Monthly Tax Update: JUNE 2021

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The Tax Faculty

What we are covering this month

- 2021 filing season: Who must file a return and what are the deadlines?
- Tax case judgements
  - *CSARS v Tourvest Financial Services (Pty) Ltd* (SCA case)
  - *Clicks Retailers (Pty) Ltd v CSARS* (CC case)
- Latest from SARS
- Other Notices

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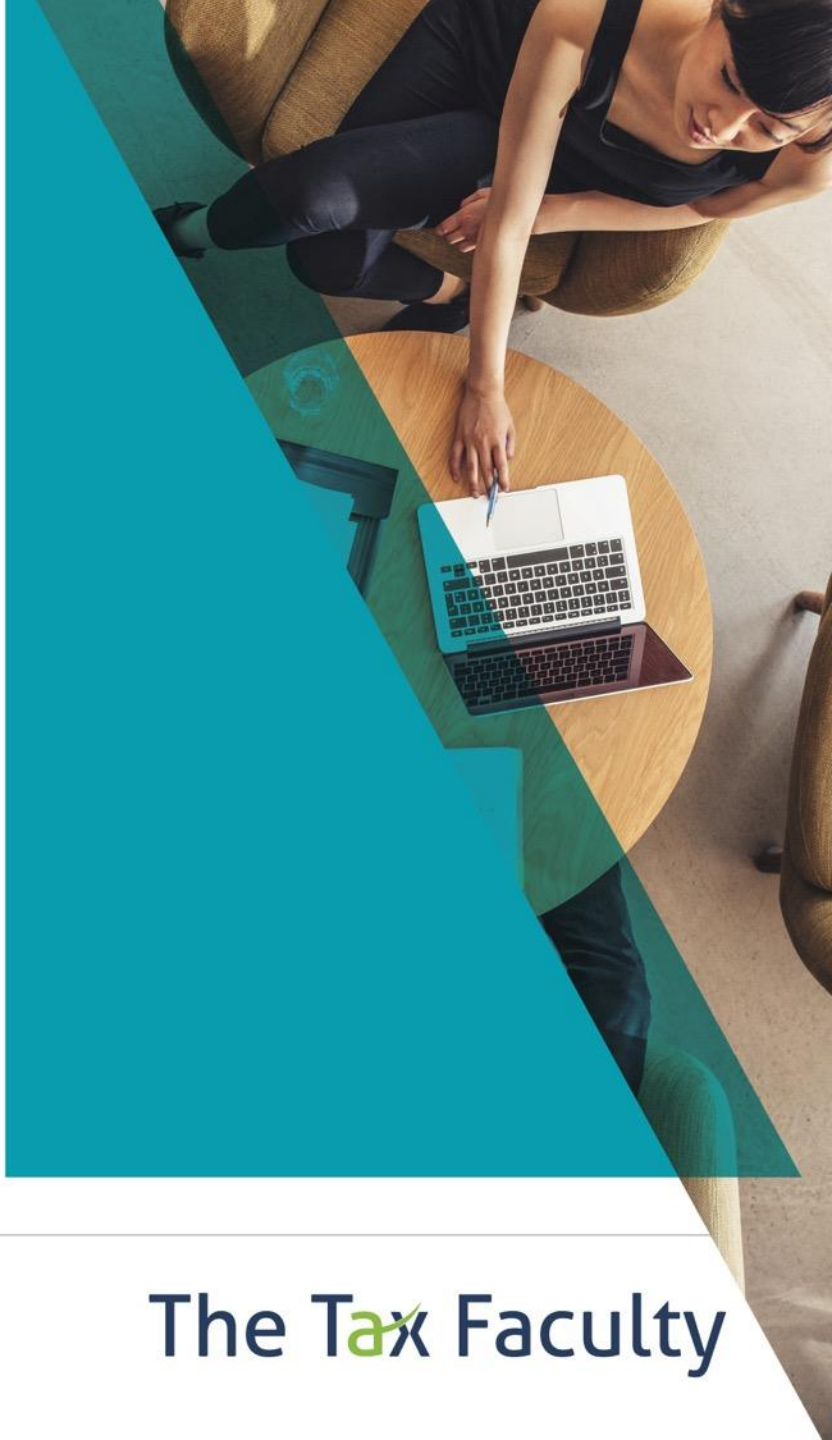
2021 filing season: Who must file a return and what are the deadlines?

Section 25 of the Tax Administration Act
Notice No. 671 published 14 May 2021



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Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Resident companies and other juristic persons with -
  - gross income of more than R1 000 for the 2021 year of assessment;
  - held assets with a cost of more than R1 000 or had liabilities of more than R1 000 at any time during the 2021 year of assessment ;
  - capital gain or capital loss of more than R1 000 from the disposal of an asset to which the Eighth Schedule of the Income Tax Act applies in the 2021 year of assessment; or
  - *any* taxable income an assessed loss or assessed capital loss

Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Non-resident companies and other juristic persons
  - carried on a trade through a permanent establishment in the Republic;
  - derived income from a source in the Republic; or
  - derived any capital gain or capital loss from the disposal of an asset to which the Eighth Schedule applies

- Every company incorporated, established or formed in the Republic, but not a resident as a result of the application of any DTA during the 2021 year of assessment

Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Any trust that was a resident during the 2021 year of assessment
- Non-resident trusts that -
  - carried on a trade through a permanent establishment in the Republic;
  - derived income from a source in the Republic; or
  - derived any capital gain/loss from the disposal of an asset to which the Eighth Schedule applies

Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Resident natural persons who during the 2021 year of assessment –
  - Carried on *any* trade (other than solely as an employee); or
  - Had capital gains or capital losses exceeding R40 000; or
  - Held any funds in foreign currency or owned any assets outside the Republic, if the total value of those funds and assets exceeded R250 000 (was R225 000) at any time during the 2021 year of assessment; or
  - Any income or capital gains from funds in foreign currency or assets outside the Republic was attributed in terms of *(s 7 or paras 68-72 of the Eighth Schedule of the)* Income Tax Act; or
  - Held any participation rights in a controlled foreign company, as referred to in s 72A of the Income Tax Act; or
  - Had gross income in excess of the tax threshold (R83 100/ R128 650/ R143 850) for the 2021 year of assessment, unless excluded under para 3.

Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Non-resident natural persons who
  - Carried on *any trade in the Republic* (other than solely as an employee); or
  - Had (*any*) capital gains or capital losses from the disposal of an asset to which the Eighth Schedule to the Income Tax Act applies; or
    - Had gross income *(SA source)* in excess of the tax threshold (R83 100/ R128 650/ R143 850) for the 2021 year of assessment, unless excluded under para 3; or
    - Gross income during the 2021 year of assessment included interest from a source in the Republic that is not exempt under s 10(1)(h) of the Income Tax Act.

Who has to submit a tax return?

Notice No. 671 published 14 May 2021

- Deceased estates
  - *(any)* gross income, unless excluded under para 3.

- Other
  - Every person that is issued an income tax return form or who is requested by the Commissioner in writing to furnish a return, irrespective of the amount of income or nature of receipts or accruals of the person;
  - Every representative taxpayer of any person referred to in subparagraphs (a) to (i) above.

Not required to submit a tax return

Para 3(1) exclusion

- A natural person or estate of a deceased person is not required to submit an income tax return if the gross income of the person for the 2021 year of assessment consisted **solely** of gross income in one or more of the following forms:

  (a) Remuneration paid or payable from one single source, which does not exceed R500 000 (no change) and employees' tax has been withheld in terms of the deduction tables prescribed by the Commissioner;

  (b) Interest (other than from a tax-free investment) from a SA source **not exceeding** the local interest exemption (R23 800/ R34 500/ R23 800 in the case of the estate of a deceased person);

  (c) Dividends IF the natural person was a non-resident throughout the 2021 year of assessment; and

  (d) Any amounts received or accrued from a tax-free investment.

Required to submit a tax return

Para 3(2)

BUT the para 3(1) exclusion does **not** apply to a natural person who

(a) received a s 8(1)(a)(i) *(subsistence/travel/public officer)* allowance other than

- an amount reimbursed or advanced under s 8(1)(a)(ii) or

- a purely reimbursive allowance as referred to in s 8(1)(b)(iii) *(not exceeding the SARS rate per km of R3,98 for 2020/21)*; or

(b) was granted a taxable benefit described in paragraph 7 of the Seventh Schedule to the Income Tax Act; or

(c) received any amount or to whom any amount accrued in respect of services rendered **outside the Republic**.

Auto-assessment exclusion

Para 3(3) exclusion

A natural person is not required to submit an income tax return if -

(a) notified by the Commissioner in writing that s/he is eligible for auto-assessment; and

(b) The person's gross income, exemptions, deductions and rebates reflected in SARS' records are complete and correct as at the date -

(i) of accepting automatic assessment; or

(ii) specified in paragraph 4(b)(i) or (ii) *(*23 November 2021 *)* if s/he does not respond to the notification by this date.

Note: (ii) results in an estimated assessment if the taxpayer does not respond timeously.

Filing deadlines

para 4

(a) any company: 12 after the end of the financial year

(b) all other persons (including natural persons, trusts and other juristic persons, such as institutions, boards or bodies) -

- **23 November 2021** if
  - (i) submitted manually or electronically through the assistance of a SARS official at a SARS office; or
  - (ii) non-provisional taxpayers submitting through SARS eFiling

(iii) **31 January 2022: provisional taxpayers** submitting through SARS eFiling

(iv) where accounts are accepted by the Commissioner in terms of s 66(13A) of the Income Tax Act in respect of the whole or portion of a taxpayer's income, which are drawn to a date after 29 February 2020 but on or before 30 September 2020: within 6 months from the date to which such accounts are drawn.

SARS website

11 June 2021 – Filing Season for Individuals will start 1 July 2021. To help you prepare for 2021 Filing Season, see our leaflet on 'Preparing for the 2021 Filing Season' https://www.sars.gov.za/wp-content/uploads/Docs/TaxSeason/2021/Preparing-for-the-2021-Filing-Season-YourTaxMatters-2021.pdf

If you are unsure whether you need to submit a return, complete our quick and easy 'Do you need to submit a return?' https://www.sars.gov.za/types-of-tax/personal-income-tax/do-you-need-to-submit-a-return/

Clicks Retailers (Pty) Limited v CSARS

[2021] ZACC 11 (21 May 2021)

Tax treatment of retail loyalty programmes that are common in South Africa; whether an allowance under s 24C of the Income Tax Act, 1962, is available to Clicks, a retailer which operates one such loyalty programme.

On appeal from the Supreme Court of Appeal (hearing an appeal from the High Court of South Africa, Western Cape Division, Cape Town), the following order is made:

1. Leave to appeal is granted.
2. The appeal is dismissed.
3. The applicant shall pay the respondent's costs, including the costs of two counsel.

CSARS v Clicks Retailers (Pty) Ltd

ZASCA 187 (3 December 2019)

Allowance for future expenditure (s 24C)

Claim for allowance in respect of cost of complying with terms of loyalty card programme; customer applying for issue of card; award of points on value of purchases; vouchers issued based on number of points accumulated; vouchers presentable as part payment for future purchases of goods; whether amount received from earlier sales used to finance future expenditure on same contract

Held: appeal upheld with costs including costs of two counsel

Clicks ClubCard programme:

- Participating customers receive loyalty points for shopping at Clicks that can be translated into cash back vouchers, which are not redeemable for cash, but may be off-set against the cost of Clicks merchandise, provided that the customer accumulates the requisite number of loyalty points within a qualification period.
- Membership is free of charge, but a customer must apply to become a member. A contract between Clicks and the customer comes into existence when the customer completes and submits the enrolment form (ClubCard contract). Upon acceptance of the customer's application, Clicks issues a ClubCard to the customer. The customer agrees to be bound by the terms and conditions of the ClubCard contract.
- To qualify for loyalty points at least R10 must be spent by the customer in a single purchase transaction at Clicks or one of its affinity partners. A customer then earns one loyalty point for every R5 spent. Affinity partners include Discovery, NetFlorist, Nu Metro, Specsavers, Sorbet, Avis, City Lodge and Thompsons Holidays, each of which has concluded an agreement with Clicks for the payment of commission relating to sales at those entities.

Clicks Retailers (Pty) Limited v CSARS

S 24C(2) (as it read in 2009)

"If the income of any taxpayer in any year of assessment includes or consists of an amount received by or accrued to them in terms of any contract

and [the Commissioner is satisfied that] such amount will be utilised in whole or in part to finance future expenditure which will be incurred by the taxpayer in the performance of their obligations under such contract,

there shall be deducted in the determination of the taxpayer's taxable income for such year such allowance (not exceeding the said amount) as the Commissioner may determine, in respect of so much of such expenditure as in their opinion relates to the said amount."

Clicks Retailers (Pty) Limited v CSARS

[10] Over the course of its dispute with SARS, Clicks' position on which contract generates income and which contract is the source of its obligation to finance expenditure has evolved.

In its response to the Commissioner's initial query sheet, Clicks claimed an allowance on the basis that the ClubCard contract imposes an obligation on it to finance expenditure and that the income accrued as a consequence of qualifying purchases is "a direct result" of the ClubCard contract.

In its subsequent objection to SARS's assessment, Clicks advanced a different argument, namely, that when a participating customer joins the loyalty programme, a "composite contract" comes into existence. This contract, which is "indivisible by nature", is constituted by the ClubCard contract and a contract of sale entered into by a member who presents her ClubCard at the time of the transaction.

The contract of sale is "a performance requirement" in terms of the ClubCard contract to the extent that if a customer does not conclude a sale contract, the loyalty programme is rendered a nullity. Accordingly, the contract of sale cannot be viewed as an independent contract for purposes of the loyalty programme.

Clicks thus contended that the requirements of s 24C(2) are met in that both the obligation to finance future expenditure and the accrual of the income is in terms of a single composite contract.

Clicks Retailers (Pty) Limited v CSARS

[11] The Commissioner disallowed Clicks' s 24C deduction for the 2009 tax year.

It took the view that a s 24C allowance can be claimed only where the Commissioner "*is satisfied that the income received or accrued in terms of a contract will be used to fully or partly finance the future expenditure which will be incurred as a result of performing under the same contract*".

The Commissioner maintained that s 24C only permits an allowance when the income and the obligation to finance future expenditure arise under the same contract and that in Clicks' case, the income and the obligation to finance future expenditure arise from different contracts.

Each transaction in terms of which a customer purchases goods at a Clicks store represents a separate contract, which is independent and distinguishable from the ClubCard contract. The obligation to finance future expenditure arises under the ClubCard contract whereas the income accrues to Clicks in terms of the contract of sale.

Clicks Retailers (Pty) Limited v CSARS

[14] … In *CSARS v Big G Restaurants* the SCA (2019 (3) SA 90) confirmed that s24C(2) does not envision different income-earning and obligation-imposing contracts.

The Court expressly rejected the notion that s 24C applies where two or more different contracts are "*inextricably linked*", reasoning that the Legislature had not used the term "scheme" or "transaction". Instead, the operative concept was "contract". It held that s 24C "required that the taxpayer incur the expenditure in the performance of its obligations in terms of the same contract as the contract under which it received income".

Clicks Retailers (Pty) Limited v CSARS

[21] In *Big G Restaurants (Pty) Ltd v CSARS,* [2020] ZACC 16, this Court accepted that it is a requirement of s 24C(2) that the contract in terms of which the income that is to finance future expenditure is received must be the same contract under which the obligation to finance future expenditure arises. However, it also held that two or more contracts may be so inextricably linked that they may satisfy this requirement of "sameness".

On the facts of that case, there was a lack of correlation between the income-producing sale of food contracts and the obligation imposing franchise agreements which meant that they did not meet the sameness required by s 24C.

Clicks Retailers (Pty) Limited v CSARS

[22] The crisp issue for determination in this matter is whether Clicks can claim an allowance under s 24C in respect of income it earns in terms of its loyalty programme.

Following this Court's decision in *Big G*, a s 24C allowance may be claimed either when the traditional same-contract requirement is met or when the income and the obligation to finance expenditure arise from two or more contracts that are so inextricably linked that they meet the requirement of "sameness".

Clicks Retailers (Pty) Limited v CSARS

[31] Distilled to its essence, s 24C(2) has three requirements.

There must be

(a) income earned by a taxpayer in terms of a contract (the income-producing contract);

(b) an obligation on the taxpayer under a contract that requires future expenditure, which will be financed by this income (the obligation-imposing contract); and

(c) contractual sameness. In the wake of *Big G*, this third requirement can be achieved either on a same contract basis (the income-producing contract and obligation-imposing contract are literally the same contract) or on a sameness basis (the income and obligation to finance expenditure are sourced in two or more contracts that are so inextricably linked that they meet the requirement of sameness).

Clicks contends that it can claim a s 24C allowance on either a same-contract basis or a sameness basis.

Clicks Retailers (Pty) Limited v CSARS

[38] … a ClubCard contract … entitles the customer to the discount and, if Clicks were to renege on its obligation to honour the redemption of points, the customer's cause of action would be based on the ClubCard contract. As I discuss in more detail below, the sale contract is closely linked to the ClubCard contract because (subject to sufficient points being earned) it triggers Clicks' obligation under the ClubCard contract.

(It was common cause between the parties that merely entering into the ClubCard contract does not trigger a member's entitlement to points. Only entering into a qualifying sale does.)

But while the obligation to honour a redemption of points and the earning of income may occur simultaneously, the obligation is sourced in the ClubCard contract, and the income accrues in terms of the sale contract.

For these reasons, Clicks cannot claim a s 24C allowance on a same contract basis.

Clicks Retailers (Pty) Limited v CSARS

[39] In *Big G* this Court expressly accepted the possibility that more than one contract may constitute the "same" contract for purposes of s 24C(2). It held:

"[I]t is a requirement of s 24C(2) that the contract in terms of which the income that is to finance future expenditure is received or accrues must be the same contract under which the expenditure is incurred. So, there is a requirement of "sameness". But I do not read the sameness requirement to connote that there must, for example, in the case of a written contract, be one piece of paper stipulating for the earning of income and the imposition of future expenditure. Two or more contracts may be so inextricably linked that they may satisfy this requirement."

The import of Big G is that a taxpayer can now claim a s 24C allowance even if the income and the paired obligation to finance future expenditure are generated by different interlinked contracts, as long as those contracts satisfy the requirement of sameness. The operative word is therefore *sameness*.

Clicks Retailers (Pty) Limited v CSARS

[40] In Clicks' submissions in this Court, there is a notable lack of engagement with the meaning of "sameness" and why the loyalty programme contracts do or do not meet the requirement of sameness. Its submissions instead focus on whether the loyalty programme contracts are inextricably linked.

This approach misunderstands *Big G*, which does not say that all the taxpayer needs to show is that the income-generating contract and obligation-imposing contract are inextricably linked.

What this Court said in *Big G* is that the taxpayer must show that the inextricable link between two contracts is such that the contracts meet the s 24C(2) *sameness* requirement.

[41] … a finding that the sale contract and ClubCard contract are inextricably linked will not be the end of the matter. The determinative question is whether they are so inextricably linked that they satisfy the requirement of sameness.

Clicks Retailers (Pty) Limited v CSARS

[49] The two contracts relied on to found Clicks' claim for a s 24C allowance function in tandem to give effect to the loyalty programme.

This functional relationship manifests in a number of factual and legal links between the two contracts, but these links do not render either contract dependent on the other for its existence, nor is their effect that income can only accrue to Clicks if both contracts are in place.

The contract under which income accrues (the contract of sale) and the contract under which the obligation to finance future expenditure arises (the ClubCard contract) are simply too independent of each other to meet the requirement of contractual sameness.

Whilst they may operate together within the context of the loyalty programme, and in that sense are inextricably linked or connected, this link is not sufficient to render the contracts the same for the purposes of s 24C. The contracts therefore fall short of the sameness that is required by s 24C.

CSARS v Tourvest Financial Services (Pty) Ltd

[2021] ZASCA 61 (25 May 2021)

VAT Act s 2(1)(*a*); vendor conducting a currency exchange business through its branches; inputs acquired for use partly in making taxable supplies and partly in making exempt supplies; only entitled to deduct a portion of value-added tax as input tax

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CSARS v Tourvest Financial Services (Pty) Ltd

- Tourvest is a licensed dealer in foreign exchange, trading under the name American Express Foreign Exchange.
- The business consists of 52 branches countrywide and a head office, with a centralised treasury division that procures stock of foreign currency and sets the exchange (buy and sell) rate at which the branches may transact with customers.
- A margin is built in to the quoted rates. The rate is set by taking the market exchange at any given time and adding a percentage mark-up thereto.
- The branches buy from - or sell to - customers at the exchange rate set by the treasury division, which is continually subject to change as the currency markets fluctuate.
- Tourvest also charges a commission, based on a percentage of the transaction value. VAT is levied on the commission

ABC (Pty) Ltd v CSARS

(JHB Tax Court Case no. VAT 1626: 3 March 2020)

- VAT Act: whether the Appellant was entitled to certain input tax deductions.
- A makes mixed supplies: some taxable and some exempt.
- September 2013 VAT period: A claimed a VAT refund in the amount of R24million by applying the direct attribution method as opposed to the turnover apportionment method it previously applied from July 2008 to August 2013.
- SARS rejected A's assessment and raised an additional assessment of R24m in April 2016, plus penalties (R2,4m) and interest (R5,6m).
- The Tax Court found that 'on the facts and evidence before us this [commission/fee] is the only payment that the customer makes to the [respondent] for the exchange of currency'.

CSARS v Tourvest Financial Services (Pty) Ltd

[8] The issue for determination on appeal is thus whether the respondent, in conducting its enterprise of the exchange of currency through its branch network, makes both taxable and exempt supplies (as the appellant contends) or whether it only makes taxable supplies (as the respondent contends).

VAT Act provisions

- Section 16(3)*(a),* read together with the definition of "input tax" in s1, allows the deduction of input tax where the goods or services concerned are acquired by the vendor wholly for the purpose of consumption, use or supply in the course of making taxable supplies or, where the goods or services are acquired by the vendor partly for such purpose, to the extent (as determined in accordance with the provisions of s 17) that the goods or services concerned are acquired by the vendor for such purpose.
- Section 12(a): the supply of a financial service is exempt from VAT
- Section 2(1)(a): the activity of the exchange of currency is a financial service.
- proviso to s 2(1) excludes from *"financial services"* the activity of the exchange of currency to the extent that the consideration payable for the activity is any fee or commission.

CSARS v Tourvest Financial Services (Pty) Ltd

[15] T carries on the activity of the exchange of currency as envisaged in s 2(1), which is, on the face of it, a defined financial service under s 2(1)*(a)* and is accordingly an exempt supply by virtue thereof.

If no fee or commission were charged by the respondent as a consideration for that supply, the entire activity would be exempt, and no input tax could therefore be deducted.

The proviso to s 2(1) states however that the activity of the exchange of currency shall not be deemed to be financial services 'to the extent that the consideration payable in respect thereof is any fee, commission … or similar charge.'

The effect of the proviso is thus limited to ensuring (in keeping with the intention, as expressed in the [1995] VAT Sub-Committee report, of bringing financial services into the VAT net) that any commission or fee charged in respect of the activity of the exchange of currency will attract VAT. To achieve this, it is necessary to carve out the activity from the definition of financial services for the limited purpose of making the provision of the goods or services taxable to that extent.

CSARS v Tourvest Financial Services (Pty) Ltd

[16] ... the proviso creates a mixed supply out of an identified activity, rather than causing the activity to lose its exempt status in its entirety. Accordingly, the effect of the proviso in the present context is merely to add a taxable element to what is, and at its core remains, an exempt financial service.

It turns the activity into a partly exempt and a partly taxable supply. That being so, any tax paid on goods and services acquired by the respondent must be apportioned and only the part attributable to the taxable supply may be deducted as input tax.

The respondent's attempt to claim the entire VAT charge as deductible input tax must therefore fail.

IN 117 Taxation of the receipt of deposits (17 May 2021)

- The IN provides guidance on the words “received by” in the definition of “gross income” in s 1(1), the word “deposit” and the treatment of the receipt of a deposit in the ordinary course of business.
  - Each case must be decided on its own facts. For a deposit to be excluded from gross income on the basis that it has not been received by the taxpayer, the amount must not be the taxpayer’s money, for example, it is held for a principal in a principal-agent relationship. The taxpayer must have no right to retain the deposit as the taxpayer’s absolute property.
  - If applicable, the consequences of the CPA and any obligations it places on a taxpayer must be considered in determining whether a deposit must be included in a taxpayer’s gross income (e.g., ITC 1918).

IN 117 Taxation of the receipt of deposits (17 May 2021)

- The IN does not deal with
  - An examination of possible capital gains tax consequences attached to the receipt of a deposit does not form part of the scope of the IN.
  - Does not deal with deposits by clients with banks and similar deposit-taking financial institutions.

Latest from SARS

- Binding Private Rulings (BPRs) https://www.sars.gov.za/legal-counsel/legal-advisory/published-binding-rulings/binding-private-rulings-bprs/bpr-361-380/
  - BPR 362 – Transfer of assets between share incentive trusts
  - BPR 363 – Value of a supply of services
  - BPR 364 – Extraordinary dividend followed by the dilution of shareholders' interest

Deduction of home office expenses

New web page opened 4 June 2021

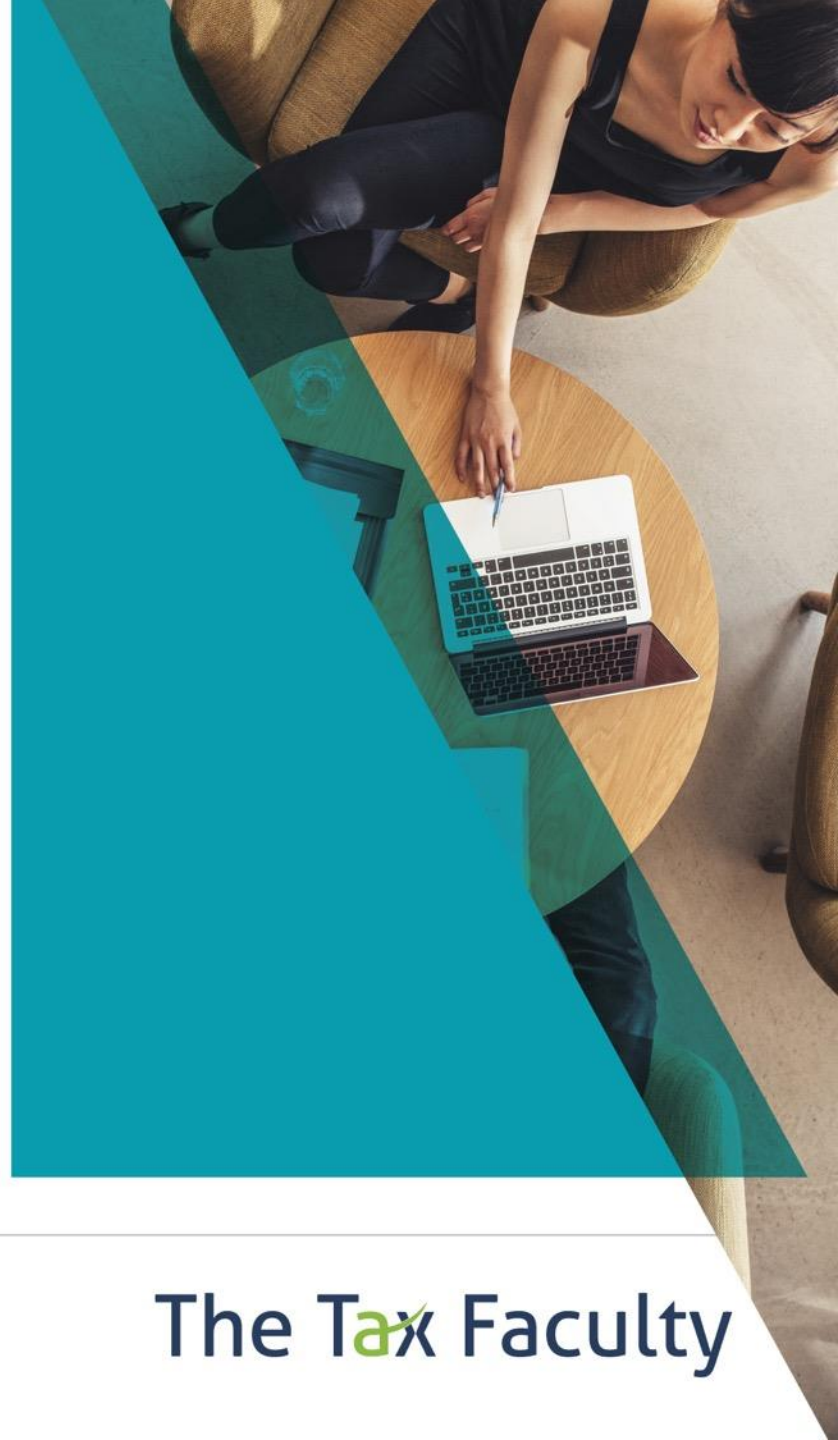
A tax deduction for home office expenses is only allowed:

If the room is regularly and exclusively used for the purposes of the taxpayer's trade e.g., employment and is specifically equipped for that purpose. The home office must be set up solely for the purpose of working.

If the employee's remuneration is only salary, the duties are mainly performed in this part of the home. It therefore means you perform more than 50% of your duties in your home office.

Where more than 50% of your remuneration consist of commission or variable payments based on your work performance and more than 50% of those duties are performed outside of an office provided by your employer.

See https://www.sars.gov.za/types-of-tax/personal-income-tax/tax-season/home-office-expenses/



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Cease to be a resident

New web page opened 3 June 2021

- Who is a tax resident?
  - ordinarily residence Interpretation Note 3 (Issue 2): Resident: Definition in relation to a natural person – ordinarily resident
  - physical presence Interpretation Note 4 (Issue 5): Resident: Definition in relation to a natural person – physical presence test .
- How do I cease to be a tax resident in South Africa?
- How do I declare to SARS that I have ceased to be a tax resident in South Africa?
- https://www.sars.gov.za/individuals/cease-to-be-a-resident/

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Supporting documents for family emigrating

- 14 June 2021 – The Guide to the Tax Compliance Status on eFiling has been updated with supporting documents required for when a family unit is emigrating. For more information, see the updated Guide to the Tax Compliance Status on eFiling https://www.sars.gov.za/wp-content/uploads/Ops/Guides/GEN-ELEC-08-G01-Guide-to-the-Tax-Compliance-Status-functionality-on-eFiling-External-Guide.pdf

Guide to the Tax Compliance Status on eFiling

17.2 In case of a family unit, if the spouse is a registered taxpayer at SARS, a separate TCS PIN must be issued for the spouse. In order to formalise his/her emigration, then the spouse must do the following:

- Complete a separate TCR01 - Tax Compliance Request form.
- For request received/applied for at the Authorised Dealer / SARB before 01 March 2021 the spouse must submit a certified copy of the final MP336(b) submitted to the Authorised Dealer (NOT a copy of the MP336(b) submitted by the husband/ wife/life partner).
- In cases where the MP366(b) is not applicable, submit relevant proof that he/she have ceased to be a resident for tax purposes in South Africa, including the date on which he/she ceased to be a resident.
- Submit all other applicable supporting documents listed in paragraph 17 and 17.1 above in support of his/her TCS request.

Note 1: Statement of assets and liabilities should be apportioned in accordance with the nature of the marriage.

Note 2: The above will not apply where the family unit is emigrating together and the details of the spouse who is not a registered taxpayer are captured in the TCR01. In this event, the TCS PIN letter for the applicant will include the details of the spouse (that is, names, tax reference number [if applicable] and ID number or passport number).

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INCREASE IN UIF LIMIT

- As announced in the 2021 Budget Speech

	2020/21	2021/22
Rate (employer + employee)	1% + 1%	1% + 1%
Monthly remuneration threshold	R14 872	R17 71**2**

Notice No. 475 Published in *Gazette* 44641: Increase effective from 1 June 2021

Notice 474 Published in *Gazette* 44640 (28 May 2021)

The amount for purposes of paragraph (*b*)(x)(*cc*) of the proviso to the definition of "retirement annuity fund" in s 1 of the Income Tax Act determined at R15 000 (was R7 000), and all previous notices withdrawn with effect from 1 March 2021.

When the total benefit in a retirement annuity fund is less than the prescribed amount, the member may access the full benefit as a (withdrawal) lump sum.

QUESTIONS?

Please use the Q&A portal or the Chat box

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Thank you for joining us today!

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DISCLAIMER:

Nothing in this presentation should be construed as constituting tax advice or a tax opinion. An expert should be consulted for advice based on the facts and circumstances of each transaction/ case. Even though great care has been taken to ensure the accuracy of the answer, neither SAIT nor The Tax Faculty accept any responsibility for consequences of decisions taken based on this query and answer. It remains your own responsibility to consult the relevant primary resources when taking a decision.

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