

MCLU

Monthly Compliance & Legislation Update

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

24 MAY 2021



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

This webinar covers changes during the month of April 2021

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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WHAT'S ON THE AGENDA?



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Quotes

Everybody gets so much information all day long that they lose their common sense

- Gertrude Stein



ACCOUNTING UPDATE



ACCOUNTING

Accounting Update

The following items are dealt with here:

1. IFRS Monthly News Summary

nothing really new or important, except 1 item

- ***IASB amendments setting out accounting for when no proposes foreign exchange rate exists***
- *The International Accounting Standards Board (IASB) has published for public consultation proposed amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The proposed amendments aim to help companies determine whether a currency can be exchanged into another currency, and what accounting to apply if the currency cannot be exchanged.*
- *The deadline for comments is 1 September 2021*

Accounting Update *(continued)*

The following items were Issued by the Office of the Accounting-General in the Department of National Treasury:

1. GRAP Accounting and Disclosure Checklist 2021

- Published annually

2. Summary of GRAP Standards 31 March 2021

- Effective from 1 April 2020

3. 2 Updated Accounting Guidelines on GRAP *TSV available*

- GRAP 13 – Leases
- GRAP 20 – Related Party Disclosures
- Effective from 1 April 2020

4. Modified Cash Standard 2021_2022

- Effective from 1 April 2021

➤ *Refer to Source Documents for each of the above*

Accounting Update *(continued)*

Accounting issues:

➤ *Refer to Source Document available for each item below*

1. Accounting for subsequent expenditure on biological assets

- Access the FAQs highlighting the requirements applicable when accounting for subsequent expenditure under IFRS and IFRS for SMEs

2. IASB proposes a new approach that opens the way to better communication in the notes in financial statements

- seeking public comments on a new approach to developing disclosure requirements in IFRS Standards and new disclosure requirements for the Standards on fair value measurement (IFRS 13) and employee benefits (IFRS 19).
- These proposals would enable companies to enhance their judgement and reduce 'boilerplate' information, giving investors more useful information

Accounting Update *(continued)*

Accounting issues (continued):

3. IFRS Foundation publishes educational material to support companies in applying going concern requirements *TSV available*

- Companies preparing financial statements using IFRS Standards are required to assess their ability to continue as a going concern.
- Due to the COVID-19 pandemic, deciding whether the financial statements should be prepared on a going concern basis may involve a greater degree of judgement than usual. To support companies, the educational material brings together the requirements in IFRS Standards relevant for going concern assessments.

4. ASB issues letter to CFOs re New Accounting Requirements for 2020/2021

- Several new accounting requirements are effective for financial years commencing on or after 1 April 2020.
- The annexure to this letter includes a table which outlines the new or revised pronouncements applicable to entities

AUDITING UPDATE



Auditing Update

The following items are dealt with here:

Standards:

1. None

Legal/Ethics:

2. IESBA takes major step forward in strengthening Auditor Independence

➤ *Refer to Source Document*

- IESBA released revisions to the Non-Assurance Services (NAS) and fee-related provisions of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code).
- This strengthens guards around auditor independence in 2 important areas that have the potential to create incentives influencing auditor behaviour—non-assurance services provided to audit clients and fees

Auditing Update *(continued)*

Guidance:

3. Circular 1/2021 – Guideline on Fees for Audits performed by private firms on behalf of the Auditor-General of South Africa (AGSA)

➤ *Refer to Source Document*

- Issued by SAICA

- approved charge out rates from 1 April 2021 to 31 March 2022

4. Guide for Registered Auditors: Guidance on Performing Audits where the AGSA has Opted not to Perform the Audit (Revised March 2021)

➤ *Refer to 21-page Source Document*

- effective from 6 April 2021

COMPANY SECRETARIAL UPDATE



Companies and Intellectual
Property Commission

a member of **the dti** group

Company Secretarial Update

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

The following items are dealt with here:

1. Notice 20 of 2021: Amended Notice in Respect of Issuing Patent Certificates

- *Notice regarding issuing of patent certificate that has DNA Sequence Listing in the Patent Journal of November 2015.*
- *However, the current Schedule 5 certificate as previously published does not cover all relevant sequence listings.*
- *This is a Notice to amend Schedule 5 to include amino acids and nucleotide acids sequence listings.*

COVID-19 UPDATE



COVID-19 Update

The following items are dealt with here:

Practical guidance / New Announcements:

1. Updated: An employer's guide to mandatory workplace vaccination policies

➤ *Refer to Source Document*

- In light of the vaccine roll-out, the CDH Employment Law team has updated its vaccination guidelines, which is a useful tool
- *This guide assists employers in navigating the abovementioned considerations and aims to provide direction in determining under what circumstances a mandatory vaccination policy should to be implemented.*
- *While mandatory vaccinations may not be immediately applicable in light of the availability of the vaccine, it is useful for employers to begin considering its workplace policies in this regard and to commence educating and communicating with its employees about the subject*

EMPLOYMENT LAW UPDATE



Employment Law Update

The following items are dealt with here:

1. TERS Guidelines (amended)

- The Department of labour has released amended guidelines on how to apply for Temporary Employer / Employee Relief Scheme (TERS) payment
- *Refer to Source Document*

2. Employment Strike Guideline

- CDH's Employment Law team has issued updates to its Strike Guidelines in line with recent judgments on ultimatums
- *Refer to Source Document*

Employment Law *(continued)*

3. Fired for coming to work with COVID

- <https://www.bizcommunity.com/Article/196/548/215495.html>
- **Is it fair to dismiss an employee who came to work, knowing that he was exposed to Covid-19?**
- Absolutely, said the Labour Court in a recent judgment (Eskort Limited v Stuurman Mogotsi and others).
- The court was not only critical of employees who act with scant regard for the health and safety of their colleagues and customers, but also cautioned employers to act more decisively in ensuring the health and safety of their staff

4. Can staff be dismissed for disregarding Covid-19 protocol after hours?

- <https://www.bizcommunity.com/Article/196/548/214227.html>
- Employers are within their rights to discipline employees who flout Covid-19 regulations outside of work, which could even result in dismissals...

OTHER LAWS & REGULATIONS



Other Laws & Regulations

The following items are dealt with here:

1. SAICA Legal Update **Volume 15 Issues 7 & 8** – *up to 7 May 2021*

➤ ***Refer to Source Documents for detail*** **The Big 5 in each issue:**

- 1) The Disaster Management Act (Regulations and directions);
- 2) The Gas Act (Amendment Bill);
- 3) The Medical Schemes Act (Undesirable practices);
- 4) The Preservation and Development of Agricultural Land Bill; and
- 5) The Special Investigating Units and Special Tribunals Act (Investigations)
- 6) The Auditing Profession Act (Amendment Act);
- 7) The Legal Practice Act (Draft conduct rules);
- 8) The National Environmental Management Waste Act (Extended producer responsibility);
- 9) The Promotion of Access to Information Act (POPIA); and
- 10) The Special Investigating Units and Special Tribunals Act (Investigations)

Other Laws & Regulations

(continued)

2. Complimentary POPIA Compliance Checklist

- *Refer to Source Document*
- CDH has developed a useful checklist to guide and assist clients to navigate the often complex terrain of implementing the compliance requirements of the Protection of Personal Information Act 4 of 2013 (POPIA) in their business operations and practices.
- This useful checklist is a valuable tool to assist clients to ensure that they are able to tick off compliance with all of the most important POPIA requirements in time for the implementation deadline of 1 July 2021

3. Proposed draft Regulations relating to the Promotion of Access to Information

- *Refer to Source Documents – Draft Regulations + Gazette Notice*
- The comments on the draft Regulations had to be submitted on or before 17 May 2021

Other Laws & Regulations

(continued)

COIDA Update:

1. Domestic workers' compensation: Here's how much employers are required to pay per year

➤ *Refer to Source Document*

- Sets out some important aspects and example of how to calculate the amount due

TAXATION UPDATE



Taxation Update

➤ *Each item is available to you as a Source Document*

- **Guides (1 new, 12 updated & issued):**

1. VAT Section 72 Decisions Process Reference Guide
 - It sets out the steps to be followed when applying for a section 72 decision (section 72 application) and explains certain terms
2. Guide for Transfer Duty via eFiling
 - Updated: The Transfer Duty (TDC01) form was converted
3. Guide on how to download the new SARS eFiling browser
 - Updated: Latest on the SARS eFiling browser
4. Guide on how to activate, submit and declare the IT3 via eFiling
 - Updated: Financial Declaration (IT3-02) form converted from Adobe to HTML
5. Completion guide for IRP3(a) & IRP3(s) forms
 - Updated: Enhancements to the Tax Directive Application forms
6. Guide to the SARS MobiApp
 - Updated: Enhancements to the SARS MobiApp

Taxation Update (*continued*)

- **Guides updated and issued (continued):**
 7. Guide on how to register for eFiling and manage your user profile
 - Updated: Enhancements to the Managing of Tax Types
 8. Guide to the Tax Directive functionality on eFiling
 - Updated: Enhancements to Tax Directive functionality
 9. Guide on the Payment Advice Notice functionality on eFiling
 - Updated: Enhancements to Payments on eFiling
 10. Guide to bulk and additional payments on eFiling
 - Updated: Enhancements to bulk and additional payments on eFiling
 11. Guide on how to complete, submit and cancel a recognition of transfer
 - Updated: Changes to the transfer between Funds and preservation funds
 12. Guide on how to submit your Individual Income tax return via eFiling
 - Updated: Cancellation of Payments on eFiling
 13. Guide on Tax Directive for emigration, cease to be resident and expiry of visas
 - Updated: Annuitisation on benefits on retirement

Taxation Update *(continued)*

- **Interpretation Notes issued :**
 1. Interpretation Note 115 – Withholding tax on interest
 2. Interpretation Note 116 – Withholding tax on royalties
- **Binding Rulings (Private/Class/General) issued:**
 - Binding General Ruling (BGR) 56 – Application for a decision under section 72
- **Notices and other publications issued:**
 1. Tax Administration Act, 2011: Public notice 299, published in Government Gazette 44383 of 1 April 2021
 2. Useful information on the tax obligations relating to Small, Micro, and Medium Enterprises (SMMEs)
 3. Corporate Income Tax (CIT) Audit Letters
 4. Numerous changes relating to Customs & Excise - <https://www.sars.gov.za/whats-new-at-sars/>

Taxation Update *(continued)*

- **SARS Scams**

1. Payment Notice scam
2. Letter of Demand scam

Court cases:

0 Tax Court, 0 High Court cases & 1 SCA case published during the period
[CSARS v Levi Strauss SA \(Pty\) Ltd \(509/2019\) \[2021\] ZASCA 32 \(7 April 2021\)](#)

- Customs & Excise Act, 1964
- Whether goods consigned directly from one member state to another member state, whether qualifying for favourable rate of duty in terms of Protocol, whether commission on purchases through a related company constituted buyer's commission, and whether royalties due directly or indirectly as a condition of sale of the goods for export to South Africa

REGULATOR NEWS



Regulator News

The following items are dealt with here:

- **SAICA press releases & other publications:**
 1. Headline Earnings Circular revised and issued by SAICA
 2. Updated Code of Professional Conduct – *summarised in April ASA*
 3. The impact of technology on the audit product
- **IRBA press releases & other publications:**
 - None
- **Companies Tribunal:**
 - Companies Tribunal Bulletin *Volume 4 – Jan to Mar 2021*
 - 7 Decisions reached on cases heard
<https://www.companiestribunal.org.za/decisions-orders/>
(5 Name disputes, 0 Exemptions, 2 AGM, 0 Directorship disputes)

Regulator News *(continued)*

- **National Consumer Commission:**
 1. Up money fined R 1 million and declared a pyramid scheme
- **Information Regulator of SA:**
 1. POPIA: Code of Conduct for CBA
 2. POPIA: What's the latest on the online registration of Information Officers?
 3. Guidance Note on Information Officers and Deputy Information Officers
 4. Media Statement: Information Regulator to take further action regarding the WhatsApp Privacy Policy

➤ *Refer to Source Documents for each of the above items*

Regulator News *(continued)*

- **IFRS Foundation:**

1. IFRS Foundation introduces substantial update to its website

<https://www.ifrs.org/news-and-events/news/2021/04/ifrs-foundation-introduces-substantial-update-to-its-website/>

- **IESBA:**

1. eNews quarterly newsletter

<https://www.ifac.org/system/files/publications/files/IESBA-eNews-Q1-FINAL.pdf>

- **FSCA publications & press releases:**

<https://www.fsca.co.za/Pages/Media-Releases.aspx>

1. FSCA enters into an enforceable undertaking with Basfour and Ms. Jane Engelbrecht
2. FSCA issues 11 Warnings to the public *against fraudulent FSPs*

QUESTIONS



Formal Q&A Session

We will now take a **quick comfort break** before we 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.

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

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technicalquestions@accountingacademy.co.za

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



for your participation!