### Rates of tax – years of assessment ending on 28 February 2014

<table>
<thead>
<tr>
<th>Taxable income</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 166,600</td>
<td>18% of each R</td>
<td>18% of each R</td>
</tr>
<tr>
<td>166,601 – 258,750</td>
<td>29,808 + 25% of each R above 166,600</td>
<td>29,808 + 25% of each R above 166,600</td>
</tr>
<tr>
<td>258,751 – 358,110</td>
<td>53,096 + 30% of each R above 258,750</td>
<td>53,096 + 30% of each R above 258,750</td>
</tr>
<tr>
<td>358,111 – 500,940</td>
<td>82,904 + 35% of each R above 358,110</td>
<td>82,904 + 35% of each R above 358,110</td>
</tr>
<tr>
<td>500,941 – 638,600</td>
<td>132,894 + 38% of each R above 500,940</td>
<td>132,894 + 38% of each R above 500,940</td>
</tr>
<tr>
<td>638,601 + 40% of each R above 638,600</td>
<td>184,950 + 40% of each R above 638,600</td>
<td>184,950 + 40% of each R above 638,600</td>
</tr>
</tbody>
</table>

Ordinary Trusts are taxed at a flat rate of 40%

### Rates of tax for retirement fund lump sum payments

<table>
<thead>
<tr>
<th>Lump sum amount</th>
<th>Rates of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 22,500</td>
<td>0%</td>
</tr>
<tr>
<td>22,501 – 600,000</td>
<td>18% of each R above 22,500</td>
</tr>
<tr>
<td>600,001 – 900,000</td>
<td>23% of each R above 600,000 + R200,000</td>
</tr>
<tr>
<td>900,001 +</td>
<td>27% of each R above 900,000</td>
</tr>
</tbody>
</table>

### Rates of tax for non-residents

<table>
<thead>
<tr>
<th>Lump sum amount</th>
<th>Rates of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 315,000</td>
<td>0%</td>
</tr>
<tr>
<td>315,001 – 630,000</td>
<td>18% of each R above 315,000</td>
</tr>
<tr>
<td>630,001 – 945,000</td>
<td>27% of each R above 630,000 + R150,000</td>
</tr>
<tr>
<td>945,001 +</td>
<td>36% of each R above 945,000</td>
</tr>
</tbody>
</table>

### Foreign Dividends

- **Shareholding < 10%** Maximum effective rate 15%
- **Shareholding > 10%** Exempt
- *applicable to all shareholders (whether individuals, trusts or companies)*

### Exemptions and Deductions

- **Interest Evasion**
  - Under 65: R22,800
  - 65 years and older: R33,000

- **Medical scheme contributions**
  - Rebate per month
  - Taxpayer: R230
  - First dependant: R460
  - Each additional dependant: R162

### Reliefs for medical expenses

- **65 years and older**: No deduction
- **Under 65**: No limit

### Alternative relief table

- **Alternative deemed rate per km**: 316 c/km
- **Alternative deemed rate per km (subject to conditions)**: 324 c/km

- **This alternative rate is not available if compensation allowance or reimbursement is received**

### Company Cars (private use of employer-owned vehicle)

<table>
<thead>
<tr>
<th>Year of registration</th>
<th>Rebate per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>30% of each R above R50,000 + R1,800</td>
</tr>
<tr>
<td>2013/14</td>
<td>30% of each R above R50,000 + R1,800</td>
</tr>
</tbody>
</table>

### Notice

- **Government**
- **Voluntary**

### Micro Business – Turnover Tax

- **Turnover Tax liability**
  - **Turnover Tax**
    - **R**: 0 – 150,000 : 0% 150,001 – 300,000 : 1% of each R above R150,000 300,001 – 500,000 : R1,500 + 2% of each R above R300,000 500,001 – 750,000 : R5,500 + 4% of each R above R500,000 750,001 – 1,000,000 : R15,600 + 5% of each R above R750,000
- **Companies**
- **Company Tax Rates**
  - **Normal income tax**: 28%
  - **SA branches of foreign companies**: 28%
  - **Dividends Tax**: 15% 15%

### Small Business Corporation

<table>
<thead>
<tr>
<th>Taxable income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – R67,111</td>
<td>0%</td>
</tr>
<tr>
<td>R67,112 – R365,000</td>
<td>7% of each R above R67,111</td>
</tr>
<tr>
<td>R365,001 – R550,000</td>
<td>R20,852 + 21% of each R above R365,000</td>
</tr>
<tr>
<td>R550,001 +</td>
<td>R53,702 + 28% of each R above R550,000</td>
</tr>
</tbody>
</table>

### Dividends Tax

- **Shareholding < 10%** Maximum effective rate 15%
- **Shareholding > 10%** Exempt

### Capital Gains Tax

- **Person**
  - **Inclusion rate % Max effective rate %**
  - **2012/13**
    - **Normal persons**: 33.3 33.3 13.3 13.3
    - **Special trusts**: 33.3 33.3 13.3 13.3
    - **Other trusts**: 66.6 66.6 26.6 26.6
    - **Companies**: 66.6 66.6 18.6 18.6
- **Exclusions**
  - **2012/13**
    - **Primary residence**: R2m
    - **Annual exclusion**: R 30,000
    - **Year of death**: R300,000
    - **Small business exclusion for individuals over 55 years**: R1.8m
- **VAT**
  - **2012/13**
    - **Rate**: 14% 14%
    - **Registration threshold**:
      - **Compulsory**: R 1m
      - **Voluntary**: R50,000
### Payments to Non-Residents

- **Type of payment**
  - **Withholding tax**
    - **Dividends Tax**: 15%
    - **Interest**
      - **Note**: Applicable at 15% on interest paid on or after 1 March 2014
    - **Note**: Applicable at 15% on royalties paid on or after 1 March 2014
    - **Service Fees**
      - **Note**: Applicable at 15% on services fees paid on or after 1 March 2014

### Notice

- **Government**
- **Voluntary**

### Other

- **Estate Duty Abatement**: R3.5m R3.5m

### Micro Business – Turnover Tax

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### Notice

- **Government**
- **Voluntary**

### Other

- **Estate Duty Abatement**: R3.5m R3.5m
Tax Calendar

Withholding taxes (dividends, royalties and interests) Last day of month following the month in which dividend is paid
Provisional tax February year-end 1st payment 6 months before year-end (31 Aug)
2nd payment At year end (end-February)
3rd payment 7 months after year-end (30 Sep)
Other than Feb 1st payment 6 months prior to year end
2nd payment At year end
Other taxes and levies VAT 25th of month after tax period (Special Audit date)
PAYE SDL 7th day of each following month
South African Offices

Telephone Fax
Bloemfontein (051) 503-4100 503-4399
Cape Town (021) 529-2000 529-3449
Durban (031) 271-5000 271-8220
East London (043) 707-9600 707-9700
Emalahleni (013) 666-2140 666-1378
Johannesburg (011) 797-4000 797-5800
Kimberley (055) 807-0000 807-2160
Lichtenburg (018) 632-3078 632-4915
Littlefontein (018) 386-4700 386-4900
Middelburg (013) 243-0300 243-2501
Nelspruit (013) 754-3300 754-3400
Pietermaritzburg (033) 347-8600 347-5957
Pretoria (012) 429-0000 429-0100
Polokwane (015) 291-0100 291-0200
Port Elizabeth (041) 391-4400 391-4500
Pretoria (012) 815-0000 815-3100
Richards Bay (035) 901-8882 789-6097
Robertson (023) 626-7300 626-7400
Stellenbosch (021) 815-3000 815-3100
Stellenbosch (021) 815-3000 815-3100
Worcester (023) 346-5500 346-5600

Transfer duty

Transferee 2013/14

Value of property

- R0 – R600,000 0%
- R600,001 – R1,000,000 3% on value above R600,000
- R1,000,001 – R1,500,000 12% plus 5% on value above R1,000,000
- R1,500,001 and above R37,000 plus 8% on the value above R1,500,000

Other rates

2011/12 2012/13

Skills development levy:
- Rate 1% 1%
- Annual remuneration threshold R600,000 R650,000

Unemployment Insurance Fund (employer & employee)
- 1% 1% 1% 1%

Interest Rates

Table 1 Table 2 Table 3

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate</th>
<th>Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/03/09</td>
<td>15.0</td>
<td>11.0</td>
<td>11.5</td>
</tr>
<tr>
<td>01/06/09</td>
<td>13.5</td>
<td>9.5</td>
<td>11.5</td>
</tr>
<tr>
<td>01/07/09</td>
<td>13.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>01/09/09</td>
<td>12.5</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>01/08/09</td>
<td>11.5</td>
<td>7.5</td>
<td>8.5</td>
</tr>
<tr>
<td>01/10/09</td>
<td>10.5</td>
<td>6.5</td>
<td>8.0</td>
</tr>
<tr>
<td>01/11/09</td>
<td>9.5</td>
<td>5.5</td>
<td>8.0</td>
</tr>
<tr>
<td>01/11/11</td>
<td>9.5</td>
<td>5.5</td>
<td>7.0</td>
</tr>
<tr>
<td>01/03/11</td>
<td>8.5</td>
<td>4.5</td>
<td>6.5</td>
</tr>
<tr>
<td>01/08/12</td>
<td>8.5</td>
<td>4.5</td>
<td>6</td>
</tr>
</tbody>
</table>

T1 – SARS pays interest to taxpayer in all instances other than T2 (including VAT refunds) AND Taxpayer pays interest to SARS on late-paid/under-paid taxes (including income tax and VAT) T2 – SARS pays interest to taxpayer on provisional tax overpayment T3 – Official rate of interest for tax purposes on fringe benefits

T2 – T1: Where interest is paid, the amount will be taxable in subsequent years.

T3 – Official rate of interest for tax purposes on fringe benefits.

Other taxes and levies

VAT

Monthly Penalty

Assessed loss

R 250

R 250

R 500

R 1,000

R 5,000

R 2,000

R 10,000

R 4,000

R 50,000

R 8,000

R 500,000

R 16,000

Maximum successive penalties: 36 (SARS in possession of address) or 48 (SARS not in possession of address)

Administrative non-compliance is the failure to comply with an obligation imposed by or under a tax Act, and is listed in a public notice by the Commissioner. As at 27 February 2013, only the failure by a natural person to submit an income tax return (subject to further other conditions) was listed as a specified non-compliance.

Understatement Penalty

Behaviour Standard case Obstructive or appeal case Voluntary disclosure after notification of audit Voluntary disclosure before notification of audit

<table>
<thead>
<tr>
<th>Substantial understatement</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
</tr>
<tr>
<td>Reasonable care not taken in completing return</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>No reasonable ground for “tax position”</td>
</tr>
<tr>
<td>75%</td>
</tr>
<tr>
<td>Gross negligence</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>Intentional tax evasion</td>
</tr>
<tr>
<td>150%</td>
</tr>
</tbody>
</table>

Understatement means any prejudice to SARS or the Fiscus as a result of:

a. A default in rendering a return
b. An omission from rendering a return
c. An incorrect statement in a return
d. Failure to pay correct amount of tax

The burden of proving the facts on which SARS based the imposition of the understatement penalty, is upon SARS.