance Status

Guide for Tax Compliance Status on eFiling (Version 13)

- Published on 12 June 2020
- *62-page document*
- This guide is designed to assist taxpayers on how to use the TCS functionality on eFiling to obtain a security PIN. Plus, the guide explains the functionality available to the third party to verify the tax compliance status of a taxpayer from whom it received the PIN
- updated to include:
 - My Compliance Profile enhancement to display PAYE, UIF SDL separately; and
 - Updates to the supporting documents annexure for Emigration

➤ *The Guide is available to you as a Source Document*

Updated Tax Relief FAQs

Updated Tax Relief FAQs for Employers

- Updated on SARS webpage
- <https://www.sars.gov.za/TaxTypes/PAYE/Pages/FAQs%20Employers--Tax-Relief.aspx>
- Questions 21, 22 & 26 inserted
- Now 33 FAQs in total

➤ *The Link is also available to you in the Webinar Material*

Vesting of income in a resident beneficiary by a non-resident trust: Interaction between section 25B(1) and section 7(8)

- This Note provides clarity on the interpretation and application of the words "subject to the provisions of section 7" in section 25B(1) and, more specifically, whether section 7(8) or section 25B(1) applies when income received by or accrued to a non-resident trust by reason of or in consequence of a donation, settlement or other disposition by a resident, is vested in a resident beneficiary by the trustees of the non-resident trust.

➤ *The Draft Interpretation Note is available to you as a Source Document*

Interpretation Note 18 (Version 4) – Rebate and deduction for foreign taxes on income

- Issue 4
- Date published = 24 June 2020
- *127-page document*
- Purpose = This Note explains the scope, interpretation and application of section 6quat which provides for a rebate or deduction for foreign taxes on income
- Deals with Section 6quat

➤ *The Interpretation Note is available to you as a Source Document*

BPR 344 - Transfer of listed financial instruments to collective investment schemes in exchange for participatory interests

- Date issued = 4 June 2020
- *3-page document*
- Deals with Section 42 and related paragraphs of the 8th Schedule
- This ruling determines tax consequences of a transfer of listed financial instruments to collective investment schemes in exchange for participatory interests in those schemes

➤ *The BPR is available to you as a Source Document*

BPR 345 - Asset-for-share transactions followed by an unbundling transaction and a sale of shares to a third party

- Date issued = 30 June 2020
- *6-page document*
- Deals with Sections 24BA, 42 and 46 of the Act, and some of the STT Act
- This ruling determines the tax relief for the parties involved in an internal restructuring involving corporate rules (section 42) followed by an unbundling (section 46) and a sale of shares to a third party

➤ *The BPR is available to you as a Source Document*

BGR 53 - Rules for the taxation of interest payable by SARS under section 7E

- Date issued = 22 June 2020
- *3-page document*
- This BGR sets out the rules to avoid double taxation when –
 - a deemed accrual of interest occurs under section 7E on or after 1 March 2018; and
 - before that date either the whole or a part of that interest was included in the taxpayer's gross income on the accrual basis

➤ *The BGR is available to you as a Source Document*

BGR 54 - Unbundling of unlisted company: Impact of non-qualifying shareholders

- Date issued = 22 June 2020
- *4-page document*
- This BGR provides clarity on what constitutes an unbundling transaction when an unbundling company having non-qualifying shareholders unbundles shares in an unlisted unbundled company

➤ *The BGR is available to you as a Source Document*

BCR 070 - Recipients of shares in an “unbundled” company

- Date issued = 30 June 2020
 - *4-page document*
 - This ruling determines tax consequences for the recipients of listed shares in a company, following an unbundling transaction of that company's shares by its listed holding company
- *The BCR is available to you as a Source Document*

Draft BGR

Name

- Date issued = xx MONTH 2020
 - *xx-page document*
 - Deals with Section xx
 - The draft BGR provides clarity on INFO
 - INFO
 - Due date for comments was xx MONTH 2020
- *The Draft BGR is available to you as a Source Document*

Tax Exempt Organisations - Submission of IT12EI

- The paragraph explaining submission of Income Tax Returns for Public Benefit Organisation has been updated
- Exempt organisations must annually submit an IT12EI income tax return in the following manner:
 - Through eFiling if you are a registered eFiler;
 - By visiting your local SARS Branch, on appointment; or
 - By making an appointment to visit the Tax Exemption Unit (TEU) office
- Note: The return for companies must be completed and submitted within 12 months of the financial year end of the exempt organisation, but the returns for trusts or other entities must be completed and submitted annually by the due dates announced by SARS.

Updated Tables A and B

Updated Tables A and B of the Average Exchange Rates

- Date published = 9 June 2020
 - *Table A + Table B + Example*
 - ❑ The next update can be expected in September 2020.
- *The publication is available to you as a Source Document*

Other Notices

Request your Tax Number

- Have you forgotten your tax reference number? If yes, you can now request it via this SARS website through our Send us a query online form.

Supplementary Budget Review

- Supplementary Budget speech by the Minister of Finance - 24 June 2020
- Supplementary Budget Review Bills:
 - Disaster Management Tax Relief
 - Disaster Management Tax Relief Administration
 - For more info, see the National Budget webpage

➤ *Full details have been included in the Webinar Material*

Deduction of donations made by employees to Solidarity fund

- In order to encourage donations to the Solidarity fund by employees through employers, the maximum monthly deduction of 5% has been increased.
 - An additional limit of up to a maximum of 33, 3% for three months or 16, 66% for six months depending on the employee's circumstances, is available.
 - This amendment is effective from 1 April 2020 until 30 September 2020
 - *See the updated Guide for Employers iro Employees Tax for 2021*
- *Full details have been included in the Webinar Material*

Court Cases

- **Tax Court cases:**
3 published during the period
 - **High Court cases:**
3 published during the period
- *Details are available in the Webinar Material, with links to the case files*

REGULATOR NEWS

The following items are dealt with here:

- **SAICA press releases & other publications:**
 1. SAICA defers mandatory effective date of Circular1/2019
 2. Article on Modification to the audit opinion explained
 3. SMP Quarterly Newsletter
- **Competition Tribunal:**
 - Competition Tribunal confirms fines for COVID-19 price increases
- **Companies Tribunal:**
 - 2 Decisions reached on cases heard (1 Name disputes, 1 AGM)
 - Article: Inability to hold AGM during Lockdown

Regulator News *(continued)*

- **FIC Advisory & Guidance:**
 1. Proposed amendments to Schedules 1, 2 and 3 to the FIC Act
- **LPC:**
 1. Legal Practice Council (LPC) Advisory: Retention period for documents and place of retention
- **LPFF:**
 1. Payment of Unclaimed and Unknown trust monies in accordance with Section 87(4) of the Legal Practice Act
- **EAAB:**
 1. EAAB provides guidelines to estate agents on how to conduct business during COVID19
 2. EAAB Waives Penalties for Late Audit Submissions

Regulator News *(continued)*

- **CSOS:**
 1. CSOS FAQ
- **Tax Ombud:**
 1. Newsletter: Fair Play Issue 16
 2. Report on the investigation on systemic issues conducted against SARS
- **FSCA publications & press releases:**
 1. Final amendments published under the FAIS Act
 2. 3 Licenses withdrawn/suspended
 - 7 Warnings issued to the public against fraudulent FSPs
- **SARS media releases:**
 1. SARS will start issuing auto-assessments from 1 Aug 2020

Companies Tribunal: Cases

MAY & JUNE 2020: **2** Cases

re **1** Name dispute, **1** AGM, **0** Exemptions from SEC, **0** Directorship dispute, **0** Reviews

The following information is provided in a summary table:

- Case number
- Main Party/ies (applicant)
- Case type
- Decision Status
- Date of Decision
- Short description of the case

➤ *A **summary table** is provided in the Monthly Webinar Material with links to the Case file documents – already downloaded for your convenience*

GENERAL ANNOUNCEMENTS & NEWSY ARTICLES

Nothing New this month

QUESTIONS?



Formal Q&A Session

We will now take a **quick comfort break** before we discuss some questions received during the webinar.

Remember: A Q&A summary will also be uploaded to your profile

If you would like to e-mail a question please use:

technicalquestions@accountingacademy.co.za

E-mail general comments to info@accountingacademy.co.za

**Thank you for your
participation!**

SAA | ACCOUNTING ACADEMY

Your source for accounting knowledge