

MCLU

Monthly Compliance & Legislation Update

Presenter: **Lettie Janse van Vuuren CA(SA)**

22 JANUARY 2021



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

This webinar covers changes during the month of December 2020

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.



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Disclaimer

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WHAT'S ON THE AGENDA?



Table of Contents



Accounting Update	:	2 items
Auditing Update	:	4 items
Company Secretarial Update	:	0 items
COVID-19 Update	:	5 items
Employment Law Update	:	4 items
Other Laws & Regulations Update	:	7 items
Taxation Update	:	17 items + 3 court cases
Regulator News	:	17 items
General Announcements	:	2 items

Quotes

What the new year brings to you will depend a great deal on what you bring to the year.

- Vern McLellan

*Resolutions require only words,
Results take action!*

- Tony Robbins

ACCOUNTING UPDATE



Accounting Update

The following items are dealt with here:

1. IFRS Monthly News Summary
 - *nothing really new or important*
2. FAQ on accounting for subsequent expenditure on biological assets
 - This FAQ highlights the accounting treatment for subsequent expenditure on biological assets, measured at fair value less costs to sell within the scope of IFRS

AUDITING UPDATE



Auditing Update

The following items are dealt with here:

Standards:

1. Updated SAAPS 3 (Revised May 2019) - Illustrative Reports
 - ❑ [Effective as of 16 November 2020](#)
 - ❑ 189 pages: Updated in May 2020 for Conforming Amendments to the IAASB's International Standards as a Result of the Revisions to the IESBA Code
2. Audits of Investment Properties and/or Property Companies
 - *Webinar to be presented by Lettie: ± March 2021*

Legal/Ethics:

1. IRBA expresses disappointment at soft sanction against Deloitte auditor

Other:

1. SAICA issued Medical Schemes Accounting Guide ([for the year ended 31 December 2020](#))

COMPANY SECRETARIAL UPDATE



Companies and Intellectual
Property Commission

a member of **the dti** group

Company Secretarial Update

The following items are dealt with here:

- 1. The only notices issued from 1 December 2020 to date, relate to scheduled maintenance on certain CIPC systems and office/service centres closure*
- 2. Remember that CIPC Service Centres will be closed until 29 January 2021**
3. However, all services remain available through the online channels, i.e. E-Services (<https://eservices.co.za>); New e-services (<https://eservices.co.za>); Bizportal (<https://bizportal.gov.za>)

COVID-19 UPDATE



COVID-19 Update

The following items are dealt with here:

Practical guidance / New Announcements:

1. [An Employer's Guide to the Adjusted Level 3 Regulations](#)
2. [Summary of Level 3 Regulations \(as of 29 December 2020\)](#)
3. Latest on the impact of COVID-19 on SARS
[① https://www.sars.gov.za/Media/Pages/CoronaVirus.aspx](https://www.sars.gov.za/Media/Pages/CoronaVirus.aspx)
4. FAQs – Tax relief
[① https://www.sars.gov.za/Media/Pages/FAQs---Tax-Relief.aspx](https://www.sars.gov.za/Media/Pages/FAQs---Tax-Relief.aspx)

COVID-19 Update *(continued)*

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

5. Useful links

- ① [Tax relief measures only for COVID-19](#)
- ① [Customs relief measures only for COVID-19](#)
- ① [Apply for Small Business Relief through the Department of Small Business Development](#)
- ① [Apply for UIF through the Department of Employment and Labour](#)
- ① [List of Customs borders, ports and offices temporarily closed](#)
- ① [List of Tax offices temporarily closed](#)

EMPLOYMENT LAW UPDATE



Employment Law Update

The following items are dealt with here:

1. Banking on a resignation with immediate effect? Don't count on it!
 - [The issue is now settled: Resignation with immediate effect cannot be used as a mechanism to escape disciplinary action](#)
2. Can South African employers impose mandatory COVID-19 vaccination policies as a pre-requisite to return to work or as a precondition for employment?
3. Compliance with the retrenchment process in South Africa's second wave of Covid-19
4. Public holidays for 2021: How to turn 15 work days into '40 leave days'
 - <https://www.thesouthafrican.com/lifestyle/when-are-public-holidays-2021-calendar-what-leave-dates-best-to-book-off/>

OTHER LAWS & REGULATIONS



Other Laws & Regulations

The following items are dealt with here:

1. SAICA Legal Update **Volume 15 Issue 20** – *up to 7 December 2020*
 - *Already included in Dec 2020 MCLU*
2. “Add to cart”: Doing business in a Covid-19 world – Concluding contracts online
 - *Webinar to be presented by Lettie: ± March 2021*
3. Big changes for drivers planned for South Africa in 2021 – including alcohol limits, new number plates and licenses
 - *National Road Traffic Amendment Bill is out for public comments – due by 20 January 2021*
4. Publications out for Comments:
 - 2020 National List of Occupations in High Demand (OIHD) published
 - Employment Equity Amendment Bill (B14-2020) released for comment
 - Proposal to increase national minimum wage out for comment

COIDA Update

The following items are dealt with here:

1. COID Amendment Bill (B20-2020) released for comment
 - Public comments due by 19 February 2021
 - Proposal to remove exclusion of domestic workers from the definition of employee
2. COIDA Amendment Bill: A changing work order - employers beware of administrative fines
 - harsher penalties to be levied upon employers regarding unlawful conduct in connection with workers' compensation
 - In light of an over-crowded court roll, employers will no longer face criminal sanctions by a court of law. *These sanctions will instead be replaced with more extreme penalties*, which can be objected against and appealed to the Compensation Fund, and subsequently then to the courts should they wish to persist

TAXATION UPDATE



Taxation Update

The following items are dealt with here:

Guides (new, updated & issued):

1. VAT 409 (Issue 6) – Guide for Fixed Property and Construction for Vendors
 - The updated guide deals primarily with vendors that are involved in transactions concerning the development, construction and selling of fixed property
2. Customs: Frequently Asked Questions (FAQs) on AfCFTA African Continental Free Trade Area (AfCFTA) Implementation FAQs
3. Guide on the Declaration of Dividends Tax via eFiling (Version 8)
 - updated with the HTML DTR02 form
4. Guide for Transfer Duty via eFiling (Version 15)
 - updated with the changes including the new eFiling redesigned payment screens
5. Guide to the SARS Online Query System (Version 2)
 - updated the guide with Request to be updated as the Registered Representative query

Taxation Update *(continued)*

- **Interpretation Notes issued:**
 - IN 68 – Provisions of the Tax Administration Act, 2011, that did not commence on 1 October 2012 under Proclamation No. 51 (GG 35687)
 - Draft IN 91 (Issue 2) – Concession or compromise of a debt
 - Due date for public comment: 5 February 2021
- **Binding Rulings (Private/Class/General) issued:**
 - None
- **Enhancements issued:**
 - CIT (Corporate Income Tax)
 - VAT
 - Transfer Duty
 - Dividends Tax
 - PIT (Personal Income Tax)
 - Trusts (ITR12)

Taxation Update *(continued)*

- **Notices and other publications issued:**
 1. Updated Venture Capital Companies (VCC) list with 2 new companies
 2. Updated Tables A and B of the Average Exchange Rates
 - [next update can be expected in March 2021](#)
 3. Trade Testing and Go-live date
 4. Updated PAYE BRS Employer Reconciliation version 19.5
 5. The Send us a Query functionality has been further enhanced
 6. Information from SARS re extension of lock-down period
 7. Numerous amendments were made i.r.o. the Customs & Excise Act, 1964 during December 2020:
 - ○ [Refer to the SARS website for further detail](#)

Taxation Update *(continued)*

- **SARS Scams**

1. Courier related scam
2. Taxpayers must not be duped by criminals posing as tax practitioners/payroll companies

Court cases published during the period:

- 0 Tax Court case
- 1 High Court case
 - [CSARS v Zikhulise Cleaning Maintenance and Transport CC, Mpisane v Zikhulise Cleaning Maintenance and Transport CC and Another](#)
- 1 Constitutional Court case
 - [Public Protector v CSARS and Others](#) *(refer to Media Summary)*
- 1 SCA case
 - [Consol Glass \(Pty\) Ltd v CSARS](#)

REGULATOR NEWS



Regulator News

The following items are dealt with here:

- **IRBA press releases & other publications:**
 - IRBA News #52 – *October to December 2020*

- **SAICA press releases & other publications:**
 1. SAICA's Communication: JSE Listings Requirements: Section 3.84(k) - The auditor's perspective
 2. SAICA SMP quarterly newsletter
 3. SAICA Training Office update – specific focus on NEW Training Regulations effective 1 January 2021
 - *Webinar to be presented by Lettie: 29 January 2021*

Regulator News *(continued)*

- **Companies Tribunal:**

- 5 Decisions reached on cases heard

(1 Name dispute, 1 Exemption, 3 AGM, 0 Directorship disputes, 0 Review)

- **Competition Commission:**

- Automotive Guidelines issued

- **IFAC:**

- Anti-Money Laundering – The Basics

➤ *Webinar Series to be presented by Lettie: starting in March 2021*

Regulator News *(continued)*

- **FSCA publications & press releases:**
 1. FSCA request for information from insurers
 2. Declaration of crypto assets as a financial product
 3. Guidance on the lapsing of licences
 4. Cheques will no longer be used in the national payment system
 5. Fintech innovation in South Africa in the era of data security and protection
 6. FSCA publishes research insights on Open Finance
 7. FSCA's investigation on Mirror Trading International nears completion
 8. Contingent Business Interruption Insurance Cover
- *0 Warnings issued to the public against fraudulent FSPs*

Regulator News *(continued)*

- **LPC:**

- Legal Practice Council welcomes the appointment of Legal Services Ombud

- **SARS:**

1. Tax Practitioner Connect Issue 20

Refer to Taxation Update for other SARS Media releases issued

GENERAL ANNOUNCEMENTS & NEWSY ARTICLES



Media articles: WhatsApp

The 6 big changes coming to the instant messaging application in 2021

1. Internal announcements on WhatsApp and new terms of use
2. Holiday mode
3. Purchases directly from the app
4. Calls and video calls – Desktop version
5. Choice of many devices
6. Self-destruction of certain visual content

WhatsApp, a misconceived menace to society?

- Privacy policy update relates to how it processes the data of users, how businesses can utilise Facebook services to store their (business) chats and who partners with Facebook to offer integration across all Facebook products
- Concerns re personal data/information being misused is increasing. Telegram users are also increasing by the minute!
- **Hot off the press:** *WhatsApp have delayed the effective date of their new T&Cs until 15 May 2020*

QUESTIONS



Formal Q&A Session

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

- Please use the chat sidebar to the right of the video / presentation on the screen to ask your questions.

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



for your participation!