

2021 Annual Regulator Update

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



28 SEPTEMBER 2021

***A focus on CIPC, IRBA, SARS and other Regulators
News & Developments : January to 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.



WHAT'S ON THE AGENDA?



Contents

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Focus on HIGHLIGHTED items listed on individual slides



Quotes

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

- Gertrude Stein

INFORMATION



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Abbreviations used

- **IFAC** = International Federation of Accountants
- **IAASB** = the International Auditing and Assurance Standards Board
- **IESBA** = the International Ethics Standards Board for Accountants
- **ISAs** = International Standards on Auditing
- **FAQs** = Frequently Asked Questions

ACCOUNTING UPDATE



ACCOUNTING

Accounting Update **JAN**

The following items are dealt with here:

1. 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

Accounting Update **MAR**

The following items are dealt with here:

1. IFRS improves accounting policy disclosures

- IASB amends IFRS Standards to improve accounting policy disclosures and clarify distinction between accounting policies and accounting estimates

➤ *Refer to Source Document*

2. ASB issues updated FAQs on the Standards of GRAP

- Focus on issues that are of interest to public entities, constitutional institutions, municipalities, municipal entities, Parliament and the provincial legislatures, trading entities and Public Further Education and Training Colleges collectively called “entities” in the FAQ document (unless indicated otherwise)
- *Refer to Source Document*
- Updated again in July 2021
- <https://www.asb.co.za/wp-content/uploads/2021/07/FAQs-on-Standards-of-GRAP-updated-July-2021.pdf>

Accounting Update *(continued)*

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

- Companies preparing financial statements using IFRS Standards are required to assess their ability to continue as a going concern. In the current stressed economic environment arising from 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. IASB proposes to extend support for lessees accounting for COVID-19-related rent concessions by 1 year

- to cover rent concessions that reduce only lease payments due on or before 30 June 2022

➤ *Refer to Source Document*

Accounting Update **MAY**

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

IRBA AUDITING UPDATE



Auditing Update **JAN**

The following items are dealt with here:

Standards:

- **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
- Audits of Investment Properties and/or Property Companies
 - *Webinar to be presented by Lettie: ± October 2021*

Auditing Update **MAR**

The following items are dealt with here:

Standards:

- **IRBA Standards and Ethics related IRBA pronouncements which have a December 2020 or 2021 effective date**
 - Table sets out Date of issue, Effective date & link to pronouncement
 - *Refer to Source Document*

Legal/Ethics:

- **IESBA issues Ethical and Auditing Implications arising from Government-Backed COVID-19 Business Support Schemes**
 - *Refer to Source Document*
 - The guidance sets out important ethical considerations for professional accountants who are called upon to assist their employing organizations or clients in applying for and using COVID-19-related funding or financial support.
 - For compilers, independent reviewers and auditors

Auditing Update *(continued)*

Legal/Ethics:

- **IESBA proposes holistic approach to defining a PIE**
 - *Refer to Source Document*
 - The proposed revisions broaden the definition of a public interest entity (PIE) to include more categories of entities, given the level of public interest in their financial condition, for the purposes of additional independence requirements to enhance confidence in their audits
- **IESBA issues guidance documents on Fraud & Money Laundering**
 - *Refer to Source Documents*
 - Evolving risks from Money Laundering, Terrorist Financing and Cybercrime Info
 - Heightened Risks of Fraud and Other Illicit Activities during COVID-19
 - Lettie presented Ad-hoc webinar on 13 April 2021

Auditing Update *(continued)*

- **IAASB published a separate standard on the Audits of Less Complex Entities (Proposed ISA)**
 - Focusing on the effective and consistent application of our standards, the IAASB has published a new communique detailing its next steps to address:
 - complexity, understandability, scalability, and proportionality, including in the audits of financial statements of less complex entities

Auditing Update **MAY**

The following items are dealt with here:

Legal/Ethics:

- **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:

- **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
- **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

Auditing Update JUL

Guidance:

- Consultation Paper - Enhancing Disclosures in the Auditor's Reports in South Africa: Addressing the Needs of Users of Financial Statements
 - This Consultation Paper explores matters that could possibly be disclosed in the auditor's report, to enhance the transparency and independence of auditors.
 - Further, this Consultation Paper examines whether the inclusion of matters in the auditor's report, in addition to what is currently required by the ISAs and law/regulation, should be mandated.
 - IRBA is inviting stakeholders to provide feedback to the Consultation Paper by 15 September 2021
- *Refer to Source Document*

Auditing Update *(continued)*

Additional and supplementary disclosures would include (not an exhaustive list) information about:

- The materiality applied by the auditor.
- The audit scope.
- The audit effort regarding fraud.
- Conclusions relating to going concern.
- Whether the entity has been classified as a PIE.
- Unadjusted audit differences.
- Uncorrected prior year misstatements.

Auditing Update **SEP**

The following items are dealt with here:

Standards:

1. 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.
- Includes 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 (*continued*)

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*

- *Disciplinary process to be run by the relevant professional body (not IRBA)*

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

CIPC Update **MAY**

- **Notice 11 of 2021:** New E-Service: New Company Registration (Short Standard Profit (Cor15.1a) and Non Profit Company without Members (CoR15.1C)
 - CIPC launches the Automated New Company Registration EService platform.
 - The automated service will form part of the current e-services transactional website of CIPC and will allow customers to process company registration directly with same day approval without attaching supporting documents
- **Notice 14 of 2021:** Discontinuation of primary co-operatives manual submission
 - Effective from the 1 April 2021, CIPC will no longer be accepting manually completed primary Co-operative registrations submitted through email (Cooperativesonline@cipc.co.za) or post. Primary Co-operative registration applications completed and submitted via these channels will on or after this date be automatically rejected without further communication to the customer

CIPC Update *(continued)*

- **Notice 15 of 2021: Solvency and liquidity test**
 - CIPC identified non-compliance with Section 4 of the Companies Act. Requesting companies to voluntarily disclose Solvency and Liquidity test performance in AFS
 - The notice issued by CIPC in this regard recaps on the entities that should disclose the solvency and liquidity test in their AFS
 - CIPC recommends that entities disclose in their annual financial statements that they have performed a solvency and liquidity test as prescribed in terms of the Companies Act, for transactions mentioned in the notice
 - CIPC proposes that the Directors' Report should include a statement in the AFS, and have provided an example in this Notice.
 - It is an offense to disclose false information in the annual financial statements, CIPC is legally obliged to investigate such matters in terms of the Companies Act

Company Secretarial Update

JUL

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

The following items are dealt with here:

1. **Notice 29 of 2021:** List of Accredited Professional Bodies whose members are eligible to be licensed as business rescue practitioners as at 1 June 2021
 - *Issued 10 June 2021*
 - *Note that Notice 14 of 2018 is hereby withdrawn on 1 June 2021, and replaced with Notice 29 of 2021*

Company Secretarial Update

(continued)

2. Notice 33 of 2021: Close Corporations without Accounting Officers

- *Issued 30 June 2021*
- The purpose of this notice is to inform members of close corporations that it is mandatory to appoint accounting officers as prescribed in Section 59 of the Close Corporations Act, Act 69 of 1984.
- Members of CCs must further take heed of the serious consequences that may follow when a CC fails to appoint or fill a vacancy of the accounting officer in terms of section 63 (h) of the Close Corporations Act 69, of 1984.
- Failure to adhere to the above-legislated requirements is a contravention of the Close Corporations Act and can lead to a possible investigation as prescribed in section 168 of the Companies Act 71, of 2008 as amended. Upon review of records of CCs in CIPC's register and as part of their regulatory mandate, they have noted that a number of CCs do not have Accounting Officers on record

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 – Refer to detail in document*

3. 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*

4. Notice 43 of 2021: External Company Registration (FORM COR20.1)

- *Confirming documentary requirements*

5. Notice 44 of 2021: Status on file transition to the new bulk storage facility

- *Expect delays until end of November 2021*

6. 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*

COVID-19 UPDATE



COVID-19 Update **JAN**

The following items are dealt with here:

Practical guidance / New Announcements:

1. Latest on the impact of COVID-19 on SARS

① <https://www.sars.gov.za/Media/Pages/CoronaVirus.aspx>

2. FAQs – Tax relief

① <https://www.sars.gov.za/Media/Pages/FAQs---Tax-Relief.aspx>

COVID-19 Update *(continued)*

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

- **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](#)

COVID-19 Update **MAY**

The following items are dealt with here:

Practical guidance / New Announcements:

- **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*

COVID-19 Update JUL

Practical guidance / New Announcements:

- **Employment and Labour Minister issues new OHS direction with regard to vaccination in the workplace**
 - **NB Refer to Source Document**
 - The updated Consolidated OHS Direction requires employers, among other things, to decide within 21 days (from 11 June 2021) if they intend making vaccination mandatory.
 - An employer is also required to include in its risk assessment whether it intends to make vaccinations compulsory – this consists of three steps.
 - Employers with 10 employees or less must take the measures stated in Section 12 of these Directions
 - *Refer to Ad-hoc webinar presented by Lettie on 28 July 2021*

EMPLOYMENT LAW UPDATE



Employment Law Update **MAR**

The following items are dealt with here:

1. UIF launches online certificate system

➤ *Refer to Source Document*

- The new and innovative system replaces the old application process of manually completing and submitting a form, sworn statement and SARS tax clearance certificate via email
- Effective from 1 February 2021, clients can visit www.uifcompliance.labour.gov.za or www.labour.gov.za and click on “UIF e-Compliance Certificate” under the “Online Systems” tab to register and apply
- Benefits are outlined in the notice
- Companies and entrepreneurs will also be able to apply for potential business opportunities faster, including government tenders, as the UIF compliance certificate is often one of the requirements for doing business with the government

Employment Law *(continued)*

2. New Legal opinion on trainee severance pay due to COVID-19

➤ *Refer to Source Document*

- SAICA obtained an opinion on severance pay payable to trainees who may be retrenched for reasons resulting from the COVID -19 pandemic, as well as a guideline for use by South African Institute of Chartered Accountants ("SAICA") training offices on severance pay for trainees
- The legal opinion concludes that employers must pay all employees, with longer than 12 months' service, severance pay. The entitlement to severance pay is not dependent on the employee's employment. A fixed term employee, employed for longer than 12 months, would nevertheless be entitled to severance pay
- Annexure A to the legal opinion sets out how severance pay is calculated, by providing guidance as well as an example

Employment Law Update **MAY**

1. 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

2. 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

MAY

- **National minimum wage increased – effective from 1 March 2021**
 - The Minister of Employment and Labour has determined the new minimum wage to be R21,69 for every ordinary hour worked.
 - The amount is less for domestic workers for whom the minimum is set at R19,09 an hour

COIDA Update:

- **New Employee earnings threshold effective from 1 March 2021**
 - With effect from 1 March 2021, the BCEA earnings threshold will increase to R211 596.30 per annum (approximately R17 633.00 per month)

Other Laws & Regulations

JUL

- **UIF Contribution Threshold increased**
 - The maximum remuneration on which Unemployment Insurance Fund contributions are calculated has increased to R17 712.00 per month,
 - effective **from 1 June 2021**
 - The previous threshold was R14 872.00 per month
 - This increase will only affect the employee and employer contributions where the employee currently earns between the previous maximum threshold and the new threshold (between R14 872.00 and R17 712.00 per month)
- **Sectional Titles Act: Amendment of Regulations 2021**
 - *Refer to Source Document*
 - Regulations 6, 19, 21, 23, 25 and 27 have been amended:
 - Annexure 1 has been amended by deleting one form and adding in 5 new forms

Other Laws & Regulations

(continued)

- **Deeds Registries Amendment Act: Amendment of Regulations 2021**
 - *Refer to Source Document*
 - Regulations 16, 42 and 48 have been amended:
 - The section containing the forms has been amended by substituting Form V (Certificate of Township title).

COLDA Update:

- **Minimum assessment introduced for Domestic Workers**
 - *Refer to Source Document*
 - A minimum assessment of R381 specific to the Domestic sector in terms of S83 (1) Compensation for Occupational Injuries and Diseases Act has been introduced

Other Laws & Regulations

(continued)

- **New Extension of PAIA Manual exemption**

- *Refer to Source Document*

- *PAIA = Promotion of Access to Information Act, 2000*

- The current exemption expired on 30 June 2021

- The Minister of Justice and Correctional Services, Mr Ronald Lamola, has extended the current exemption by a further six (6) months

- effective from 1 July 2021 to 31 December 2021

- to afford private bodies that are currently exempted adequate time to compile their PAIA Manual

- *On 1 January 2022, ALL public & private bodies MUST compile a manual!*

- **The current exemption:**

- Applies to “SMMEs” in certain industries

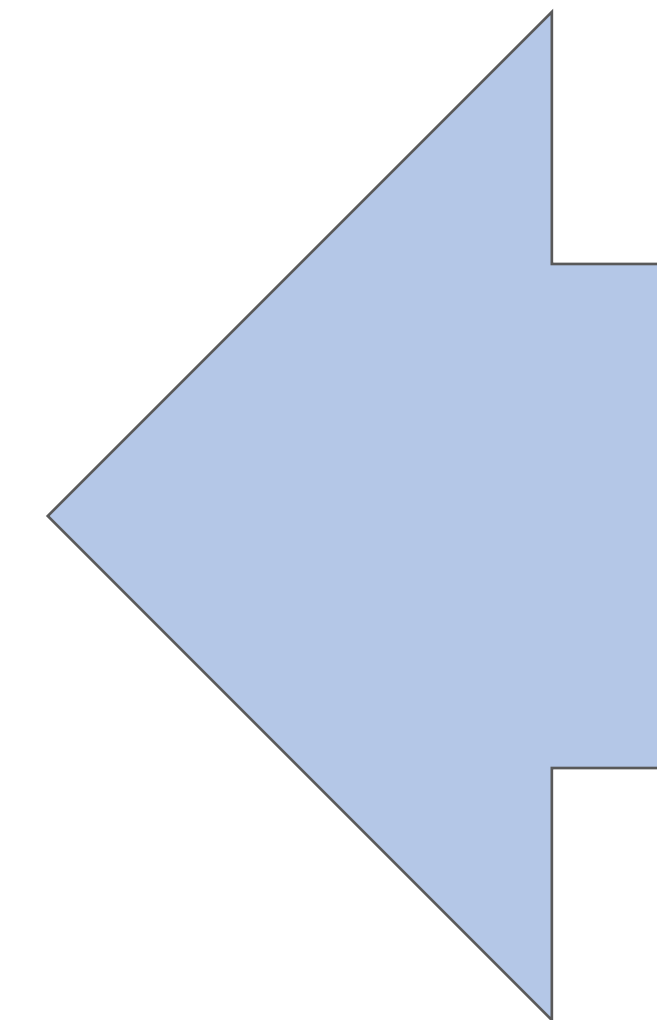
Current exemption of PAIA Manuals

- **All private bodies are exempted from compiling a Sec 51 manual until **31 December 2021**, except a company:**
 - a) is not a private company as defined in section 1 of the Companies Act, 2008 (Act No. 71 of 2008); and
 - b) is a private company as defined in section 1 of the Companies Act, 2008 (Act No. 71 of 2008) which operates within any of the sectors mentioned in Column one of the Schedule **and**
 - i. has 50 or more employees in their employment; **or**
 - ii. has a total annual turnover that is equal to or more than the applicable amount mentioned in Column 2

“Private Body” is defined in the PAIA

“company” is defined in the Companies Act

Column 1	Column 2
Agriculture	R 6 million
Mining and Quarrying	R 22.5 million
Manufacturing	R 30 million
Electricity, Gas and Water	R 30 million
Construction	R 15 million
Retail and Motor Trade and Repair Services	R 45 million
Wholesale Trade, Commercial Agents and Allied Services	R 75 million
Catering, Accommodation and other Trade	R 15 million
Transport, Storage and Communications	R 30 million
Finance and Business Services	R 30 million
Community, Special and Personal Services	R 15 million



When am I exempt?

If you can answer YES to questions 1, 2 & 3 OR 1, 2 & 4:

1. Is the private body registered as private company according to Companies Act?
2. Does the organization operate within any of the sectors listed under column 1? **AND**
3. Does the company have less than 50 employees? **OR**
4. Does the entity have an annual turnover of less than amount under column 2?

Other Laws & Regulations

SEP

- **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.

- **PAIA Manual Templates issued by Information Regulator**

- *Refer to Source Documents*

- Word documents – 1 for PUBLIC and 1 for PRIVATE bodies

- Replaces the previous one issued by SAHRC

TAXATION UPDATE



Taxation Update **JAN**

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

Taxation Update **MAR**

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

The following items are dealt with here:

Guides (new, updated & issued):

1. Guide released on new SARS eFiling Browser

- purpose of this guide is to assist taxpayers and traders to easily download the new SARS eFiling Browser in order to successfully view, complete and submit SARS forms that have not been migrated to Hyper Text Markup Language (HTML5) on eFiling

2. Published guide: Estate Duty Implications on Key Man Policies

3. Update to Tax Compliance Status guide

- Compliance Request form (TCR01) has been changed from Flex form to web-based form

Taxation Update *(continued)*

Interpretation Notes issued:

- Draft Interpretation Note 59 (Issue 2) – Tax treatment of the receipt or accrual of government grants
- Draft interpretation note – Deductions in respect of improvements to land or buildings not owned by a taxpayer
- Interpretation Note 12 – Recoupment: Assets in a deceased estate
- Interpretation Note 47 (Issue 5) – Wear-and-tear or depreciation allowance

Binding Rulings (Private/Class/General) issued:

- BGR 7 - Updated Schedule of write-off periods acceptable to SARS
 - ❑ SARS have updated and issued BGR (Binding General Ruling) 7 on Wear-and-Tear Allowances, including the Schedule of write-off periods acceptable to SARS

Taxation Update *(continued)*

Notices and other publications issued:

1. SARS MobiApp Enhancements
2. Income tax notices 173 & 174 – effective 1 March 2021
 - Fixing of rate per kilometre in respect of motor vehicles – section 8(1)(b)(ii) and (iii)
 - Determination of the daily amount in respect of meals and incidental costs for purposes of section 8(1)
3. Employers annual reconciliation declarations
4. 2021 Budget
 - *Refer to summaries on the [Treasury website](#) and on the [Budget webpage](#)*

Taxation Update *(continued)*

- **SARS Scams**

- [SMS with Letter of Demand link](#)

Court cases published during the period:

- ☐ 1 Tax Court case

- [SARSTC VAT 1940 \(VAT\) \[2020\] \(Cape Town\) \(26 November 2020\)](#)

- ☐ 2 High Court cases

- [Medtronic International Trading SARL v CSARS \(33400/2019\) \[2020\] ZAGPPHC \(15 February 2021\)](#)
 - [PriceWaterhouseCoopers Inc and Another v Minister of Finance and Another \(25705/2019\) \[2021\] ZAGPPHC \(2 February 2021\)](#)

- ☐ 0 Constitutional Court case

- ☐ 0 SCA case

Taxation Update **MAY**

➤ *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

Taxation Update JUL

➤ *Each item in this Update section is available to you as a Source Document*

The following items are dealt with here:

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

- 1. New Guide to SARS Mobile Tax Services

- *8 pages issued on 28 June 2021*

- The main changes are the addition of tax services via SMS namely:

- Confirmation request whether a taxpayer should submit their (PIT) tax return
 - Request the issuing of the IT150 (Tax Registration Number) or taxpayers who are requesting their Tax Reference Number
 - Request Account related queries (balance statements) and provision of Statement of the Account (SOA)

- The taxpayers can request these tax services via SMS at 47277

- Where applicable, an email correspondence will be issued to the taxpayer where a request was made for the issuing of the SOA or the IT150

Taxation Update *(continued)*

- **Guides updated and issued (continued):**
 2. Guide on the Determination of Medical Tax Credits (Issue 12)
 - *50 pages issued on 18 June 2021*
 - *Annexure B – The prescribed list of expenditure*
 3. Updated: Guide to the Tax Compliance Status on eFiling
 - *61 pages issued on 14 June 2021*
 - *Version 18: has been updated with supporting documents required for when a family unit is emigrating*
 4. Comprehensive Guide to Dividends Tax (Issue 4)
 - *198 pages issued on 11 June 2021*

Taxation Update *(continued)*

- **Interpretation Notes issued:**
 - None
- **Binding Rulings (Private/Class/General) issued (continued):**
 1. BCR 077 – Capital gains tax consequences of in specie distribution by company to its shareholders
 2. BPR 366 – Distribution in specie of shares
 3. BPR 365 – Interpretation and application of the de-grouping provision in section 45(4)(b)
 4. Draft BGR – Purchase of different types of annuities at retirement
 5. Draft BGR – Disqualification as a qualifying company under section 12R(4)(b)

Taxation Update *(continued)*

- **Notices and other publications issued:**

- 1. SARS provides guidance on claiming Home Office Expenses:**

- SARS has recently published an update on its website
 - to provide additional clarity for individual taxpayers who may be considering submitting claims for home office expenses in their income tax returns that that can now be filed for the 2021 tax year
 - SARS hosted a webinar on 'Home Office Tax Requirements' on 9 July 2021 and has made various support documents available for use
 - If you have missed the live streaming, [it's now available to watch here.](#)
 - The presentation discussed during the webinar is also [available here for viewing or downloading.](#)
 - What are the requirements for claiming home office expenses?
 - [Home Office Expenses webpage](#)

- 2. Guidance: Cease to be a Resident:**

- [Cease to be a Resident webpage](#)

Taxation Update *(continued)*

- **Notices and other publications issued (continued):**
 3. 6 SARS forms to migrate from Adobe Flash Player to HTML5
 - 1. Deferment Maintenance (DFM01)
 - 2. Voluntary Disclosure Application (VDP)
 - 3. Special Voluntary Disclosure Application (SVDP)
 - 4. Dividends Tax Transaction Information (DTR01)
 - 5. e@syFile™ PAYE (EMP201 & EMP501)
 - 6. e@syFile™ Dividends Tax (DTR02)
 4. RAV01 form converted to HTML5
 5. Verify a Tax Compliance Status
 6. Updated Average Exchange Rates Tables
 - Table A – A list of the average exchange rates of selected currencies for a year of assessment as from December 2003
 - Table B – A list of the monthly average exchange rates to assist a person whose year of assessment is shorter or longer than 12 months

Taxation Update *(continued)*

Court cases:

None published during the period

- **SARS Scams**

See Examples of these scams on the [Scams & Phishing webpage](#)

1. Application for learnerships by unemployed youth
 - The scam is looking for unemployed youth to apply for learnerships
2. Notices of Administrative Penalty from SARS
 - The scam is titled 'Notices of Administrative Penalty from SARS'

Taxation Update **SEP**

➤ *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

OTHER REGULATORS UPDATE & NEWS



Regulator News **JAN**

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
- **SAICA Training Office update – specific focus on NEW Training Regulations effective 1 January 2021**

Regulator News *(continued)*

- **Competition Commission:**
 - Automotive Guidelines issued
- **IFAC:**
 - 1. Anti-Money Laundering – The Basics**

Regulator News **MAR**

The following items are dealt with here:

IRBA press releases & other publications:

1. Annual IRBA firm assurance work declaration due by 31 March 2021

1. IRBA 2020 Public Inspections Report

➤ *Webinar already presented by Lettie: 16 March 2021*

SAICA press releases & other publications:

1. SAICA Updates Code of Professional Conduct

Regulator News *(continued)*

- **CGSO:**
 - Latest Stakeholder Newsletter
 - *Refer to Source Document*
- **Information Regulator of SA:**
 - Information Regulator issues Guidelines for the development of Codes of Conduct effective 1 March 2021

Regulator News *(continued)*

IFAC:

- **New International Standard Support Resources re ISRS 4400 (Agreed-Upon Procedures)**
 - *Refer to Source Documents:*
 - ❑ Agreed-Upon Procedures (AUP) Engagements: A Growth and Value Opportunity (the AUP Publication)
 - ❑ Choosing the Right Service: Comparing Audit, Review, Compilation, and Agreed-Upon Procedures Services (the Brochure)
- IFAC publishes an overview of the parts and sections in the IESBA Code
 - *Refer to Source Document*
- Exploring the IESBA Code - The Building Blocks Installment
 - *Refer to Source Document*
 - *Last webinar in this series presented by Lettie on 7 April 2021*

Regulator News *(continued)*

- **LPFF:**

- **LPFF issues communication on Legal Practitioners' trust accounts:**

- ☐ banks that have banking arrangements with LPFF;
 - ☐ trust interest paid to incorrect bank accounts;
 - ☐ payments of unknown or unclaimed trust monies; and
 - ☐ interest accrued in terms of section 86 trust accounts

➤ *Refer to these 4 Source Documents for detail*

Regulator News **MAY**

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*

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>

Regulator News JUL

➤ *Each item in this Update section is available to you as a Source Document (except where links have been provided)*

The following items are dealt with here:

- **IRBA press releases & other publications:**
 - IRBA News #54 – *January to March 2021*
- **SAICA press releases & other publications:**
 1. **Retention of records guide updated**
 2. Educational Material: Application of IAS 12 - Income Taxes: Substantively enacted tax rates

Regulator News *(continued)*

- **SAIBA:**
 - Newsletters:
 - CFO Talks <https://cfotalks.com/>
 - Accounting Weekly <https://accountingweekly.com/>
 - Forthcoming Guide: Disasters and Financial Planning
- **Companies Tribunal:**
 - 10 Decisions reached on cases heard (*4 Name disputes, 2 Exemptions, 2 AGM, 2 Directorship disputes, 0 Review*)
 - <http://www.companiestribunal.org.za/decisions-orders/>
- **CIPC:**
 - **CIPC enforcing the Companies Act, 2008 (specifically Section 30 re AFS)**
- **Competition Commission:**
 - Draft guidelines on small merger notification

Regulator News *(continued)*

- **Information Regulator:**

1. BASA Code of Conduct

- Deals with how personal information will be processed by member banks

- 2. POPIA update from Information Regulator (including their enforcement powers)**

- confirmed that there will be no deadline for registration of Information officers and Deputy Information Officers
- This means that no responsible party will be held liable for not registering by 30 June 2021
- Future registration of CEO as information officer for multiple legal entities will be allowed – registration portal is being configured
- POPIA enforcement powers = from 1 July 2021
- IR will not take any action if you are not compliant by 1 July 2021

Regulator News *(continued)*

- Information Regulator (continued):

- 3. PAIA update from Information Regulator**

- confirmed that submissions of PAIA manuals will not have a deadline until further notice

- 4. Guidance note on exemptions from the conditions of POPIA

- This applies to Responsible Parties who:
 - Intend to apply for exemption (Sec37), or
 - Are exempt from processing personal information (sec38)

- 5. Information Regulator in the PAIA driving seat**

- As of 30 June 2021 the Information Regulator took over the regulatory mandate functions relating to PAIA from the SAHRC

Regulator News *(continued)*

- Information Regulator (continued):

- 6. Information Regulator confirms commencement date of Section 58(2) of POPIA is 1 February 2022**

- Private & Public bodies that were required to apply for Pre-Authorisation to process Special personal information, now have until 1 February 2022
 - Responsible Parties must obtain prior authorisation from the InfoReg prior to any processing of personal information in terms of **Sec 57** of POPIA (e.g. credit reporting, criminal behaviour, trf special info to 3rd party overseas that does not protect info like SA)

- 7. Guidance note on Processing of Special Personal Information**

- Application form provided

- 8. Guidance note on Processing of personal information of children**

- Application form provided

Regulator News *(continued)*

- **SARS:**

1. VAT Connect Newsletter: Issue 12 <https://www.sars.gov.za/businesses-and-employers/my-business-and-tax/newsletters/vat-connect-issue-12-june-2021/>
2. Latest Tax Practitioner Newsletter: Issue 22
<https://www.sars.gov.za/businesses-and-employers/my-business-and-tax/newsletters/tax-practitioner-connect-issue-22-21-June-2021/>

Regulator News **SEP**

- **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/>
- **LPC:**
 - 1. REMEMBER! Deadline extended to 30 Sep 2021: LP's Trust Accounts**

Regulator News *(continued)*

➤ *Refer to Source Documents*

- **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)*

➤ *Refer to Source Documents*

- **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*

- **FSCA issues warnings to the public against fraudulent FSPs:**

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

Regulator News *(continued)*

- **Competition Commission:**

1. Draft Guidelines on collaboration between competitors on localisation initiatives

➤ *Refer to Source Document*

- **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*

➤ *Refer to Source Documents*

Regulator News *(continued)*

- **SARS:** <https://www.sars.gov.za/media-release>
 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 <https://www.sars.gov.za/tender-fraud-warning-letter/>
 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](#)

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QUESTIONS





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