

MCLU

Monthly Compliance & Legislation Update

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

22 SEPTEMBER 2021



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

This webinar covers changes during the month of August 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.



Disclaimer

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WHAT'S ON THE AGENDA?



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“September-itis

When you can't
remember what it
feels like *NOT* to be
tired or stressed.

– *Unknown*



ACCOUNTING UPDATE



ACCOUNTING

Accounting Update

The following items are dealt with here:

1. IFRS Monthly News Summary

- *nothing really new or important*

2. ASB: Updated FAQ on the standards of GRAP (July 2021)

- The ASB has issued the updated FAQs on the standards of GRAP
- <https://www.asb.co.za/wp-content/uploads/2021/07/FAQs-on-Standards-of-GRAP-updated-July-2021.pdf>

AUDITING UPDATE



Auditing Update

The following items are dealt with here:

Standards:

1. IAASB: Proposed ISA for LCE *already done in Aug by CM*
2. **Guide for Registered Auditors: Guidance on Performing Audits on behalf of the AGSA**
 - Revised August 2021 [effective from 1 Sep 2021](#)
 - *Refer to Source Document*

Legal/Ethics:

1. **IESBA: Proposed Quality Management-related Conforming Amendments to the Code**
 - The exposure draft aims to align the Code with the IAASB's suite of quality management standards, especially ISQM 1 and ISQM 2. The review has encompassed the recent revisions to the Code pertaining to Role & Mindset and the Non-assurance Services and Fee-related provisions of the Code
 - Comments may be submitted to IRBA by 17 October 2021 (who will compile a pack for submission) or directly to the IESBA by 5 October 2021
 - *Refer to Source Document*

Auditing Update

Legal/Ethics:

2. IRBA: Revisions to the Code Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers

➤ *Refer to Source Document*

- The revisions provide guidance that supports ISQM 21 in addressing the eligibility of an individual to serve in an EQR role, focusing on the critical attribute of objectivity. Among other matters, the guidance:
 - Elaborates on the need to identify, evaluate, and address threats to compliance with the fundamental principle of objectivity that might arise in the appointment of an individual as an EQR for a given engagement;
 - Explicitly refers to and supports the requirement in ISQM 2 for a firm to establish, as a condition for eligibility, a cooling-off period of two years before an engagement partner can assume the EQR role on the same engagement; and
 - Emphasises that this cooling-off requirement in ISQM 2 serves the dual objective of supporting compliance with the fundamental principle of objectivity and the high quality of engagements.
- The guidance may also apply in situations where, as a safeguard to address identified threats to compliance with the fundamental ethics principles, an individual is appointed as an appropriate reviewer for work performed

Auditing Update *(continued)*

Other:

1. IRBA to refer non-audit complaints to professional bodies

- *Refer to Source Documents*
 - *Already included in Aug MCLU by CM*

2. IRBA guide on the implementation of search and seizure provisions published for comment

- *Refer to Source Documents*
 - This procedure guide gives effect to the provisions of Sections 48A and 48B of the Auditing Profession Amendment Act 5 of 2021.
 - Furthermore, it outlines the powers of the IRBA in relation to search and seizures; sets out, in broader terms, the procedure to be followed in exercising such powers; and also lays out the rights and obligations of those subjected to a search and seizure, in terms of Section 48A and/or Section 48B.

COMPANY SECRETARIAL UPDATE



Companies and Intellectual
Property Commission

a member of **the dti** group

Company Secretarial Update

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

1. **Notice 39 of 2021:** Compliance with Regulation 29
 - *& Practice Guideline re Independent Review – Done in Aug by CM*
2. **Notice 42 of 2021:** Temporary change in submission requirements for changes to company MOI (FORM COR15.2)
 - *CIPC will require, in addition to the supporting documents for the current application, copies of the recent registered application with proof of the current shares, if such application was submitted before 1 June 2014*
3. **Notice 43 of 2021:** External Company Registration (FORM COR20.1)
 - *Confirming documentary requirements*
4. **Notice 44 of 2021:** Status on file transition to the new bulk storage facility
 - *Expect delays until end of November 2021*
5. **Notice 45 of 2021:** The protection of personal information and the CIPC
 - *CIPC clarifies that it must comply with the Companies Act, and other relevant legislation in relation to access to its registers and the data*

EMPLOYMENT LAW UPDATE



Employment Law Update

1. Mandatory Vaccinations in the Workplace – an opinion piece

- An opinion piece
- Remember to refer to the OHS Direction issued in this regard
 - In terms of this directive, every employer, excluding those who employ 10 or less employees, had to, within 21 days from 11 June 2021, indicate whether or not it intended to make vaccinations compulsory in the workplace and, if so, had to identify those employees who, by virtue of the risk of transmission through their work or their risk of severe Covid-19 disease or death due to their age or comorbidities, must be vaccinated.
 - This, seemingly innocent, direction holds a number of potential legal and moral ramifications within the context of the infringement of individual rights and the termination of employment where an employee elects not to be vaccinated

➤ *Refer to Source Document*

OTHER LAWS & REGULATIONS



Other Laws & Regulations

The following items are dealt with here:

1. SAICA Legal Update **Volume 16 Issues 14 & 15** – *up to 27 Aug 2021*
 - <https://www.saica.org.za/resources/legislation-and-governance/legal-updates>
 - **The Big 5:**
 - 1) The Compensation for Occupational Injuries and Diseases Act (Amendment Bill 2020);
 - 2) The Electricity Regulation Act (Licence exemptions);
 - 3) The Employment Equity Act (Amendment Bill 2020);
 - 4) The Promotion of Access to Information Act (Regulations); and
 - 5) The Draft Taxation Laws Amendment Bill 2021 ("Batch 2").

Other Laws & Regulations

(continued)

2. The Profile of Occupational Health and Safety in South Africa

- uploaded to labour website on 5 Aug 2021
 - it covers all aspects of OHS in SA

3. PAIA Regulations 2021

- *Refer to Source Document*
- Gazetted on 27 Aug 2021
- to align the previous PAIA regulations with POPIA given that, as per section 114(4) of POPIA
- Some of the key changes introduced by the Regulations relate to the functions and procedures of the Information Regulator.
- In addition, the Regulations also contain further duties of Information Officers some of which are linked to the functions of the Information Regulator.

TAXATION UPDATE



Taxation Update

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

- **Guides (new, updated & issued):**
 1. General: Taxation in South Africa 2021
 2. Income Tax Act, 1962: Guide on Income Tax and the Individual (2020/21)
 3. Guide on the Taxation of Franchisors and Franchisees (Issue 2)
 4. How to Register for eFiling and Manage Your User Profile – External-Guide
 5. SARS: Basic Guide to Tax Exemption for Public Benefit Organisations (Issue 3)
 6. Draft Tax Exemption Guide for Institutions, Boards or Bodies
 7. Draft Tax Exemption Guide for Companies Wholly Owned by Institutions, Boards or Bodies

Taxation Update *(continued)*

- **Interpretation Notes updated and issued:**
 1. Draft IN – Reduced Assessments: Meaning of “Readily Apparent Undisputed Error”
 2. Draft IN on Disposal of Assets by Deceased Person, Deceased Estate and Transfer of Assets between Spouses
 3. IN 43 (Issue 8) – Circumstances in which Certain Amounts Received or Accrued from the Disposal of Shares are Deemed to be of a Capital Nature
 4. IN 79 (Issue 3) – Produce Held by Nursery Operators
 5. IN 69 (Issue 3) – Game Farming
- **Binding Rulings (Private/Class/General) issued:**
 - None

Taxation Update *(continued)*

- **Notices and other publications issued:**
 1. eBooking enhancements
 2. SARS eFiling browser now includes MAC users
 3. Updated BRS – PAYE Employer Reconciliation
 4. New SARS tutorial videos
 5. National Legislation: Second batch of draft bills and draft explanatory notes on the emergency tax relief measures
 6. MobiApp enhancements
- **SARS Scams**
 1. Final demand scam

Court cases:

None

REGULATOR NEWS



Regulator News

- **SAICA press releases & other publications:**
 1. SAICA Frequently Asked Question (FAQ) on the IFRS for SMEs Standard
 - *Refer to Source Document*
- **SAIBA press releases & other publications:**
 - CFO Talks (CFO Talks™ is devoted to sharing ideas and conversations between CFOs. It is a platform which facilitates insightful and powerful talks relevant to CFOs) <https://cfotalks.com/>
 - Accounting Weekly (weekly newsletter) <https://accountingweekly.com/>
- **Companies Tribunal:**
 - 8 Decisions reached on cases heard (*5 Name disputes, 1 Exemptions, 2 Directorship disputes, 0 Reviews and 0 AGM*)
 - *Refer to Source Document*
- **LPC:**
 1. **REMEMBER!** Deadline extended to 30 Sep 2021: LP's Trust Accounts

Regulator News *(continued)*

- **Information Regulator:**

1. Information Regulator acknowledges receipt of 7 Codes of Conduct
 - *1. National Radiology Services Inc, 2. Regio Independent School, 3. Rockjumper Birding Tours CC, 4. Silk Route Gold (Pty) Ltd, 5. WILLCOM (Pty) Ltd, 6. Willow Acres Estate, and 7. Maktaba Stationery Trading As PNA*
2. PAIA Manual templates published (in Word-format) – **PUBLIC & PRIVATE BODY**
3. PAIA forms 1, 2, 4, 5 and 13 published
 - Form 01: Request for a Guide from the Regulator [Regulation 2]
 - Form 01: Request for a Copy of the Guide from an Information Officer [Regulation 3]
 - Form 02: Request for Access to Record [Regulation 7]
 - Form 04: Internal Appeal Form [Regulation 9]
 - Form 05: Complaint Form [Regulation 10]
 - Form 13: PAIA Request for Compliance Assessment Form [Regulation 14(1)]

Regulator News *(continued)*

- **FSCA publications & press releases:**
 1. Use of electronic signatures and prepopulated documents
 - *Guidance has been published by the FSCA to FSPs on the use of electronic signatures and prepopulated forms or documents*
 2. FSCA hits Viceroy Research with R50m penalty
 - *for a series of 2018 reports on Capitec that were deemed to be false or misleading.*
 - *Among the claims made by Viceroy was that Capitec was understating its uncollectible loan book to the extent of about R10 billion, and was 'curing' this by issuing new loans to delinquent borrowers.*
 - *This was denied by Capitec and the South African Reserve Bank, which rushed to its defence*
- *9 Warnings issued to the public against fraudulent FSPs*

Regulator News *(continued)*

- **Competition Commission:**
 1. Draft Guidelines on collaboration between competitors on localisation initiatives
- **King Committee:**
 1. 3 Guidance papers released
 - *1. King Committee Guidance paper on climate change*
 - *2. King Committee Guidance paper on corporate failures*
 - *3. King Committee Guidance paper on stakeholder engagement*

Regulator News *(continued)*

- **SARS:**

1. 48 years for defrauding taxpayers
2. SARS to recover debt of R15m for non-payment of PAYE, VAT
3. Company director ordered to pay back the money to SARS
4. SARS Tender Fraud Alert
5. Media Release – SARS update on filing season for individuals and trusts
6. Latest Tax Practitioner Newsletter
 - deals with a few topics including Emergency Tax relief measures, How to claim donations made to the Solidarity Fund, Interim dispute process and dispute resolution for PAYE penalties, Turn-around times for verifications, Risks of using unregistered individuals posing as tax practitioners and SARS's new self-help SMS service for taxpayers.
 - For this and more, see the [Tax Practitioner Connect Newsletter issue 24](#)

GENERAL ANNOUNCEMENTS & NEWSY ARTICLES



Media articles

Are your remote working policies in accordance with the law?

- many want to continue working from home, or remotely at least some of the time, and are reluctant to go back to the office full time.
- There have even been reports of employee resistance to back-to-the-office calls by employers in certain countries where Covid-19 vaccination programmes have reached an advanced stage and workplaces are ready for pre-pandemic occupation numbers
- The law reaches beyond the conventional workplace
- Generally, consult first
- Manage the challenges and reap the benefits
- *Refer to Source document for full article*

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QUESTIONS





for your participation!