Synopsis

Tax today

April 2019

A monthly journal, published by PwC South Africa, that gives informed commentary on current developments in the tax arena, both locally and internationally.

Through analysis of and comment on new laws and judicial decisions of interest, Synopsis helps executives to identify developments and trends in tax law and revenue practice that may affect their business.

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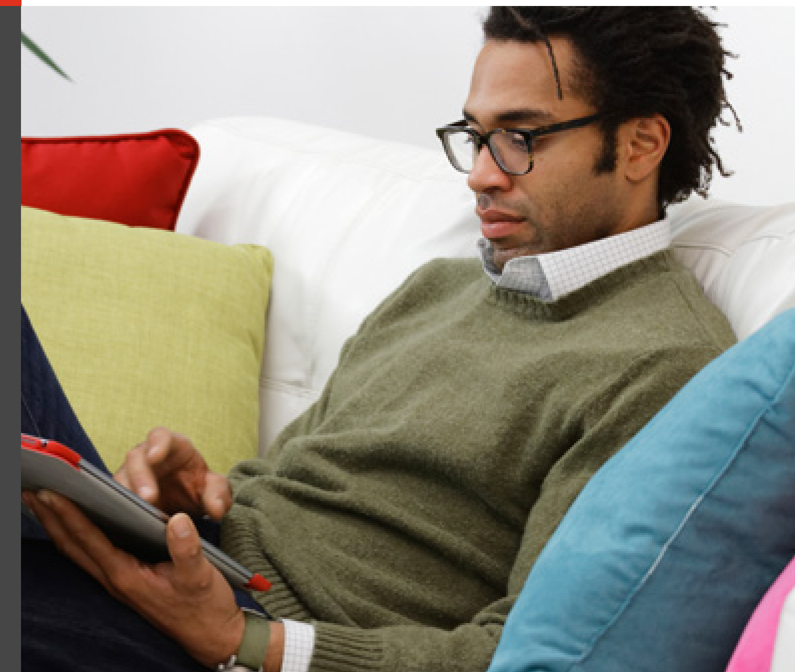


When is income from a gift card taxable?

Many retail chains offer 'gift cards', which may be redeemed by the holder in exchange for merchandise. A gift card is acquired by a customer tendering the specified amount at a till point and receiving a card specifying the value of goods that the holder may acquire in exchange for the card. In a recently decided matter, the Tax Court in the Western Cape determined when the amount paid at the time of issue of a gift card should be regarded as gross income for income tax purposes.

In *Case No. IT 24510* (judgment delivered on 17 April 2019), the taxpayer was a 'high street retailer selling clothing, comestibles and general merchandise'. In the course of its trade it offers gift cards, which may be redeemed at any of its stores. It is the company's practice at the end of each month to transfer amounts received in respect of gift cards into a separate bank account, and to appropriate from that bank account the amount representing the value of goods acquired on redemption of gift cards and the unredeemed value of any gift cards (which are valid for a period of three years) that have expired during the month.

For income tax purposes, the taxpayer had, prior to the year of assessment, declared the amounts received for the issue of gift cards as gross income and claimed an allowance for future expenditure representing the estimated cost of goods that it would be obliged to supply to the holders of the cards on presentation for redemption.

However, following the promulgation of the Consumer Protection Act, No. 68 of 2008 ('CPA'), which came into effect on 31 March 2011, it reconsidered the treatment of its receipts in respect of gift cards.

- Section 63 of the CPA provides that '*any consideration paid to a supplier in exchange for a prepaid certificate, card, credit voucher or similar device … is the property of the bearer of that … device to the extent that the supplier has not redeemed it in exchange for goods or services ...*'
- Section 65 of the CPA provides that the supplier must not treat the consideration as its property and requires that the supplier '*in the handling, safeguarding and utilisation of that property, must exercise the degree of care, diligence and skill that can reasonably be expected of a person responsible for managing any property belonging to another person …*'

In its 2013 return of income the taxpayer excluded the amount standing to the credit of the separate account, asserting that the amounts had not yet accrued to it. SARS conducted an audit of the return and issued an additional assessment, which included as income the amount standing to the credit of the separate account, against which it allowed a deduction in respect of future expenditure, which was consistent with the filing positions adopted by the taxpayer in earlier years.

After the taxpayer's objection against the additional assessment was disallowed, an appeal was lodged and the matter proceeded for hearing in the Tax Court.

The issue

In paragraph [1] of the judgment of Binns-Ward J the issue is clearly set out:

> 'The question in this appeal from the additional assessment by the Commissioner of the taxpayer's taxable income in the 2013 fiscal year is whether the revenue from the "sale" of the taxpayer's gift cards during that year constituted part of its "gross income" for the purposes of the Income Tax Act as soon as it was received by the taxpayer (as contended by the Commissioner), or would become such only when the card was redeemed, or having not been redeemed, expired (as contended by the taxpayer).'

The arguments

For SARS, it was argued that the transactions by which gift cards were issued were a sale (which Binns-Ward J understood to mean a cash sale). That is, that the card was 'sold' to the purchaser and the consideration should be treated as cash sale revenue, which accrued on issue of the card.

The secondary argument advanced by counsel for SARS was that:

> '… the taxpayer's receipts in respect of the "sale" of gift cards were indistinguishable from any other receipts taken at its tills when merchandise was sold, and that the revenue was available for use in the taxpayer's operations if it chose. She argued that it was therefore of no significance that an amount equal to the sum of the gift token receipts was *subsequently* sequestered in a separate specially identified banking account.'

For the taxpayer, the primary argument was that, irrespective of the CPA, the amounts were not received by the taxpayer for its own benefit, but for the benefit of the holder of the gift card and that they only became entitled to the amounts when the card was redeemed or on its expiry.

The taxpayer's second argument was that the provisions of section 63 and 65 of the CPA, coupled with its treatment of the receipts in conformity with the statute, characterised the receipts as amounts received on behalf of or for the benefit of the cardholder and not as beneficial receipts of the taxpayer.

The judgment

The first issue that Binns-Ward J had to consider was whether the transaction by which a gift card is issued may be regarded as a cash sale.

In paragraph [5] of the judgment he stated:

> 'Notwithstanding the reference in common parlance to the "sale" of gift cards, it is clear that the transactions in terms of which the taxpayer's customers acquire them are actually not contracts of sale properly so characterised. They entail the customer making a prepayment in respect of the supply by the taxpayer of as yet unidentified goods when the gift card is redeemed later. Neither the identity of the goods to be supplied when the gift card is presented, nor their price, is determined in the transaction in terms of which the card is issued.'

Later, in the same paragraph, he identified the true nature of the gift card:

> 'The card is nothing more than a piece of paper that vouches for the existence of the bearer's personal right against the taxpayer for the redemption of the prepayment. It is not a thing (*res vendita*) that is the subject of a sale.'

The Court found that the practice of separating receipts for the supply of goods in respect of gift cards by placing them in a separate bank account had been applied for some time by retail chains in the United Kingdom. In this regard, Binns-Ward J (at paragraph [9]) noted that in the United Kingdom:

> 'The effectiveness of a supplier protecting consumer prepayments by putting them into a separate trust account until they had been redeemed against the supply of goods or by refund had been confirmed more than 40 years earlier in *Re Kayford Ltd* [1975] 1 WLR 279, [1975] 1 All ER 604 (Ch.D.).'

However, the practice did not protect card holders on insolvency of the retailer unless the account was a specially designated trust account.

As a point of commencement, Binns-Ward J applied the principle that an amount is regarded as 'received by' a taxpayer if it is:

> '… received by the taxpayer "on his own behalf for his own benefit" or "received by him in such circumstances that he becomes entitled to it"; see *Geldenhuys v Commissioner for Inland Revenue* 1947 (3) SA 256 (C) at 266 (*per* Steyn J) and at 269 (*per* Herbstein AJ).'

However, the learned judge identified that the 'benefit' test should be applied with caution, as suggested in *Van der Merwe v Sekretaris van Binnelandse Inkomste* 1977 (1) SA 462 (A) at 472 in which Rabie JA had indicated that the question whether the taxpayer derived personal benefit was a consideration *in certain cases*.

In paragraph [18], Binns-Ward J considered the primary argument of the taxpayer, that the act of separating the gift card receipts and holding these amounts in a separate account was sufficient to establish that the funds were not received for its own benefit. This argument suggested that there was some form of entrustment. However, he stated:

> 'It is an argument that was advanced with success in the context of the treatment of prepayments in the English courts in the matter of *Kayford* mentioned earlier, but in that case, which was about whether the unredeemed prepayments remained vested in the supplier company when it was placed into liquidation, the result turned on the court being persuaded that the receipts in respect of prepayments by a mail order business had been sequestered from the company's operational accounts in a manner consistent with the effective creation of a trust in the formal sense of the concept.'

At paragraph [19], Binns-Ward J stressed the importance of a formal legal arrangement as opposed to an informal practice:

> 'Although there are some differences between our law and that of England and Wales in respect of the establishment of trusts, and as to their character, I think that the essential determinant of whether there is validity in the taxpayer's first level argument is the same as it was in *Kayford's* case. That is, were the payments received and held in a manner that, in a legally effective way, distinguished the funds segregated in the separate bank account from the taxpayer's property? As with English law, so too with us, merely segregating the funds, as the taxpayer did in the current matter, would not, by itself, be enough. A cognisable legal context, such as the establishment of a trust, the terms of a will, or the existence of a principal-agent relationship, is necessary to give the segregation of the funds the effect of putting them outside the holder's estate, avoiding the ordinary incidence of *commixtio*. Absent such a context, I am unable to conceive of how a prepayment to the taxpayer for goods to be sold by it later could differ in its proprietary effect from a contemporaneous payment in the context of a cash sale. The money becomes that of the contemplated or actual seller as soon as it is paid over. It does not matter where it keeps it, or how it accounts for it in its books. It may spend it or save it as it wishes.'

The primary argument advanced by the taxpayer was therefore rejected as set out in paragraph [20]:

> 'I am not persuaded that the mere segregation of the receipts in respect of unredeemed gift cards in a separate banking account identified for that purpose gave rise to a cognisable legal context that would sustain a determination that they had not been received by the taxpayer for itself and its own benefit.'

Before considering the second argument advanced by the taxpayer, Binns-Ward J dealt with SARS's argument that the amounts received in respect of the gift cards were the taxpayer's property and that the taxpayer was free to do with these as it chose. Here, he considered that the matter of *Holley v Commissioner for Inland Revenue* 1947 (3) SA 119 (A) presented a comparable case. In that matter a person (referred to as a '*fiduciary*') had been bequeathed a business on condition that he pay an annuity to his aunt (a '*fideicommissary*') out of the business receipts. After citing a passage from the judgment of Davis AJA, Binns-Ward J stated, at paragraph [24]:

> 'The learned judge concluded that the part of the business income received by the taxpayer that he was obliged to use to pay the annuity was, in the circumstances, received by him as a "*trustee*" within the meaning of that term in the then Income Tax Act, and not in his personal capacity; and thus did not form part of his gross income, notwithstanding that he had been the owner of the money when it passed through his hands.'

The judgment continued, at paragraph [25]:

'In my judgment, depending on the effect of the CPA, the position with regard to the payments received by the taxpayer for gift cards in the current matter may be analogous to that of the taxpayer in *Holley*, as found by the court in that case.'

At paragraph [26], the relevance of the judgment in the *Holley* case is explained:

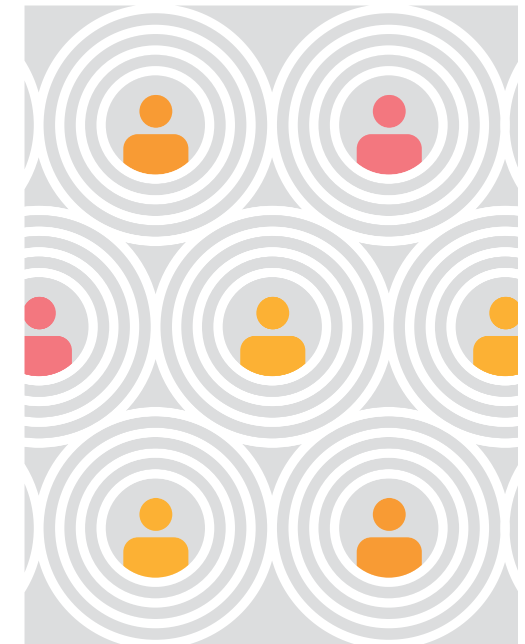
> 'The significance of the *Holley* case in the context of the argument advanced by Ms *Williams* [counsel for SARS], however, is that assuming that the existence of a *fideicommissum* had been established in that matter, as held by Davis AJA, the fact that the taxpayer had received the money mixed up together with money generated for his own benefit did not constitute an obstacle, when it came to calculating the taxpayer's gross income, to treating that amount of it intended for the testator's widow discretely from the amount of it that the taxpayer was entitled to keep for himself. The initial actual receipt, in the ordinary sense of the word, of all of the money did not prevent its discriminatory treatment when it came to deciding, for the purposes of calculating his gross income, what the taxpayer had received for his own benefit and what he had received, as "trustee" within the meaning of the Income Tax Act, for the benefit of somebody else.'

Binns-Ward J pointed out that, prior to the promulgation of the CPA, he would have been inclined to uphold the arguments presented on behalf of SARS. However, he was bound to consider the implications of the CPA, which provided that the consideration given for a gift card is the property of the bearer to the extent that the supplier has not redeemed it in exchange for goods and that a supplier must not treat the consideration as being the property of the supplier.

The argument advanced on behalf of SARS was that the Income Tax Act and the CPA had different purposes. The CPA was aimed at consumer protection and not deferral of tax. Therefore, the provisions of the Income Tax Act should be applied without reference to the CPA. It was argued that the taxpayer had acquired ownership of the amounts paid, which were mixed with all of its other receipts and were only subsequently separated into a separate bank account.

Binns-Ward J responded that the provisions of the CPA must be interpreted purposively. The interpretation is given at paragraphs [36] and [37] of his judgment:

> [36] On that approach the legislature's intention to provide consumer protection by requiring the segregating by the supplier of its receipts from the 'sale' of gift cards from the other revenue generated in its business activities appears reasonably clear. The taxpayer does that in this case by crediting its receipts in respect of unredeemed gift cards monthly to a separate appropriately designated account. When it comes to money, that is the only way in which a supplier could keep the receipts in a manner that would practically achieve the statute's requirement that they be treated as property separate from that of the supplier itself. And how else would a supplier charged with such an obligation discharge it by handling, safeguarding and utilising the property with the degree of care, diligence and skill that can reasonably be expected of a person responsible for managing any property belonging to another person?
>
> [37] The effect of the legislation is the creation of some form of statutory trust, even if it might not conform in all respects with the trust forms recognised in our common law. The taxpayer is placed by virtue of the statute's prescripts under a fiduciary duty to the bearer of the card to ensure that the funds are kept available until the prepayment is redeemed. The statutory conjuring of a proprietary interest by the cardholder in the receipts must be seen for what it is: a legal fiction. The evident intention being that the bearers of gift cards should be able to recoup their value in full in the event of the issuer being sequestrated or liquidated before the cards were redeemed.



Dealing then with the argument that the funds should be regarded as the taxpayer's property until segregation, Binns-Ward J found, at paragraph 38:

> 'The method of monthly segregation used by the taxpayer necessarily implies that the affected monies are identifiable and traceable in the taxpayer's accounting system from the moment they are taken in, and there should therefore be no difficulty with their practical identification as "trust money" from the moment of their receipt in the taxpayer's hands (which is how the CPA characterises such moneys irrespective of segregation).'

The judgment then cut to the chase at paragraph [39]:

> 'The question in this case is simply this, did the taxpayer's method of dealing with the gift card receipts in apparent compliance with the requirements of the CPA entail that it received them for itself, or for the gift card bearers? The CPA required it to take and hold the receipts for the card bearers, and to refrain from applying them as if they were its own property, and its method of dealing with the receipts was directed to doing just that. The applicable legal framework forbade the taxpayer from receiving the moneys taken in for gift cards for itself until the cards were redeemed. This impels the answer that the gift card receipts were "received" by the taxpayer, not for itself, but to be held for the card bearer.'

Before finalising the judgment, Binns-Ward J explained his rejection of the argument advanced on behalf of SARS. At paragraph [41], he explained the interaction between the CPA and the Income Tax Act in the following terms:

> 'Ms *Williams* was quite right when she said that the object of the CPA is the protection of consumers, and not the deferral of tax liability. But if the manner in which the CPA protects consumers entails the deferral of beneficial receipt of revenue by suppliers as a matter of fact, then the knock-on effect on the determination of the suppliers' taxable income is only to be expected. Were it otherwise, the necessary implication would be that suppliers fall to be taxed on income they have not yet received, and which has not yet accrued to them. The CPA does not express any such intention. And any such effect would be at odds with the scheme of the Income Tax Act. A conflict between the two sets of legislation arises only if it is construed in the manner contended for by the Commissioner.'

At paragraph [42], Binns-Ward J noted that the legal precedents upon which he had placed reliance had entailed contractual undertakings or testamentary directions. In relation to this he commented:

> 'The effect of the peculiar legal contexts in those cases has never, to my knowledge, been perceived as giving rise to a conflict with the Income Tax Act; and there is no reason to distinguish the effect merely because the pertinent legal context for the receipt of the monies by the taxpayer not for itself, but for someone else, is afforded in the current matter by statutory provisions, rather than testamentary or contractual ones.'

Accordingly, judgment was given in favour of the taxpayer.

The takeaway

This decision has added to the body of law relating to beneficial receipt. Whereas the taxpayers in previous decisions had found themselves bound by contract or will to make payment to another person, the taxpayer in this instance had become so bound by statute.

The CPA is explicit that the consideration given for a gift card is the property of the bearer and remains the property of the bearer until the supplier redeems the card in exchange for goods or services or the card expires.

The CPA has created an effect that may not have been in contemplation when it was enacted. However, as the judgment rightly pointed out, the provisions of the Income Tax Act must be applied to the facts. Here, the facts clearly are that, in law, the supplier is not the owner of the consideration given in exchange for a gift card.

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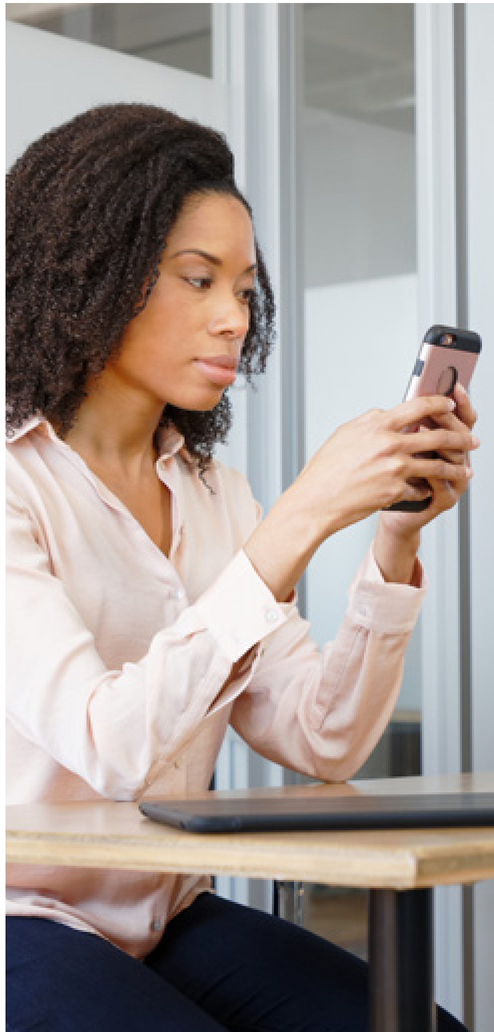
The Tax Director series (new): Article 4



Understand and be prepared for changes in the fiscal policy and requirements of tax administrations and regulators

According to the recent *Economic Report on Africa 2019* released by the United Nations Economic Commission for Africa, the continent continues to search for policy mixes to help accelerate the achievement of the development agendas set by the 2030 Sustainable Development Goals (SDGs), which aim to leave no one behind as countries develop, and the African Union's Agenda 2063, which sets out a blueprint for the 'Africa we want' targets. The report flags financing as the biggest bottleneck, with implementing capacity a close second. It is estimated that to meet the SDGs, Africa will need to raise an estimated 11% of GDP per year for the next ten years to close the financing gap. Today, Africa's average tax revenue to GDP is below 16%. The report recommends that efficient and effective domestic resource mobilisation can address a substantial portion of this financing shortfall. African governments could increase fiscal space, particularly through increased government revenues by 12–20% of GDP annually by implementing fiscal reforms in six key areas. These areas include: adopting the right fiscal policy stance, reviewing and updating tax policy, expanding and deepening the tax base, improving tax administration, tackling tax avoidance, enhancing non-tax revenue collection and improving natural resources governance to combat tax evasion.[1]

We are in an era where governments are increasingly imposing additional or increased taxes on both corporates and their customers. This may pose a risk to the growth of the organisation's ability to contribute to the economy and to provide services and goods to citizens, limiting the social and economic benefits. In addition, new tax legislation and complexity reflect a growing trend towards transparency and the need for more detailed financial information. Collection and sharing of Country-by-Country Reporting (CBCR) has begun, although not yet by all countries, and soon tax authorities will have an overview of each organisation as a whole, including a list of all its affiliates and data on its assets, income, revenues, tax paid and employees in each country.

A key challenge for organisations is to consider how best to respond to a landscape that is continuing to evolve. As tax administrations continue to structure laws and regulations to address the changing global business environment, there should be a direct correlation to the corporate and tax strategies discussed at Board level, as these changes will undoubtedly impact how the organisation operates in the global economy.

What are the challenges?

A critical first step is to assess the organisation's specific burdens – what pain points does it anticipate? How does it lessen the compliance burdens, save cost, and expand its capabilities to adapt to these changes?

- Is the organisation actively participating in public consultation processes to influence tax policy and provide an outlook on how best to balance the need for government revenues through fiscal reform against the need to ensure sustainable investment?
- Complexity also tops the list: A high-level robust technical understanding of tax legislation and each policy change as well as the impact on the business is required.
- Tax functions may need to 're-work' historical compliance processes, as tax reform frequently leads to additional compliance coordination to prepare calculations and disclosures.

1 United Nations Economic Commission for Africa. (2019) 'Economic Report on Africa 2019: Fiscal policy for financing sustainable development in Africa'.

- Higher risks relating to reporting accuracy: Many organisations use high-level estimates for their tax provisions that may not provide a sufficient level of detail needed for tax returns. Taxpayers should anticipate increased focus on and scrutiny of their processes, higher risk for penalties, and more time-consuming audits.
- Compressed time frames: Companies are pressed for time to address these many compliance challenges – e.g., data collection, preparation of calculations, review processes, filing requirements and deadlines.

Aligning the organisation's tax strategy, goals and objectives, amid changes in the fiscal policy and requirements of tax administrations and regulators

Tax reform is one of the reasons organisations continually evaluate their strategic objectives and key performance indicators against the expectations of their stakeholders, in a bid to create value for the organisation. To deliver a tax strategy an organisation needs to have an effective and efficient way of working, referred to as its tax operating model. This operating model will broadly determine how different areas of activity interact with each other and with the business, the location of activities and the functions that will support these activities.[2]

2 Refer to Article 1 in the January 2019 edition of Synopsis 'Align tax with the business strategy' and Article 3 in the March 2019 edition of Synopsis 'Manage tax risk and implement robust tax governance to increase transparency and trust'.

Governance

Governance promotes accountability, responsibility, efficiency, and transparency. It is critical to the success of the tax function to establish a tax governance model that is sustainable and agile. Strong tax governance should be established, with an agreed tax strategy that is in line with wider business objectives, owned by the senior management of the organisation, i.e. at governing board level, and a robust tax risk policy that ensures that transactions and events are compared with the expected norms and that potential risks of non-compliance are identified and managed.

Process and controls

It is critical for tax functions to define and document processes and controls to ensure that tax policy changes are identified timeously and that the impact on the business is analysed in detail and communicated effectively. It is also essential to participate in the tax reform process and consider whether the lobbying activities of the organisation in relation to tax reform are formalised, and whether the organisation is a member of any representative association or committee that participates in public policy advocacy.

People

Upskilling the organisation's workforce is mission critical to attract, develop, and retain employees. A focus on both tax technical and digital skills is essential. Tax policy changes can raise concerns about whether:

- The right numbers of people are working on the most relevant issues and associated computations.
- People are strategically located in jurisdictions to enable tax efficiency and operational execution.
- The tax resources have the right skills and capabilities to manage compliance, planning and controversy in a new regulatory environment.
- The tax function design (insourced, shared service, co- or outsourced) best supports the organisational goals and measures of success.

Technology

As governments push the burden of compliance onto taxpayers, organisations need to consider:

- How could technology address new tax reform requirements?
- Should technology be built in-house, purchased outright or acquired through some blend of co-sourcing or outsourcing?
- Tax authorities are gearing up to develop appropriate skills and resources to be able to analyse the huge amount of data provided to them. How does the taxpayer increase the digital capabilities of its tax function?
- The adoption of 'smart' technology solutions, such as robotics and artificial intelligence (AI), does not diminish the tax professional's 'tax-technical' expertise. Instead, emerging technologies provide opportunities to enhance strategic value. Tax needs the ability to quickly assess the impact of legislative changes, using data analytics and modelling solutions.

Organisations should recognise that no one 'tool' or 'solution' will do everything – rather, it is important for companies to consider the spectrum of choices so they can tailor their own specific approach.

Data

There is a need to move faster and smarter. Reliable, tax-ready data is critical for tax reform calculations, but tax functions

are having difficulty efficiently collecting what they need. New types of data must be gathered, along with increased granularity. Sought-after information is typically maintained in disparate systems or schedules.

- Companies should develop a process to create a 'single source of truth' in terms of data for all compliance activities.
- Data needs for tax reform calculations should be identified early to avoid delays and additional risk.
- Automation of source data pulls can help streamline the requirements of new complex calculations.
- Broader coordination with data suppliers and non-tax stakeholders is also critical.
- Tactical, quick solutions likely will be a critical catalyst to successfully navigate tax reform. Small automation allows companies to respond, but in a more measured and controlled manner, looking at processes within the tax function, for fast implementation of flexible and adaptable technologies not easily accomplished by enterprise systems. The critical benefit here is that tax functions, with less incremental budget, time, and IT reliance than per historical enterprise automation initiatives, can generate targeted quick 'wins' that in series can transform the function and bring to scale the automation discussion for larger enterprise-wide consumption and buy-in.

Advocate the need for change

In the current tax environment, how can an organisation future-proof itself against change?

Many tax functions may be asked to address tax reform compliance with existing resources and budgets. But if the tax function does not invest in improvements, will it have sufficient functionality to promptly deliver key insights to the business on the changing tax profile, and is the organisation willing to accept a higher risk profile?[3]

3 Refer to Article 2 in the February 2019 edition of Synopsis 'Reduce the cost of delivery – manage costs for sustainable success'

Agility is key to managing the complexity of incorporating these new rules. Enabling tax professionals to work smarter and faster by aligning leading practices and emerging technologies – freeing capacity to focus on insights, armed with the right information at the right time – tax functions can move from being task-focused to value-added business partners that facilitate a proactive planning and analysis environment.

For more information view our Tax Function of the Future series here.

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SARS Watch

SARS Watch 26 March 2019 – 25 April 2019

Legislation

24 Apr 2019	Determination of rate of levy for 2017 tax period and payment date published in terms of the Merchant Shipping (International Oil Pollution Compensation Fund) Contributions Act, 2013	Notice 215 published in Government Gazette No. 42391 with an implementation date of 1 March 2019 as the effective date for the exchange rate, and 31 May 2019 as the due date that the levy is payable.
13 Apr 2019	Completion of DA 159	External manual effective from Monday, 8 April 2019. The manual is to assist licensees of Special Storage Warehouses (SOSs) in the Oil Industry to complete the quarterly petroleum products account (DA 159 and supporting schedules).
10 Apr 2019	Draft Amendment Notice – Note 8 of Schedule No. 5	Comments must be submitted to SARS by Friday, 10 May 2019.
5 Apr 2019	Amendment to the Rules in terms of the Customs and Excise Act, 1964, to enhance the administration and compliance in respect of Health Promotion Levy on Sugary Beverages	Notice R. 562 published in Government Gazette No. 42381 with an implementation date of 5 April 2019.
5 Apr 2019	Amendment to the Rules in terms of the Customs and Excise Act, 1964, relating to the implementation of the UCR	Notice R. 564 published in Government Gazette No. 42381 with an implementation date of 5 April 2019.
5 Apr 2019	Amendment to Part 7A of Schedule No. 1 to amend Note 5 to include the reference to grams per 100 millimetres and insert Note 6 to indicate how sugar content will be calculated	Notice R. 563 published in Government Gazette No. 42381 with an implementation date of 5 April 2019.
5 Apr 2019	Correction Notice to Notice No. R. 500 of Government Gazette No. 42338 on 29 March 2019	Notice R. 565 published in Government Gazette No. 42385 with retrospective effect from 1 April 2019.
29 Mar 2019	Amendment to Part 1 of Schedule No. 1, to provide for separate tariff subheadings for pantyliners to facilitate the zero-rating/VAT exemption as tabled by the Minister of Finance on 20 February 2019	Notice R. 515 published in Government Gazette No. 42338 with an implementation date of 1 April 2019.
29 Mar 2019	Amendment to Part 7A of Schedule No. 1, by an increase of 10c/g in the rate of the health promotion levy from 2.1c/g per 100ml to 2.21c/g per 100ml to give effect to the Budget proposals announced by the Minister of Finance on 20 February 2019	Notice R. 506 published in Government Gazette No. 42338 with an implementation date of 1 April 2019.
29 Mar 2019	Amendment to Part 3 of Schedule No. 6, as a consequence of the increase in the fuel and RAF levy as announced by the Minister of Finance in his budget speech of 20 February 2019; the diesel refund provisions are adjusted accordingly	Notice R. 505 published in Government Gazette No. 42338 with an implementation date of 3 April 2019.
29 Mar 2019	Amendment to Part 2B of Schedule No. 1, to give effect to the Budget proposals announced by the Minister of Finance on 20 February 2019 to apply ad valorem excise duty on – computers with a screen size exceeding 45 cm; and gaming consoles with images produced on any external screen or surface	Notice R. 504 published in Government Gazette No. 42338 with an implementation date of 1 April 2019.
29 Mar 2019	Amendment to Part 5B of Schedule No. 1, by an increase of 5c/li in the RAF levy from 193c/li to 198c/li on both petrol and diesel to give effect to the Budget proposals announced by the Minister of Finance on 20 February 2019	Notice R. 503 published in Government Gazette No. 42338 with an implementation date of 3 April 2019.

29 Mar 2019	Amendment to Part 5A of Schedule No. 1, by an increase of 15c/li in the rate of the general fuel levy from 337c/li to 352c/li and 322c/li to 337c/li on petrol and diesel respectively to give effect to the Budget proposals announced by the Minister of Finance on 20 February 2019	Notice R. 502 published in Government Gazette No. 42338 with an implementation date of 3 April 2019.
29 Mar 2019	Amendment to Part 1 of Schedule No. 1, to provide for separate tariff subheadings for sanitary pads, bread flour and cake flour to facilitate the zero-rating/VAT exemption as tabled by the Minister of Finance on 20 February 2019	Notice R. 501 published in Government Gazette No. 42338 with an implementation date of 1 April 2019.
29 Mar 2019	Amendment to Part 1 of Schedule No. 1, by the insertion of new eight-digit tariff subheadings under tariff heading 84.71 and 95.04 to provide for computers with a screen size exceeding 45cm as well as gaming consoles with images produced on any external screen	Notice R. 500 published in Government Gazette No. 42338 with an implementation date of 1 April 2019.
29 Mar 2019	DAR183 – Postponement of implementation date of IAA rules published on 21 December 2018	Notice R. 516 published in Government Gazette No. 42356 with an implementation date of 1 September 2019.
Case law		
In accordance with date of judgment		
17 Apr 2019	A Company v The Commissioner For The South African Revenue Service (IT 24510) [2019] ZATC 1	Whether the revenue from the 'sale' of the taxpayer's gift cards during that year constituted part of its 'gross income' for the purposes of the Income Tax Act as soon as it was received by the taxpayer or would become such only when the card was redeemed, or having not been redeemed, expired.
Guides and Forms		
28 Mar 2019	Samples	Any import duties and taxes that would have been payable on samples drawn from the imported goods had the samples actually been cleared for home use must be paid from 29 March 2019.
28 Mar 2019	Customs Scanner Operations	The use of non-intrusive equipment such as x-ray scanners permitted for physical inspection.
28 Mar 2019	Acquittal of Customs Declarations	All bonded goods moved in terms of Section 18 and the Rules thereto must be acquitted from 29 Match 2019.
28 Mar 2019	Traveller Processing	This Customs document covers the registration and clearance process in respect of goods that the traveller/ crew member intends to re-export or re-import that comes into effect on 29 March 2019.
27 Mar 2019	Invoice requirements for Customs	The purpose of this Customs policy is to document the minimum requirements on an invoice, as prescribed by law, in order to make due entry when importing goods effective 29 March 2019.

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