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 recent tax and regulatory changes in Africa through its quarterly newsletter, ***AfriTax****.*

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

In this issue

Recent events

Doing Business in Africa seminar series

Focus on Angola

On 28 and 29 March 2017, the PwC Africa Desk held Doing Business in Africa seminars in Johannesburg and Cape Town, which focused on Angola. PwC Angola's tax partner, Jaime Esteves, and his team shared insights on doing business in Angola.

Some of the insights shared included the current challenging operating environment in view of the recent decline in global oil prices and government's recovery plan, which includes a focus on prioritising economic diversification and human capital development.

Jaime highlighted recent developments in the Angolan economy, the current investment climate, business vehicles, taxation and regulatory frameworks, exchange controls, human resource matters, immigration requirements and interacting with authorities in Angola.

The Doing Business in Africa seminar series is an initiative of the PwC Africa Desk in Johannesburg. Countries previously profiled are Botswana, Ethiopia, Ghana, Kenya, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Seychelles, South Africa, Tanzania and Zambia.

Clips of video interviews with previous presenters in this series can be accessed *here*:

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Country Tax Updates

Cape Verde

Annual statement filing

- Decree No. 9/2017, of 20 March approved the annual statement form, as applicable to tax periods commencing after 1 January 2015.
- According to the Decree, taxpayers must submit their annual statement by 30 July of the year following the end of the tax year. Transfer pricing returns should also be prepared and filed by the due date of 30 July.
- The annual statement throughout its various annexes centralises information of an accounting and fiscal origin, including information on transfer prices, impairments and tax benefits.
- The annual statement must be submitted electronically.

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Congo

2017 Finance Law

The 2017 Finance Law makes changes to the provisions of the General Tax Code (hereafter CGI) and to uncodified tax laws. The key changes are summarised below.

Corporate Income Tax – Transfer pricing

The new legislation has amended the transfer pricing provisions, in the following manner:

- The amount of turnover that triggers the obligation to prepare transfer pricing documentation has been increased. The new turnover value is XAF500 million (compared to XAF100 million previously).
- Transfer pricing rules do not apply to companies belonging to the same group located in Congo.
- Transfer pricing documentation must be provided to the tax authorities within six months of the date of filing of the summary financial statements.
- A three year validity period applies to prior agreements on set prices under certain conditions.
- Penalties apply in case of no preparation or insufficient preparation with respect to documents required as part of a transfer-pricing audit.

Deemed Profit Tax (DPT)

- The amendments introduced by the new law have codified the administrative doctrine confirming the final tax nature of the DPT.
- The new law provides for a fine of XAF3 million where oil subcontractors fail to indicate an estimated or administrative value of their oil-subcontracting contracts.

Administrative provisions

- In order to penalise the abusive practice of systematic requests to postpone the deadline for filing tax returns, the new law imposes the following fines:
  - From XAF250,000 to XAF500,000 for a thirty-day postponement period; and
  - From XAF500,000 to XAF1,000,000 for a postponement of more than 30 days but not exceeding 60 days.
- The new law restates the fine for defaulting in translating accounting documents to XAF2,000,000 per document.

Please click here for more information and to download a copy of the newsletter

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Egypt

Executive regulations of the VAT law

Subsequent to the recent introduction of a VAT regime in Egypt [to replace the General Sales Tax (GST) regime], the executive regulations of the Egyptian VAT law were issued by ministerial Decree no. 66 for the year 2017. The regulations were published in the official Gazette on 7 March 2017.

Key aspects covered by the executive regulations include guidance on several practical matters regarding the application of the tax. These include guidance on the deduction of input VAT and the nature of supplies subject to and exempt from VAT among others.

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Ghana

2017 budget highlights

Ghana's 2017 budget themed 'Sowing the seeds for growth and jobs' and read before Parliament on 2 March 2017, indicates that economic performance in 2016 was weak. Many of the targets that had been set for macroeconomic and fiscal performance, and for the monetary and external sectors were missed: the real GDP growth rate in 2016 was 3.6% compared to a revised target of 4.1%; the budget deficit-to-GDP ratio (on a cash basis) was 8.7% compared to a revised target of 5.3%; on a commitment basis, the deficit-to-GDP ratio was higher, at 10.3%; and the debt-to-GDP ratio was a high at 72.5%.

Government has accordingly put in place measures that it is optimistic will enhance the development of the economy.

Some of the proposed tax changes include the following:

Direct tax

- Tax exemption on capital gains on the realisation of securities listed on the Ghana Stock Exchange (GSE) and Securities and Exchange Commission (SEC) approved securities;
- Two-year stamp duty waiver for investments in the financial services sector; and
- Granting of tax credits to businesses that hire young graduates.

Indirect tax

- Abolition of the following:
  - the 17.5% value-added tax (VAT) and national health insurance levy (NHIL) on financial services, domestic airline tickets and selected imported medicines,
  - 5% VAT and NHIL on real estate sales,
  - 1% special import levy,
  - excise duty on petroleum, and
  - import duties on spare parts;
- Reduction of the special petroleum tax from 17.5% to 15%;
- Revision of the 17.5% VAT and NHIL scheme to the 3% flat rate for traders; and
- Negotiation on the removal of import duties on raw materials and machinery for production in line with the Economic Community of West African States (ECOWAS) Common External Tariff (CET) Protocol.

*Please **click here** for more information on the Ghana 2017 National Budget*

Tax refund administrative changes

The 2017 Budget Statement and Economic Policy presented on 2 March 2017 highlighted that importers who qualify for import duty exemption must first pay the tax and subsequently apply for a refund. Guidelines have been provided on how these refunds may be claimed.

In summary, applications for refunds must be filed with the Commissioner-General of the Ghana Revenue Authority (GRA). A justification must be given for the application and it must be accompanied by supporting documentation, including proof of payment of the related duties and taxes. Once an application, together with all supporting documentation and information has been submitted, the applicable refund will be effected within 30 days. Applicants whose refunds are unduly delayed may petition the Minister for Finance.

Introduction of the Revenue Administration Act, 2016

The Revenue Administration Act, 2016 (Act 915) (RAA) was passed by the Parliament of Ghana on June 2016 and became effective on 1 January 2017. The purpose of the Act is to provide for the administration and collection of revenue by the Ghana Revenue Authority as established under the Ghana Revenue Authority Act, 2009 (Act 791).

With the introduction of the RAA, portions of Acts that established the various revenue agencies have been repealed. For instance, sections 57 and 66 (3) as well as the Sixth Schedule of the Value-Added Tax Act, 2013 (Act 870) have been repealed, as has, the Seventh Schedule of the Income Tax Act, 2015 (Act 896).

In addition, the entire Petroleum Income Tax Act, 1989 (PNDCL 188) and the Taxpayer Identification Numbering System Act, 2002 (Act 632) have been repealed by the new Revenue Administration Law.

Ghana moves to ratify double-tax agreement with Mauritius

Ghana and Mauritius have signed a Double Tax Agreement (DTA) for the avoidance of double taxation between the two countries. They have also set up a permanent joint commission on bilateral cooperation as part of measures to facilitate trade between the two countries. The agreements were signed on 11 March 2017.

The DTA is yet to be ratified by the Parliament of Ghana, after which it will become effective.

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Kenya

2017 budget highlights

PwC Kenya's Budget Bulletin provides insight and analysis on the 2017/18 budget speech and other relevant materials.

Direct Tax

Positioning Kenya as a motor vehicle assembly hub

The National Treasury Cabinet Secretary in his Budget Statement indicated that the Government is engaging with stakeholders in order to develop a Comprehensive Automotive Industry Development Policy that will position the country as a hub for motor vehicle assembly for the region. In this regard, the Cabinet Secretary proposed to amend the Income Tax Act to reduce the corporate rate on income tax for "new assemblers" from the current 30% to 15% for the first five years.

Incentivising the blue economy

The blue economy – economic activity in the maritime sector – has been identified as being a potential sector for creating wealth and employment. In a move seen to support and facilitate the development of this sector, the Cabinet Secretary proposed a 150% investment deduction for capital expenditures in the blue economy.

Emboldening donors

In a move aimed at alleviating the impact of disasters on the people of Kenya, the Cabinet Secretary has proposed to amend the Income Tax Act by granting a tax deduction for expenditure incurred on donations for the alleviation of distress during national disasters.

Clarifying the tax amnesty on foreign income

During last year's Budget Statement, the Cabinet Secretary proposed a tax amnesty for persons who earned income and owned assets outside the country, provided that they submit their tax returns and accounts for the year of income 2016, between 1 January 2017 and 31 December 2017.

The Kenya Revenue Authority ("KRA") released Tax Amnesty Guidelines on Foreign Incomes on 8 March 2017 to address the circumstances under which the amnesty would be granted.

Additional tax benefits for investors in SEZ

The Special Economic Zones (SEZ) Act was enacted in 2015. The Act is aimed at establishing special economic zones that reduce the cost of doing business and promote foreign direct investments. The SEZ Act provides for various tax incentives that are contained in the various tax legislation.

Employees Tax

The PAYE brackets have remained unchanged for over a decade despite the year-on-year increase in the cost of living. In a move to address the plight of the country's employees and cushion low income employees, effective January 2017, the Government expanded the tax brackets by 10% and increased the personal relief to KES 15,360 per annum.

Overhaul of the Income Tax Act

The Cabinet Secretary has committed to publishing the long awaited new Income Tax Act (ITA) for public input. It is important that the public actively participates in proposing any amendments to the draft ITA bill.

Indirect Taxes

Value-Added Tax

We observe that the Government has continued to place reliance on exemption as its primary VAT incentive. However, it is refreshing to note that for the first time, the Cabinet Minister has acknowledged the ills of exemption on certain basic foods in favour of zero-rating as a way of ensuring reprieve from VAT. The key highlights amongst others are:

- The Cabinet Secretary has proposed exemption from VAT on medical equipment and apparatus for use in specialized hospitals;
- A proposal has been made to amend the tax statutes to provide for equivalent tax treatment of Islamic finance products with conventional products;
- The Cabinet Secretary has confirmed that he will be publishing the VAT Regulations to support the smooth implementation of the VAT Act, 2013;
- In an effort to make bread and maize flour affordable, the Cabinet Secretary proposed to zero rate these food commodities, which are currently exempt from VAT.

Customs and Excise duty

On the whole, the Government's budget proposals are aimed towards job creation and delivering a better life for all Kenyans. The Cabinet Secretary expressed a desire to make Kenyan products more competitive and to protect local industries from cheap imports.

Tax on betting increased significantly

The Cabinet Secretary has proposed a significant increase in the tax on betting, gaming, lotteries and prizes from between 7.5% to 15% to a uniform 50%. The tax increase represents a percentage increase of between 233% for prize competition to 900% for lottery winnings.

Other levies

- The Cabinet Secretary has proposed to exempt from export duty, goods exported to the SEZ. In addition, imports by enterprises licensed under the SEZs Act will also be exempt from the Import Declaration Fee (IDF), which is ordinarily levied at a rate of 2% of customs value of the import.
- The Cabinet Secretary also proposed a reduction in port charges of 50%.

*Please **click here** for more information on the Kenya 2017 National Budget*

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Nigeria

Voluntary Assets and Income Declaration Scheme (VAIDS)

The National Executive Council [NEC] recently approved, in principle, the implementation of a Voluntary Assets and Income Declaration Scheme (VAIDS). The scheme is expected to come into effect from May 2017 once formal guidelines have been issued.

The scheme encourages voluntary disclosure of previously undisclosed assets and income for the purpose of payment of all outstanding tax liabilities. It will offer a limited waiver for declaration within the specified period of time. It is expected to help expand Nigeria's tax base and thereby improve the low tax-to- GDP ratio, currently about 6%. It also seeks to curb the use of tax havens for illicit fund flow and tax avoidance.

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

Changes to immigration procedures

As part of Nigeria's drive to improve the ease of doing business there, the Nigerian immigration service (NIS) has increased the scope of activities that can be carried out on a business visa to include some activities that would have previously required a temporary work permit.

The NIS has also shortened the approval period for visas on arrival, opened new production centres for residence permits and decentralised the reissuance of missing passports or those requiring biodata changes.

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

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Easing of company incorporation process

The Federal Government through the Presidential Enabling Business Environment Council (PEBEC), has started implementing changes to the company incorporation process. The changes will significantly reduce incorporation costs, simplify the incorporation process and improve the competitiveness of the economy. The changes include the introduction of a single form for incorporation, self-service options, the decentralisation of locations for registration, electronic stamping and online searching for names.

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

Nigeria revises National Tax Policy

The National Tax Policy (NTP) was first published in 2012 as part of efforts to entrench a robust and efficient tax system in Nigeria. Subsequently, the rapidly changing commercial environment and persistent low tax-to-GDP ratio, among other developments, have demanded new strategies to continue to meet the government's objectives of creating an enabling environment, simplifying the tax system and ensuring ease of compliance.

The revised NTP was approved by the Federal Executive Council and will be endorsed by the National Economic Council. The new tax policy will address all key challenges facing the Nigerian tax system.

*Please **click here** to access the National Tax Policy document*

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Reduction in import duties

The Federal Government approved the implementation of certain fiscal policy measures (the Policy) in 2016. The Policy comprises the following:

1. An import adjustment tax (IAT) list with additional taxes on 173 tariff lines of the ECOWAS CET 2015 – 2019;
2. A national list consisting of 91 items with reduced import duty rates; and
3. An import prohibition list comprising 23 items, applicable only to goods originating from non-ECOWAS member states.

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

Stamp duties enforcement

The Federal Inland Revenue Service (FIRS) has begun enforcing strict compliance with stamp duties on specific transactions and imposing the relevant penalties for non-compliance. Previously, stamp duties were not an area of focus for the Nigerian tax authorities and taxpayers stamped documents, in practice, if they had to present the document in court or to a regulator. The Stamp Duties Act provides for stamp duties to be imposed on instruments listed in the Act.

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

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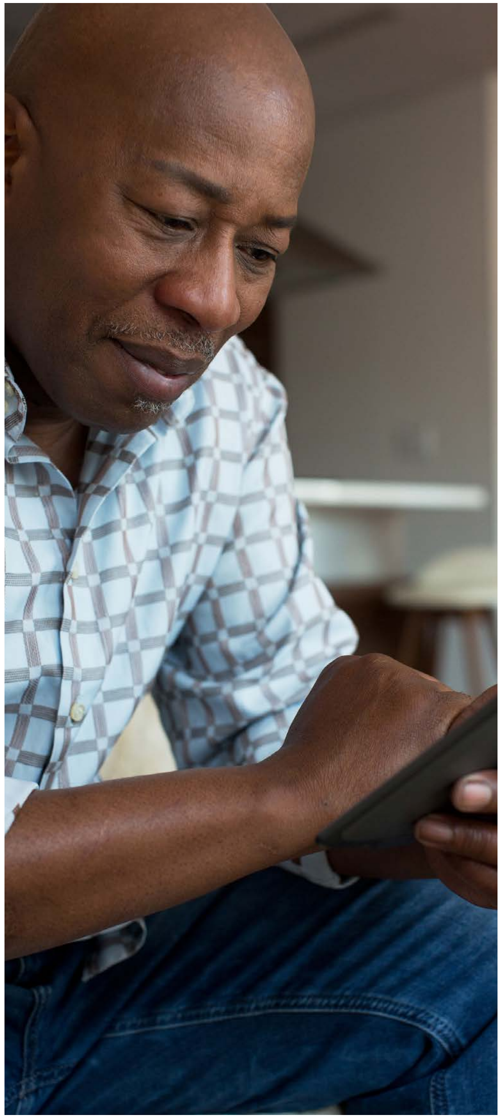

South Africa

2017 National Budget

The 2017 South Africa National Budget as read by the Minister of Finance, provides for several tax changes. Some of the headline items include the following:

- increase in the dividends tax rate from 15% to 20%;
- introduction of a new 45% tax bracket for individuals earning more than R1.5 million per year;
- increase of 30c per litre in the general fuel levy; and
- proposed update to regulations to broaden the scope of electronic services which are subject to VAT in South Africa, and to include cloud computing and services provided using online applications.

Commitment to the BEPS agenda

The National Treasury has reaffirmed its commitment to focus on base erosion and profit shifting (BEPS) and its participation in OECD initiatives and recommendations.

*Please **click here** for more information on the South African 2017 National Budget*

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Promulgation of Acts

On 19 January 2017, the following Acts were promulgated:

- the Taxation Laws Act, 2016;
- the Tax Administration Laws Amendment Act,2016;
- the Rates and Monetary Amounts and Amendment of Revenue Laws (Administration) Act, 2016; and
- the Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2016.

To find out more about the most significant changes brought about by the above Acts, as well as the amendments that were made to the relevant Bills by the Standing Committee of Finance during December 2016,

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

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Transfer pricing: South Africa issues final country-by-country reporting regulations

On 23 December 2016, South Africa issued its regulations implementing country-by-country reporting (CbCR) standards for multinational enterprises (MNEs). These regulations entrench CbCR requirements in South Africa's transfer pricing (TP) regime, and follow legislative changes related to the OECD's Base Erosion and Profit Shifting (BEPS) initiative, specifically Action 13. The regulations are effective for tax years beginning on or after 1 January 2016.

The first CbCRs must be filed by 31 December 2017.

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

Directors' fees received by non-executive directors: Binding general rulings on employees' tax and vat

For some time, there has been uncertainty surrounding the tax treatment of directors' fees received by non-executive directors (NEDs). The uncertainty revolves around whether NEDs should be regarded as employees (with the result that their directors' fees would constitute remuneration that is subject to employees' tax), and/or whether they should be regarded as independent contractors (and therefore liable to register for VAT if their fees for services rendered exceed the VAT registration threshold). On 10 February 2017, Binding General Rulings 40 and 41 (the BGRs) were issued by SARS.

These BGRs set out SARS' position on the matter.

Please click here for more information.

Zambia

Tax amnesty on interest and penalties

April 2017 to July 2017

The Commissioner-General (CG) of the Zambia Revenue Authority (ZRA) has initiated an incentive to waive all interest and penalties in respect of outstanding returns and tax debts owed to the Government by taxpayers.

The penalty and interest waiver is to cover domestic taxes, which include value-added tax, corporate income tax, withholding tax and pay-as-you-earn.

The amnesty period will run from 24 April 2017 to 31 July 2017. Taxpayers are expected to utilise this period to remit outstanding returns/payments for the period to 28 February 2017, and to agree payment plans (either a lump sum or instalments) in respect of all outstanding principal liabilities.

It is envisaged that the waiver will encourage taxpayers to get up to date with their tax compliance affairs and to rectify any issues relating to unremitted returns and payments for the above tax types.

Please click here for more information

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Update on double-tax treaties with African countries

This section provides an update on double-tax treaties with African countries. The table below highlights some of the treaties.

Treaty countries and dates	Withholding Tax Rates		
	Dividend (%)	Interest (%)	Royalties (%)
Burundi – United Arab Emirates *Signed: 16 February 2017* *Not yet in force*	Details not yet available		
Ghana – Mauritius *Signed: 11 March 2017* *Not yet in force*	Details not yet available		
Ghana – Morocco *Signed: 17 February 2017* *Not yet in force*	5%/10%[1]	10%	10%
Ghana – Singapore *Signed: 31 March 2017* *Not yet in force*	7%	7%	7%
Morocco – South Sudan *Signed: 1 February 2017* *Not yet in force*	5/10%[2]	10%	10%

[1] The tax so charged shall not exceed 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% of the gross amount of the dividends in all other cases.

[2] The tax so charged shall not exceed 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% of the gross amount of the dividends in all other cases.

PwC publications of interest

African tax publications

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** on the links below to access the latest edition of ***Synopsis*** issued this past quarter:

January 2017 edition

February 2017 edition

March 2017 edition

Tax First

Tax First is a monthly newsletter published by PwC Namibia that provides informed commentary on current developments in the local Namibian tax and business arena. The analysis of and comments on new laws and administrative changes assist business executives to identify developments and trends in law and Inland Revenue practice that might impact their businesses.

Please **click** on the links below to access the last two editions of ***Tax First*** issued this past quarter:

January 2017 edition

February 2017 edition

March 2017 edition

VAT in Africa

Over the past few years, tax laws have evolved, revenue authorities have become more sophisticated and a conversation has started at the regulatory level to apply a more unified approach when it comes to tax. In addition, a much larger focus is being placed on transactional taxes and how they are applied across the continent, with an increase in the number of indirect tax audits as well as the monetary value of these audits.

This guide provides an overview of the application of VAT in Africa but does not contain a comprehensive summary of all VAT principles applied in each country. Some of the country findings include:

- *Chad* – No VAT refunds are allowed
- *Ghana* – Use of Electronic point-of-sale devices verifiable rolled-out
- *Madagascar* – Medicine and health services are exempt from VAT
- *Togo* – No zero rated supplies

*Please **click here** to view current and previous editions of this report*

HR Quarterly

This is a quarterly journal published by PwC South Africa. It provides informed commentary on current developments in the tax and human resources arenas, both locally and internationally. Through the analysis of and comment on new law and judicial decisions of interest, such as the Regulations of the Immigration Act, it assists business executives to identify developments and trends in tax, labour law and revenue practice that might impact their businesses.

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

Nigerian Tax Bites

Get updates and latest information on happenings around taxation in Nigeria and Globally. In a recent article titled "The excess Dividend Tax Judgements" Folajimi Olamide Akinla writes about the difficulties in the interpretation of law.

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

Nigerian Tax & Fiscal Policy Prospects 2017

Key predictions for the Nigerian tax environment in 2017 based on instinct, observable trends, the behaviour of key actors in the tax system and analysis of past patterns.

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

Nigeria Tax Watch – 2016 in retrospect

Generally, tax authorities across the country became more aggressive with their revenue drive, including the use of consultants and unconventional methods for tax audits.

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

Global tax publications

Paying Taxes 2017

Paying Taxes 2017, now in its 11th edition, continues to be a unique report from PwC and the World Bank Group. It is the only piece of research, which, by using a medium-sized domestic case study company, measures and assesses the ease of paying taxes across 190 economies. This year, for the first time, we look at two post-filing processes: obtaining a VAT refund and correcting a corporate income tax return, and dealing with any corresponding tax audits. This publication also includes two articles, which look beyond the case study. The first considers that while paying taxes is an important part of how companies contribute to society, companies may have more to offer. The second article looks at the rising importance of consumption taxes to governments and the challenges of creating effective and efficient VAT systems.

Commentary in the review of particular relevance to Africa includes the following:

Section	Page	Commentary
Key findings – the regional picture	8	Africa still a difficult region for paying taxes, with the highest average number of payments, and second-highest total tax rate and time to comply.
Completing a VAT refund process	25	In sub-Saharan Africa the refund waiting time is longer than in other regions because a cash refund is generally only approved following an audit of the taxpayer.
Regional comparison of total tax rate	36	Africa exhibited the largest increase in total tax rate at 0.6 percentage points.
Biggest increase in the number of payments	43	Rwanda and Tanzania have both increased their sub indicator results by four payments. Tables comparing the sub-indicator results for different African countries are set out in pages 103 to 105.

Please click here to download this report

Worldwide Tax Summaries – Corporate Taxes 2016/17

Worldwide Tax Summaries – Corporate Taxes 2016/17 is a useful reference tool to help you manage taxes around the world. It offers quick access to information about corporate tax systems in 155 countries worldwide, in an easily digestible format.

As governments across the globe are looking for greater transparency and with the increase of cross-border activities, tax professionals often need access to the current tax rates and other major tax law features in a wide range of countries. The country summaries, written by our local PwC tax specialists, include 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.

For the most current information, visit our fully mobile-compatible website, WWTS Online, which is updated regularly throughout the year, at *www.pwc.com/taxsummaries*

The Total Tax Contribution Framework: Over a decade of development

The Total Tax Contribution Framework (the Framework) has a relevance today that could not have been foreseen when it was developed over ten years ago. In the intervening years, it has been developed as a voluntary framework. As the debate around company taxes continues to gather momentum, it's more important than ever that disclosures are made on a consistent basis.

Questions have been raised about the treatment of particular payments to governments. Below we discuss the difficult and contentious areas that we have addressed and the views that we have taken on these areas.

Please click here to download this report

The Tax Function of the Future

The Tax Function of the Future series predicts challenges and solutions that tax functions may face in the future. Prior papers have presented insights on new legislative and regulatory challenges and the resulting impact on risk management, discussed the need for the tax function to focus on data analytics and to play an integral role in broader finance transformation initiatives, highlighted the importance of enhancing income tax reporting processes and, most recently, discussed the process and elements of building a successful business case for change.

A critical aspect of the tax function's ability to operate effectively is its ability to streamline and strategically manage the end-to-end core processes underlying all tax activities, with a keen focus on managing risk. This paper provides insights to enable the tax function to leverage technology tools and enhanced processes to manage workflow, documents and records management, and collaboration with stakeholders in an increasingly complex business and tax environment.

Please click here to download this report

Global tax publications (continued)

Banking and capital markets: Assessing the current state of tax

The global tax landscape and the banking and capital markets industry are both in a state of rapid and constant change primarily as a result of a more global and technologically-advanced world. These changes directly impact the functioning and expectations of a tax department. Is your business equipped to handle the challenges of 2020? If not, does your tax department know what it needs to do in order to optimise its function in 2020?

Our report identifies the following three steps to help tax departments take action now and be prepared for the year 2020 and beyond:

- **Step one: Assess the current state of the tax department**
- **Step two: Develop the future state of the tax department**
- **Step three: Develop a transformation roadmap**

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

Global Tax Accounting Services Newsletter: Income tax accounting and reporting developments (October – December 2016)

The ***Global tax accounting services newsletter*** is a quarterly publication from PwC's global Tax Accounting Services (TAS) group. In the newsletter, we highlight issues that may be of interest to tax executives, finance directors and financial controllers.

In this issue, we provide an update on the recent activity of the Financial Accounting Standards Board (FASB) and the International Financial Reporting Standards (IFRS) Interpretations Committee.

We also draw your attention to some significant tax law changes that occurred around the globe during the quarter ended December 2016.

Finally, we summarise some key tax accounting areas that could be relevant to the preparation of 2016 year-end financial statements.

*Please **click here** for more information and to download the publication*

International Tax News

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

Please ***click*** on the links below to access the last three editions of ***International Tax News*** issued this past quarter:

January 2017 edition

February 2017 edition

March 2017 edition

The Private Equity Country Survey – Transfer Pricing

In 2012, with contributions from our international network, PwC UK conducted an industry specific global survey entitled, "Private Equity – A transfer pricing evolution", which explored the changing landscape of transfer pricing requirements within the private equity ("PE") industry.

*Please **click here** for more information and to download the publication*

African industry publications

Banking

African banking survey 2016

We are pleased to launch the 2016 edition of PwC's survey on banking in Africa. Having focused exclusively on South Africa in the previous 13 editions, we expanded the scope in 2016 to include banks from other African countries as well.

Our survey aims to highlight opportunities and challenges facing banks from the perspective of bank CEOs. In this report, we explore strategies that are being implemented to adapt to new trends, and provide insights on how the banking landscape in Africa may evolve over the coming years.

This survey was developed by PwC South Africa in conjunction with the PwC Market Research Centre in Luxembourg. The online survey was conducted over the months of March to June 2016 and enabled us to collect the opinions of top executives, namely CEOs, CFOs and CROs, of banks operating in South Africa, Kenya and Nigeria.

Please click here to download this report

Construction

SA Construction 4th edition

The construction industry, a significant contributor to employment and growth in South Africa, has been in a slump since 2009. The 2016 financial year once again got off to a poor start, with margins under pressure, tight liquidity and decreasing order books.

There was some improvement in companies' performance as the year draws to an end, though, with signs of an increase in profitability and market performance.

A promising development for the industry is Government's infrastructure plan, which aims to address South Africa's infrastructure needs over the next few years. However, it will require input from and co-ordination with the construction sector for it to be successful.

Following an investigation by the Competition Commission into collusion in the industry, in October 2016 seven of the nine listed construction companies entered into an agreement with Government. This demonstrates their commitment to transformation in the industry in what is undoubtedly a move in the right direction. It is hoped that this agreement will resolve the perceived mistrust between the big construction companies and Government.

While the seven years of weak performance have resulted in weaker construction companies, we nevertheless believe that the industry is well positioned to support the country's development goals.

Please click here to download this report

Hospitality

Rooms with an African view

In the 6th edition of the PwC Hotels Outlook 2016 to 2020, PwC's team of hotel specialists provide an unbiased overview of how the hotel industry in South Africa, Nigeria, Mauritius, Kenya and Tanzania is expected to develop over the coming years. It details the key trends observed and discusses the challenges facing the sector as well as considering its future prospects.

Please click here to download this report

Oil and gas

Nigeria's Refining Revolution

Over the last four decades, Nigeria has consistently struggled to keep its refineries functioning optimally. Despite having a nameplate refining capacity that exceeds demand, Nigeria ranks as the 3rd highest importer of petroleum products in Africa, importing over 80% of products consumed. In spite of the setbacks, the inherent opportunity for Nigeria's erstwhile dormant refining sector holds bright prospects for the future and a recognition of key drivers will accelerate the imminent refining revolution.

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Power

Powering Nigeria for the future

Nigeria has been one of the shining stars in the African economy, given its status as one of the preferred destinations for global investments. However, in recent times, Nigeria's positive economic outlook has been severely affected. The GDP growth rate, which had a compound annual growth rate (CAGR) of 5.3% between 2011 and 2014, fell to 2.97% in 2015 and subsequently to – 0.36% in Q1 2016. During this period, unemployment also grew from 6% in 2011 to 12.1% in Q1 2016. This period of economic difficulty is expected to continue in the near term, given the drop in oil production and volatility in commodities prices globally.

Please click here to download this report

The PwC Africa Business Agenda 2017

The 6th edition of the PwC Africa Business Agenda draws on the survey resulted of PwC's Annual Global CEO Survey of 1379 CEOs worldwide. The use of a common set survey questions allows us to benchmark the views of the 80 African CEOs we surveyed against global averages.

Please click here to download this report

African general interest publications

Uganda Economic Outlook

This quarterly publication highlights key developments and trends in the Ugandan economy while at the same time providing perspectives, insights and views on wider economic issues and specific analyses of industry sectors in Uganda.

Please click on the links below to access the first edition of Uganda Economic Outlook issued this past quarter:

March 2017 edition

2016 Kenya Family Business Survey

Family-owned and private companies in Kenya contribute directly and substantially to the economy. The opportunities for growth include professionalization, diversification and regional expansion. PwC's 2016 survey shows that family business owners view their organisation as more agile than other types of organisations, with faster decision-making processes and a better view of their long-term purpose. A focus on day-to-day matters can obscure the strategic steps necessary to achieve long-term vision, as can unclear conflict resolution processes and incomplete succession plans. Involving the next generation early and remaining open to innovation can help family firms to maintain and build a competitive edge.

Please click here to download this report

Promoting Economic Prosperity – Analysis of the State- level Business Environment in Nigeria

This report was prepared by PwC in response to a request by the Foreign and Commonwealth Office (FCO). The purpose of the study was to:

- Identify challenges and opportunities for doing business, and examples of good practices in the focus states.
- Provide key recommendations as to how the United Kingdom (UK) can broaden prosperity and commercial engagements that help Nigerian states make the most of their economic development opportunities.

This report is a sequel to the March 2016 publication which evaluates the key sectors of opportunity for UK businesses in Nigeria.

Please click here to download this report

Nigerian Economic Alert

This publication highlights key developments and trends in the Nigerian economy as well as provides perspective, insight and views on wider economic issues as well as specific industry sector analysis

Please click here to download the alert

PwC Valuation Methodology Survey

This survey represents the views of 74 financial analysts and corporate financiers – 41 in Southern Africa, 18 in East Africa and 15 in West Africa (including Francophone Africa).

Understanding the pitfalls that prevent deals from being completed and identifying the most common types of issues that arise after completion is critical to the deal-making process. This is particularly important when market conditions are challenging and fluid. Therefore, in this edition of the survey we asked respondents specific questions about their experience of doing deals in Africa.

Please click here to view current and previous editions of this report

Non-executive directors report 2017

We set out ten years ago to monitor fee trends and discuss and debate appropriate boardroom practices. This quickly extended to include monitoring the profile of non-executives and discussing important issues that are being addressed in the boardroom and are changing the shape of the board.

We have seen significant improvement over the past decade on issues such as independence and the mix of quality non-executives on our boards. The first edition of this report preceded King III by two years, at a time when there was a void in reporting remuneration and a lack of good corporate governance for executive remuneration. We are now at the point where King IVTM is the standard by which all organisations are expected to be governed. The future of the board will change to reflect increased business risks and it is predicted that non-executives will become specialised professionals.

Boards are under pressure to continually transform and to ensure that they have the right expertise, experience and diversity to be more effective in our rapidly changing business environment.

Please click here to download this report

Family Business Survey 2016/2017

South Africa – New vines from strong roots

Despite the current economic uncertainty and the accelerating pace of change, South Africa's family business sector has high ambitions for quick and aggressive growth over the next five years.

But our own experience in this sector is that only a limited number achieve their very ambitious targets. Many struggle to attract and retain the top talent that they need, while others are hampered by a lack of funding.

Please click here to download this report

Gambling outlook 2016 – 2020

This publication focuses on segments within the South African gambling industry, with detailed forecasts and analysis. For each segment, we give details about the key trends we have noted as well as key challenges and future prospects we have identified.

The gambling industry continues to grow from a revenue perspective, continues to expand and invest large amounts in capital expenditure. As a business, however, the margins are low, a large portion of the costs is fixed, regulatory compliance is stringent and profitability depends on volume.

Please click here to download this report

Global general interest publications

Total Retail Survey 2017

Our 2017 Total Retail report focuses on the kinds of investments retailers will need to make in order to thrive in tomorrow's marketplace. This is the tenth consecutive year that PwC has published a study of online shoppers, and our sixth truly global study.

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

The Global State of Information Security Survey 2017

Organisations are adopting innovative cybersecurity and privacy safeguards to manage threats and achieve competitive advantages. To do so, they are thinking more broadly about cybersecurity and privacy as both protectors and enablers for the business, third-party partners and customers.

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

Top financial services issues of 2017

The competitors facing asset and wealth managers, banks and insurance companies are not who we thought they were. Emerging technology presents incredible opportunities for others. And things are changing fast. The customers seem to be changing their minds about what they value most. Well, nobody ever said it would be easy. For some, this is a time of great opportunity. For others, it's the end of an era. This report, representing our inaugural look at the top issues facing financial institutions in the coming year, puts it all in perspective. For each topic, we look at the current landscape, share our view on what will likely come next and offer our thoughts on how you can turn the situation to your advantage.

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

We need to talk about the future of Mining

Mining is often considered a relatively straightforward business, with an integrated value chain and strong control over many of the variables of production. Or is it?

PwC's latest mining report considers how some of the fast-paced disruptive influences evident today could impact the mining sector, and what mining executives can do now to prepare for such an uncertain tomorrow.

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

2017 Oil and Gas trends – How energy companies can adjust their business models for a period of recovery

The character of Chuck Noland, played by Tom Hanks, says near the end of the film ***Cast Away***, "...because tomorrow the sun will rise. Who knows what the tide could bring?" He makes this observation after having survived on a desert island for four years before being rescued and returned to civilization. If you're a top executive in an oil and gas company, more than likely you're feeling the same way right about now — optimistic but extremely cautious.

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

Redrawing the lines: Fintech's growing influence on Financial Services

What does FinTech mean for financial services organisations: innovation, disruption, opportunity – or all of them?

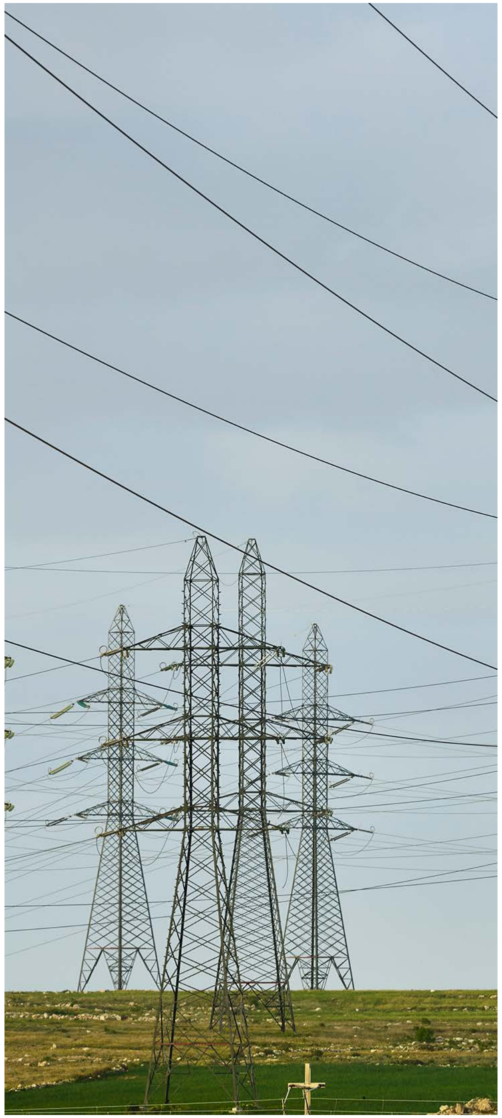
FinTech is all about innovation, disruption and transformation, and will undoubtedly impact and shape the way financial institutions around the world operate. Explore the key themes of our report, as well as in our Executive Summary, and download the Global report to find out how senior financial services and FinTech executives around the world prepare their organisations for the impact of FinTech.

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

Navigating disruption – 2017 State of Internal Audit Profession Study

A look at the influences disrupting organizations today… and how Internal Audit can build the resiliency to evolve and increase its organizational value amidst disruption.

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



PwC Africa Desk

The PwC 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 as well as 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 in Africa or to restructure their African operations are invited to contact the people listed below.

The PwC African footprint

Contact us

Please contact any of the following persons to find out how we can be of assistance.

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