Synopsis

Tax today

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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.

Editor: Al-Marie Chaffey

SARS Watch: Linda Mathatho

Deeming a single supply to be separate supplies for VAT purposes

A vendor who makes a single supply of goods or services or a single supply consisting of a combination of both goods and services that are distinct and clearly identifiable from each other will be deemed to have made separate supplies if a single consideration is payable for the supply and such consideration would have been subject to VAT partly at the standard rate and partly at the zero rate if separate considerations were charged for the supply of goods or services or of goods and services.

In the case of *Diageo South Africa (Pty) Ltd v Commissioner for the South Africa Revenue Service* (330/2019) [2020] ZASCA 34 (03 April 2020), the Supreme Court of Appeal ('SCA') ruled on the interpretation and application of section 8(15) of the Value-Added Tax Act, 89 of 1991 ('VAT Act').

Facts

Diageo South Africa (Pty) Ltd ('Diageo') is a South African VAT vendor engaged in the business of importing, manufacturing and distributing alcoholic beverages.

Diageo entered into an exclusive rights distribution agreement with foreign brand owners, which included, *inter alia*, the rights to use the foreign brand owners' trademarks, intellectual property, equipment, packages and labels in South Africa. Further to this, Diageo was responsible for the advertising and promotion ('A&P') of the foreign brand owners' products in South Africa.

The foreign brand owners invested in A&P as part of an integrated and synergetic marketing campaign to build and maintain brand recognition and perception to generate sales. The foreign brand owners did not perform or undertake the A&P activities themselves but appointed Diageo to render these services for a fee.

The fee charged by Diageo was calculated with reference to the costs and expenditure incurred on the A&P activities.

Diageo was granted considerable latitude to tailor the distribution and marketing of products to align with the strategy set by the foreign brand owners, given Diageo's local market knowledge. Diageo had the discretion to determine the type of A&P activities undertaken in any year and the amounts expended on each activity.

The A&P activities comprised advertising in different media, as well as marketing and brand building activities. As part of the service, Diageo provided promotional products to customers. The promotional products were used for sampling or tasting purposes. *These promotional products were given away free of charge to third parties for use or consumption in South Africa.*

The distribution of the promotional products by Diageo in the course of rendering the A&P services to the foreign brand owners was not undertaken as an end in itself nor as a distinct supply but simply a means to achieve the objective of the preservation and enhancement of the brands.

The tax invoice issued by Diageo to the foreign brand owners reflected a total fee

for services rendered. Although the fee charged by Diageo was calculated with reference to the annual amount spent on the A&P activities which was disclosed to the brand owners, no differentiation was made on the tax invoice between the services rendered to the foreign brand owners and goods consumed in South Africa. Pursuant to section 11(2)(l) of the VAT Act, Diageo levied VAT at the zero rate on the A&P services supplied by it to the foreign brand owners.

The Commissioner for the South African Revenue Service ('Commissioner'), however, was of the view that section 8(15) of the VAT Act applied and deemed Diageo to have made separate supplies of zero-rated A&P services and standard rated goods (i.e. promotional products that were not exported but consumed in South Africa).

The Commissioner assessed Diageo for additional output tax amounting to R14 million on the goods component of the supply of the A&P services. Diageo challenged the additional assessments in the Cape Town Tax Court on the basis that it had made a single supply of zero-rated A&P services and not a separate or dissociable supply of both goods and services.

The Tax Court evaluated the nature of the supply made by Diageo. It concluded that the Commissioner's application of section 8(15) was correct and held that:

> '…The supply of promotional goods, as a portion of the single A&P service is, by virtue of s 8(15), a cognisable supply capable of notional separation from the total A&P service supplied to brand owners. Since it is deemed a separate supply with the goods liable to be subjected to different tax treatment, such supply does not receive double VAT treatment.
>
> The local supply of goods constitutes a supply of goods, not exported but consumed in South Africa, such supply is subject to VAT at the standard rate in terms of s 7(1)(a) of the VAT Act....
>
> It matters not that the foreign brand owners did not receive or consume the promotional goods and that the local customer did. The supply was made as part of the A&P service, to achieve the benefit of enhanced brand equity and sales for the foreign brand owners, with the cost of such goods included in the fee charged by the appellant and paid by foreign brand owners ... The fact that other promotional products were either not capable of or not considered for a notional separation from the single supply in terms of s 8(15) does not alter the result.'

Accordingly, it dismissed the appeal and gave judgment in favour of the Commissioner. Diageo appealed against the Tax Court decision directly to the SCA.

The arguments

Diageo argued that section 8(15) is incapable of applying under the circumstances. Relying on foreign authorities, Diageo submitted that section 8(15) can only apply if a vendor makes *'"separate dissociable supplies of both goods and services" or supplies that are "economically divisible, independent and hence dissociable" and which constitute "an end in itself", not a means to achieve that end'*.

Diageo further submitted that its sole contractual obligation was to provide a service and not to supply goods. The fact that it used goods and incurred expenditure in acquiring goods for the purposes of rendering the A&P services to the foreign brand owners did not mean that it supplied both goods and services.

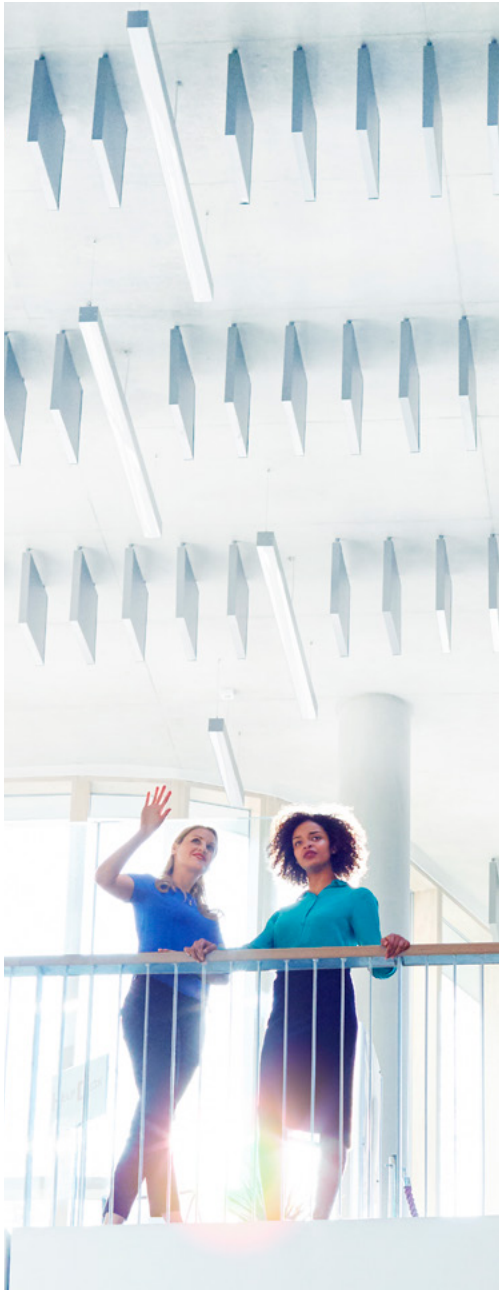
Diageo submitted that the purpose of section 8(15) was not to create an economically or commercially unreal outcome but rather to avoid it and contended that the Commissioner's approach erroneously sought to artificially dissect a single supply, thereby producing an artificial and insensible result.

The Commissioner however argued that section 8(15) is a deeming provision which brings into existence a state of affairs that does not exist.

The Commissioner held that the provisions of section 8(15) do apply, as Diageo issued an invoice to the foreign brand owners for a single supply which comprised both goods and services. The Commissioner submitted that if separate considerations had been payable by the foreign brand owners it would have resulted in tax charged partly at the standard rate and partly at the zero rate. Accordingly, each part of the said supply must be deemed to be a separate supply.

To the extent that the supply of A&P services by Diageo constituted a supply of goods not exported but consumed in South Africa, such supply was subject to VAT at the standard rate in terms of section 7(1)(a).

Therefore, the supply of promotional products by Diageo was deemed to be a separate supply for the purposes of section 8(15).



The judgment

The SCA was unpersuaded by Diageo's reliance on foreign authorities and found that such reliance was unhelpful, as these authorities do not deal with the interpretation of statutory provisions that are the functional equivalent of the deeming provision or an apportionment provision as found in section 8(15).

The SCA held that the tests identified by foreign authorities regarding whether a supply is 'economically not dissociable', 'not an end in itself' or a 'principal versus ancillary supply' do not have any bearing on the interpretation and application of section 8(15).

In relation to the application of section 8(15), the SCA stated that the Commissioner was correct in his argument that the section is a deeming provision that creates the existence of an artificial supply. Mbha JA observed at paragraph [12]:

> '… The intention of a deeming provision, in laying down an hypothesis, is that the hypothesis shall be carried as far as necessary to achieve the legislative purpose, but no further.'

In applying the above dictum, Mbha JA held that the purpose of section 8(15) is to provide for a situation where the provisions of sections 7(1)(a) and 11(2)(l) are applicable to a single supply of goods or services or of goods and services, to ensure that the appropriate rate of tax is charged.

Summarising at paragraph [13], Mbha JA continued:

> 'The jurisdictional requirements that must be met before the deeming provision can be invoked are, first, a "single supply" of two or more types of goods or services or a combination of goods and services. Secondly, one consideration must be payable as only a single supply is made. Lastly, the circumstances must be such that if the supply of the goods or services or of the goods and services had been charged for separately, part of the supply would have been standard rated and part zero-rated ("notional separate considerations").'

The SCA relied on the findings in *Commissioner for the South African Revenue Service v British Airways plc* 2005 (4) (SCA) 231, stating at paragraph [17]:

> '… The section applies to a single supply of goods or services comprising parts that would each, if they had been supplied separately, have attracted a different rate of tax. In such cases, each part of the single service is deemed to be a separate supply of goods or services – although, in truth, they are not – with the result that the separate parts each attract the tax that is levied by s 7 but at different rates (0% for that part of the service that, had it been separately supplied, would have fallen within s 11, and 14% for the remainder).
>
> A "single supply of services" is only capable of notional separation into its component parts, as contemplated by the section, if the same vendor supplies more than one service, each of which, had it been supplied separately, would have attracted a different tax rate. If that were not so, there would be no parts of the "single supply of services" by the vendor capable of notional separation from one another.
>
> … The section does no more than apportion the rate at which the vendor is required to pay the tax that is levied by s 7 when the vendor has supplied different goods or services as a composite whole.'

It was therefore held that the three jurisdictional requirements of section 8(15) were satisfied and that Diageo was liable for the output tax adjustments made by the Commissioner under section 8(15).

The impact

A key consideration arising from this judgment is whether a vendor who charges a single consideration based on costs comprising different components should levy VAT separately on each component merely because the vendor is capable of separating the supply into its respective cost components/parts.

One of the fundamentals of pricing is that a vendor prices its supply in a manner that allows for the recovery of costs, whether direct or indirect. There are, however, significant other aspects that are taken into account, including brand, location, competition, etc.

This judgment therefore raises the following very important question: *does the evaluation of the overall cost of a supply have the ability to change the nature of that supply?*

The impact of the SCA judgment is far-reaching and the following should be considered:

- When is a single supply of goods or services or of goods and services regarded as divisible components that are distinct and clearly identifiable from each other for purposes of section 8(15). An example would be where a zero-rated product is delivered, and the consideration includes a component for the product which is zero rated and the transport which is standard rated.
- South Africa does not have a refund mechanism that allows foreign businesses to recover VAT charged under similar circumstances. This creates tax disparity between local and foreign businesses, as the additional VAT ultimately becomes a cost for foreign businesses.
- This judgment should further be considered in the context of section 10(22), which provides for a splitting of a single consideration between an exempt or non-supply and a taxable supply.
- The appropriate use of foreign jurisprudence. It is evident from this appeal that vendors should be careful when placing reliance on foreign authorities in making tax decisions, as the courts are hesitant to accept principles in circumstances where there is no clear correlation to the provisions in South African legislation.

The implications

The SCA judgment is important firstly for supplies to non-residents and also where zero-rated food products are supplied. The judgment raises the question as to whether, for example, a container of milk or loaf of brown bread supplied by a manufacturer to a retailer should be split between the supply of the actual product, i.e. the milk or bread, and the other components, for example the packaging or transport.

The reality of the conclusions reached is that where, for example, packaged or delivered goods are supplied, the vendor is required to split the supply between the various components, should different rates of tax be applicable to the constituent parts.

Consider an FMCG retailer. If that retailer supplies any zero-rated foodstuff such as maize meal, samp, pilchards, rice, fruit and vegetables, to name a few, it will now be required to split the price charged to the consumer (which was previously fully zero rated) between the following as a minimum:

- the product;
- the packaging; and
- the transport element.

The product will continue to enjoy the benefits of zero-rating, but the portion of the price relating to the packaging and transport will now be subject to VAT at 15%. The value of these standard-rated supplies must further be determined by having regard to the cost of such constituent parts.

The purpose of zero-rating the supply of basic foodstuffs as envisaged in Schedule 2 to the VAT Act was to alleviate the tax burden placed on lower-income households. Adding VAT to certain components will increase prices, and significantly add administration costs and create other impracticalities.

The SCA highlighted that its position cannot be said to produce an artificial and insensible result and a commercially unreal outcome and that this cannot be justified but, in our view, separating a supply, such as a zero-rated foodstuff, into its individual components and then charging VAT on certain of those components would result in a commercially unreal outcome. This does not make commercial, practical or hygienic sense.

In addition, the result obtained by the SCA in this judgment completely contradicts the rational and purpose of Schedule 2 of the VAT Act.

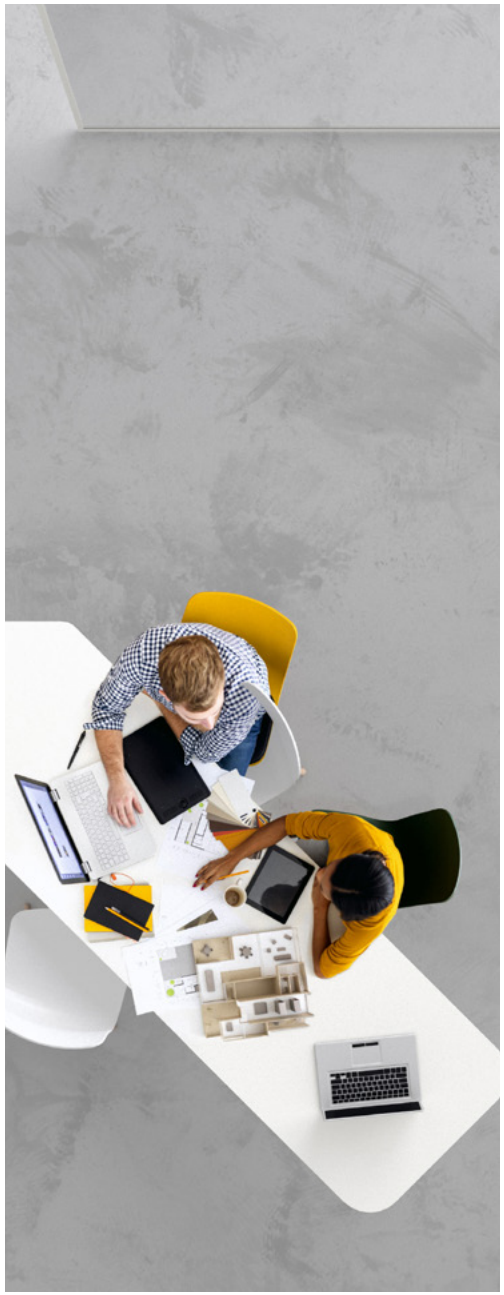
The tax court highlighted the fact that a *'deeming provision lays down an hypothesis to be "carried as far as necessary to achieve the legislative purpose, but no further". It must always be construed contextually and in relation to the legislative purpose.'*

Taking the reality of the extent of the impact of the SCA judgment into account, in light of the above obiter of the tax court, the context and legislative purpose of, very importantly, the zero-rating of basic foodstuffs, were not considered in enough detail, which and led to an absurd result, defying the purpose of the introduction of such zero-ratings.

The reality and impact of this judgment will have immense consequences for lower-income households as well as the broader consumer market of South Africa, especially in light of the current economic circumstances and the difficulty most households experience in making ends meet.

Rodney Govender
Director
+27 (0) 31 271 2082

Matthew Besanko
Partner
+27 (0) 21 529 2027



Is it time to settle?

The settlement of a tax dispute is available to taxpayers in respect of which an assessment has been issued by SARS and which the taxpayer has disputed under Chapter 9 of the Tax Administration Act, No. 28 of 2011 ('TAA'). Settling a tax matter means resolving a tax dispute to the best advantage of both parties.

Either SARS or the taxpayer may initiate a settlement procedure, but neither party has the right to require the other to engage in a settlement procedure.

It is imperative for taxpayers to know at which point in the dispute reaching a settlement with SARS becomes appropriate, as this can save time, litigation costs and the utilisation of resources. Settlements can be a useful tool where a taxpayer weighs up the amount of tax at stake, legal arguments, facts and evidentiary difficulties / insufficient documentary evidence against one another and foresees difficulties in this regard. For taxpayers, this is important, as the taxpayer bears the onus of proving that:

- an amount, transaction, event or item is exempt or otherwise not taxable;
- that an amount or item is deductible or may be set off;
- the rate of tax applicable to a transaction, event, item or class of taxpayer;
- that an amount qualifies as a reduction of tax payable;
- that a valuation is correct; or
- whether a 'decision' that is subject to objection and appeal under a tax Act is incorrect.

A settlement may not be entered into if SARS is of the opinion that it is not to the best advantage of the state to settle a dispute if, in the opinion of SARS, the circumstances laid out in section 146 of the TAA (set out below) do not exist and a taxpayer has intentionally evaded tax or committed fraud, or where the settlement would violate the law or practice generally prevailing. Additionally, if a taxpayer has failed to comply with the provisions of a tax Act and the non-compliance is serious, SARS is precluded from settling the matter. Settlement is also inappropriate if it is in the public interest to have judicial clarification of the issue and the case is appropriate for this purpose or the pursuit of the matter through the courts will significantly promote taxpayer compliance with a tax Act and the case is suitable for this purpose.

Section 146 of the TAA provides for the circumstances where a settlement is appropriate and where it is fair and equitable to both parties, having regard to:

- whether the settlement would be in the interest of good management of the tax system, overall fairness and the best use of SARS' resources;
- SARS' cost of litigation in comparison to the possible benefits with reference to the prospects of success in court;
- whether there are any complex factual issues in contention or evidentiary difficulties, which may make the case problematic in outcome or unsuitable for resolution through the alternative dispute resolution procedures or the courts;
- a situation in which a participant or a group of participants in a tax avoidance arrangement has accepted SARS' position in the dispute, in which case the settlement may be negotiated in an appropriate manner required to unwind existing structures and arrangements; or
- whether the settlement of the dispute is a cost-effective way to promote compliance with a tax Act.

For a taxpayer to settle a dispute with SARS they must, at the very least, show that they meet at least one of the criteria set out above.

According to section 147 of the TAA, a participant in a settlement procedure must disclose all relevant facts during the discussion phase of the process of settling a dispute. The settlement is conditional upon full disclosure of material facts known to the person concerned at the time of settlement.

A dispute that has been settled must be evidenced by an agreement in writing

between and signed by SARS and the taxpayer, in the prescribed format and must include:

- how each particular issue is settled;
- the relevant undertakings by the parties;
- the treatment of the issue in future years;
- the withdrawal of objections and appeals; and
- the arrangements for payment.

Record of the settlement agreement must be retained by a taxpayer, as it represents the final agreed position between SARS and the taxpayer and is in full and final settlement of all or the specified aspects of the dispute.

SARS has a legal obligation to adhere to the terms of the agreement unless material facts were not disclosed, there was fraud or misrepresentation of the facts.

Where the taxpayer or the person concerned does not pay the amount due pursuant to the agreement or otherwise fails to adhere to the agreement, SARS is empowered to regard the agreement as void and proceed with the matter in respect of the original dispute, alternatively, enforce collection of the 'settlement' amount under the relevant collection provisions of the TAA in full and final settlement of the dispute.

Key takeaways

It is imperative for taxpayers to know at which point in a tax dispute to propose or consider reaching a settlement with SARS, as this impacts the taxpayer's time, resources and litigation costs.

It is possible for taxpayers to initiate the settlement of a tax dispute (this can also be raised during an ADR process with SARS).

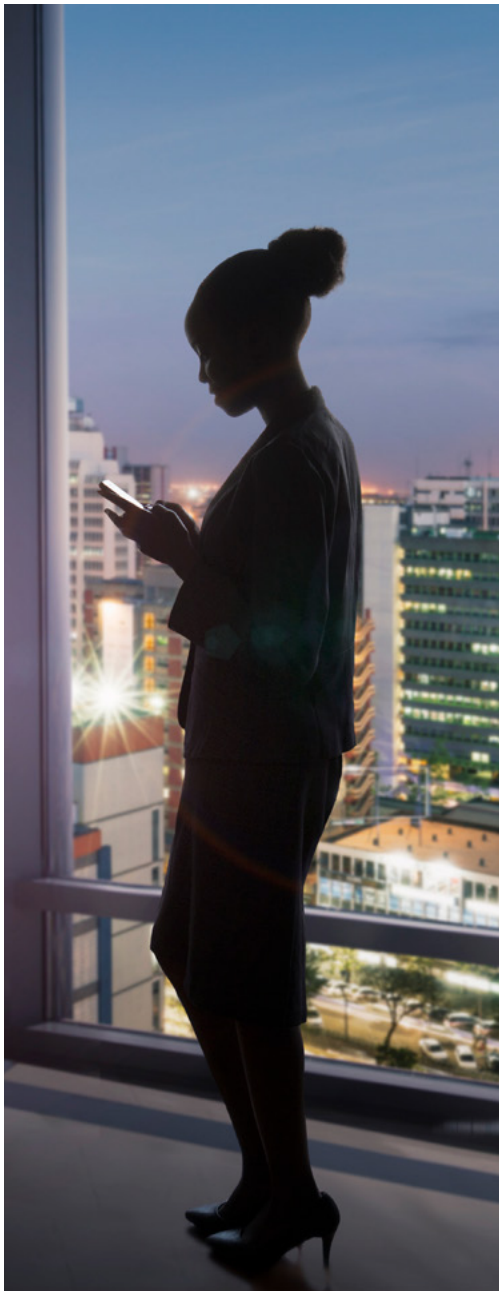
There is a specific set of circumstances where settlement would be regarded as inappropriate and a specific set of circumstances where settlement would be regarded as appropriate. The taxpayer must satisfy all relevant criteria for purposes of settling the matter.

Failure to adhere to a settlement agreement could result in the agreement being regarded as void, with the original dispute being revived and/or collection of the amount of tax owing being pursued by SARS.

Where taxpayers are unable to continue disputing a matter, they must be proactive and communicate with their tax advisers to assess whether a settlement of the matter will be appropriate.

Elle-Sarah Rossato
Lead: Tax Controversy and Dispute Resolution
+27 (0) 11 797 4938

Jadyne Devnarain
Senior Manager: Tax Controversy and Dispute Resolution
+27 (0) 11 797 4282



SARS Watch

Legislation		
31 July 2020	2020 Draft Tax Administration Laws Amendment Bill (TALAB)	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	2020 Draft Memorandum on the objects of the 2020 Draft Tax Administration Laws Amendment Bill	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	2020 Draft Taxation Laws Amendment Bill (TLAB)	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	2020 Draft Explanatory Memorandum on the 2020 Draft Taxation Laws Amendment Bill	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	2020 Draft Regulations Prescribing Electronic Service	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	Survey for Venture Capital Companies (VCC) to complete	Comments must be submitted to SARS and National Treasury by Monday, 31 August 2020.
31 July 2020	Rule 59A.03 relating to the use of registration code 70707070 (DAR199)	Notice R825 published in Government Gazette No. 43569 with an implementation date of 31 July 2020.
30 July 2020	Renewable energy premium in respect of any tax period ending on 31 December 2019 for the purposes of symbol 'B' in section 6(2)	Notice 692 published in Government Gazette No.43451 commencing for any tax period ending on 31 December 2019.
30 July 2020	Regulations on the greenhouse gas emissions intensity benchmark prescribed for the purpose of section 11	Notice 691 published in Government Gazette No.43451 with an implementation date of 1 June 2020.
30 July 2020	Regulations on the allowance in respect of trade exposure in respect of carbon tax liability under section 10	Notice 690 published in Government Gazette No. 43451 with an implementation date of 1 June 2020.
30 July 2020	Draft rule amendment under sections 39 and 120 – Rule 39.01 – Clearing instructions	Comments must be submitted to SARS by Friday, 14 August 2020.
29 July 2020	Determination of rate of levy for 2018 tax period and payment date in terms of section 3	Notice 789 published in Government Gazette No. 43528 with an implementation date 2 March 2020 as the effective date for the exchange rate, and 31 August 2020 as the due date that the levy is payable.
28 July 2020	Bonds – Customs and Excise external policy	This policy covers: i) The standards used to determine the amount of surety and the criteria used to review the amount of surety; ii) The registration, cancellation, increase or decrease and governance of bonds and addendums which are the acceptable forms of surety; and iii) Surety where it is a condition of approval, registration, licensing or designation.
28 July 2020	Disaster Management Tax Relief Bills	This draft Response Document includes a summary of the key written comments received on the COVID-19 Tax Bills released for public comment as well as other key issues raised during the public hearings held by both the SCoF and SeCoF on 22 July 2020.
27 July 2020	Aviation Kerosene – Customs and Excise external policy	The policy applies to entities that acquire, sell, dispose of in any manner, is in possession of, or have under their control any Aviation Kerosene.
27 July 2020	Interest Rate Table 3	The South African Reserve Bank changed the 'repo rate' on 24 July 2020 to 4.5% starting from 1 August 2020.
24 July 2020	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1701.12, 1701.13, 1701.14, 1701.91, and 1701.99 to increase the rate of customs duty on sugar from 418.61c/kg to 527,75c/kg in terms of the existing variable tariff formula – Minute M01/2020	Notice R809 published in Government Gazette No 43543 with an implementation date of 24 July 2020.
24 July 2020	Amendment to Part 3 of Schedule No. 2, by the insertion of safeguard items 260.03/7318.15.41/01.08; 260.03/7318.15.42/01.08 and 260.03/7318.16.30/01.08 to implement safeguard duty of 50.04% on threaded fasteners of iron or steel (excluding those of stainless steel and those identifiable for aircraft) – ITAC Report 620	Notice R808 published in Government Gazette No. 43543 with an implementation date of 24 July 2022 up to and including 23 July 2023.

24 July 2020	Amendment to Part 3 of Schedule No. 2, by the insertion of safeguard items 260.03/7318.15.41/01.08; 260.03/7318.15.42/01.08 and 260.03/7318.16.30/01.08 to implement safeguard duty of 52.04% on threaded fasteners of iron or steel (excluding those of stainless steel and those identifiable for aircraft) – ITAC Report 620	Notice R807 published in Government Gazette No. 43543 with an implementation date of 24 July 2021 up to and including 23 July 2022.
24 July 2020	Amendment to Part 3 of Schedule No. 2, by the insertion of safeguard items 260.03/7318.15.41/01.08; 260.03/7318.15.42/01.08 and 260.03/7318.16.30/01.08 to implement safeguard duty of 54.04% on threaded fasteners of iron or steel (excluding those of stainless steel and those identifiable for aircraft) – ITAC Report 620	Notice R806 published in Government Notice No. 43543 with an implementation date of 24 July 2020 up to and including 23 July 2021.
14 July 2020	Draft tariff amendment to Part 4 of Schedule No. 6	Comments must be submitted to SARS by Tuesday, 11 August 2020.
8 July 2020	Draft tariff amendments to amend –Part 1 of Schedule No. 1 (Notes to Chapter 98); Part 1 of Schedule No. 3 (Rebate item 317.01); Part 1 of Schedule No. 3 (Rebate item 317.04); Part 2 of Schedule No. 4 (Rebate item 460.17); and Part 3 of Schedule No. 5 (Rebate item 537)	Comments must be submitted to SARS by Wednesday, 5 August 2020.
7 July 2020	Tariff Classification – Customs and Excise external policy	This document discusses the Tariff Classification policy which came into effect on 7 July 2020.
3 July 2020	Notice in terms of section 25 of the Tax Administration Act, 2011, read with section 66(1) of the Income Tax Act, 1962, specifying persons to submit income tax returns for the 2020 tax year and the periods for submission	Notice 741 published in Government Gazette No. 43495 with the implementation being the dates for submission of returns are specified in the notice.
3 July 2020	Rule amending Item 202.00 of the Schedule to the rules by the insertion of forms DA 180, DA 180.01A.1, DA 180.01A.2, DA 180.01B.1, DA 180.01B.2, DA 180.01C and DA 180.02 – DAR199	Rule amendment notice R745 published in Government Gazette No. 43496 with an implementation date of 3 July 2020.
Interpretation Note		
23 July 2020	Draft IN on the taxation of the receipt of deposits	Comments must be submitted to SARS by Friday, 18 September 2020.
Rulings		
29 July 2020	BCR 071 – Transfer of portfolio investments by foreign pension funds to an authorised contractual scheme	This ruling determines securities transfer tax implications of the transfer of JSE listed shares by foreign pension funds to an authorised contractual scheme (ACS) and entitlements to treaty relief of the class members.
29 July 2020	BPR 348 – Income tax consequences for a public benefit organisation lending funds to qualifying entrepreneurs	This ruling determines the income tax consequences for a public benefit organisation resulting from the provision of loans to qualifying entrepreneurs to start or grow their businesses.
29 July 2020	BPR 347 – When the temporary setting aside of voluntary liquidation proceedings will not jeopardise roll-over relief	This ruling determines whether the setting aside of a voluntary liquidation, by order of court, would be a withdrawal or invalidation of any steps to liquidate, wind-up or deregister the applicant, within the meaning of section 47(6)(c)(ii) in the Income Tax Act 58 of 1962.
16 July 2020	BPR 346 – Tax implications resulting from the elimination of intra-group loans	This ruling determines the income tax and dividends tax consequences of the redemption of intra-group loans by way of set-off against dividends payable.
Guides		
29 July 2020	Guide on Income Tax and the Individual (2019/20)	The purpose of this guide is to inform individuals who are South African residents of their income tax commitments under the Income Tax Act 58 of 1962.
23 July 2020	Introduction to Excise Duties Levies and Air Passenger Tax	This document serves as a guide informing Excise clients of the basic requirements and responsibilities pertaining to Excisable/ Levy goods [which includes the International Oil Pollution Compensation Fund Levy (IOPCF)], Health Promotion Levy on sugary beverages, Carbon Tax and Air Passenger Tax (APT) in South Africa (SA) and the broader Southern African Customs Union (SACU).
17 July 2020	Guide on the Determination of Medical Tax Credits (Issue 11)	This guide provides general guidelines regarding the medical scheme fees tax credit and additional medical expenses tax credit for income tax purposes.
Other publications		
27 July 2020	Carbon Tax Registration and Licensing communication to stakeholders	The restrictions on licensing and registration have been lifted in line with the President's address to the nation on 21 April 2020, and applications for Carbon Tax registration/licensing can now be submitted via email to carbontax@sars.gov.za.

18 July 2020	OECD: Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors (Saudi Arabia)	In addition to an update on the progress to address the tax challenges arising from the digitalisation of the economy, the report provides the latest progress on other G20 deliverables.
17 July 2020	SMMEs Tax relief measures leaflet	This leaflet gives a quick reference to the draft Disaster Management Tax Relief Administration Bill, and Disaster Management Tax Relief Bill to help Small, Micro, or Medium Enterprises (SMMEs) with their claims, should they wish to benefit from them.
9 July 2020	OECD: Tax Co-operation for Development: Progress Report	This report sets out the range of the OECD's work with developing countries in 2019.
9 July 2020	OECD: Progress Report 2020	The report highlights activities that the Platform for Collaboration on Tax ('PCT') has carried out since June 2019 under three workstreams: co-operation and exchange of information in domestic resource mobilisation capacity development activities, analytical activities, and outreach activities.
6 July 2020	Tax Alert: Notice of 2020 filing season	This Alert discusses the submission requirements announced in the Gazette published on 3 July 2020.
3 July 2020	OECD: Global tax reporting framework for digital platforms in the sharing and gig economy	The report discusses the overall architecture of the Model Rules which has three dimensions.
2 July 2020	Tax Alert: The section 11(e) wear-and-tear or depreciation allowance: changes to Interpretation Note 47	On 24 March 2020, the South African Revenue Service ('SARS') issued a new version of Interpretation Note 47 ('IN47'), which deals with the wear-and-tear or depreciation allowance that is provided for in section 11(e) of the Income Tax Act, 1962 ('the Act').The purpose of this Alert is to provide a brief overview of the most important changes to IN47 from the previous version.

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