

Monthly Compliance and Legislation

Presenter: Caryn Maitland

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

This webinar covers changes during the month of March 2022

Ask Questions

To ask questions and interact during the webinar please use the chat sidebar to the right of the video / presentation on the screen.

Feel free to ask your questions during the webinar in the chat, these will be address in the formal Q & A at the end of the presentation.

Presenter

Caryn Maitland

Caryn is a qualified CA(SA and RA, who has lectured extensively at UKZN (and other institutes) where she lectured Advanced Financial Accounting up until 2011 as well as co-ordinating the module on the Pietermaritzburg campus and was appointed Section Head of Financial Accounting and Deputy Head of the School of Accounting (managing the Pietermaritzburg campus) prior to leaving UKZN.

She has conducted independent workshops and seminars for professional accountants since 2006 on various topics and has consulted on a number of technical issues. Since January 2011, she has focused on her own business as technical freelance consultant and trainer to those working within the accounting profession. Caryn is a technical advisor to the SAICA Eastern Region Midlands District, Northern District and Southern District Associations, as well as the Small Practice Interest Group in Durban – specialising in financial reporting (IFRS, IFRS for SME's and general accounting), assurance, legislation and ethics. Caryn has a passion for Corporate Governance, which together with her Companies Act specialism and Financial Management for Non Financial Management lecturing background, has served her well in consulting and advising various Boards of Directors in recent years.

Caryn is also a platform presenter for various institutes as well as many small to medium accounting practices across the country and into Southern Africa. Maitland was appointed as a visiting Associate Professor to the University of Limpopo tasked with mentoring their Financial Accounting staff (Aug 2011 to Dec 2013).

Maitland's passion is IFRS and IFRS for SME's and was delighted at the opportunity granted in 2013 to serve on the APC subcommittee constituted to investigate the need for Micro GAAP and the role of IFRS for SME's for small and medium sized practitioners. Caryn, also serves on the Joint Accountants, Auditors and Attorneys Committee of SAICA, and is part of the School Governing Body project initiated by SAICA in KwaZulu-Natal, and has been appointed as an alternative member to the APC in June 2020

Caryn was elected as the first woman Chairperson for the Midlands District Association for SAICA in 2018 and also serves on the Eastern Region SMP Committee as well as the Local Subvention Committee for SAICA. In 2019 Caryn was appointed to the SAICA Eastern Region Council. As someone who is committed to environmental affairs, Caryn serves as a non-executive director for the Institute of Natural Resources, a Non Profit Company focusing on research. Since 2018 Caryn has worked extensively with commerce and industry, assisting analysts, directors and other users of financials to interpret, prepare, analyse and forecast based on the results of financial statements.



Course Outline

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Quote



If you are going through
hell, keep going.

Winston Churchill

Accounting Update

Accounting Update:

Standards – What's new?

IFRS Monthly news summary

Accounting issues

The importance of intangibles

Sustainability Reporting

Exposure Draft Proposed IFRS S1

General Requirements for Disclosure of Sustainability-related Financial Information; and

Exposure Draft Proposed IFRS S2 *Climate-related Disclosures*

Assurance Update

Assurance Update:

Legal/Ethics:

IESBA Proposes Technology-related Amendments to the Code

IESBA Proposes Revisions to the Code Relating to the Definition of Engagement Team and Group Audits

Assurance Update:

Other:

New Disciplinary Rules gazetted for Registered Auditors

PPRA Draft Guidelines on Audit of Accounting Records of Trust Accounts (Requirements for Business Property Practitioners)

Revised Illustrative Section 12I Tax Allowance Incentive Programme Agreed-upon Procedures Report

[IAASB digital technology market scan: data standardisation](#)

Considerations of ESG-related matters in an audit of financial statements

Why LCE audits matter _ ICAEW

Exemption from certain provisions of the Practitioners Act

- The 'Exemption from Trust Accounts' section in the Regulations makes specific reference to the Practitioners Act which includes a special provision where a **property practitioner's turnover is below R2,5 million**.
 - Accounting records in these circumstances can be subjected to an **independent review** by a registered accountant rather than being audited by an auditor.
- The Regulations also provide that a property practitioner may apply for exemption from having a trust account in specified circumstances, including **where that property practitioner has never had any trust monies or no longer receives trust money**.

Exemption from certain provisions of the Practitioners Act

- A property practitioner will further be exempted from operating a trust account if **he has mandated one or more other property practitioners that specialise in collecting and distributing trust payments** (“the payment processing agents”) to process such trust payments on his behalf in respect of all trust funds received by that property practitioner.

Exemption from certain provisions of the Practitioners Act

- Importantly the Regulations also provide that where a property practitioner is
 - a partnership, company, trust, close corporation or similar organisational entity (**Business Property Practitioner**),
 - has non-executive directors, finance, marketing, information technology, human resource or any other directors who are not directly concerned with the management and oversight of the individual property practitioners,
 - exemption should ordinarily be granted from the obligation to have a fidelity fund certificate.
- This provision in the Regulations relaxes the onerous requirement of the Practitioners Act that provides for every director of a Business Property Practitioner to have a fidelity fund certificate and who would otherwise have to then comply with the educational requirements specified in the Regulations.

Company Secretarial Update

CIPC Notices

Notices and Practice Notes issued (enforcement and to customers):

Only Admin and transition issues

Article:

Appointment of Accounting Officers

EMPLOYMENT LAW

Employment Law

Employment Equity Act: Code of good practice on harassment

COVID-19 Update

COVID-19 Update

After 750 days, Lockdown ended, now what??

Other Laws and Regulations Update

The Big 5

Issue 17 - this Update overviews new relevant National laws up to 25 March 2022

The Big 5 in this Update include:

The Employment Equity Act: Code of good practice on harassment;

The International Health Regulations Act: Draft health measures at points of entry;

The National Act: Draft regulations for environmental health, and draft amendments to notifiable medical conditions;

The Occupational Health and Safety Act: Code of practice managing SARS-Cov-2, and hazardous biological agents; and

The Rental Housing Act: Draft rental housing tribunal regulations..

Rental Housing Act

Older Persons Act

Taxation Update

Tax Newsletter

Budget Speech

The updated travel tables have finally been promulgated. See here for details:

<https://www.sars.gov.za/lapd-lsec-it-gn-2022-03-gn1848-gg-46015-vehicle-cost-tables-2022-8-march-2022/>

In short? Inflationary adjustments across the board for costs, and a new rate per kilometre of R4,18.

Tax Newsletter

Home office expenses

After much delay, IN 28(Issue 3) was issued on the 4th of March 2022. For those of us hoping that this document would be reflective of a Covid “work from home” reality, this is a sore disappointment. If anything this IN is more restrictive than previous documents issued by SARS. Primary amongst the restrictions, the new IN is very harsh on employees. The gist of the argument from SARS is that a reading of s 23(b) together with s23(m) prohibits any deduction that is not in s 11(a), (c), (e) or (i). This would prohibit, amongst others:

- Interest on a mortgage bond
- Section 12B allowances on solar panels installed at home

This is a significant deviation from the existing interpretation as comes into effect 1 March 2022. This view has been challenged and SARS have conceded it is flawed. A revised IN is to be issued to correct for this error. No promises have however been made as to when this amended IN would be published. Please be aware when claiming home office expenses that this may be challenged.

Tax Newsletter

Exchange Control

10 new circulars have been issued by SARB with respect of Exchange Control in the last month. I have listed (by Circular number) a short synopsis of each:

- 1) This is a summary statement of the intended changes and the direction in which SARB wishes to take the amendments.
- 2) Individuals may export dual/multi listed shares, using their FIA, to a foreign register.
- 3) Online forex trading (this includes crypto trading) is now permitted using your SDA or FIA. These movements must be via bank accounts, not credit or debit cards – please refer to Circular for more detail.
- 4) Individuals now have near complete freedom on what they do with their authorised offshore assets, up to and including making them available to other residents. This is not retrospective.
- 5) Individuals may now invest foreign capital in excess of R10 million into foreign trusts.

Tax Newsletter

- 6) New procedures for inward listing have been published.
- 7) Prudential limits have now officially been increased to 45% for all institutional investors, effective 23/02/2022. Institutional investors may also now open forex bank accounts with authorised dealers to obtain such exposure.
- 8) The foreign investment limit for companies has been increased from R1 billion to R5 billion per annum. In addition, profits no longer need to be repatriated annually.
- 9) These same increases have been made for domestic treasury management companies.
- 10) For individuals who have become non resident and have cash balances of less than R100 000, this amount may be remitted without a TCS.

Tax Newsletter

Odds and sods

- The OECD has updated its transfer pricing country profiles list. See here for more details: <https://www.oecd.org/tax/transfer-pricing/transfer-pricing-country-profiles.htm>
- New Exchange rate tables have been published by SARS
- Logbook format has been changed slightly: <https://www.sars.gov.za/types-of-tax/personal-income-tax/travel-e-log-book/>
- SARS will publish a guide to tax terminology in 10 official languages. English not included as all existing guidance is written in English.
- Guide for employers updated for 2022/3

Tax Newsletter

Tax Cases

*F Taxpayer v Commissioner for the South African Revenue Service (IT 45842) [2022]
ZATC 1 (25 February 2022)*

Don't be afraid to challenge SARS! As much as taxpayers are obliged to stick to the time frames proposed in the Tax Administration Act, so is SARS. This taxpayer successfully submitted a request for final order as SARS had not responded to objections and appeals in time.

*L'Avenir Wine Estate (Pty) Ltd v Commissioner for the South African Revenue Service
(16112/2021) [2022] ZAWCHC 28 (11 March 2022)*

Taxpayer tried unsuccessfully to get the Court to compel SARS to enter dispute proceedings as outlined in Chapter 9. The primary purpose of this was to be able to obtain a TCS. Their request was denied.

Regulator Update

Regulators News

IRBA News & press releases:

- See above

SAICA press releases and other publications:

- Application of IAS 12 Income Taxes Substantively Enacted Tax Rates

CIPC:

- See above

Consumer Regulator (CGSO)

- None

SAIBA:

- Accounting Weekly Newsletter
- CFO Talks

Regulators News

Competitions Act:

- None

FIC Advisory & Guidance:

- None

Companies Tribunal:

- None

Estate Agent Affairs Board

- None

LPC:

- IFRS for SME matter

Regulators News

National Credit Regulator

- None

FSCA publications & press releases:

- None

Information Regulator:

- None

SARS:

Refer to Newsletters

General Announcements

Media articles

Media articles and Other thoughts...

Is your word your bond_ The enforceability of verbal agreements

Prescription of a judgment debt – How it can impact you

A rundown of why terms and conditions in insurance policies matter

In South Africa, how long does an entire insolvency process take_

Your rights when purchasing a property - Interest rates and insurance costs

Draft Health Regulations are under the microscope

**Thank you for your
participation**