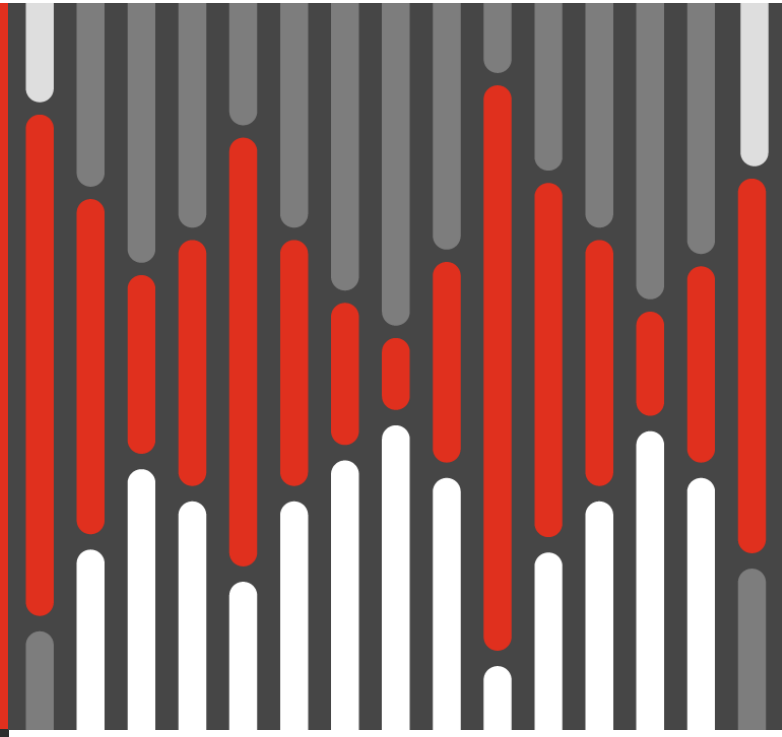
Synopsis

Tax today

April 2020



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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SARS Watch: Linda Mathatho

The management of tax debts, including interest and penalties, in unusual circumstances

Keeping in good standing with the South African Revenue Authority ('SARS') is of the utmost importance for good corporate citizens. Managing this relationship is something most taxpayers are well versed with. However, what happens when you are faced with extraordinary circumstances, and when the landscape has changed due to events beyond your control?

Challenging as a situation may be, in order to avoid the imposition of interest and penalties it will be crucial for taxpayers to carefully manage the payment of their tax debts to the SARS. This article considers the available options to taxpayers.

Instalment payment agreements where taxpayers cannot afford to pay their tax debts in full

One way to manage the payment of tax debts to SARS is by entering into an instalment payment agreement with SARS where a taxpayer can demonstrate a short-term cash flow problem and is unable to settle the tax debt in one payment.

Section 167(1) of the Tax Administration Act, No. 28 of 2011 ('**TAA**'), provides that a senior SARS official may enter into an agreement with a taxpayer in the prescribed form under which the taxpayer is allowed to pay a tax debt in instalments within the agreed period, if SARS is satisfied that the relevant criteria or risks have been duly taken into consideration and the agreement facilitates the collection of the tax debt.

A senior SARS official will consider the following criteria for an instalment payment agreement in terms of section 168 of the TAA:

- whether a taxpayer suffers from a deficiency of assets or liquidity which is reasonably certain to be remedied in the future,
- whether the taxpayer anticipates income or other receipts which can be used to satisfy the tax debt,
- if the prospects of immediate collection activity are poor or uneconomical but are likely to improve in the future,
- if collection activity would be harsh in the particular case and the deferral or instalment agreement is unlikely to prejudice tax collection, or
- the taxpayer provides the security as may be required by the SARS official.

Before entering into an instalment payment agreement with the taxpayer, SARS will typically request financial information in order to confirm that the taxpayer is presently unable to settle the tax debt. This is done by requiring the taxpayer to complete a Collection Information Statement.

This calls for a wide range of financial information from the applicant, including:

- A written explanation of why full payment cannot be made;
- Full details of the business, its directors, bank accounts, investment policies and listed and unlisted shares;
- The latest annual financial statements;
- Management accounts for the financial year up to the date of application and cash flow forecast for the next 12 months;
- Detailed bank statements of all bank accounts for the last six months;
- Schedules of all assets owned;
- Details of tenders applied for;
- Schedules of all debtors and creditors, reflecting the amounts involved as well as the names and telephone numbers of all debtors and creditors;
- Details of all connected party loans and outstanding balances, interest rates, repayment terms and security;
- A list of all persons who have an interest in the business and details of all entities and structures connected to the taxpayer; and
- Details of any trusts to which the taxpayer may be connected as a beneficiary thereof.

It must be noted that the documents to be submitted to SARS must be comprehensive and must provide an accurate indication of the financial position of the taxpayer.

Where a taxpayer has an existing instalment payment agreement in place with SARS and foresees that it will be unable to meet the terms of the agreement, a taxpayer must be proactive and approach SARS for the purposes of modifying the existing agreement. Section 167(5) of the TAA provides that an instalment payment agreement may be modified if a senior SARS official is satisfied that:

- the collection of the tax is in jeopardy;
- the taxpayer has supplied materially incorrect information in applying for the agreement; or
- the taxpayer's financial condition has materially changed.

Interest imposed by SARS

With respect to late payments of employees' tax and provisional tax, section 89*bis*(2) of the Income Tax Act, No. 58 of 1962 ('ITA'), provides SARS with a broad discretion to remit the interest levied after 'having regard to the circumstances of the case' in question.

With respect to the underpayment of provisional tax, section 89*quat*(3) of the ITA provides that interest may be remitted where SARS is satisfied that the interest payable is as a result of 'circumstances beyond the control of the taxpayer'.

For Value-Added Tax ('VAT') purposes, interest on late VAT payments may be remitted in part or whole under section 39(7) of the Value-Added Tax Act, No. 89 of 1991, where SARS is satisfied that the failure on the part of the person to make payment of the tax within the relevant period for payment was due to 'circumstances beyond the control of the taxpayer'. In terms of SARS' Interpretation Note 61 (issued 29 March 2011) 'circumstances beyond a person's control' are described as generally those that are external, unforeseeable, unavoidable or in the nature of an emergency, such as an accident, disaster or illness which resulted in the person being unable to make payment of VAT due.

Therefore, regardless of which of the aforementioned provisions are applied, it is possible that taxpayers may be able to have interest remitted, provided that they can demonstrate a sufficiently close connection between the 'circumstances beyond a person's control' and the late payment of tax / the underpayment of provisional tax, resulting in the levying of the interest in question.

Penalties imposed by SARS

If SARS is satisfied that an amount of tax was not paid as and when required under a tax Act, SARS must impose a percentage-based penalty in terms of section 213 of the TAA read with the respective tax Act. For the late payment of VAT, provisional tax and employees' tax, late payment penalties amounting to 10% of the amount unpaid will be imposed. According to section 218(1) of the TAA, SARS must, upon receipt of a remittance request, remit the penalty, or a portion thereof, if SARS is satisfied that one or more of the circumstances referred to in section 218(2) rendered the person on whom the penalty was imposed incapable of complying with the relevant obligation under the relevant tax Act.

The circumstances are limited in section 218(2) of the TAA to include, most relevantly,

- a natural/human-made disaster,
- a disruption in services,
- serious illness, or
- serious financial hardship (which for an individual is a lack of basic living requirements, and in the case of a business is an immediate danger that the continuity of business operations and the continued employment of its employees are jeopardised).

In our view, a natural/human-made disaster would generally involve a disruption to services, may cause serious illness and may cause serious financial hardship for businesses. Therefore, the key consideration would be for the taxpayer to demonstrate that a clear causal connection exists between one or more of the circumstances referred to in section 218(2) of the TAA and the inability to make timeous payment of the tax debt in question.

Key takeaway

- Taxpayers can apply to SARS to enter into instalment payment agreements, to the extent that they are experiencing a cash flow problem and cannot make payment of their full tax debt at one time and provided that they meet all the requirements.
- Taxpayers who have existing instalment payment agreements in place with SARS can apply to SARS for the modification thereof if they can satisfy SARS that, for example, there has indeed been a material change in their financial position, as a result of a natural disaster.
- Taxpayers can also apply to SARS for the remission of interest on the basis that the late payment of tax / underpayment of provisional tax was sufficiently closely connected with the impact of the natural disaster. The same applies in respect of the remittance of a penalty imposed, for example, for the late payment of tax.

We would like to acknowledge the contributions of Riette Zulch and Richard Wilkinson to this article.

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The role of context in interpreting words in a statute

The Income Tax Act contains rules for the determination of foreign exchange differences when an item in a foreign currency is translated or realised. In a dispute that was adjudicated by the Supreme Court of Appeal ('SCA') the issue involved an interpretation of the manner in which the ruling rate of exchange on the realisation of a debt should be established.

The dispute that was heard by the SCA in the matter of *Telkom SA SOC Ltd v Commissioner for the South African Revenue Service* [2020] ZASCA 19 (25 March 2020) required the court to rule on the manner in which the ruling rate of exchange should be determined on the date that an exchange item is realised.

Facts

The relevant facts were not particularly complex. A subsidiary of Telkom SA SOC Ltd ('Telkom') had invested in a venture in Nigeria in 2007 by acquiring 75% of the issued share capital of a Nigerian company, Multi-Links Telecommunications Ltd ('Multi-Links'). Two years thereafter, Telkom acquired the remaining 25% of the issued shares in Multi-Links.

In addition, Telkom made advances of US dollars on loan account to Multi-Links to ensure its viability. Portion of the loans were capitalised but, by October 2011, Multi-Links was indebted to Telkom in the amount of $531 022 901.

It was evident by that time that Multi-Links was insolvent and incapable of resuscitation. Telkom and its subsidiary therefore disposed of their investment in the shares and loans to an unrelated third party, HIP Top Oils (Ltd ('Top Oils'). In terms of the agreement, the consideration received by Telkom from Top Oils for the disposal of its rights in the loans was $100.

In its annual financial statements for the 2013 year of assessment, Telkom reported that it had made a R247m foreign exchange gain on the realisation of the loans. In its return of income for the 2012 year of assessment, Telkom had claimed a loss on foreign exchange in terms of section 24I of the Income Tax Act ('the Act') of almost R4bn, as a result of which it reflected an assessable loss for the year in question.

On identifying the apparent anomaly, SARS issued an additional assessment for the 2012 year of assessment in which it disallowed in full the amount of the loss on foreign exchange and assessed Telkom to tax for an amount of approximately R425m.

The law

The law governing the dispute is found in the definition of 'ruling rate of exchange' in section 24I(1) of the Act. The definition deals with the rate of exchange that should be applied when an exchange item comes into existence, is translated at the end of a year of assessment or is realised. Paragraph (*a*) of the definition states:

> "**ruling exchange rate**' means, in relation to an exchange item, where such exchange item is—
>
> a. a debt in a foreign currency on—
>
> (i) transaction date, the spot rate on such date;
>
> (ii) the date it is translated, the spot rate on such date; or
>
> (iii) the date it is realised, the spot rate on such date:

> Provided that where the rate prescribed in respect of a debt in terms of this definition is the spot rate on transaction date or the spot rate on the date on which such debt is realised, and any consideration paid or incurred or received or accrued in respect of the acquisition or disposal of such debt was determined by applying a rate other than such spot rate on transaction date or date realised, such spot rate shall be deemed to be the acquisition rate or disposal rate, as the case may be …'

The arguments

Reliance was placed by Telkom on the interpretation of the proviso to the definition of 'ruling exchange rate'. This submission was summarised by the court at paragraph [27] of the judgment:

> 'Central to the argument of Telkom was that the proviso to the definition of "ruling exchange rate" applied on the facts of this case, with the result that the "disposal rate" was to be used in lieu of the "spot rate", because the "disposal rate" was another "rate", which was used to determine the consideration, payable for the loan. Telkom submitted that the USD 100 received by it as consideration for the disposal of the Multi-Links loan, was obviously not determined by applying the spot rate, defined as an exchange rate quoted by an authorised dealer at a specific time. The spot rate, as defined, on the relevant date, was 7,9600. According to Telkom, if that rate had been applied, the consideration would have been R3 959 520 551 and not R799, being the then equivalent of USD 100.'

The position of SARS was that section 24I is clear and unequivocal. The rate of exchange that must be applied when an exchange item is realised is the ruling rate of exchange on the date that the realisation occurs. It had applied this amount to the capital amount of the loan and determined that a gain was required to be included in Telkom's income.

Telkom based its argument on the guidance that the SCA has provided relating to the interpretation of words used in a document in *Natal Joint Municipal Pension Fund v Endumeni Municipality* 2012 (4) SA 593 (SCA). In paragraph 18 of that judgment, Wallis JA stated:

> 'Interpretation is the process of attributing meaning to the words used in a document, be it legislation, some other statutory instrument, or contract, having regard to the context provided by reading the particular provision or provisions in the light of the document as a whole and the circumstances attendant upon its coming into existence. Whatever the nature of the document, consideration must be given to the language used in the light of the ordinary rules of grammar and syntax; the context in which the provision appears; the apparent purpose to which it is directed and the material known to those responsible for its production. Where more than one meaning is possible each possibility must be weighed in the light of all these factors. The process is objective, not subjective. A sensible meaning is to be preferred to one that leads to insensible or unbusinesslike results or undermines the apparent purpose of the document.'

Counsel argued on Telkom's behalf that the interpretation advanced by Counsel for SARS resulted in an outcome that '*was removed from commercial reality and was not sensible or businesslike*.'

Further, Telkom argued that, in the case of ambiguity, the *contra fiscum* rule should apply such that the interpretation that is less onerous to the taxpayer should prevail.

The judgment

Not surprisingly, the judgment dealt first with the argument on the interpretation of the terms used in a statute.

With regard to the argument advanced on behalf of Telkom, Swain JA was at pains to point out that the context referred to in the guidance to interpretation laid down in the *Endumeni* judgment was not the commercial context in which the transaction took place, but the context in which the words were found in the relevant statute. The concept of context therefore differs between a contract, where the underlying transaction provides the context, and a statute. At paragraph [15], Swain JA confirmed the argument advanced on behalf of SARS:

> 'As correctly submitted by counsel for the Commissioner, it is axiomatic that a statute must apply to all subjects equally and that its interpretation cannot vary from one factual matrix to the next. It is impermissible to apply a particular meaning to legislation, depending upon the factual situation, in which it is sought to be applied. The statement in *Endumeni* that, ". . . a sensible meaning is to be preferred to one that leads to insensible or unbusinesslike results . . ." meant that in the process of attributing meaning to the words used in legislation (having regard to the words used, the context and the purpose of the legislation) one possible meaning will be preferred over another possible meaning, because the one meaning yields a commercially insensible result, for all subjects and in the appropriate context (for example commercial legislation).'

As regards the application of the *contra fiscum* principle, the main issue was whether this was still a recognised principle in a constitutional democracy, in light of the purposive interpretation that now applies in respect of statutes. Swain JA considered that the principle was still applicable, as the process of interpretation might still result in ambiguity and the rule was an aid to removing ambiguity. The litigants did not agree on the point at which the principle should be considered, and Swain JA resolved the issue at paragraph [20]:

> 'Counsel for Telkom submitted that the *contra fiscum* rule should be applied at the outset, as part of the interpretive technique to be utilised in establishing the meaning of words, contained in a fiscal statute. I, however, agree with the submission by counsel for the Commissioner, that the rule should only be invoked, after an interpretational analysis results in an irresoluble ambiguity as to the meaning of the particular provision in the fiscal statute.'

The stage was now set for the determination of the application of the definition of 'ruling rate of exchange' to the circumstances at issue.

The crux of Telkom's submissions was that the proviso to the definition referred to a 'rate'. Applying a dictionary definition that 'rate' may be defined as '*estimated value or worth*', '*the price paid or charged for a thing or class of things*' or '*the amount of or of a charge or payment as a proportion of some other amount or as a basis of calculation*', it argued that the consideration of $100 was determined by applying a 'rate'. This, it argued, was consistent with the proviso to the definition of 'ruling exchange rate' in section 24I(1) of the Act, which permitted the use of 'another rate' in lieu of the spot rate.

SARS argued for the rejection of Telkom's interpretation for three principal reasons. First, the context of section 24I indicated that the rate was a rate of exchange between currencies. Secondly, the term 'rate' should be interpreted as a basis of comparison between two items. Thirdly, in order to determine the consideration derived in rands one must 'apply' the rate to the foreign currency amount. SARS argued that Telkom had not determined the consideration by applying a rate. It had instead selected a 'discounted absolute price'.

Swain JA agreed with SARS's submissions and found that the definition of 'ruling rate of exchange' required the application of an exchange rate to the foreign currency amount.

The judgment continued at paragraph [35]:

> 'Accordingly, the submission by Telkom that its interpretation of s 24 I of the Act, that resulted in a foreign exchange loss of R3 961 295 256, reflected the commercial reality of the transaction, whereas the interpretation advanced by the Commissioner, that resulted in a foreign exchange gain of R267 421 739, did not, and was not sensible or businesslike, falls to be rejected. The meaning of the relevant portions of the section, interpreted in context, are clear. As correctly pointed out by the Commissioner, Telkom loses sight of the fact that the section is not intended to deal with the tax consequences of commercial losses. Its operation is limited to gains and losses arising out of currency fluctuations. The fact that Telkom realised a foreign exchange gain on disposal of the loan was a product solely of the fluctuation of exchange rates. In a different year of disposal, Telkom may have suffered a foreign exchange loss. As pointed out by the Commissioner the section is agnostic towards the commercial value of the exchange items in which taxpayers choose to invest.'

Telkom made a last-ditch attempt to persuade the Court that it had acted in a manner contemplated when the provisions of section 24I of the Act were enacted in 1993. It relied on an example in the Explanatory Memorandum to the Income Tax Bill, 1993, which explained the use of the alternative 'disposal rate' instead of the spot rate on the date an exchange item is realised as follows at paragraph [29]:

> 'The 'disposal rate' will, for example, apply when a person disposes of a loan (asset) of $ 10,000 on a date that the spot rate was R3 per dollar, and the value of the asset is therefore R30 000 (R3 x $10,000), to another person for R29 000,00. The disposal rate will thus be R2.90 per dollar (R29 000 / $10 000).'

On this interpretation, Telkom argued, the amount of R29 000 used in the Explanatory Memorandum was equivalent to R799 ($100 translated at the spot rate of R7.99:$1) and that the rate applied to the US dollar amount was equivalent to R1:$0.000002.

SARS argued that the facts did not conform to the example, as the consideration for the loan paid by Top Oils was $100 and not R799. Furthermore, the amount of $100 was arrived, not by applying a currency rate, but by applying a discount rate, which fell outside the scope of section 24I of the Act.

Here again, the court found in favour of SARS, and the appeal was dismissed with the result that Telkom was liable for the taxes assessed.

The takeaway

It is evident that there is no basis to conflate a commercial loss on a foreign currency loan with an exchange difference on the disposal of the loan. The principles applicable to the deduction of a commercial loss are clearly distinguishable from the principles to be applied in expressing foreign currency amounts in terms of the rand. The appropriate processes were separate to determine the tax consequences in respect of:

- any foreign exchange gain or loss in conformity with section 24I of the Act; and
- any commercial loss in conformity with section 11(a) of the Act and, if applicable, the Eighth Schedule to the Act.

More importantly, the judgment provided significant clarity on the concept of context when interpreting statutory instruments.

The context in which a statutory provision is determined is not the context applicable to the transaction that is before the court for determination. The context is to be determined by reference to the process of law-making, to enable the court to arrive at an interpretation that is independent of the factual situation (or, as SARS had argued, '*agnostic towards the commercial value* …').

The application of the rules to interpretation of words in a statute are clarified:

- Are the words in the statute, irrespective of the facts, ambiguous?
- If they are, the ambiguity should be resolved by reference to the law-making context. In this process an interpretation which is sensible and businesslike should be preferred to an interpretation which is insensible or unbusinesslike.
- If there remains an irresoluble conflict, resolution may be obtained by applying other common law aids to interpretation, such as the *contra fiscum* rule.

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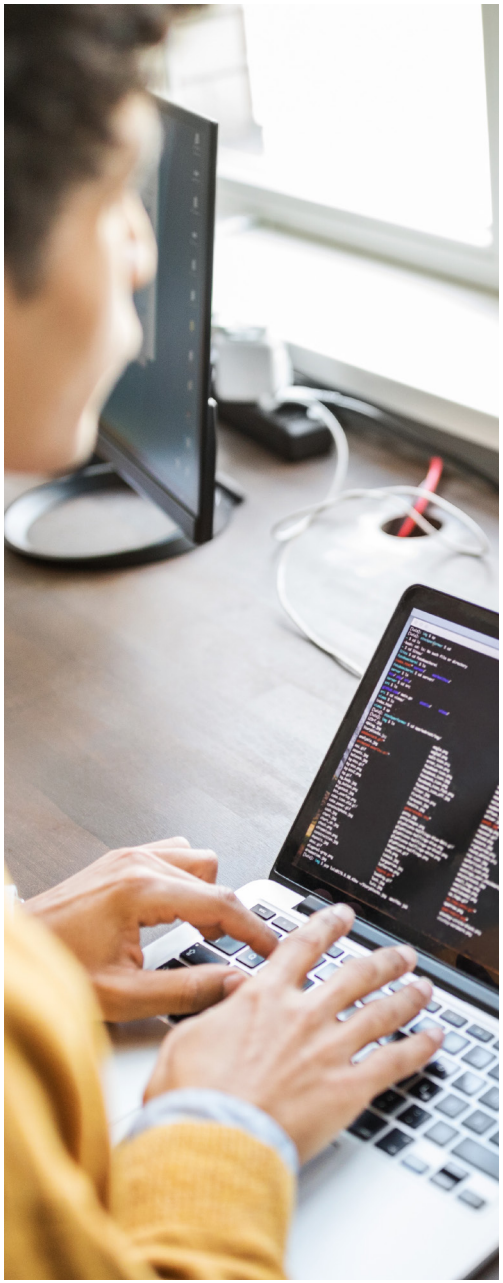

‘Tax as a strategic asset’ series

Topic 4: Good visualisation customised for your particular needs can provide the intuitive edge you need

In normal business operations, and more so during a crisis, ideally there should not be any uncertainty about:

- What information is needed?
- Where can we find it?
- How do we interpret it?
- Is it reliable or not?

A company’s response and the role of the tax function within it always involves information. What it basically comes down to is how quickly you can access information, from which you can extract insights and on which you ultimately base decisions and action.

In our February 2020 edition of Synopsis, we started to unpack the value of converting data into usable and actionable intelligence for tax purposes and its role in enabling the tax function to be a strategic asset to the business. Data and the information derived from it continue to form the basis for targeted strategic and operational control and supervision of businesses and the tax function. Corporate decisions depend directly on the quality and structure of the database and the efficiency and usability of data management and analysis systems.

As we noted previously, tax authorities are becoming increasingly digital, and operate in real time with regard to their assessment of data. They are therefore able to find anomalies and errors across large datasets related to a taxpayer. Businesses should have that capability, too. In addition, there is growing public and regulatory pressure to increase transparency in tax affairs. Utilising data required for tax transparency to enhance its tax control framework helps a business spot red flags and mitigates damage to its reputation.

To manage increased tax transparency, it is crucial to be aware of all data available in the public domain and how it impacts the tax position of the business. In addition, sufficient and relevant insight into internal data across all business areas, jurisdictions and tax types enables a coherent tax narrative that will stand up to scrutiny and can safeguard the organisation from unexpected surprises, inconsistencies and potential blind spots.

It is imperative that the tax function transforms continuously to provide greater value to the business by generating more insights and effectively assessing and mitigating risks in real time. To achieve this advantage, access to secure data, documents, reports,

workflows, contextual and geographic overviews, which flows into integrated dashboards, visuals and analytics would provide the necessary insights to fully understand the organisation's activities, the tax consequences thereof and the immediate, medium- and long-term priorities, risks and opportunities.

The obvious challenge is to overcome the struggle to correlate data into useable and actionable intelligence. Translating high volumes of data into reports is time consuming and often can be outdated within 24 hours. Imagine replacing numerous static reports contained in emails, Excel or PowerPoint with interactive dashboards and other forms of visualisation, and enabling authorised role players from different jurisdictions or areas in the business to have access to 'live, consistent tax data' in one place, at all times.

Data visualisation can help the tax function maintain an overview while providing meaningful insights. Add to this the value of analytics to:

- make predictions to support strategic planning;
- forecast future scenarios;
- prescribe how the tax strategy should be optimised;
- discover cyclical trends;
- detect and mitigate disruption and risks; and
- make deliberate and accurate business decisions.

Identifying, minimising, and mitigating key tax risks are for many tax directors a key performance indicator. This involves understanding where the risks currently are and where the risk tolerance of the organisation should require them to be. The day-to-day reality of this can be challenging. Good visualisation customised for your particular needs can provide the intuitive edge you need. For example:

- **Effective tax rate and cash tax rate** – Get a dynamic overview of the drivers of the effective tax rate and compare the same with the statutory tax rate, cash tax rate or current tax provision across regions.
- **Transaction analysis** – Real-time analysis of, for example, repairs and maintenance, accruals, legal expenses, etc.
- **Comparative analysis** – Monthly or year-on-year trial balance comparison to identify anomalies.
- **Permanent establishment (PE) risk** – Knowing which employees cross borders when, for what purpose and for how long. Data from a digitalised calendar consolidated on a company-wide basis could help track the cross-border activities of staff and monitor PE risks.
- **Verifying the arm's length nature of the business's transfer pricing** – Through accurate, fast and easy analysis, visualisation of the results / risk areas and the use of available (big) data to make judgments about varying degrees of comparability of uncontrolled and controlled prices and explain the causes for tax risks.
- **Large amount of transactional data is available but remains unused** – Create valuable visualised VAT, Customs and Withholding Tax-related insights.
- **Insight into operations at aggregations** – Dashboards can be fed with data from many different sources at once, which enables insight into operations both at the highest level of aggregation and in detail thanks to drill-down functionalities.
- Virtual collaboration across multiple jurisdictions – Reliance on up-to-date information in a visually appealing format e.g. heatmaps and risk analysis, benchmarks, tasks/deliverables, metrics, trends, predictions etc. for inter-jurisdictional and up-the-line reporting. This means never having to deal with the dreaded question: 'why was I not informed about …?'

One thing is clear: tax professionals are at the forefront of change and must remain agile, as their roles are increasingly reliant on automation to drive a lasting transformation for the business. Seeing the bigger picture is important: automation is not simply a means of automating manual tasks; it is a way of embedding proactive controls to understand and distil meaningful information from vast amounts of data.

Face the future with confidence: know what information you need in any kind of scenario and ensure that the data is available, consistent and reliable, so that you can provide an all-embracing (global) narrative in real time in a visual interactive format.

Think big, start small.

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SARS Watch

SARS Watch 1 April 2020 – 30 April 2020

Legislation		
21 Apr 2020	Draft rule amendment under section 38 – SACU UCR Lesotho	Comments must be submitted to SARS by Tuesday, 5 May 2020.
9 Apr 2020	Rule amendment to section 24 – State of National Disaster	Notice R458 published in Government Gazette No. 43222 with retrospective effect from 23 March 2020.
9 Apr 2020	ITAC Certificate – SARS Essential Goods List effective 8 April 2020	The amended list of SARS Essential Goods List is effective from 8 April 2020.
3 Apr 2020	VAT 412.11 Mapping	Mapping of essential goods with reference to Annexure B of the Regulations (R398, Government Gazette No. 43148 of 25 March 2020) under the Disaster Management Act, 2002.
3 Apr 2020	ITAC Certificate – SARS Essential Goods List	Certificate issued in terms of Schedule 1(8) of the Value Added Tax Act, Act 89 of 1991, Rebate Item 412.11/00.00/01.00 (RE: SARS Essential Goods List).
2 Apr 2020	COVID Export Control Regulation – 27 March 2020	Notice R429 published in Government Gazette No. 43177 with a date of operation of 27 March 2020.
1 Apr 2020	Draft Disaster Management Tax Relief Bill	This document explains the proposed measures in the initial draft Bill published on 1 April 2020.
1 Apr 2020	Memorandum on the Draft Disaster Management Tax Relief Bill	Following the media statement issued by the Minister of Finance on 29 March 2020 on Tax Measures to Combat the COVID-19 pandemic the initial draft bill was published for comment on 1 April 2020.
1 Apr 2020	Draft Disaster Management Tax Relief Administration Bill	Following the media statement issued by the Minister of Finance on 29 March 2020 on Tax Measures to Combat the COVID-19 pandemic the initial draft bill was published for comment on 1 April 2020.
Case law		
In accordance with date of judgment		
3 April 2020	Diageo South Africa (Pty) Ltd v Commissioner for the South African Revenue Service (330/2019) [2020] ZASCA 34	This matter considers the proper interpretation of section 8(15) of the Value-Added Tax Act of 1991, which in certain circumstances deems a single supply to be a separate supply.
Interpretation Note		
2 Apr 2020	Draft Interpretation Note – Value-added tax consequences of points-based loyalty programmes	Comments must be submitted to SARS by Tuesday, 30 June 2020.
Rulings		
30 Apr 2020	BPR 342 – Donation by a resident to a foreign trust of property received from another foreign trust	This ruling determines the income tax consequences and the application of the attribution rules of a distribution by a non-resident discretionary trust of an award to a resident beneficiary and the subsequent donation by the resident of the award to another non-resident trust.
30 Apr 2020	BPR 341 – Distribution of a bank account as dividend *in specie*	This ruling determines whether the distribution of the co-applicant's only asset, a bank account, to the applicant as a dividend in specie in anticipation of the co-applicant's winding-up will constitute a liquidation distribution.
Guides and forms		
28 Apr 2020	Guide for Provisional Tax	The purpose of this guide is to assist provisional taxpayers with the completion of the IRP6 return and provisional tax calculations.
24 Apr 2020	DA 8A – Application for registration to submit reporting documents for air cargo	This form is the application form for registration as a person submitting reporting documents for air cargo, which must be done in accordance with rule 8.04 read with rule 8.05 of the rules under section 8 of the Customs and excise Act, 1964.

24 Apr 2020	DA 8B – Application for registration to submit reporting documents for rail cargo	This form is the application form for registration as a person submitting reporting documents for rail cargo, which must be done in terms of rule 8.04 read with rule 8.05 of the rules under section 8 of the Customs and excise Act, 1964.
20 Apr 2020	Relationship Management	This manual is effective as of 20 April 2020.
20 Apr 2020	RLA Customs Trader Portal – External User Manual	The manual is effective as of 20 April 2020.
15 Apr 2020	VAT Reference Guide for Foreign Donor Funded Projects	This reference guide provides information and guidelines regarding the value-added tax treatment of foreign donor funded projects.
9 Apr 2020	VAT Rulings Process Reference Guide (Issue 2)	This guide provides information and guidelines on the value-added tax rulings process.
National Treasury		
24 Apr 2020	Media Statement: Remarks by Minister of Finance, Mr Tito Mboweni, during the media briefing to outline R500bn economic support package	Speech by Minister of Finance, Mr Tito Mboweni, outlining the economic support package announced by the president.
23 Apr 2020	SCOF Briefing – 2020 Covid-19 Draft Tax Bills – Post-Announcement	Presentation to the Standing Committee of Finance on the 2020 tax legislative process and COVID 19 tax measures process.
23 Apr 2020	Media Statement: Further tax measures to combat the Covid-19 pandemic	In line with the president's address to the nation on 21 April 2020, the Minister of Finance provides more detail on the second set of measures that aim to assist individuals and businesses through the pandemic.
9 Apr 2020	Media Statement: Extension of deadlines for public comments on specific 2020 Tax proposals	National Treasury announced the extension of various draft proposals that were released for public comment.
Other publications		
29 Apr 2020	Tax Alert: COVID-19: Further tax measures to deal with the pandemic	The purpose of this alert is to provide a brief overview of the further details relating to the tax measures discussed by National Treasury in a media statement of 23 April 2020.
25 Apr 2020	IFWG Position Paper on Crypto Assets	This paper builds on a consultation paper on crypto assets that was first issued by the IFWG on 16 January 2019.
23 Apr 2020	Tax Alert: COVID-19 remission of penalties and interest	This alert discusses the specific circumstances when taxpayers may have penalties and interest remitted using mechanisms set out in the Tax Administration Act, 2011.
15 Apr 2020	OECD Tax and Fiscal Policy in Response to the Coronavirus Crisis: Strengthening Confidence and Resilience	This report focuses on how tax policy can aid governments in dealing with the COVID-19 crisis.
14 Apr 2020	Tax Alert: Lesotho VAT rate increase	This alert discusses Lesotho's VAT rate increase announcement on telecommunication and electricity with effect from 1 April 2020.
14 Apr 2020	Legal Alert: Effects of COVID-19 on the operations of certain key institutions	This alert advises on the effect of the lockdown on the normal operations of certain key institutions.
9 Apr 2020	Tax Alert: VAT: Deeming a single supply to be a multiple supply	This alert discusses the judicial decision in the recent *Diageo South Africa (Pty) Ltd v CSARS* judgment.
8 Apr 2020	Tax alert: COVID-19: Impact on import and export of goods	This alert discusses the importing and exporting of essential goods in terms of the International Trade Administration Commission of South Africa.
8 Apr 2020	Tax Alert: COVID-19: Control over the export of certain goods	This alert discusses the Regulations to the International Trade Administration Act, 2002, which have been amended to control the export of certain essential goods from South Africa.
7 Apr 2020	Tax Administration Responses to COVID-19: Business continuity considerations	The OECD Forum on Tax Administration in collaboration with the Intra-European Organisation of Tax Administrations and the Inter-American Center of Tax Administrations published a reference document on critical business continuity considerations for tax administrations in the context of the COVID-19 pandemic.
3 Apr 2020	OECD Secretariat Analysis of Tax Treaties and the Impact of the COVID-19 Crisis (version 3)	The document considers the practical but temporary implications of the COVID-19 crisis on various subjects.
3 Apr 2020	COVID-19 Tax Alert – Impact of COVID-19 Extension in the timeframe for the export of goods.	In light of the difficulties caused by the COVID 19 pandemic, the South African Revenue Service has issued a binding general ruling to provide an extension to the prescribed timeframes, which may affect vendors and qualifying purchasers exporting goods from South Africa.
3 Apr 2020	COVID-19 Tax Alert – SMME Debt Relief	The alert deals with the guidelines published, on 29 March 2020, by the Department of Small Business Development detailing the procedure to be followed in applying for debt relief.

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