Staying informed

AfriTax

Quarter ended 31 December 2013

Issue 19

Welcome

Accessing and keeping up with the diverse tax and regulatory changes on the African continent can be challenging. To meet this need, PwC's Africa Desk in Johannesburg provides a snapshot of the most significant and recent tax and regulatory changes in Africa through AfriTax, its quarterly newsletter.

We trust you will find this publication useful and look forward to your comments.

Doing Business in Africa **series**

Tax compliance continues to pose serious challenges in Namibia

Ghana

Implementation of new VAT Act increases standard rate from 12.5% to 15%.

Nigeria

Tax authority makes first request for submission of transfer pricing policies.

PwC's Paying Taxes 2014

The latest PwC publication reports that Africa's total tax rate has fallen significantly since 2004.

In this issue

Recent and upcoming events

Doing Business in Africa series

The PwC Africa Desk in Johannesburg recently held its third half-day seminar on *Doing Business in Africa*, featuring Botswana and Namibia. The seminar took place both in Johannesburg and Cape Town. Both seminars were attended by over 200 representatives of various South African-based companies doing business in these two countries.

The seminar was facilitated by experienced PwC tax specialists operating in Botswana and Namibia. They shared their invaluable experiences on these territories, while providing updates and insights on recent and anticipated developments as well as other key issues. The participants also had opportunities to schedule separate meetings with these tax specialists to discuss their challenges.

This *Doing Business in Africa* series is an initiative of the PwC Africa Desk. The countries previously profiled were Zambia and Mozambique. The next country in line is Angola, and this seminar is tentatively scheduled to be held in April 2014.

If you would like to be a part of the upcoming seminar, please reach out to any of the Africa Desk contact persons below.

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Country tax updates

Algeria

Finance Act, 2014 passed into law

The Finance Act, 2014, which was recently passed by Parliament and received assent by the President, has now been published in the Government Gazette. The budget aims to encourage investments in domestic production, enhance control over importation and improve the quality of public service.

While the budget does not provide for new taxes or tax increases, it does provide for a number of tax incentives for start-up companies and small businesses. This reflects government's intention to diversify the economy and make it less dependent on the oil sector.

The following provisions in the Finance Act apply with effect from 1 January 2014:

- Previously, companies that benefit from tax incentives are obliged to, within a 4-year period, to reinvest the profits corresponding to all tax exemptions obtained. This rule limits the capacity for dividend distribution. This obligation has now been reviewed and limited only to the exemption obtained during the operational period (IBS and TAP). This provides an opportunity for affected companies to consider the distribution of dividends.
- A tax anti-avoidance regulation, similar to the French 'abuse of law' concept, has been introduced. Fictitious or tax-driven transactions are now in the scope of this new regulation.
- The obligations relating to transfer-pricing documentation will depend on whether the company being audited belongs to a group or not.
- Internet service providers will be exempt from VAT.
- VAT exemptions on importation of goods will be more limited. This may lead to an increase in the input VAT and, thus, the timing to receive VAT refunds.
- Cars manufactured in Algeria will be exempt from the tax applicable on the sale of new vehicles.
- Investments in joint ventures (within the 51%:49% national to foreign shareholding ratio) leading to a transfer of know-how or to production in Algeria with a domestic integration rate greater than 40% will benefit from tax incentives, subject to the approval of the National Investment Centre, or *Conseil national d'investissement* (CNI).
- The requirement to submit all foreign direct investment projects to the CNI was suspended.
- The time limit for the Ministry of Industry to deliver the certificate of renunciation of pre-emption rights is extended from one month to three months. The certificate is required for the transfer of shareholding in resident companies to or by foreigners.
- Car concessionaires and car importers are obliged to carry out an industrial or service activity or any other activity related to the car industry within a three-year period as of 1 January 2014.

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Angola

Consumption tax now applies to oil and gas companies

Based on a new amending law, oil and gas operators in Angola are now subject to the consumption tax regime with effect from 8 October 2013. The new law clarifies that oil and gas operators, while taxed under a special tax regime (the Petroleum Income Tax), are not excluded or exempted from consumption tax.

The new law expressly requires that services provided to oil and gas companies be subject to consumption tax. However, service providers are not obligated to collect and remit consumption tax to the tax authority; instead, they must reflect the consumption tax due on invoices to oil and gas operators.

The obligation to pay, as well as liability for, penalties for non-compliance rests with oil and gas operators, not service providers. Oil and gas operators who fail to comply with the payment obligation will be unable to deduct consumption tax for petroleum income tax purposes.

Please ***click here*** *for more information.*

Share capital and regulatory own funds of banking financial institutions

On 2 December 2013, Order 14/13 of the Angolan Central Bank was published in the Angolan Official Gazette with the purpose of adjusting the requirements in terms of minimum share capital and regulatory own funds (or equity) of banking institutions.

With effect from the above-mentioned date, banking institutions in Angola are required to have their share capital fully paid up in national currency, and to maintain their share capital and regulatory own funds at a minimum of Kz. 2.5 billion.

Additionally, this recently enacted order provides that banking institutions already in operation are to make, by 30 June 2014, such adjustments as required, to ensure that their respective share capital and regulatory own funds comply with the above-mentioned minimum amount.

Customs duties tariff

Presidential Decree No. 10/13 was published in the Official Gazette of 22 November 2013. It approves the customs duties tariff regarding importation and exportation duties, which corresponds to the 2012 version of the harmonised commodity description and coding system. The customs duties tariff came into force on its publication date.

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Cape Verde

Amendment to value added tax legislation

Law 51/VIII/2013, published in the official bulletin of Cape Verde of 27 December 2013, introduced changes to the VAT law (RIVA) with effect from 1 January 2014.

The major additions and amendments are:

- The VAT rules on the location for supply of services connected with immovable property now also include the services provided by architects, attorneys, advisors and consultants.
- The reverse charge rule is now applicable to construction services.
- Invoices issued for construction services, in which the customer is the taxable person for VAT purposes, should contain the wording *"IVA – autoliquidação"*.
- It becomes mandatory to issue an invoice for the supply of goods and services, even if not requested.
- Delivery notes and rectifying documents should contain reference to the invoice that is being corrected and information on what is being amended.
- New deadlines are introduced for submitting the VAT returns.
- New obligations and requirements are introduced for the application of VAT exemptions to projects under international cooperation.

*Please **click here** for more information.*

State budget for 2014 – Amendment to the property tax

The Unique Property Tax (IUP) rate is reduced from 3% to 1.5%, applicable to buildings subject to taxation on their tax property value.

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Congo Brazzaville

With effect from 1 January 2014, taxpayers who account for their taxes at the Department for Large Business (UGE) and the Oil and Gas Tax Inspectorate (IDPF) are required to pay their taxes exclusively via bank transfers. This guideline, with reference number 811/MEFPPPI-CAB, issued by the Ministry of the Economy, applies as long as the order detailing the payment terms for taxes, interests and duties owed to the Congolese state has not yet been published.

This development is pursuant to Article 461 of the General Tax Code which stipulates the obligation that tax payments to the Public Treasury should be channelled via the banking system.

*Please **click here** for more information*

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Egypt

Bank loan deduction reinstated

On 12 December 2013, Egypt's interim president issued a law reinstating a rule allowing banks to include loan provisions as deductible expenses in their income tax returns. Law 164/2013 was published in the official gazette on the aforementioned date and entered into force the following day.

Based on the reinstatement, banks may deduct 80% of their loan provisions accounted for under the rules issued by the Central Bank of Egypt for preparing financial statements and determining the evaluation basis.

Framework for resolution of tax disputes established

Egypt's interim president issued a new law providing procedures for the settlement of existing tax disputes with effect from 12 December 2013.

The new law is intended to accelerate the conclusion of current and long-standing tax disputes, as well as the collection of the related tax amounts.

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Ghana

New VAT Act is in force

The new Value-Added Tax Act, 2013 came into force with effect from 31 December 2013. Significant changes introduced by this new Act include:

- *Increase in the standard VAT rate from 12.5% to 15%.* Therefore, the standard VAT and NHIL rate on the taxable supply of goods and services is now 17.5% (previously 15%), while the NHIL rate remains unchanged at 2.5%.
- *Increase in the threshold for VAT registration from GH¢90 000 to GH¢120 000.* Consequently, persons whose annual turnovers are below GH¢120 000 will no longer be required to register for VAT.
- *Extension of the coverage of VAT:* The following business activities are now covered by the tax:
  - Sale of immovable property by an estate developer (as defined);
  - Supply of financial services that are rendered for a fee, commission or a similar charge. The Act defines what constitutes financial services;
  - Supply of domestic transportation of passengers by air; and the supply of haulage as well as the rental or hiring of passenger and other vehicles;
  - The manufacture or supply of pharmaceuticals listed under Chapter 30 of the Harmonised Systems Commodities Classification Code, 1999, other than supplies at the retail stage;
  - The business activities of auctioneers and promoters of public entertainment; and
  - The business of gymnasium and spa.

All businesses engaged in these activities but have not registered for VAT/NHIL are obliged to contact their local tax offices for registration.

It is unclear whether the VAT Flat Rate Scheme, which operated at a rate of 3%, may no longer be applicable, since its threshold was GHS 90,000. Suppliers that currently use the flat rate scheme should, however, continue to apply the flat rate until the Commissioner-General of the Ghana Revenue Authority advises otherwise.

Amendments to importation levies

- Introduction of a special import levy (SIL) exemption for agriculture and fishing inputs, medical supplies, educational materials and energy-saving bulbs.
- The SIL on agriculture and fishing inputs is terminated with immediate effect.

2014 budget proposals

The Minister of Finance and Economic Planning presented the 2014 budget, which includes the following tax proposals:

- Increase in withholding tax rates as follows:
  - *Commercial rent:* 15% (from 8%);
  - *Management and technical service fees:* 20% (from 15%);
  - *Non-resident individuals:* 20% (from 15%).
- Change in the corporate income tax rate applicable to Free Zone Enterprises ("FZEs") after their 10-year tax holiday.

  Currently, companies registered to operate as FZEs do not pay corporate tax during their tax holiday period. On the expiration of the holiday, their corporate tax rate is not expected to exceed 8%.
- Expansion of the coverage of capital gains tax to include petroleum operations.
- Introduction of exemption from import duty and VAT for raw materials imported for local printing of textbooks and exercise books, as well as for local production of HIV/AIDS drugs.
- Introduction of tax stamp duty on selected excisable products.
- Change in the basis of petroleum excise duty from a specific to ad valorem basis.
- Early termination of the National Fiscal Stabilisation Levy in June 2014 (instead of December 2014).

*Please **click here** for more information*

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Libya

Annual corporate filing extension

In December 2013, the Minister of Finance approved another filing extension for the financial years 2010, 2011, 2012 and 2013. The income tax law requires accounts to be filed with the tax authorities within one month of the report date or four months after the accounting year-end, whichever comes first.

The new filing deadline for these financial years has been set as 31 July 2014.

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Mauritius

New substance requirements for GBC 1 companies

The Mauritian Financial Services Commission (FSC) issued new substance guidelines for global business companies to come into effect as of 1 January 2015. Going forward, in addition to the existing conditions, a Category 1 Global Business Company (GBC 1) will need to fulfil at least one of the following criteria:

- The corporation has or shall have office premises in Mauritius.
- The corporation employs or shall employ on a full-time basis at administrative/technical level at least one person who shall be resident in Mauritius.
- The corporation's constitution contains a clause whereby all disputes arising out of the constitution shall be resolved by way of arbitration in Mauritius.
- The corporation holds or is expected to hold, within the next 12 months, assets (excluding cash held in bank account or shares/interests in another corporation holding a Global Business Licence) that are worth at least USD100 000 in Mauritius.
- The corporation's shares are listed on a securities exchange, licensed by the FSC.
- It has or is expected to have a yearly expenditure in Mauritius, which can be reasonably expected from any similar corporation that is controlled and managed from Mauritius.

Introduction of administrative penalties for late filing of accounts and reports

The Mauritian FSC recently introduced administrative penalties on regulated entities for failure to comply with their obligations on a timely basis. The rules will apply, with effect from 1 April 2014, to entities licensed and/or regulated by the FSC, which includes GBC 1 companies. The penalties are generally imposed at USD10 (or Rs300) for each business day of non-compliance.

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Mozambique

Amendment to personal income tax legislation

Decree No. 56/2013 was introduced on 27 November 2013 to amend some articles of the personal income tax (PIT) legislation. The amendments sought to align certain procedural matters with the reforms to PIT, namely the new individual and separated taxation of employment income through the definitive withholding tax, with effect from 1 January 2014.

The amendments include new procedures to assess the tax due, based on the reference table introduced in 2013 (please refer to Afritax Issue 18). It also prevents payments of income subject to withholding tax if the beneficiaries fail to produce evidence of tax registration through the universal tax identification number (NUIT) in Portuguese.

Tax administration

The Mozambique Revenue Authorities (MRA) have launched a process to update all taxpayers' data and introduced amended tax forms in preparation for the e-taxation regime scheduled for 2015. This will entail the use of an updated electronic system as from the 2014 tax year.

The reform of MRA also included the introduction of a centralised electronic help desk for taxpayers.

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Namibia

Further delay in implementation of 'skills levy'

The chairperson of the board of the Namibia Training Authority recently released a media statement that the proposed vocational education and training (VET) levy (commonly referred to as 'skills levy') will be postponed till further notice.

As reported in the *17th edition of AfriTax,* the VET levy, calculated at 1.5% of payroll cost, is payable by all companies with a payroll cost of over N$350 000 a year. The levy is due on or before the 20th day of each month.

*Please **click here** for more information*

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Nigeria

Tax authority makes first request for the submission of transfer pricing policies

The Federal Inland Revenue Service (FIRS) asked tax consultants to inform their clients who are affected by the Nigerian transfer pricing regulations to submit their transfer pricing policies to the Transfer Pricing Division of the FIRS. In a previous discussion with the FIRS, they indicated that all taxpayers may be asked to submit a TP declarations form, whether they have related-party transactions or not. This is to enable the FIRS to identify non-compliant taxpayers more easily.

The recent action of the FIRS is a clear indication that they are anxious to start the review of taxpayers' compliance with the TP regulations. Taxpayers should, therefore, pay close attention to their compliance with the arm's length principle and ensure all relevant documentation is ready before the due date for filing their returns.

*Please **click here** for more information.*

2014 budget highlights

On 19 December 2013, the Minister of Finance, on behalf of the President of the Federal Republic of Nigeria, presented the 2014 Federal Budget proposal to the National Assembly under the theme 'Budget for Job Creation and Inclusive Growth'.

There are no changes proposed to the income tax and VAT rates. However, some of the expected policy actions of government include the following:

1. To encourage local production and assembly of vehicles in Nigeria, importation of new and used vehicles will attract an import tariff of 70% of the cost of the vehicle, and another 35% duty of the cost of the vehicle.
2. To improve the value chain on key automobile products such as metals, iron ore, plastic and tyres, there will be a tax holiday for five to 10 years for local manufacturers of tyres. Unless this is applied to unincorporated entities, in our view, there is already a framework for the tax relief under the Industrial Development Act.
3. In order to encourage the local production of rice, a 10% duty and 100% levy were applied to both brown and polished rice. However, as local producers were not able to increase production to meet consumer demands, there was a surge in smuggled rice from neighbouring countries. Consequently, the Nigerian government is likely to review the import regime on rice.
4. On the reforms in the petroleum sector, the Petroleum Industry Bill (PIB), which is Nigeria's comprehensive oil and gas legislation, is expected to become law before 2015. Highlights of the PIB were reported in *AfriTax Issue 14.*

*Please **click here** for more information*

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South Africa

Tax Acts promulgated

- *Tax Laws Amendment Act, 2013*

  On 12 December 2013, the Taxation Laws Amendment Act of 2013 was promulgated and printed in the official government gazette. The key highlights of the Act were featured previously in the AfriTax.

  *Please **click here** for more information.*

- *Tax Administration Laws Amendment Act*

  The Tax Administration Laws Amendment Act 39 of 2013 (TALAA13) was promulgated on 16 January 2014. It introduced much needed relief for many taxpayers from the application of the understatement penalty regime. *(Please click here for more details.)* Much of this relief has been applicable since 1 October 2012, the date on which the Tax Administration Act became effective. However, the revised understatement penalty table in terms of which the penalty percentages are substantially reduced for less serious behaviours will apply from date of promulgation.

  *Please **click here** for more information.*

Energy efficiency savings incentive comes into operation

Section 12L of the Income Tax Act (ITA) provides for a tax allowance for energy efficiency savings. It was originally inserted in 2009 and substituted in 2012, but remained ineffective until a notice bringing it into effect was published and the accompanying regulations issued – both of which have now been done.

*Please **click here** for more information.*

Deemed exchange gains and losses

Section 24I(10) of the South Africa Income Tax Act 58 of 1962 (ITA) has been replaced by a new provision (24I(10A)) for years of assessment commencing on or after 1 January 2013.

Section 24I(10) of the ITA deferred unrealised exchange gains and losses on exchange items between connected persons and group companies until they were realised.

The new provision essentially deems realisation of the exchange gain/loss as the last day of the year of assessment ending on or after 31 December 2013.

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Tanzania

Budget 2013 – further developments

- *Withholding tax on payments to residents for services*

  Following the issuance of Practice Note 01/2013 by the Tanzania Revenue Authority (TRA) in August 2013, and a subsequent request from the Head of the European Union Delegation to the United Republic of Tanzania for further clarity on this tax, the TRA have confirmed that the 5% withholding tax only applies to a service fee that is professional or consultative in nature. The letter also confirms that a number of services (not mentioned in the original practice note as being excluded) are not subject to this tax (including hotel/accommodation, security services, clearing services, loading and offloading services, storage services, packaging services, vehicle rental, equipment rental, supply of agency staff and telephone services).

- *Excise Duty – (i) money transfers (ii) sim cards*

  In the previous edition of AfriTax, it was reported that cases had been opened at the Tax Revenue Appeals Board (TRAB) by both the Tanzania Bankers Association (TBA) and members of the Mobile Operators Association of Tanzania (MOAT), challenging the basis for application of the new excise duty on (i) money transfers and (ii) sim cards. In December 2013, rulings were issued supporting the right of the TRA to collect these taxes.

  Subsequently following a deed of settlement between the government and MOAT members, it was agreed that excise duty on sim cards should not apply after December 2013. Instead, the excise duty rate on electronic communication services should increase from 14.5% to 17% with effect from 1 January 2014. A legislative amendment to this effect was passed by Parliament in December..

Please ***click here*** *to access AfriTax Issue 18 for the previous feature on these topics.*

VAT Bill 2013

On 18 October 2013, the Ministry of Finance (MoF) circulated a draft of a new VAT Bill to stakeholders for comments. The new legislation is expected to come into force on 1 July 2014. Changes proposed under the new VAT Bill include:

- A significant reduction in exemptions and reliefs;
- Provisions to address VAT on new forms of trade – in particular, international services, including e-commerce and telecommunications;
- Better alignment with international best practice, including recognition of the destination principle; and
- Measures to address intra-union trade issues between the mainland and Zanzibar.

PwC Tanzania's comments on the VAT Bill were provided to the MoF on 5 November 2013. Thereafter, PwC Tanzania held a seminar on 3 December 2013 on the new bill. A copy of the slides can be accessed on the link below.

Please ***click here*** *to download the slide deck on VAT Bill 2013.*

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African Countries' Double Taxation Treaty update

This section provides an update on the double taxation treaties with African countries. The table below shows the highlights of the treaties concluded during the quarter under review.

Treaty countries and dates	Withholding Tax Rates		
	Dividend (%)	Interest (%)	Royalties (%)
Burkina Faso – Morocco *Signed: 18 May 2013* *Not yet in force*	10%	10%	10%
Burkina Faso – Tunisia *Signed: 15 April 2003* *Entry into force: 1 April 2013* *Effective date: 1 January 2014*	8%	5%	5%
Egypt – Georgia *Signed: 25 May 2010* *Entry into force: 20 December 2012* *Effective date: 1 January 2013*	10%	10%	10%
Egypt – Ireland *Conclusion date: 9 April 2012* *Entry into force: 24 April 2013* *Effective date: 1 January 2014*	5% or 10%[1]	10%	10%
Guinea-Bissau – Portugal *Signed: 17 October 2008* *Entry into force: 5 July 2012* *Effective date: 1 January 2013*	10%	10%	10%
Malawi – Norway *Signed: 8 December 2009* *Entry into force: 10 December 2012* *Effective date:* *Malawi – 1 July 2013* *Norway – 1 January 2013*	5% or 15%[2]	10%	5%

[1] 5% of the gross amount of the dividends if the beneficial owner is a company (other than a partnership), which holds directly at least 25% of the capital of the company paying the dividends. 10% in all other cases.

[2] 5% of the gross amount of the dividends if the beneficial owner is a company (other than a partnership), which holds directly at least 10% of the capital of the company paying the dividends. 15% in all other cases.

Treaty countries and dates	Withholding Tax Rates		
	Dividend (%)	Interest (%)	Royalties (%)
Mauritius – Guernsey *Signed: 17 December 2013* *Not yet in force*	Domestic rate applies	Domestic rate applies	Domestic rate applies
Mauritius – Monaco *Signed: 13 April 2013* *Entry into force: 8 August 2013* *Effective date: 1 January 2014*	Domestic rate applies	Domestic rate applies	Domestic rate applies
Morocco – Qatar *Not yet in force* *Signed: 27 December 2013*	5% or 10%[3]	10%	10%
Seychelles – Isle of Man *Entry into force: 16 December 2013* *Effective date: 1 January 2014*	Domestic rate applies	Domestic rate applies	Domestic rate applies
Seychelles – San Marino *Signed: 28 September 2012* *Entry into force: 30 May 2013* *Effective date: 1 January 2014*	0% or 5%[4]	Exempt or 5%[5]	Domestic rate applies
Tunisia – Saudi Arabia *Signed: 8 July 2010* *Entry into force: 15 January 2013* *Effective date: 1 January 2014*	5%	2,5% or 5%[6]	5%
Kenya – Kuwait *Signed: 12 November 2013*	The details are not yet available.		
Senegal – South Africa *Signed: 2 October 2013*	The details are not yet available.		

[3] 10% on dividends generally, reduced to 5% if the beneficial owner is a company that directly owns at least 10% of the capital of the company paying the dividends.

[4] 5% of the gross amount of the dividends if the beneficial owner is a company that has held directly at least 10% of the capital of the company paying the dividends for an uninterrupted period of at least 12 months prior to the decision to distribute the dividends. 0% of the gross amount in all other cases.

[5] Exempt if interest is on debt claims or loans of any nature – not represented by bearer instruments – paid to banking and financial institutions. Exempt if it is interest on deposits made with a banking or financial institution; also exempt if it is interest paid to the other contracting state. 5% in all other cases.

[6] 5% on interest in general. 2,5% on bank interest.

PwC publications of interest

African tax publications

PwC Africa Tax App

The PwC Africa Tax App delivers tax research and information for the African continent directly to your smart devices in real time. As a multimedia library housing all the latest PwC Africa tax research and information, the application offers crucial information on investing and doing business in Africa. The content provided on the PwC Africa Tax App comprises insightful information of the following core tax areas: corporate tax, international tax, indirect tax, and human resource services.

It is compatible with tablet devices such as Apple and Android, and is available for download at their respective app stores. It is simple to use, with offline viewing capabilities, social sharing and bookmarking. It also has push functionality that provides notifications of new tax research and information releases.

*Please **click here** to download the app.*

One-page tax summaries for Africa

The Africa Desk compiled one-page tax summaries for 50 African countries. These documents give snapshots of the tax and regulatory environments in the various African countries, and are especially useful for making preliminary decisions and simultaneously comparing the tax regimes in multiple African countries. The one-page tax summaries are published on our website.

*Please **click here** to download the one-page tax summaries.*

Paying Taxes 2014, including Africa Analysis

Paying Taxes 2014 includes separate chapters with regional analysis, as well as for the African continent (on pages 34 to 49 of the report). Comparisons between African countries on total tax rate, time to comply and number of payments, as well as specific articles on Nigeria, South Africa and Uganda are also included in the analysis.

This year, the number of economies covered by the study has increased to 189. While this number is impressive, the value that the study brings lies in the ability to compare and contrast economies within relevant peer groups. The analyses in this publication offer the ability to do this for a particular set of geographical areas, drawing out relevant themes and issues. Take a look at the regional findings below and also try out our comparative modeller to create the groupings that are of most use and interest to you.

*Please **click here** to download the report..*

Total Tax Contribution – South Africa

This is the fifth edition of our survey of the total tax contribution (TTC) of large companies in South Africa. This survey considers the total contribution made to the fiscus by large companies, and includes comparative data that covers the 2012 and 2013 fiscal years. The changes in the country's economic cycle are also reflected in this report.

We have conducted four successful surveys in the past in South Africa and this report presents the results of the fifth survey, which covers the years 2011 to 2013. These surveys have been conducted because it is important that the impact of South Africa's tax system is understood and interpreted fairly, and that it contributes to an informed debate about the different business-related taxes.

*Please **click here** to download the report.*

Synopsis

Synopsis is a monthly journal published by PwC South Africa. The journal provides informed commentary on current developments in the tax arena, both locally and internationally, to assist business executives in identifying developments and trends in tax law and revenue practice.

*Please **click here** to download the current or previous editions of this report.*

Country tax and investment guide/data information

PwC professionals have recently prepared various publications to highlight the tax and business environment in several African countries including Ghana, Liberia, Namibia, Nigeria and Sierra Leone.

Please click on any of the following links to access the related publication:

- *Ghana tax reference guide*
- *Ghana tax guide for petroleum operations*
- *Liberia tax reference guide*
- *Namibia business and investment guide*
- *Namibia tax reference guide*
- *Nigeria: 2013 tax environment in retrospect*
- *Sierra Leone tax reference guide*

Global tax publications

Worldwide Tax Summaries

Worldwide Tax Summaries – Corporate Taxes 2013/14 is a useful reference tool to help you manage taxes around the world. It offers quick access to information about corporate tax systems in over 150 countries worldwide, in an easily digestible format.

Written by local PwC tax specialists in each country, this guide covers recent changes in tax legislation as well as key information about income taxes, residency, income determination, deductions, group taxation, credits and incentives, withholding taxes, indirect taxes, and tax administration, up to date as of 1 June 2013.

*Please **click here** to download the current or previous editions of this document.*

International Tax News

Keeping up with the constant flow of international tax developments worldwide can be a real challenge. International Tax News provides a succinct monthly analysis of select legislative changes, case law and treaty news from around the globe.

*Please **click here** to download the recent current issue of this newsletter.*

The OECD releases calendar for planned stakeholder input into the BEPS project

On 3 December 2013, the OECD (Organisation for Economic Cooperation and Development) released a busy calendar for planned stakeholder input into the BEPS (Base Erosion and Profit Shifting) project. The calendar provides tentative time frames for the release of discussion drafts, deadlines for comments and public consultations across four major BEPS topics. Webcasts have also been announced, starting in January 2014, where senior officials from the OECD Secretariat discuss developments in relation to BEPS and answer questions from the public.

This represents a welcome step by the OECD in seeking more consistent and frequent engagement with the tax community, as well as a renewal of its commitment to a very ambitious time frame for completing its substantive work.

*Please **click here** to download the report.*

Key Tax Issues at Year-End for Real Estate Investors 2013/2014

International tax regimes are diverse, complex and variant, and are usually full of fixed dates, terms and deadlines. These dates, terms and deadlines need to be observed carefully in order to avoid penalties and to receive certain tax reliefs or exemptions. At year-end, these obligations become even more difficult to understand and fulfil, particularly for real estate investors with investments in numerous countries.

This publication gives investors and fund managers an overview of year-end to-do's and important issues in real estate taxation in 30 tax systems worldwide. Furthermore, it highlights what needs to be considered in international tax planning and the structuring of real estate investments.

*Please **click here** to download the report.*

Tax transparency and country-by-country reporting – An ever changing landscape

In recent years, the global economic climate has put many governments under severe pressure as regards their spending programmes and the need to generate higher tax revenues to help with the reduction of public sector deficits. This pressure has included an increasing focus from investors, civil society organisations, the media and others for companies and individuals to be seen to be making their contribution to the public purse. For some, increased transparency around tax is seen as an essential part of the answer to help deal with these issues.

Since we published our last briefing on tax transparency and country-by-country reporting, just over 12 months ago, the introduction of mandatory tax reporting rules has accelerated.

Please click here to download a copy of this report.

*Please **click here** to download this report.*

Extractive industries: Mining, oil and gas

Gold, silver and copper price report 2014

Amidst write downs, drop in commodity prices and lower revenues, gold, silver and copper are among the most closely watched metals in the mining sector. They are also some of the hardest hit metals in 2013, according to PwC's Gold, silver and copper report 2014.

According to the report, gold has been the big mining story of 2013. The metal, which surpassed $1,900 per ounce in 2011, fell to around $1,200 this year. The worst performing metal this year goes to silver — with prices plummeting 40% in 2013. As for copper, prices fell from $3.70 per pound at the start of the year to above $3 currently — becoming the metal that 'outperformed' this year.

Gold producers are preparing for another challenging year. Reflecting lower levels of confidence, 47% of gold producers expect the price to increase in the next 12 months, compared to 88% a year ago.

Despite being the worst performing metal this year, silver miners are optimistic for 2014 with only 9% anticipating the price of silver to fall further next year. Copper is expected to be stable with nearly two thirds of respondents (62%), predicting copper prices to remain same in 2014.

*Please **click here** to download this report.*

Driving value in the upstream oil & gas sector

The need to understand and assess value in the oil & gas sector has never been greater than it is today. Over the next twenty years the sector will need to invest substantial amounts of capital to meet the growing demand for energy – and do so in the context of rising cost pressure and competitive forces.

This report (and accompanying presentation) examines the ability of companies in the upstream Oil & Gas sector to deliver value to shareholders on this large future investment.

*Please **click here** to download this report.*

SA Mine: Highlighting trends in the South African mining industry

In the fifth edition of SA Mine, our mining specialists analyse trends in the local industry and uncover their effect on the bottom line.

The 2013 financial year was marred by labour unrest leading up to and following the Marikana tragedy. In addition, local cost pressures, lower production and international demand weakness resulted in shrinking margins and wide-ranging impairment provisions.

*Please **click here** to download this report.*

Extracting value: What do investment professionals need from mining company reporting?

PwC's survey of investment professionals highlights clear areas for improvement and opportunities for management to set themselves apart.

Key findings of the survey include:

- Investment professionals following companies in the mining sector tell us they do value corporate reporting.
- They particularly want to hear about measures that populate their models and that move the market. Investors and analysts want not only to be able to access them easily, but also to have confidence in their reliability.
- Investment professionals link the quality of a company's reporting with the quality of that company's management. The better the reporting, the better they perceive the

*Please **click here** to download this report.*

Financial services

Financial services transfer pricing perspectives

In response to the rapidly changing and complex transfer pricing environment, this edition focuses on the release of the Base Erosion and Profit Shifting (BEPS) Action Plan published in July 2013 by the Organisation for Economic Cooperation and Development (OECD) and their transfer pricing implications on the financial services sector.

In this edition, we present four BEPS related articles covering areas we feel will only increase in importance over the coming years.

Please click here to download the report.

SAM Focus

The recently issued third quantitative impact study (QIS 3) represents an important step in moving from the development phase to the implementation phase of the solvency, assessment and management (SAM) regime.

QIS 3 is compulsory for all insurers and insurance groups which will require formal sign-off by the public officer. Furthermore, the FSB has indicated a clear preference for evidence that the board was involved or otherwise noted the submission. There is no prescribed reporting date, but it should not be earlier than 31 December 2012. Insurers will have to submit their QIS 3 results by April 2014 for solo entities and by mid-May for insurance groups.

In this SAM Focus we consider the implications for technical provisions, solvency capital requirements, participations, own funds and insurance groups, and take a closer look at liquidity risk.

*Please **click** the link to download the report.*

Banking Banana Skins 2014

What risks do banks worldwide face in the current climate, and how are they prioritising them? PwC and the Centre for the Study of Financial Innovation (CSFI) have joined forces to learn what banking industry leaders view as the biggest threat. Every two years, PwC and the CSFI conduct a survey to explore the risks bankers face, and how prepared they are to tackle them. We would very much like you to participate in this year's survey. The questionnaire is online and asks about the future of the banking sector, and where you see its greatest challenges over the next two to three years. It will provide an industry view of risk and future trends, but relies on feedback from the global banking industry.

*Please **click here** the link to download the report.*

Transportation and logistics

Africa gearing up: *Future prospects in Africa for the transportation & logistics industry*

Africa's trans-continental highway network looks better on paper than on the ground. It is a real constraint for T&L companies. Rail connections are lacking too, but a number of projects to improve regional connectivity are underway. Major port projects are a step in the right direction, but Africa will need to do more to get goods moving by sea. East and southern Africa have air infrastructure in place, with plans for two new airports in the west. Airfreight, however, will not take off unless security issues are addressed.

*Please **click here** to download the report.*

Metals, engineering and construction

Made in Africa – Western Cape Metals and Engineering

This publication focuses on the metals and engineering cluster within the Western Cape manufacturing sector of South Africa. This cluster is characterised by a high level of innovation, specialised knowledge and niche manufacturing capabilities that supply most other industries and sectors with machines, production systems, components and associated services.

It reviews the renewable energy industry and related green economy, and the oil and gas, medical devices and aerospace industries as well as other industries with export and Africa growth opportunities. It also discusses doing business in the Western Cape and government incentive programmes to promote the manufacturing industry.

Please click here to download the report.

SA Construction

Welcome to the inaugural edition of our SA Construction publication, which highlights trends in the South African construction industry. The 2013 year has seen the construction industry in the headlines for all the wrong reasons. Most notable has been the finalisation of the Competition Commission enquiries and the significant delays at Eskom power plant projects. These have highlighted the importance of the industry for the country's development and the challenges of the environment in which it operates.

We hope that this publication will provide meaningful information to industry participants in evaluating performance and addressing risks.

*Please **click here** for more information*

General interest publications

Gambling Outlook: 2013-2017

Including: South Africa, Nigeria and Kenya

PwC's team of gambling specialists bring you an unbiased overview of how the gambling industry in the abovementioned countries is expected to develop over the coming years.

The publication focuses on the following major industry segments: casino gambling; limited pay-out machines; sports betting; bingo; and the National Lottery. It details the key trends we have seen developing and the future challenges and prospects that are facing these industry sectors. For Nigeria and Kenya, we cover only casino gambling.

Gambling Outlook: 2013-2017 provides deep knowledge of the local gambling market and is a powerful tool for understanding critical business issues for this market.

*Please **click here** to download the report.*

2013 Resilient Companies survey

Sustainable development – which involves managing risks and opportunities affecting long-term viability and value creation – needs to be integrated into every facet of an organisation and its approach to doing business. Our discussions with CEOs highlight that the majority believe that measuring their organisation's total impact could enable better business decisions about business risk, and build a stronger reputation with employees, investors and regulators, than using financial measures alone. In addition, while focus is traditionally placed on annual reporting, this is only as good as the everyday doing, and addressing this remains a challenge for companies today.

Through this survey, we assess how well sustainable development is being embedded in the strategy, risk management and daily operations of the top 100 companies listed on the JSE. The results provide a point of reference for a comparison to the results of the 2012 Resilient Companies survey as well as for subsequent research in years to come.

*Please **click here** to download the report.*

Spotlight on cyber security

Reported cyber security breaches are up by 25% in the last 12 months, a trend that is sure to continue in the coming years as more data and ideas are digitised and shared across global networks and on personal mobile devices. As our Global State of Information Security report shows, cyber security is no longer the blind spot it was for many organisations. Budgets to combat digital vandals, spies and thieves have swelled and confidence in corporate capability in this area is climbing. But while many organisations have raised the bar on security, their adversaries continue to outpace them.

*Please **click here** to read more on this topic.*

The power of pricing: How to make an impact on the bottom line

Pricing matters. A 1% price increase typically delivers an 11% impact on profit. Therefore, in a volatile and competitive market, it is more important than ever to give pricing the attention and focus it deserves.

Pricing specialists from over 500 companies around the world discuss pricing as part of their business strategy and how they currently approach it. The results show significant trends in pricing capabilities and practices between different industries and countries, and highlight a number of opportunities for further improvement.

Implementing a great pricing strategy can be complex and involves excellence in all four aspects of pricing. But when taken seriously and with a clear strategy in place, pricing can help make your company more profitable now and in the future.

*Please **click here** to download the report.*

PwC Africa Desk

The Africa Desk in *Johannesburg* is staffed by specialists from across Africa, and works closely and seamlessly with colleagues at PwC offices in other African countries and the Africa Desks in *New York*, USA and *Perth*, Australia to help clients address important issues facing their businesses.

The Africa Desk provides quick responses to specific and generic questions that companies need answered when considering investments in Africa.

Both existing and potential clients seeking to invest into Africa or to restructure their Africa operations may contact

The PwC African footprint

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