Greetings

At the PwC Africa Desk in Johannesburg, we are committed to helping our clients access information about the African tax and regulatory landscape and keep up with the constant changes taking place. AfriTax, our quarterly newsletter, provides a snapshot of the most significant recent tax and regulatory changes in Africa.

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

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2. Democratic Republic of Congo
3. Madagascar
4. Republic of Congo
5. Namibia
6. South Africa

Tax treaties
1. Angola and UAE

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PwC Paying Taxes 2018 report available

Recent and upcoming events
Doing Business in Africa seminar:
• Recent event – Focus on Cameroon and Congo
• Upcoming event – Focus on Tanzania and Uganda

Staying informed

AfriTax
Quarter ended 31 March 2018
Issue 36
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Recent and upcoming events

Doing business in Africa seminars

As the interest in Africa continues to grow, many investors consider the African continent to be a potential investment destination. However, there are still significant challenges in accessing critical information on the investment, tax and regulatory environments in many African countries.

The Doing Business in Africa seminar series is an initiative of the PwC Africa Desk in Johannesburg, which is a strategic hub and centre of excellence dedicated to supporting your business operations in Africa.

Please click here to find out more about the Doing Business in Africa series.

Recent event – March 2018

Focus on Cameroon and Congo

On 14 and 16 March 2018, Doing Business in Africa seminars were held in Johannesburg and Cape Town, respectively, and focused on doing business in the sub-Saharan Francophone countries of Cameroon and Congo (Republic of).

PwC Tax managers Ayuk Takor and Daoudou Mohamed shared insights on recent developments in these economies, including the current economic and fiscal reforms driving growth, such as the focus on the extractive and agribusiness sectors, and improved efficiencies in the generation of renewable energy.

Upcoming event – May 2018

Focus on Tanzania and Uganda

Our Doing Business in Africa seminar series will continue with a session on Tanzania and Uganda, to be held in Johannesburg and Cape Town on Tuesday 15th and Thursday 17th May 2018.

Issues covered in the sessions will include the business environment, business vehicles available in-country, the tax and regulatory frameworks, exchange controls, immigration requirements, cultural differences, and efficient ways of structuring engagements and interacting with the authorities in these countries.

To receive an invitation to this event, please contact us here.
Country Tax Updates

Algeria

2018 National Budget highlights
The 2018 Finance Law in Algeria brought in the following changes:

Direct taxes

• Reform of preferential tax regime for exports
  The recent modification of the Tax Code provides for an exemption from corporate tax on income resulting from export transactions which generate foreign currency revenue. Excluded from these transactions are those relating to:
  – maritime/aviation/inland transportation services;
  – banks;
  – reinsurance companies;
  – mobile operators;
  – VOIP services; and
  – Upstream and downstream mining activities.

• Increase in withholding taxes on dividends paid to residents
  The WHT applicable to dividends distributed to resident natural persons has been increased from 10% to 15%.

• Adjustment of the capital gains tax on real estate disposals
  Prior to this modification, capital gains made by private individuals in real estate disposals were exempt where the property had been held for more than ten (10) years.
  This exemption has been redefined – henceforth, it will only apply to capital gains realised on the disposal of collective dwellings constituting the sole property and main dwelling of the transferor, and which have been held for more than ten (10) years.

Tax procedures

• Transfer pricing audits – Obligation to communicate consolidated accounts
  Companies engaging in transactions with related entities will henceforth be obliged to present consolidated accounts, where these are kept, upon request of the tax administration during a tax audit.
  This follows the 2017 obligation for such companies to submit their cost accounting upon request from the tax administration.

• Obligatory electronic filing and payment of taxes
  According to the new finance law, companies classified under the Directorate of Large Companies (Direction des Grandes Entreprises) tax unit must henceforth carry out their tax declarations and related payments solely by electronic means.

Local investment incentive measures

Restriction on importation of certain goods
The Algerian finance administration has announced their intention, in the event of difficulties in the balance of payments, to restrict the importation of certain goods until the restoration of solvency has been achieved.

The list of goods which will be subjected to this restriction, as well as modalities of the restriction, will be published in subsequent legislation.

Others

Introduction of new taxes/levies/duties
The following have been introduced into Algerian tax law:

• A new custom duty rate of 60%, applicable to certain imported products which present competition to locally made products and/or are imported from companies with no free trade agreements with Algeria;
• A solidarity contribution at the rate of 1%, applicable to import operations of all goods released for consumption in Algeria;
• A tax at the rate of 0.5% on the activities of wholesale distributors of electronic recharges of telephone credits;
• A tax at the rate of 0.5% on the turnover of licensed operators for the establishment and operation of mobile telecommunication networks which are open to the public;
• A tax of 0.5% on the annual net profit of operators holding internet access provider licenses; and
• A WHT of 2% on sums paid by local companies to foreign companies with no permanent installation in Algeria, per import cycle of goods and services for the establishment and operation of fixed mobile and satellite telecommunications networks.

Prohibition of virtual currencies
The purchase, sale, use and possession of virtual currencies has been prohibited in the 2018 finance law. These currencies are defined as those used by internet users across the web, characterised by an absence of physical supports such as coins, tickets, and checks or credit cards.

To download the 2018 Finance Act, please click here.

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Angola

New Private Investment Law

On 28 February 2018, the Government approved a new draft of the Private Investment Law. Amongst others, this new law is expected to repeal the obligation of a local partnership in order to carry out activities.

It should be noted that the draft law is still awaiting approval from the National Assembly.

State Budget for 2018

The State Budget for 2018 includes authorisation for the legislature to make a number of changes, amongst which are:

- Introduction of a mechanism for the payment of customs debts in instalments;
- Redesigning the investment income tax exemption regime applicable to the distribution of dividends to Angolan companies, adjusting it to the General Tax Code principles of proportionality and justice;
- Maintaining of the 10% special contribution on foreign exchange transactions – this contribution is applicable to cash transfers made under contracts for the provision of foreign technical and management services, and will remain unchanged during 2018;
- Clarification of tax incidence rules to allow for the autonomous taxation of capital gains obtained on the transfer of securities in regulated markets;
- Extension of the Consumption Tax to advertising services as well as to flight and sea tickets for routes within the national territory;
- Extension of the reverse charge mechanism of consumption tax (currently applicable in the oil and gas sector) to the financial, telecommunications and mining sectors;
- Extension of stamp duty to all service agreements; and
- Extension of stamp duty to employment contracts of non-resident individuals.

Policy measures and actions to improve the current economic and social situation in Angola

An interim plan containing measures and actions to improve the current economic and social situation has been approved. It makes provision for the following measures to be implemented:

- Inclusion of measures for the application of a value-added tax (VAT) in the 2019 General State Budget;
- Creation of a programme for the promotion of foreign direct investment and simplification of procedures to attract foreign investors;
- Increase of tax rates applicable to the consumption of alcoholic beverages, luxury goods and services provided by foreign entities;
- Proposal for approval of the new Customs Tariff Schedule;
- Increase of import tax through a revision of the customs regime;
- Approval of the tax regime for activities within the natural gas sector;
- Prohibition of transfers to tax havens;
- Promotion of foreign direct investment in the agriculture, agribusiness, fishing, manufacturing, industry and mining sectors;
- Reduction of costs and procedural bureaucracy in the clearance of imported goods and on products for export; and
- Adoption of a new system of work permits that promotes foreign investment and the entry of highly qualified or non-existent labour force into the country.

Angola signs its first Tax Treaty

On 8 February 2018, Angola and the United Arab Emirates signed a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (DTT). This is the first international DTT signed by Angola.

Amongst other measures, this treaty foresees reduced withholding tax rates, as follows:

- 5% for services (instead of the Angolan CIT internal rate of 6.5%); and
- 8% for dividends, interests and royalties (instead of the internal rate of 10% or 15% for investment income tax).

In addition, the DTT provides a longer period for the recognition of a permanent establishment when compared with internal law.

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Democratic Republic of Congo

Promulgation of the Revised Mining Code

On 9 March 2018, the DRC promulgated its revised Mining Code. Highlights of this revision are as follows:

Legal provisions
- Natural persons of Congolese nationality must hold at least 10% of the share capital of the mining company at the time of its incorporation.
- The applicant for a license of exploitation is required to transfer 10% (previously 5%) of the shares constituting its share capital to the State, and an additional 5% per renewal of the license.
- Transfers of shares from a company holding an exploitation license which result in a takeover by the new shareholder are subject to prior approval by the State.
- Mining sub-contractors must be Congolese companies with Congolese capital, and must have been approved according to laws on subcontracting in the private sector.
- Holders of exploitation rights must contribute to community development projects, to the value of 0.3% of their turnover.
- The provisions of the new Code will apply to all mining agreements still in force on the date of its promulgation.

Tax provisions
- Increase in surface taxes on mining concessions by 1,000%;
- Increase in mining royalty rates from 2.5% to 3.5% for non-ferrous metals, and modification of the tax basis (definition of “gross commercial value”);
- Increase in the exceptional tax on remuneration paid to expatriate staff, from 10% to 25%;
- Transfers of mining titles are subject to a registration fee of 1% of the price;
- Thin capitalisation rules – the equity of the holder of an exploitation license cannot be less than 40% of the financial resources required to carry out the project; and
- Only Congolese sub-contractors will be entitled to the benefits of the entire tax, customs and non-tax revenue regime in the Mining Code.

Exchange control provisions
- Obligation to repatriate 60% of export earnings back to DRC (up from 40%) during the investment phase, and 100% of export earnings after the investment phase;
- Prohibition from using these export earnings to pay foreign debt; and
- Application of a penalty of 5% of the amount not repatriated, for failure to apply the above.

This Mining Code has already entered into force but will only be applied upon the issuing of a Mining Regulation which is expected in the near future.

To view the full news alert on the new Mining Code, please click here.

Modifications introduced by the 2018 Finance Act

Overhaul of the ‘permanent establishment’ concept

The 2018 Finance Act draws its inspiration from OECD models, now specifying that mines, oil or gas wells, quarries or any other place of exploration and extraction of natural resources constitute physical facilities considered to be permanent or fixed establishments.

In addition, the scope of the definition of permanent establishment has been widened to include the following, in the absence of an agency relationship:
- Any foreign company operating in the DRC, through a person who contracts on its behalf in the usual way. This will apply even where, in the absence of a contracting authority, that person habitually keeps in the DRC a stock of goods from which they regularly effect delivery on behalf of the foreign company.
- A foreign insurance company which receives premiums in the DRC or insures risks which are incurred through an intermediary. This excludes reinsurance services.

Modifications of VAT provisions

Various tax provisions relating to the application of VAT have been revised, including:
- Exemption of new business from VAT
  Imports of capital goods carried out by new businesses, under the conditions determined by regulations, will be exempt from VAT.
- Cancellation of VAT exemption
  The 2018 Finance Act maintains the cancellation of the VAT exemption on the importation and acquisition of goods by mining companies and their subcontractors during the exploitation phase. This cancellation was introduced in 2017.

Nevertheless, in order to avoid a VAT credit situation, mining companies, oil production companies and companies which have made heavy investments which are in the implementation phase (as well as their subcontractors) may be invoiced excluding VAT, for their operating or investment needs, subject to conditions imposed by regulation.

To benefit from this incentive, a certificate to this effect must be obtained from the tax authorities.

- Introduction of a VAT electronic device
  As from 2019, an electronic device intended to collect VAT data will be made mandatory for all taxable persons, and these persons must register for the device.
Lesotho

*Increase in VAT rate*

Lesotho has announced that the VAT rate will increase by one percentage point to 15% (standard rate) with effect from 1 April 2018.

The VAT rate on the following goods/services will also be increased:

- Telecommunications, from 5% to 9%; and
- Electricity, from 5% to 8%.

No transitional provisions are provided.

*Please click here for more information on the VAT increase*

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2018 Finance Act

Corporate income tax

The simplified tax regime applicable to taxpayers with a turnover between MGA20 million and MGA200 million has been repealed by the 2018 Finance Act. Effective immediately, taxpayers realising a turnover exceeding MGA100 million are subject to the normal tax regime.

Taxpayers realising a turnover under MGA100 million may choose between the normal tax regime and the lower revenue tax regime (‘impôt synthétique’).

Consequently, taxpayers subject to the former simplified regime of 2017 with a turnover equal to or more than MGA100 million will be upgraded to the normal regime. They will then be subject to income tax and VAT obligations, and must also keep their records according to the Malagasy GAAP instead of the minimum cash system (‘système minimal de trésorerie’) which was previously used.

The 2018 Finance law provides some transitional measures, as follows:

- The accounting may be done according to the minimum cash system until 31 December 2018.
- Salary income tax returns for periods already past the due date must be made no later than the 15th of the month following the 2017 income tax filing deadline.

Effective 1 January 2018, all companies with a turnover equal to or more than MGA100 million will be subject to VAT. As a reminder, the threshold for VAT used to be MGA200 million.

The change of regime will take effect as from the month following the income tax filing deadline, and from the first day of the month following the date of validation of the application for the option, if applicable.

The following provisions apply to taxpayers who have been reclassified ex officio to the normal regime.

- No VAT return will be required between 1 January 2018 and the income tax filing deadline of the current year.
- An intermediate updated tax card of the previous year mentioning VAT liability and its period of validity will be issued in the interim, while the issuing of a new tax card is pending.

Value-added tax

The change of regime takes effect as from the month following the income tax filing deadline, and from the first day of the month following the date of validation of the application for the option, if applicable.

The following provisions apply to taxpayers who have been reclassified ex officio to the normal regime.

- No VAT return will be required between 1 January 2018 and the income tax filing deadline of the current year.
- An intermediate updated tax card of the previous year mentioning VAT liability and its period of validity will be issued in the interim, while the issuing of a new tax card is pending.

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2018/2019 National Budget highlights

The 2018/2019 Budget overview in Namibia introduced the following tax proposals:

- Abolition of the current practice of a conduit (flow-through) principle in the taxation of trusts;
- Inclusion in the current export levy of specific agricultural, forestry, game and mining products not previously covered;
- Reduction of the lower individual income tax bracket, from 18% to 17%;
- Introduction of new tax rates of 39% and 40% for individuals earning in excess of N$1.5 million and N$2.5 million, respectively;
- Introduction of a 10% dividend tax on dividends paid to residents;
- Inclusion into the corporate income tax net of income derived from commercial activities carried out by charitable, religious, educational and other such types of institutions;
- Inclusion of foreign-sourced income into the Namibian individual tax net, and widening of the scope of Namibian individual annual tax returns to include any such income;
- Introduction of VAT on income earned by listed asset managers;
- Introduction of VAT on proceeds of the sale of shares or membership in companies with commercial immovable property; and
- Repeal of the Export Processing Zone Act and introduction of the Special Economic Zone, with a sunset clause for current operators.

Please click here for more information on the 2018/2019 Budget Overview
Extension of the Voluntary Assets and Income Declaration Scheme

Introduced on 29 June 2017, the Voluntary Assets and Income Declaration Scheme (VAIDS) is an initiative designed to encourage voluntary disclosure of previously undisclosed assets and income, for the purpose of payment of all outstanding tax liabilities.

This scheme was initially designed to run from 1 July 2017 to 31 March 2018.

On 11 April 2018, the March deadline for the end of this tax amnesty scheme was extended for a period of three months. As such, the scheme will now end on 30 June 2018, and no further extension of time will be given.

Please click here and here for more information on the VAIDS

Petroleum Industry Governance Bill passed by House of Representatives

The PIGB is the first of the component parts of the old Petroleum Industry Bill (PIB), which has undergone a series of re-drafting and extensive legislative considerations.

After being passed by Senate in May 2017, the Bill has now been passed by the House of Representatives and will be submitted to the President for assent.

Modifications introduced by the PIGB include the following:

• A new regulatory body known, as the Nigerian Petroleum Regulatory Commission (NPRC), will be established to issue, renew and cancel licences, permits and authorisations, among other functions.

• Two new companies (the National Oil Company and the Nigerian Petroleum Asset Management Company) have been created to replace the NNPC. The National Oil Company will operate as a commercial entity to be partly privatised (at least 30%). It will pay dividends from its operations to the federation account, in addition to royalties and taxes. The Nigerian Petroleum Asset Management Company will own and manage petroleum assets on behalf of the government. It will be responsible for the management of the oil and gas assets that do not require cash calls (upfront funding).

• Significant limits have been placed on the powers of the Minister compared to the PIB. Board appointments will be made by the President and confirmed by the Senate.

Please click here for more information on the PIGB

Increase in excise duties on tobacco and alcoholic products

The excise duties on tobacco and alcoholic beverages have been increased. The new rates will come into effect on 4 June 2018, or on the date of the publication of the Order in the Gazette if this happens after 4 June 2018.

The increase will be introduced in phases over a three-year period from 2018 to 2020 to moderate the impact of the increment on the prices of the products.

These increases include, amongst others:

• For cigarettes, a specific rate of NGN1.50 per centilitre (Cl) in 2018, increased to NGN1.75 per Cl in 2019 and NGN2.00 per Cl in 2020.

Please click here for more information on the increase in excise duties

Modifications to Import Guidelines

Introduced in 2013 to improve the importation process at Nigerian ports, the Import Guidelines were revised in 2017 and have now had a further addendum issued to modify that revision.

These modifications took effect on 1 January 2018, and contain the following highlights:

• The initial validity of the e-Form M (import declaration form) can be extended once by the authorised dealer bank, subject to approval by the Central Bank of Nigeria.

• All imported goods are to be labelled in the English language, or else they will be confiscated.

• All containerised cargo must be palletised. Importers are liable to a fine of 25% of the FoB value of non-palletised goods.

Please click here for more information on the modifications to Import Guidelines

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2018 Finance Law highlights
The principal changes introduced by the 2018 Finance Law are as follows:

• **WHT on reinsurance premiums paid abroad**
  Reinsurance premiums paid abroad will be subject to a corporate income tax at the rate of 20% of the premiums paid, to be withheld at source. This will apply only to those reinsurance premiums paid to a foreign company situated in a state which is not a member of the Community of Inter-African Insurance Markets (‘CIMA’ in French).

  Please click here for more information on the 2018 Finance Act

• **Withdrawal of reduced VAT rate on certain goods**
  Certain goods, such as pasta, household detergents, corrugated iron sheets, reinforcement steel rods and cement, will no longer be subject to the reduced VAT rate of 5%. Henceforth, they will be subject to the normal VAT rate of 18%.

• **Transfer pricing penalties**
  Amounts invoiced by a foreign company which is not deemed to be at arm’s length will be reintegrated into the taxable income of the Congolese company, at 30% of their original amount.

  Please click here for more information on the 2018 Finance Act

Business license tax for commercially dormant companies
The business tax is generally a payment made on an annual basis by taxpayers which gives the taxpayer the right to carry out their commercial activities during the year in question. It is calculated on turnover, operating expenses, or provisional value of income as contained in contracts, according to graduated rates varying per bracket of turnover.

Before the 2018 Finance Act, the business tax was only due by taxpayers carrying out commercial operations, except otherwise provided by law. Henceforth, taxpayers whose activities are on stand-by and who do not have a commercial contract or are not incurring any operating expenses will nevertheless be subject to a business tax amounting to 25% of the last business tax amount normally paid.

Late declaration or payment of this amount will be subject to a 100% penalty.

Please click here for more information on the business tax amendments

Rent tax
A rent tax amounting to one-twelfth (1/12) of the rent due for the year is henceforth applicable to rents paid for developed property.

This tax will also apply to rents paid for undeveloped property used for business purposes.

The rent will be pro-rated and paid quarterly, and will be due by the tenant on behalf of the owner or usufructuary.

A 50% penalty will be due for any late payment of the tax.

Please click here for more information on the rent tax

Reduction of import duties on liquefied butane gas
According to a Service Note issued in March 2018, the importation of liquefied butane gas will benefit from the following reduced rate at the customs border:

• 5% as customs duties;
• 5% as VAT; and
• 1% of the computer royalty (RDI), with the exception of community taxes.

Please click here for more information on the reductions relating to LBG

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2018 Budget highlights

VAT increase to 15%

The Minister of Finance announced in his Budget speech that the VAT rate would increase by 1%, from 14% to 15%, with effect from 1 April 2018. Apart from the VAT increase, the general fuel levy as well as alcohol and tobacco excise duties have been increased.

Extensive reform for electronic services

A draft Regulation has been issued which effectively repeals the current Regulation that sets out those services that are regarded as 'electronic services'. It is proposed to expand the current ambit of 'electronic services' to include 'any services supplied by means of an electronic agent, electronic communication or the internet for any consideration'. Conseuqently, non-resident suppliers of electronic services (except telecommunication services and educational services supplied by a person regulated by an educational authority in a foreign country) are required to register for VAT in South Africa, where the value of the sales exceeds R50 000 in any consecutive 12-month period.

Amendments are proposed for intermediaries and platforms to register as vendors and to account for the VAT on sales made through such platforms, provided that the platform/intermediary facilitates the supply and is responsible for issuing the invoice and collection of the payment.

The effective date for this reform is 1 October 2018.

Increase in Estate Duty and Donations Tax rates

The estate duty rate has been increased from 20% to 25% for estates in excess of R30 million. In addition, the donations tax rate was increased to 25% for donations in excess of R30 million in one tax year.

This increase took effect as from March 2018.

Credit notes for supplies after sale of an enterprise as a going concern

Currently, there is uncertainty around the issuance of credit notes when an enterprise is sold as a going concern.

It is proposed that amendments be made to clarify this issue so that the purchaser will be allowed to issue a credit note for goods supplied and returned to the purchaser.

Budget proposals regarding tax administration and dispute resolution

The 2018 Budget demonstrates a specific focus on developing tax administration, through the following measures:

Adjusting the official interest rate

The official rate of interest is currently the repo rate plus 100 basis points, which is below the prime lending rate. It is therefore proposed that this rate should be increased in order to bring it closer to the prime rate of interest.

Repeal of the requirement to submit returns for exempt dividends

In order to alleviate the administrative burden on persons receiving tax-exempt dividends, it is proposed that such persons will no longer be required to submit a return.

Tax treatment of cryptocurrency transactions

It is proposed that income tax and VAT legislation be amended to remedy the difficulties created by the supply of cryptocurrency.

Removal of threshold for travel reimbursements

With effect from 1 March 2018, Notice 170 removed all reference to the 12 000km threshold. In addition, the prescribed rate per kilometre has been increased to R3.61 per kilometre.

Application of the Health Promotion Levy

Introduced in the 2016 Budget Speech, the Health Promotion Levy became effective as from 01 April 2018. This levy amounts to 2.1 cents per gram of the sugar content that exceeds 4 grams per 100ml, in liquid sugary beverages, or recommended preparations in the case of powder and liquid concentrates.

Compliance requirements with regard to this levy include:

• Requirements in relation to importing and/or producing sugary beverages;
• Specific registration and accounting requirements;
• Completion and submission of accounts (for locally produced goods);
• Specific requirements in relation to rebates, refunds and drawbacks; and
• Specific requirements relating to exports.

Credit notes for supplies after sale of an enterprise as a going concern

Currently, there is uncertainty around the issuance of credit notes when an enterprise is sold as a going concern.

It is proposed that amendments be made to clarify this issue so that the purchaser will be allowed to issue a credit note for goods supplied and returned to the purchaser.

Click here for more information on the Budget proposals on tax administration

Click here for more information on the Health Promotion Levy

Click here for more information on the modifications to travel reimbursements

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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.

<table>
<thead>
<tr>
<th>Treaty countries and dates</th>
<th>Withholding Tax Rates</th>
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<tbody>
<tr>
<td></td>
<td>Dividend (%)</td>
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<td>Tunisia – Singapore</td>
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<td>Signed: 27 February 2018</td>
<td>5%</td>
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<td>Not yet in force</td>
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<td>Ghana – Ireland</td>
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<td>Mali – United Arab Emirates</td>
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<td>Signed: 6 March 2018</td>
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<tr>
<td>Not yet in force</td>
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<td>Morocco – Azerbaijan</td>
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<td>Signed: 5 March 2018</td>
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<td>Not yet in force</td>
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<td>Morocco – Bangladesh</td>
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<td>Signed: 28 February 2018</td>
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<td>Not yet in force</td>
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<td>Angola – United Arab Emirates</td>
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<td>Not yet in force</td>
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</tbody>
</table>

\(^1\) (a) 5% of the gross amount of the interest if it is received by banks or similar financial institutions; (b) 10% of the gross amount of the interest in all other cases

\(^2\) (a) 5% of the gross amount of payments of any kind received in consideration for technical services; (b) 10% of the gross amount of payments of any kind received in consideration for the use of or the right to use, any copyright of literary, artistic or scientific work, including cinematograph films or films or tapes for radio or television broadcasting, any computer software, patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience.
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 editions of Synopsis issued this past quarter:

- Tax Synopsis — March 2018
- Tax Synopsis — February 2018
- Tax Synopsis — January 2018

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 latest editions of Tax First issued this past quarter:

- March 2018 edition
- February 2018 edition
- January 2018 edition

HR Quarterly

This is a quarterly journal published by PwC South Africa that 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
African industry publications

Oil and gas

• Oil and Gas Tax Guide for Africa

Over the past few years, the global economic downturn in the oil and gas industry has had negative effects that have been felt by many. At PwC, we have watched these industry developments and analysed the effects from the perspective of how they will impact our clients. Using our expertise, we have developed ways in which we can best help companies prepare for and manage changes.

Our third edition of the PwC Oil and Gas Tax Guide for Africa seeks to provide a summary of the oil and gas fiscal and regulatory regime in nineteen countries, along with significant developments.

Please click here to download this report

• Creating the African National Oil Company (NOC) of the future

The energy sector is experiencing significant change and upheaval. Whether it is in oil and gas or in utilities, we are witnessing tectonic shifts in strategies, business models and ways of working. It is against this backdrop that we consider the future of African national oil companies (NOCs). After all, not only do African NOCs have to navigate this disruption and tackle the challenges of uncertainty, as do their international oil company (IOC) counterparts, but given their sovereign importance as nation builders they must also identify the future pathways to evolve.

In this paper, we look at the challenges of disruption facing African NOCs, what it means for them and how they should position themselves for a sustainable future. The sustainability of NOCs will depend on their ability to transform into national energy companies in answer to the demands placed on them by consumers, governments and NGOs to respond to climate change and a new energy future. Whether we are talking about fledgling NOCs with limited hydrocarbon resources or established NOCs sitting on large reserves, all of these companies will need to figure out how to seize the opportunities emerging from this disruptive environment.

Please click here to download this report

Agriculture

• Africa Agribusiness Insights Survey 2017/2018

Managing growth

As the global population grows and a shortage of food becomes a reality, Africa is well positioned to become the breadbasket of the world. Agribusinesses in Africa are already playing a pivotal role in driving the economy of the continent and this role is expected to increase exponentially in the future as food security becomes more and more important.

When doing business in the agribusiness space in Africa, it is important to fully understand the boundaries of the playing field, the external factors that have an impact thereon and the ever-changing rules of the game in order to not only survive, but thrive and be leaders in the field.

This survey is the first in a series of thought leadership articles that will be focusing on agribusinesses operating in Africa. These articles will provide insight into the opportunities and challenges for agribusinesses in Africa through the eyes of their CEOs.

Please click here to download this survey

• Boosting rice production through increased mechanisation

Rice is one of the most consumed staples in Nigeria, with a consumption per capita of 32kg. In the past decade, consumption has increased 4.7%, almost four times the global consumption growth, and reached 6.4 million tonnes in 2017 – accounting for c.20% of Africa’s consumption. As at 2011, rice accounted for 10% of household food spending, and 6.6% of total household spending*. Given the importance of rice as a staple food in Nigeria, boosting its production has been accorded high priority by the government in the past 7 years.

Nigeria’s mechanisation gap provides numerous opportunities for investment across the agricultural value chain. To attract the required investment, the government needs to create an enabling environment that ensures mechanisation is profitable. In terms of priorities, the government should concentrate on: addressing challenges around land tenure and ownership, providing rural infrastructure and extension services, and ensuring incentives are transparent and accessible to all investors.

Please click here to view this report
Banking and finance

• **2017 Africa Capital Markets Watch**

This is an annual PwC SA publication examining African equity and debt capital markets transactions.

Equity capital markets (ECM) transactions included in this report comprise capital raising activities by African companies on exchanges worldwide and those made by non-African companies on African exchanges. Debt capital markets (DCM) transactions analysed this year include non-local currency debt funding raised by African companies and public institutions.

African ECM activity in 2017 was largely driven by the financial sector for FOs, and consumer services sector for IPOs. Businesses in sectors such as telecommunications, consumer goods and services, financials, and healthcare continued to form a significant component of African ECM activity, reinforcing the growth trend away from resources sector - none of the top-10 IPOs in 2017 were companies in the resources sector.

*Please click here to download this report*

• **Kenya – Financial Focus 2018**

Financial Focus is a PwC publication focused on financial services sector insights and opinions from our experts in the East Africa region. The 2018 edition features articles from our specialists on a wide range of topics.

*Click here to read more and download the full report*

• **Major banks analysis: South Africa**

This analysis presents the combined local currency results of Barclays Africa, FirstRand, Nedbank and Standard Bank. Investec and Capitec, the other major players in the South African banking market, have not been included due to their unique business mixes and different reporting periods.

Given heightened political and economic uncertainty, low GDP growth and subdued household and business confidence in SA, aggregate credit growth was again muted for the period, particularly in certain retail portfolios with strong sensitivity to the economic cycle.
**African general interest publications**

**Strengthening Africa’s gateways to trade**

**An analysis of port development in sub-Saharan Africa**

Ports are a vital part of the supply chain in Africa, with each port having a far-reaching hinterland often spanning a number of countries. Ports have thus become a natural focus for regional development.

A number of global port logistics trends have emerged in the last decades, including the emergence of ‘hub’ ports, which facilitate dominant volumes of global trade in and out of a region. In Africa, the trend is gathering some momentum but is constrained by lower volumes of cargo relative to other parts of the world, poor port performance, hinterland dominance focused on certain ports, and global shipping routings that have not replicated the hub-and-spoke model more commonly found in other parts of the world.

This report was compiled by PwC’s Capital Projects and Infrastructure (CP&I) Transport and Logistics team using a combination of information obtained from interviews with port authorities and port operators, together with detailed research and incorporating our extensive knowledge of the port, trade and transport sector. The report makes reference to countries in sub-Saharan Africa with ports - these countries have been categorised into the regions of East Africa, West Africa, Islands and Southern Africa.

**Non-executive directors report 2018**

**Practices and fees trends**

Boardroom conversations and agendas continue to change, given the different kind of workforce and workplace we are faced with today. The world of business is different, as it is now enabled by previously unimaginable technologies. Meanwhile, cybersecurity, human rights and environmental issues are still recognised as the biggest future business risks. Changes in society driven by social media and mobile technologies have changed the world as we know it – we now operate in the digital age and boards need to adapt accordingly.

The future of the board will need to change to reflect increased business risks, and we predicted in our previous edition that non-executives will become specialised professionals. Boards are under pressure to continually transform and have empathy for how society has changed, but what may be missing is that ‘digital/technology non-executive director’. Boards therefore need the right expertise, experience and diversity to be effective in this rapidly changing business environment.

**Please click here to download this report**

**Investment decisions**

**Why South Africa, and why now?**

The past three months have seen dramatic changes in South Africa’s economic and political landscapes. In the report Investment decisions: Why South Africa, and why now? PwC considers five scenarios for the country’s economic and political trajectories over the next five years.

This report looks at the economic and political environment in the country on the road to the Nasrec conference, identifies strong fundamentals and positive factors for investment, and reflects on the appointment of the South African President and his plans for the future. The report also considers the possible future scenarios for South Africa over a five-year horizon (towards 2022).

**Please click here to download this report**

**Global Economic Crime and Fraud Survey 2018 country reports**

PwC’s Global Economic Crime and Fraud Survey found that economic crime continues to disrupt business, with this year’s results showing a steep decline in reported instances of economic crime.

Beyond offering valuable data on the evolution and current state of fraud, this year’s Global Economic Crime and Fraud Survey sheds much-needed light on some of the most important strategic challenges confronting every organisation – from compliance, culture and crisis responses to new perspectives on accountability, technology and cybercrime.

We hope that this report will help shed light on these areas – areas that organisations have stopped seeing – and will prompt them to take a closer look and identify the gaps that exist. Our wish is for awareness to be further heightened and for a new dawn to break: the dawn of proactivity in the fight against economic crime.

**Please click here to read more and download the full report**

**Kenya – Spot On magazine, Issue 4**

Spot On is a bi-annual magazine focusing on current issues and trends for business in the manufacturing, agriculture, oil and gas, retail, entertainment, tourism and hospitality sectors.

In this edition, some of the issues featured include:

- Agribusiness, food security and the future of farming in Kenya;
- Cross-border trade and the import duty incentives granted under the EAC;
- New horizons and better opportunities for Kenya’s mining sector; and
- The development of digital healthcare.

**Click here to read more and download the full report**
Global tax publications

Worldwide Tax Summaries – Corporate Taxes 2017/18

Worldwide Tax Summaries – Corporate Taxes 2017/18 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.

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.

Paying Taxes 2018 report

Now in its 12th edition, Paying Taxes is a unique report from PwC and the World Bank Group which uses a medium-sized domestic case study company to measure and assess the ease of paying taxes across 190 economies. This year we explore how the digital revolution is transforming almost every aspect of paying taxes. We consider the methods companies use to pay their taxes, and how tax administrations communicate with taxpayers, how they collect and use data and the ways in which they monitor tax compliance.

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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:

- March 2018 edition
- February 2018 edition
- January 2018 edition

US Tax Reform

- Talking Tax podcast episode 4: Why is tax reform a big deal?

One of the biggest tax stories of recent months has been the sweeping changes being made to the US tax system. It’s clear that when the world’s biggest economy makes significant tax changes, it is a big deal worldwide; the effects are far-reaching and could affect all of us. What are the implications for policy makers, and what should businesses be aware of?

Please click here to access the podcasts

- Foreign earnings repatriation

This provision allows US companies to have easier access to pools of offshore cash, through payment of a one-time tax on profits held overseas, payable over eight years. With an estimated $2.6 trillion stockpiled offshore, the rule change is triggering an influx of new liquidity. Moreover, new foreign earnings are free of US tax. The US has moved to a ‘territorial’ vs ‘global’ tax system.

Click here to find out more and download the full report

- Building public trust through tax reporting in the UK

Creating clarity or confusion?

Governments continue to balance the need to raise revenues with the desire for a tax regime which attracts and retains business and encourages it to grow. A broad range of stakeholders are asking whether companies are paying their ‘fair share of tax’, and there has been a decline in public trust, particularly in large business. Can greater transparency rebuild trust? It is clearly important to consider the strategic response to this challenge, and this will differ between companies.
Global industry publications

Key findings from the oil and gas industry
In a survey done by PwC, the majority of CEOs who participated say they believe global economic growth will improve in the next 12 months.
A large majority of CEOs believe that organic growth will be the reason for growth or profitability in their companies.

Click here to find out more and download the full report

Global general interest publications

Economics in business podcast series
This podcast series explores the outlook for the UK and global economies. Throughout the year, our economists will be sharing their insights and perspectives on key economic events and the implications for business, in short episodes lasting between five and ten minutes.
New episodes will be regularly added on topics ranging from identifying pockets of opportunity in the global economy to the benefits of female economic empowerment and the potential impact of technology on jobs.

Please click here for more information on how to access the podcasts

10 Principles for winning the game of digital disruption
If you haven’t already noticed, a high-stakes global game of digital disruption is currently under way. It is enabled by the latest wave of technology: advances in artificial intelligence, data analytics, robotics, the Internet of Things, and new software-enabled industrial platforms that incorporate all these technologies and more.
Every enterprise leader recognises that, as a result, the prevailing business models in their industry could drastically and fundamentally change. A wide range of industries, such as entertainment and media, military contracting, and grocery retail, have been profoundly affected. No enterprise, including yours, can afford to ignore the threat. Yet most companies are still not moving fast enough to meet this change. Some leaders are still in denial about it, some are reluctant to upend the status quo in their companies, and some are unaware of the necessary steps to take. But these are not good enough excuses.

Please click here to read more
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.

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