AfriTax

Stay informed

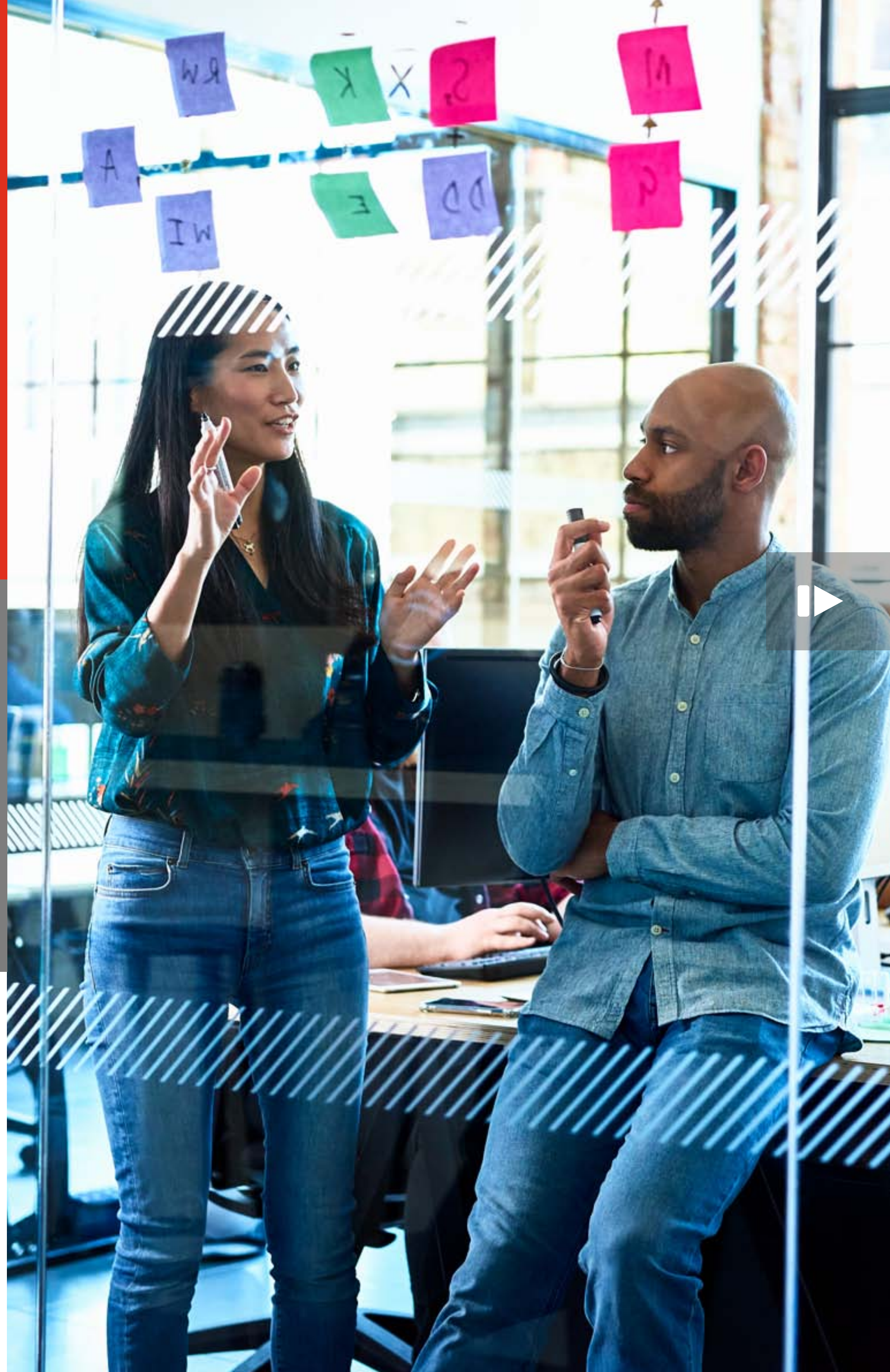
Issue 41 – Quarter ended 30 June 2019

www.pwc.co.za/afritax

Greetings

At the PwC Africa Desk in Johannesburg, we are committed to helping our clients to access, and keep up with, the diverse obligations incurred by their African operations. **Afritax,** our quarterly newsletter, provides a snapshot of the most significant recent tax and regulatory changes in Africa which have happened in the previous quarter.

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



pwc

In this issue

South Africa

Doing Business in Africa – Focus on Mauritius

The PwC Africa Coordination centre will be hosting its quarterly Doing Business in Africa seminar in July. The seminar will provide various insights into doing business in Mauritius.

The seminar will include recent developments in Mauritius, changes in its economy, and many other important factors that will assist a person who wants to spread their business into Mauritius.

For more information kindly contact
Ayuk Takor
+27 (0) 11 287 0741
ayuk.w.takor@pwc.com

Doing Business in Africa – Mozambique Roadshow

In the spirit of doing things differently, in the month of October, the PwC Africa Coordination Centre will be hosting its Doing Business in Africa seminar.

The seminar will be an all-day roadshow focusing on providing a business and tax landscape of Mozambique, highlighting growing business industries, recent developments, changes in the economy, and various other insights aimed at helping persons and organisations who intend to establish business ventures in this region.

Our panel of local experts will be available to assist with any questions and concerns regarding this topic.

For more information kindly contact
Ayuk Takor
+27 (0) 11 287 0741
ayuk.w.takor@pwc.com

Ghana

Leading human resource transformation

The expectations of human resource (HR) as a function and the individuals who work within the function have been in a state of continuous transition. There has been and will continue to be an ever-increasing pressure to do more with less. Mastering your functional HR expertise is important, but equally vital is the business partnering and the strategic aspects of the HR roles. Leaders expect their HR colleagues to participate in business discussions, adding value through insights and innovative solutions based on unique understanding of the business and of human capital.

This programme will equip HR leaders with the skills needed to:

- know when and how to initiate strategic HR transformation;
- engender executive support and buy-in of all key stakeholders;
- define the measures of success;
- implement the required changes; and
- sustain the benefits of the ransformation agenda.

Update on double-tax treaties with African countries

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

		WHT rates	
Treaty countries and dates	**Dividends (%)**	**Interest (%)**	**Royalties (%)**
Cape Verde–Equatorial Guinea Signed: 16 April 2019 *Not yet in force*. A copy of the treaty is not yet available	Details not yet available		
Ghana–Singapore Signed: 31 April 2019 *Not yet in force.* A copy of the treaty is not yet available	Details not yet available		
Kenya–Mauritius Signed: 10 April 2019 *Not yet in force.* A copy of the treaty is not yet available	Details not yet available		
Liberia–United Arab Emirates Signed: 30 April 2019 *Not yet in force.* A copy of the treaty is not yet available	Details not yet available		
South Sudan–United Arab Emirates Approved: 23 April 2019 *Not yet in force.* A copy of the treaty is not yet available	Details not yet available		

Cameroon

New oil code published

With the aim of reviving the exploitations of hydrocarbons, improving the level of productivity, increasing state revenues and development of people living along the oil fields, a new oil code was published on 25 April 2019 by law N°2019/008 of 25 April 2019.

This new code confirms that the state has exclusive ownership of hydrocarbon deposits and thus has the authority to provide prior approval in the form of specific contracts or authorisation, for exploration, research and exploitation.

Nadine Tinen Tchangoum
Douala
+237 233 43 24 43
nadine.tinen@cm.pwc.com

Bernard Noutsawa
Douala
+237 233 43 24 44
bernard.noutsawa@cm.pwc.com

Ghana

Customs duty reductions

Effective 4 April 2019, the Ghanaian government implemented a 30% reduction in the benchmark values of vehicles and a 50% reduction in the benchmark values for other imports. Subject to parliamentary approval, the following would also take effect:

- Abolishing importer registration fees by the Ghana Standards Authority
- Abolishing service charge of USD 1.5 per ton on exports
- Reducing by 50%, the USD 2.00 per ton service fee charged by the Ghana Shippers Authority on imports
- Abolishing the Eazy Pass levy of up to 0.5% of CIF value of goods charged by the Ghana Standards Authority
- Reviewing the security charge of USD 0.5 per gross tonnage of vessels coming into Ghana's waters levied by the Ghana Maritime Authority
- Reducing by 50% the USD 7 per new tyre eco levy charged by the Environmental Protection Agency (EPA) and replacement of the eco levy of 0.5% CIF value charged by the EPA with a flat fee

These initiatives are in line with the government's aim of making Ghana's ports more competitive, reducing smuggling and enhancing revenue generation at Ghana's ports. It is expected that when fully implemented, these initiatives will help alleviate some of the concerns importers have had about the high cost of import charges and the high costs associated with clearing of goods at the ports.

Waiver of import duties on 1D1F Programme

The Minister for Finance recently presented a 'Request for waiver of Import Duties, Import VAT, GETFund Levy, Import NHIL, and EXIM Levy on plant, machinery and equipment or parts, as well as Corporate Tax for five years of operation being tax incentives to support implementation of the One District One Factory (1D1F) Programme'.

The Minister for Finance seeks authority to provide these tax waivers to companies engaged in the 1D1F Programme. This request is yet to be granted.

Ghana

GRA annual returns app

Beginning 5 April 2019, individual taxpayers are able to file their annual returns online. The online platform is known as ITaPS. This platform is also aimed at allowing taxpayers apply for or verify their tax clearance certificates. ITaPS is meant to make some basic tax compliance activities easier. Phase 1, personal income tax filing, is ready. To be able to make use of this platform, taxpayers will be expected to register with their TIN and their phone numbers in order to help reset passwords. Taxpayers can add their tax consultants so that tax filings can be done on their behalf.

Ghana–Mauritius DTA is in force

The double taxation agreement between Ghana and Mauritius is now in force. This agreement came into force on 26 June 2018, after Ghana ratified it on 22 June 2018, according to the Economic Development Board of Mauritius. Article 30 of the agreement provides that this agreement will be effective in Ghana during the 2019 year of assessment.

GRA notice on reporting financial institutions

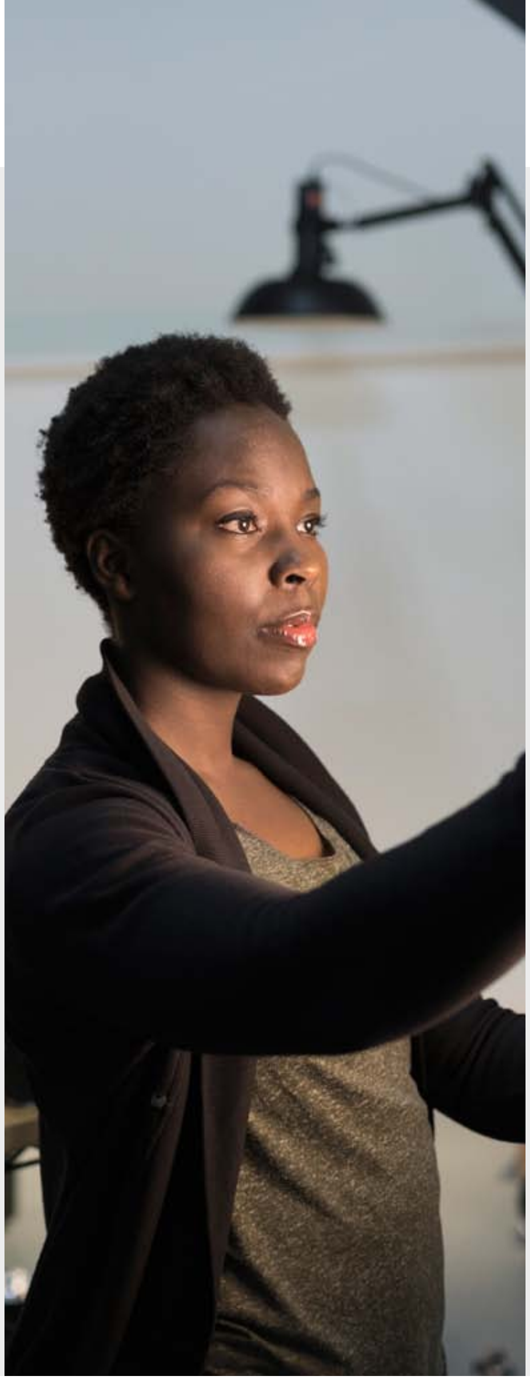
The GRA published a notification and required all reporting financial institutions in Ghana of their obligations, extended deadlines and penalties in case of failure to abide by the Standard of Automatic Exchange of Financial Account Information Act, 2018 (Act 967)

George Kwatia
Accra
+233 (0) 302 761 459
george.kwatia@pwc.com

Ayesha A Bedwei
Accra
+233 (0) 302 761 500
ayesha.a.bedwei@pwc.com

Abeku Gyan-Quansah
Accra
+233 (0) 302 761 500
abeku.gyan-quansah@pwc.com

Kingsley Owusu-Ewli
Accra
+233 (0) 302 761 500
kingsley.owusu-ewli@pwc.com



Kenya

i Tax changes in the FY 2019/2020 Budget Speech

The FY2019/2020 Budget was read in June and some of the proposed significant tax proposals are summarised below:

Corporate tax

- Increase in the rate of capital gains tax (CGT) on the transfer of property from 5% to 12.5%. The CS also proposed to broaden the application of the exemption to include the transfer of property and shares during restructuring of corporate entities other than just instances that are in the public interest;
- Taxing income earned from the digital economy;
- Reduction of the corporate tax rate from 30% to 15% for investors operating plastic recycling plants for the first five years; and
- Tax amnesty on penalties and interest on outstanding taxes for two years prior to listing for SMEs planning to list on the Growth and Enterprise Market Segment on the Nairobi Securities Exchange.

Withholding tax

- Broadening of services that attract WHT. These services include security, cleaning and fumigation, catering services offered outside hotel premises, transportation of goods excluding air transport services, sales promotion, marketing and advertising services.

VAT

- Exempting from VAT inputs for the local manufacture of computer motherboards as well as inputs for use in the setting up and operation of plastic recycling plants;
- Reducing the withholding VAT rate from 6% to 2% so as to alleviate taxpayers' cash flow burdens; and
- Amending the current VAT refund formula per the VAT Regulations to ensure that excess credits arising from zero-rated supplies are refunded fully, as opposed to the apportionment calculation employed under the VAT Regulations, 2017.

Customs duty

- Introduction of duty remission on raw materials of tariffs 7304.31.00 and 9401.90.00 for the manufacture of motorcycle components and motor vehicle seat recliners, iron and steel products of tariffs 7213.99.00 which are not available locally and raw materials used for the manufacture of radiators; and
- Granting a stay of application of import duty rates per the East African Community Common External Tariff for a period of one year. These include a stay of application on paper and paperboard, textiles and apparels among other items.

Excise duty

- Introducing excise duty on these activities at the rate of 10% of the amount staked to curtail the negative social effects of betting activities;
- Reducing import duty on electric motor vehicles from 20% to 10%. This is to safeguard the environment by embracing green energy technology; and
- Increasing excise duty on cigarettes, wines and spirits by 15%.

Employment taxes and related issues

- Exemption of foreigners from the requirement to supply a Personal Identification Number (PIN) issued by the Kenya Revenue Authority (KRA) as a taxpayer number, when opening bank accounts in Kenya; and,
- Once-off registration fee of KES 10,000 for members of the Ajira Digital Program payable from 1 January 2020 in lieu of income taxes. The Ajira Digital Program is a government initiative to create employment opportunities. Once registered, the youth will enjoy a tax exemption on income generated from the program for the subsequent three-year period.

To read more about the budget proposals ***click here*** *to find the PwC publication discussing the budget proposals.*

Kenya

ii KRA's proposed changes to issuance of Tax Compliance Certificates (TCCs)

The Kenya Revenue Authority (KRA) issued a public notice in May 2019 notifying the public on changes it has instituted with regard to the processing of Tax Compliance Certificates (TCCs).

Prior to the notice, there were no clear guidelines on the approval process of a TCC application once a tax payer applied on iTax. Pursuant to the notice, an application for TCC will only proceed once the iTax system verifies that a taxpayer is tax compliant and has filed all the tax returns. The system will also display the tax compliance status of the taxpayer highlighting the missing returns that the taxpayer must file before the application can be processed successfully.

*To read more about the changes **click here** to find the PwC tax alert discussing the issue.*

iii High Court rules in favour of the taxpayer on VAT on exported services again!

VAT on exported services has been a controversial issue for a long time. The controversy mainly arises from the adoption of different interpretations of the law on export of services.

In the recent past, we have seen a number of rulings by the High Court of Kenya (High Court) in favour of taxpayers. One such ruling is a judgment delivered on 31 May 2019 allowing an appeal filed by a Kenyan taxpayer whose principal business activity is the provision of handling services in relation to horticultural products exported from Kenya.

The Court determined that the logistical services offered by the taxpayer were for use and consumption by persons outside Kenya – the buyers of exported flowers located outside Kenya. Thus the services in question comprised exported services taxable at zero percent. Relying on the destination principle envisioned under the Organisation for Economic Cooperation and Development (OECD) guidelines, the High Court ruled that internationally traded services should be taxed according to the rules of the jurisdiction of consumption.

This ruling comes as a reprieve to Kenyan taxpayers who have been at loggerheads with the KRA on determination of actual consumers of 'exported services' – hence whether or not the said services qualify as exported services. That said, it is important to note that the determination of whether a service qualifies as exported or not depends on the facts of the matter, as each case is different.

*To read more about the above issue **click here** to find the PwC tax alert discussing the issue.*

iv Statute of limitation challenged by the High Court

In a recent judgement, the High Court of Kenya (High Court) sitting in Nairobi on 9 January 2019 held that the KRA was not justified in its demand for short levied duty from a taxpayer almost four years after the importation of the relevant goods. The High Court held that the KRA's demand for taxes was unreasonable, irrational and constituted an infringement of the rights of the Petitioner.

The East African Community Customs Management Act (EACCMA) provides the customs authority with the power to demand duties short levied or erroneously refunded within a period of five years from the date of importation. The KRA has often used this statutory power as a carte blanche to

Kenya

conduct customs post-clearance audits (PCAs) and other types of audits towards the tail end of the five-year period.

Going forward, we expect that the revenue authority and other public officeholders will respond to queries from the public in a timely manner and conduct audits, including PCAs, within reasonable timeframes.

Click here *to read more on the High Court ruling.*

v African Continental Free Trade Area Agreement takes effect

The African Continental Free Trade Area (AfCFTA) entered into force on 30 May 2019. It has taken about a year, from 10 May 2018 when Kenya and Ghana became the first to deposit their instruments.

The AfCFTA will boost intra-African trade by, inter alia, eliminating tariffs and non-tariff barriers on goods traded amongst African Union members and allowing free movement of people and capital.

Click here *to read more about AfCFTA.*

Steve Okello
Nairobi
+254 (20) 285 5116
steve.x.okello@pwc.com

Simeon Cheruiyot
Nairobi
+254 (20) 285 5000
simeon.cheruiyot@pwc.com

Job Kabochi
Nairobi
+254 20 285 5653
job.kabochi@pwc.com

Mauritius

The FY2019/20 Budget for Mauritius was read on 10 June 2019. We have outlined below some of the key tax proposals in the Budget.

Corporate tax

a. A company will not be considered as tax resident in Mauritius if it is centrally managed and controlled outside of Mauritius

b. Controlled Foreign Company (CFC) rules will be introduced

c. 80% partial exemption regime extended to cover companies engaged in:

- leasing and provision of international fibre capacity
- Reinsurance and reinsurance brokering
- Sale, financing arrangement and asset management of aircraft and their spare parts, including aviation-related advisory services

d. Five-year tax holiday to companies setting up an e-commerce platform in Mauritius before 30 June 2025.

e. Five-year tax holiday granted to a peer-to-peer lending operator starting operation before 31 December 2020.

f. Four-year tax holiday granted on income derived from the bunkering of low-sulphur heavy fuel oil.

Value-added tax

a. Introduction of VAT refund scheme on accommodation costs for events of at least 100 foreign attendees over three nights.

b. VAT and customs duty exemption on printed materials by airlines bearing their insignia, publicity materials and uniforms.

Custom duty

a. A producer or manufacturer engaged in agriculture or an agri-based industry will be exempted from customs duty on packaging materials.

b. No customs duty on the importation of vans to be used as school buses.

Excise duty

a. The rate of excise duty on electric and plug-in hybrid cars is being lowered.

b. Taxi operators will benefit from duty-free cars every four years instead of five years.

To read more about the budget and the tax proposals **click here**

Anthony Leung Shing
Ebene
+230 404 5071
anthony.leung.shing@pwc.com

Dheerend Puholoo
Ebene
+230 404 5079
d.puholoo@pwc.com

Nigeria

NIPC has published reports of pioneer status incentives, application guidelines and delegation orders

In furtherance of its ongoing reforms, the Nigerian Investment Promotion Commission (NIPC) has published reports of various pioneer status incentives (PSIs) granted, declined or cancelled from 2017 to first quarter of 2019. The 2019 report shows that there are 219 pending applications, while 54 applications have been abandoned. In total, there are currently 28 companies benefiting from the pioneer status incentive across different industries.

Read more about **this here**

Competition and consumer protection advisory on mergers has been issued

The Federal Competition and Consumer Protection Act (FCCPA) was signed into law on 30 January 2019. With the passage of the Act, the FCCPC was vested with the powers to review all mergers and business combinations to ensure that such combinations do not distort or impede the markets, a function which was previously handled by the SEC.

Read more about this **here**

Court of Appeal rules that imported services are subject to VAT

In an earlier decision, the Federal High Court (FHC) ruled that VAT was payable on satellite bandwidth as an imported service. There was an appeal against this judgment and the Court of Appeal ruled that imported services are subject to VAT.

Read more about this **here**

African Continental Free Trade Agreement: The real issues for Nigeria

Nigeria recently signed the African Continental Free Trade Agreement (AfCFTA), and some stakeholders have raised concerns about the risk of transhipment and dumping of goods which may hurt domestic businesses, especially infant industries. However, the AfCFTA Treaty already has provisions to address these concerns. The real issues are not with the AfCFTA Treaty itself but potentially its implementation. This article mentions some proposed next steps and key priorities for Nigeria, including reviewing and harmonising trade policies, identifying areas of competitive advantage, building institutional capacity, addressing non-tariff barriers, etc.

Read the full article **here**

Withdrawal of voluntary pension may be taxable but it is not the responsibility of the employer

Following a tax audit for the 2013 and 2014 years of assessment, the Lagos Internal Revenue Service (LIRS) issued a Notice of Refusal to Amend (NORA) to a company, assessing the company to additional liabilities on the grounds that the company had under remitted Pay As You Earn (PAYE) tax by taking statutory tax relief for Voluntary Pension Contributions (VPCs) made by its employees to pension fund administrators (PFAs). The Tax Appeal Tribunal's decision implies that where any withdrawal of voluntary pension is taxable, it is the employee who will be responsible for the tax. It does not however preclude the tax authority from appointing a valid agent (including the employer) for future deduction of any applicable tax on such withdrawal.

Read the full article **here**

Gratuities are not taxable

The Abia State Board of Internal Revenue (ASBIR) subjected Nigerian Breweries (NB) to tax on gratuities paid to the latter's former employees, and also computed interest and penalties against NB. NB disagreed with the ASBIR's position and the case was put before the Tax Appeal Tribunal (TAT). The Tribunal agreed with NB that gratuities are not subject to tax.

Read the full article **here**

Nigeria

Non-registration with NOTAP does not invalidate a contract

The Court of Appeal has reversed the decision of the Federal High Court (FHC) in Stanbic IBTC Holdings Plc (Stanbic) v Financial Reporting Council of Nigeria (FRCN) & Anor (2015), which had held that failure to obtain NOTAP approval (on a registrable contract) rendered the contract illegal and void; and payment could not be made on an unregistered contract.

The Court of Appeal held that NOTAP's scope does not cover contracts for exporting technology out of Nigeria and section 7 of the NOTAP Act does not deal with or provide for the validity or legality of unregistered or non-registration of contract(s) under section 4(d). And the NOTAP Act does not render such contracts invalid, illegal, null and void.

Read the full article **here**

LIRS to issue new tax identification numbers to taxpayers

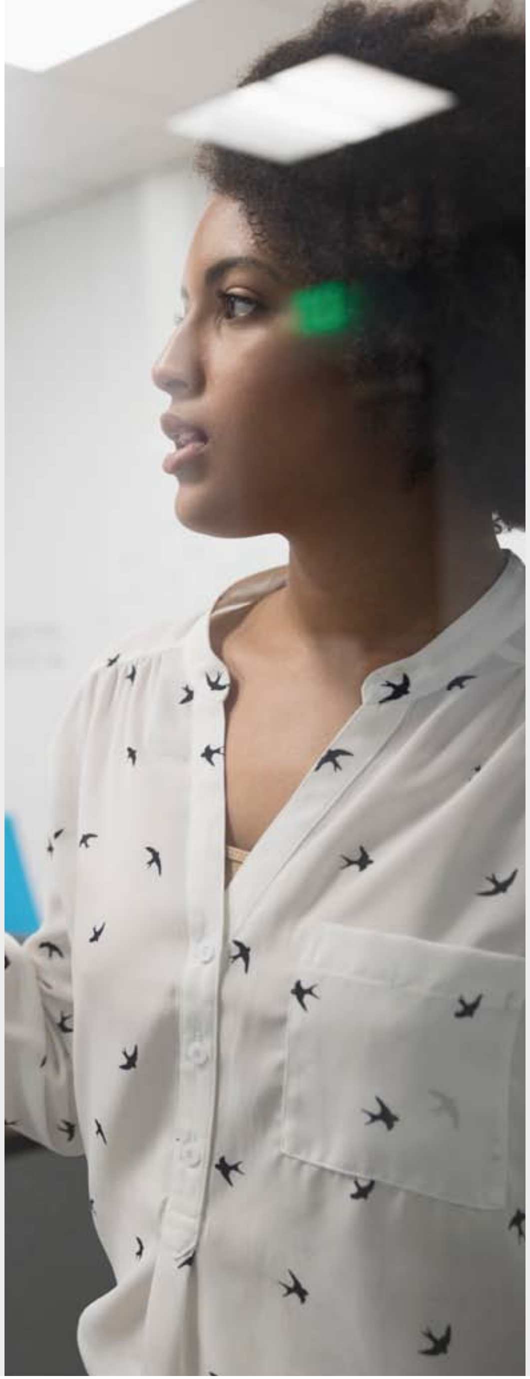
The Lagos State Internal Revenue Service (LIRS) on 30 May 2019 issued a Public Notice informing the public of the new Tax Identification Number (TIN) which will be issued to every individual, registered business and incorporated companies.

The new TIN is part of the deployment of a new tax administration system by the LIRS called the Lagos State Government Electronic Banking System (LASG-EBS) and the integration of the LASG-EBS Taxpayers Identification Digit (PID) with the Joint Tax Board (JTB) nationwide TIN. The new TIN, which will provide individuals and companies access to the LASG-EBS, will be biometric-based and linked to the Bank Verification Number (BVN) of the individuals or companies.

Read the full article **here**

Taiwo Oyedele
Lagos
+234 1 271 1700
taiwo.oyedele@pwc.com

Russell Eastaugh
Lagos
+234 1 271 1700
russell.eastaugh@pwc.com



Rwanda

Recent tax updates

Similar to other East Africa Community countries, the FY2019/2020 Budget for Rwanda was read in June. The Minister did not propose any major tax changes apart from reconfirming that the increase in tax collection will be mainly supported by continued improvement in tax administrative measures and policies. Some of the tax proposals were:

a. Ringfencing of mining income and expenses. A mining company that exploits more than one concession area will be required to declare and pay taxes separately on each concession. Losses incurred with respect to one mining concession cannot be used by another concession belonging to the same company.

b. Reduction of the import duty rate of road tractors for semi-trailers, motor vehicles for transport of goods with gross weight exceeding 20 tons and buses for transportation of 50 persons and above, motor vehicles for transport of goods with gross weight exceeding five tons but not exceeding 20 tons, buses for transportation of more than 25 persons, telecommunication equipment, electronic transaction devices such as smart cards, ATM cards, point of sale cards and their operating machines, among other things.

To read more about the budget **click here.**

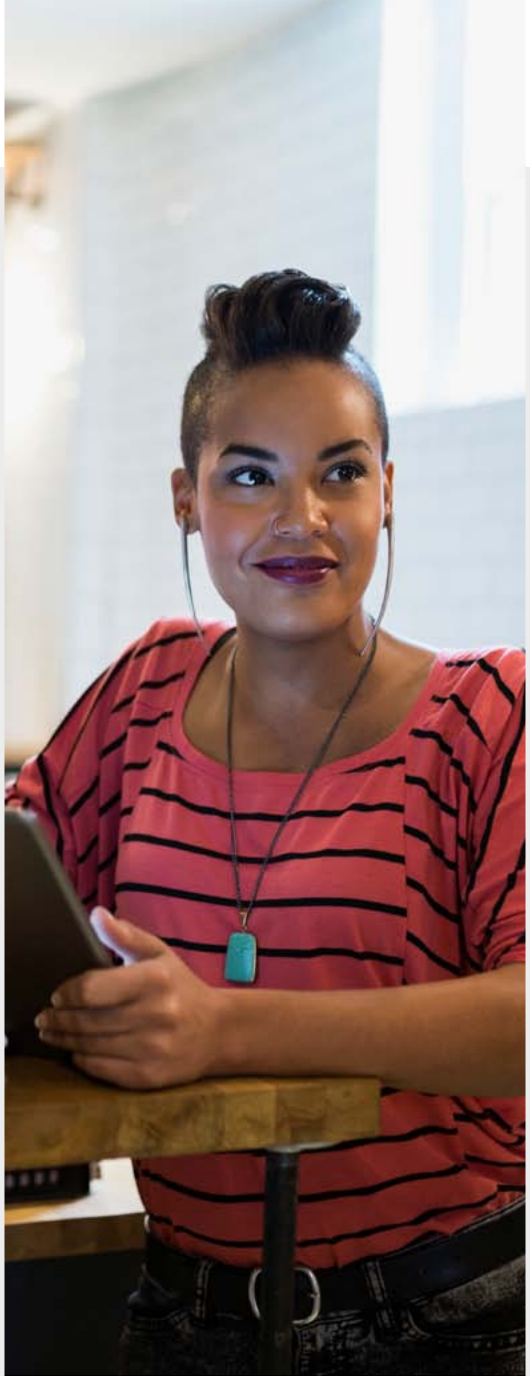
During the year the minister also issued two key ministerial orders that are meant to facilitate taxpayers' investments and also reduce tax compliance costs.

a. Taxpayers can now carry forward tax losses for a period of more than five years on receiving approval from the Commissioner General. This will enable capital-intensive businesses to claw back their investments without the five-year restriction.

b. The threshold to have audited and certified financial statements was increased from Rwf400m to Rwf600m. This will reduce the tax compliance cost for a majority of small and medium-sized businesses because they will no longer be required to engage auditors to certify their financial statements before filing them.

Frobisher Mugambwa
Kigali
+250 252 588203/4/5/6
frobisher.mugambwa@pwc.com

Mercy Ndirangu
Kigali
+250 252 588203/4/5/6
mercy.ndirangu@pwc.com



South Africa

Promulgation of the Carbon Tax Act

On 23 May 2019 there were two important notices published in the Government Gazette.

Notice 42483 relating to the Carbon Tax Act and Notice 42480 relating to the amendments to the Customs and Excise Act 1964.

Both the Carbon Tax act and amendments to the Customs and Excise Act came into operation on 1 June 2019.

Click here *to access the Tax Alert for more information*

2019 filing season

On 28 June 2019 the South African Revenue Services (SARS) issued a public notice informing taxpayers to submit their tax returns for the 2019 year of assessment. Tax season began on 1 July 2019.

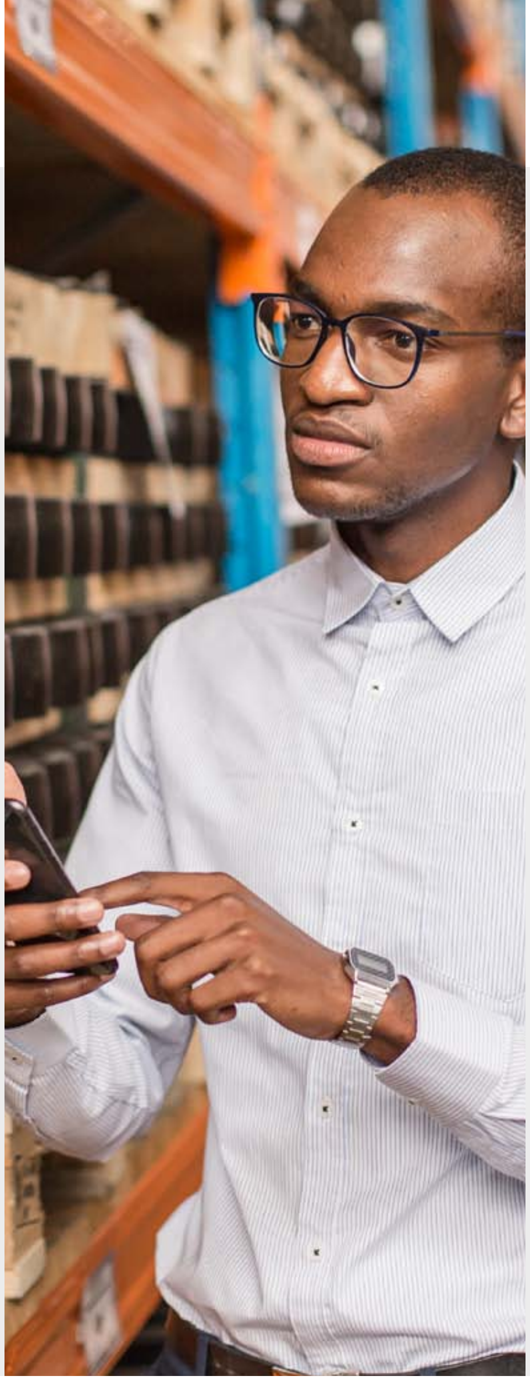
SARS has increased the income threshold for submitting returns from R350 000 to R500 000 for employees who received a single income from one employer during the year of assessment.

Furthermore, SARS has now extended the filing deadline to 4 December 2019.

Click here *to read more on the 2019 Filing Season*

David Lermer
Cape Town
+27 (0) 21 529 2364
david.lermer@pwc.com

Osman Mollagee
Johannesburg
+27 (0) 11 797 4153
osman.mollagee@pwc.com



Tanzania

Finance Act 2019:

The Finance Act 2019, dated 30 June 2019, was released to the public on 5 July 2019. The major areas of focus in the Finance Act include the following:

a. Fiscal receipt / tax invoice – New definition of 'fiscal receipt' includes receipt issued by Government Electronic Payment Gateway. Requirement for tax invoice (meeting prescribed criteria) to apply to any refund claim (i.e. including diplomats and international organisations).

b. Excise duty – Imported aircraft lubricants exemption not applicable to the National Air Force. Pipes – 10% excise duty apparently applicable to both locally manufactured and imported pipes. Artificial hair – 10% excise duty on locally made hair and 25% duty on imported hair.

c. Establishment of tax ombudsman – Tax ombudsman service will be responsible for reviewing and addressing compliance by taxpayers regarding service, procedural or administrative matters arising in the course of administering tax laws by the Authority, the Commissioner General or a staff of the Authority.

Items not referenced in the Finance Act –

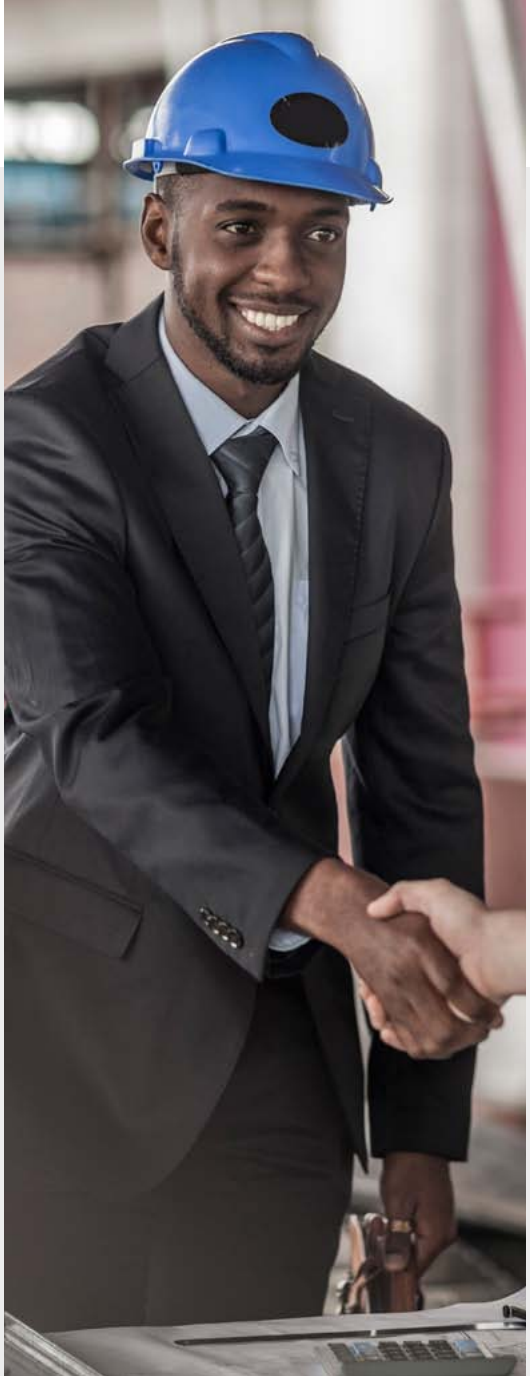
- Tax amnesty (expectation is that these will be covered in separate Regulations).

Click here *to download Finance bill 2019 newsletter*

David Tarimo
Dar es Salaam
+255 22 219 2600
david.tarimo@pwc.com

Rishit Shah
Dar es Salaam
+255 22 219 2601
rishit.shah@pwc.com

Joseph Lyimo
Dar es Salaam
+255 22 219 2613
joseph.lyimo@pwc.com



Uganda

The FY2019/2020 Budget was read in June. However, the tax amendments were contained in the Tax Amendment Bill 2019, which was released in April 2019. The final tax proposals have since been passed by parliament and are awaiting presidential assent. Below is a summary of the proposed significant tax changes:

Corporate tax

a. Ringfencing of rental income. Any company earning rental income from more than one rental property will be required to account for the income and expenses on each property separately. Tax losses of one property cannot be offset against the profits on another property.

b. Tax incentives for investors in industrial parks and free zones have been expanded.

c. Tax exemption on interest paid in respect of infrastructure bonds.

d. Exclusion of financial institutions and insurance companies from interest deductibility restriction.

e. Introduction of turnover tax on loss-making entities. A taxpayer who has carried forward losses for a consecutive period of seven years will be required to pay a tax at a rate of 0.5% on gross turnover, starting in the eighth year and each year thereafter while the losses persist.

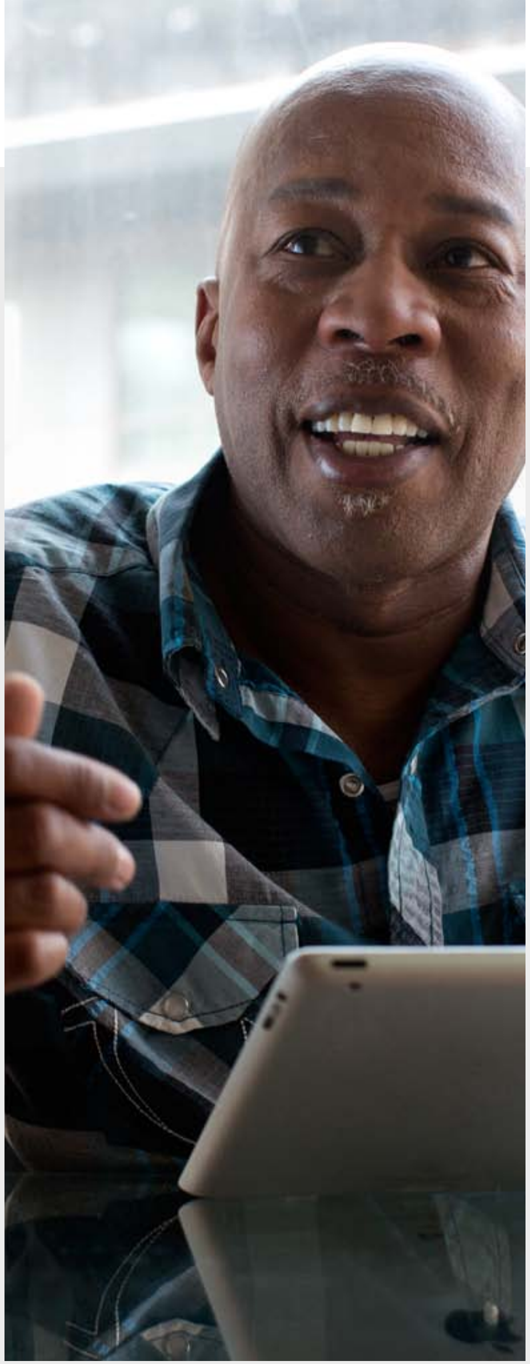
f. Expansion of payments subject to withholding tax to include payments in relation to purchase of a business or business asset. A resident person who purchases a business or business asset will be required to withhold tax at a rate of 6% on the gross payment.

g. Reduction of the withholding tax rate from 20% to 10% on long-term government securities with a maturity period of at least 10 years.

Value-added tax

a. Re-introduction of VAT withholding. Following the suspension of last year's VAT withholding provisions, the Minister has proposed to reintroduce VAT withholding but this time at a lower rate of 6% (previously the full 18% was required to be withheld), and also provides exemptions for compliant taxpayers.

b. Zero-rating of drugs and medicines manufactured in Uganda, while the supply of other drugs and medicines will now be exempt.



Uganda

c. The list of exempt supplies in the Second Schedule has been expanded to include aircraft insurance services, rice mills, agricultural sprayers, drugs and medicines not manufactured in Uganda, imported mathematical sets and geometry sets used for technical and vocational education, and woodworking, welding and sewing machines.

d. The Bill proposes to exempt services for feasibility studies, design and construction, locally produced materials for construction of premises or infrastructure and furniture or fittings for technical or vocational institute operators whose investment capital is at least US$10m in case of foreigners or US$2m in case of citizens.

Excise duty

e. The Bill proposes to exempt materials used in the construction of premises and other infrastructure, machinery and equipment or furnishings and fittings for technical or vocational institute operators whose investment capital is at least US$10m in the case of foreigners, or US$2m in the case of citizens.

Custom duty

a. To support local manufacturers, import duties on selected products have been increased from 25% to 35% for a period of one year. These products include imported television sets, imported toys, granite, marble and clay (ceramic) tiles, tomato paste and other preserved tomatoes, imported toothpaste and other mouthwash preparations, and shoe polish, among other things.

b. Other areas that have been impacted by an increase in import duty include mineral water and imported ready-to-drink juices, honey, processed coffee and tea, toilet paper, toothbrushes, exercise books, ballpoint pens, and buses for transportation with a seating capacity of 25 persons, among other things.

To read more about the budget **click here** *and to find more information about the tax proposals* **click here**.

Francis Kamulegeya
Kampala
+256 312 354460
francis.kamulegeya@pwc.com

Joanita Nakimuli
Kampala
+256 312 354433
joanita.x.nakimuli@pwc.com

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 – April 2019

Tax Synopsis – May 2019

Tax Synopsis – June 2019

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.

The analysis of and comment on new law and judicial decisions of interest, such as the Regulations of the Immigration Act, assist business executives to identify developments and trends in tax, labour law and revenue practice that might impact their businesses.

HR Quarterly June

African industry publications

Finance

Major Bank Analysis – Striving for growth in a challenging environment

This April's edition identifies trends shaping the financial services landscape through an analysis of the combined local currency results of the major banks in South Africa. It is expected that 2019 will be heralded as the year of the customer in South African banking, where retail banking operations will be launched.

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

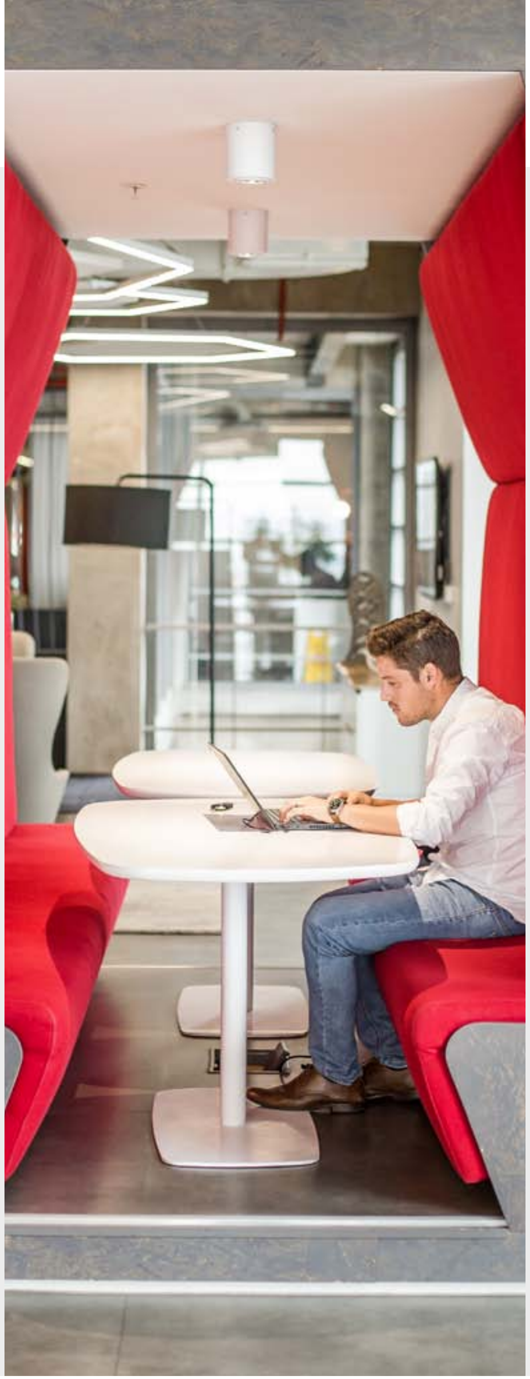
Ties and trainers – Banking on fintech collaboration and partnership

South Africa's banking sector is undergoing a process of unprecedented change brought by the disruptive impact of fintech challengers and the emerging technologies powering their business models.

Before this specific challenge, traditional banks were already contending with the impact of the 2008 global financial crisis, which put severe pressure on profitability and led to an extreme focus on costs.

Banks have largely undergone a process of cost-reduction by means of automation, offshoring and investment in new technologies.

***Click here** to find out more.*



African general interest publications

Hospitality Outlook

9th Annual Edition: Unparalleled experience

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. The outlook details the key trends observed and those taking place within the market.

The report discusses the challenges facing the sector, as well as considering its prospects. It also takes a brief look at the new Tourism Amendment Bill.

Click here *to download the report*

Global tax publications

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:

April 2019 edition

May 2019 edition

June 2019 edition

TP Talks

Episode 44: Swiss tax reform – key transfer pricing considerations

In this podcast, Benjamin Koch (Swiss Transfer Pricing Leader), Armin Marti (Swiss Tax Policy Leader), and Flora Marin (Swiss Transfer Pricing Senior Manager) discuss the new tax measures that will be put in place to implement Swiss tax reform, including the transition measures, patent box, and the R&D incentive. Benjamin and Armin also share their recommendations on what companies should be doing before the end of 2019 in anticipation of the new law taking effect.

*Please **click here** to view the podcast*

Preparing the tax function for disruption: Six lessons from Brexit

Brexit is a rapidly evolving situation with extremely disruptive implications for how businesses pay tax and develop tax strategies.

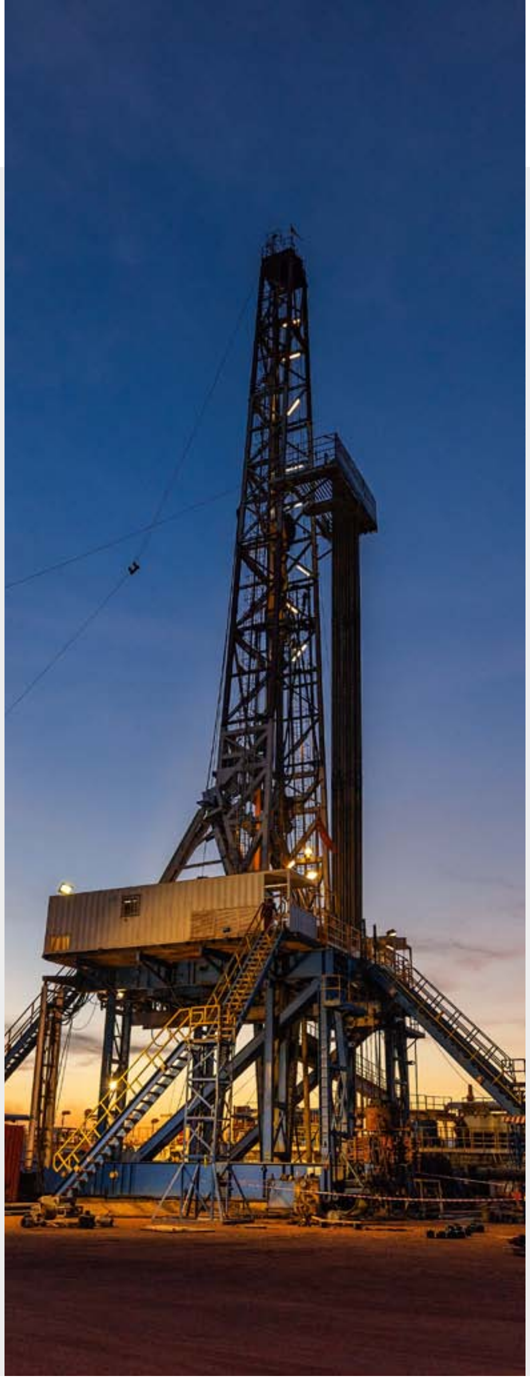
Although Brexit dominates the headlines now, it's not unusual for businesses across the world to face constantly shifting political landscapes that make tax planning both essential and difficult. The lessons learned from Brexit are transferable. It is possible to develop resilience to withstand tax disruption on this scale.

*Please **click here** to find out more.*

Tax Function of the Future – Six Priorities for your Tax Agenda

In these uncertain times, changes to tax policy across the world have brought uncertainty and complexity, causing businesses to rethink where and how they operate. Trade controversy has intensified, adding another dimension to global business concerns. At the same time rapidly, evolving technologies continue to impact the way people live and work.

***Click here** to download the report.*



Global general interest publications

Digital Twin

Today's organisations are complex, evolving systems, built on the collective ambitions and talents of real people operating in a dynamic culture. The world is increasingly defined by data and machine learning. However, there is no simple way to measure human motivation or clear-cut formula for building an effective future. Digital Twin captures a virtual model of an organisation and helps accelerate strategy.

Click here *to find out more.*

Transformation in energy, utilities and resources

The specific vision for transformation will be different for every company operating in the energy, utilities and resources industries. Steps, stages and organisational designs will vary from one enterprise to the next. There is no blueprint for corporate transformation, but there are four basic building blocks that we find in any successful transformation, namely:

- Create a strategic identity
- Design for trust
- Master the pivot from sprint to scale
- Treat your legacy as an asset

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

PwC's Global Crisis Survey 2019

This PwC's first-ever Global Crisis Survey, the most comprehensive repository of corporate crisis data ever assembled. We heard from 2,084 senior executives in organisations of all sizes, in 25 industries, and across 43 countries — 1,430 of which had experienced at least one crisis in the past five years, for a total of 4,515 crises analysed overall.

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

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.

Johannesburg

Kyara Khan
+27 (0) 11 7975369
kyara.khan.za@pwc.com

Shazia Hanif
+27 (0) 11 287 0674
shazia.hanif@pwc.com

Ayuk Takor
+27 (0) 11 287 0741
ayuk.w.takor@pwc.com

Alan Seccombe
+27 (0) 11 797 4110
alan.seccombe@pwc.com

Francophone Africa

Laurent Pommera
+241 01 76 2371
laurent.pommera@ga.pwc.com

New York/Houston

Gilles de Vignemont
+1 646 471 1301
gilles.j.de.vignemont@pwc.com

Omoike W Obawaeki
+1 713 356 6046
omoike.w.obawaeki@pwc.com

Perth

Oliver Marion
+61 (8) 9238 5115
olivier.g.marion@pwc.com

Caveat

This publication is provided by PricewaterhouseCoopers Tax Services (Pty) Ltd for information only, and does not constitute the provision of professional advice of any kind. The information provided herein should not be used as a substitute for consultation with professional advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all the pertinent facts relevant to your particular situation. No responsibility for loss occasioned to any person acting or refraining from action as a result of using the information in the publication can be accepted by PricewaterhouseCoopers Tax Services (Pty) Ltd, PricewaterhouseCoopers Inc. or any of the directors, partners, employees, sub-contractors or agents of PricewaterhouseCoopers Tax Services (Pty) Ltd, PricewaterhouseCoopers Inc. or any other PwC entity. The information contained in the publication is based on our interpretation of existing legislation as at 31 March 2019. While we have taken every care in preparing the publication, we cannot accept responsibility for any inaccuracies that may arise.