

INITIAL TEST OF COMPETENCE 2018 TAXATION EXAMINABLE PRONOUNCEMENTS

The following South African Acts will form part of the examinable legislation for taxation:

- *Income Tax Act, 1962 (Act 58 of 1962);*
- *Value-Added Tax Act, 1991 (Act 89 of 1991);*
- *Estate Duty Act, 1995 (Act 45 of 1995);*
- *Transfer Duty Act, 1949 (Act 49 of 1949);*
- *Securities Transfer Tax Act, 2007 (Act 25 of 2007); and*
- *Tax Administration Act, 2011 (Act 28 of 2011).*

The cut-off date for taxation legislation examinable in the Initial Test of Competence (ITC) for 2018 is as follows:

- Amendments promulgated by 31 January 2017* and which are effective **for the 2017 year of assessment**. In other words, all amendments effective for years of assessment 2018 or later are not examinable (and these sections are included in grey shaded boxes underneath the corresponding existing provision in the SAICA legislation handbook 2016 / 2017).
- SAICA will communicate with Universities where translation errors may be corrected in the “SAIGR Wetgewing-handboek” (if applicable).

Therefore the ITC 2018 will test individuals with a 2017 year of assessment and non-natural persons with a December 2017 year of assessment (or earlier).

** SAICA reserves the right to change this to a later date should the relevant legislation not be promulgated before this date*

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1. BROAD AREA EXCLUSIONS

- Business carried on in economic development areas
- Co-operatives
- Donor funded projects for VAT purposes
- Farming
- Films
- Foreign trusts
- Gambling
- Government Grants (reconsider for ITC 2019)
- Headquarter Companies
- Industrial Development Zones and Custom Controlled Areas (VAT)
- Insurers
- Mining
- Oil and gas companies
- Operation of cable and wireless businesses
- Public benefit organisations (but not interaction with PBO's, e.g. s 18A deduction is still examinable)
- Public Private Partnerships
- Recreational clubs
- Share block companies
- Sharia compliant financing arrangements
- Ships used in international shipping
- Small business funding entities and link with small, medium or micro-sized enterprises
- Special economic zones and building deductions in special economic zones
- Sporting bodies
- Tax implications for REITs (application of s 10(1)(k)(i)(aa) to receipts from REITs is included)
- Townships
- Turnover Tax for Micro Businesses
- Venture capital companies

2. CORE LEGISLATION UNDER EXAMINATION AND LEVEL DESCRIPTION

The syllabus is principally concerned with the taxes and duties levied in terms of the following six statutes:

- The *Income Tax Act, 1962* (Act 58 of 1962);
- The *Estate Duty Act, 1955* (Act 45 of 1955);
- The *Value-Added Tax Act, 1991* (Act 89 of 1991);
- The *Transfer Duty Act, 1949* (Act 49 of 1949);
- The *Securities Transfer Tax Act, 2007* (Act 25 of 2007); and
- The *Tax Administration Act, 2011* (Act 28 of 2011).

All other taxes, duties and levies payable in terms of various statutes have been **excluded** from the syllabus. Regulations, interpretation notes and binding general rulings included in the SAICA Student Handbook are to be covered on the same level as the applicable provision in the Act.

A provision is either included at knowledge level 3 or it is excluded. Knowledge level 3 is defined in the Competency Framework as follows:

Level 3 (Advanced)

At this level the candidate is required to acquire a thorough knowledge and rigorous understanding of the subject matter. This level of knowledge and understanding extends beyond a sound understanding of central issues, to include complexities and unusual / exceptional aspects associated with the subject matter.

Consequently the candidate is required to have a knowledge and understanding of –

- all content that is required to develop a thorough and rigorous understanding of the subject matter;
- complexities; and
- sufficient depth to clearly locate content in the general field of accountancy (as described by competencies II–VII) and to identify implications and relationships.

At this level the candidate should be equipped with a level of knowledge and understanding of the substance of the subject matter that enables him/her to perform tasks and solve problems with a high degree of rigour, exercising sound judgement.

3. TAX LEGISLATION

Reference to the legislation	Topics	Knowledge level
	Income Tax Act	
S 1(1) and 1(2)	Definitions	3
	<p>Excluded</p> <p><i>'Banks Act'</i>, <i>'collateral arrangement'</i> <i>'Collective Investment Schemes Control Act'</i> <i>'Companies Act'</i> <i>'co-operative'</i> <i>'Copyright Act'</i> <i>'Designs Act'</i> <i>'domestic treasury management company'</i> <i>'Financial Markets Act'</i> <i>'Financial Services Board'</i> <i>'Financial Services Board Act'</i> <i>'foreign investment entity'</i> <i>'foreign partnership'</i> <i>'headquarter company'</i> <i>'hotel keeper'</i> <i>'identical security'</i> <i>'identical share'</i> <i>'insolvent estate'</i> <i>'Insurance Act'</i> <i>'linked unit'</i> <i>'Long-term Insurance Act'</i> <i>'Medical Schemes Act'</i> <i>'Mineral and Petroleum Resource Development Act'</i> <i>'mining for gold'</i> <i>'mining operations'</i> <i>'municipality'</i> <i>'municipal value'</i> <i>'natural oil'</i> <i>'neighbouring country'</i> <i>'Patents Act'</i> <i>'Pension Funds Act'</i> <i>'portfolio of a collective investment scheme'</i> <i>'portfolio of a collective investment scheme in participation bonds'</i> <i>'portfolio of a collective investment scheme in property'</i> <i>'portfolio of a collective investment scheme in securities'</i> <i>'portfolio of a declared collective investment scheme'</i> <i>'portfolio of a hedge fund collective investment scheme'</i> <i>'post-1973 gold mine'</i> <i>'post-1990 gold mine'</i> <i>'Public Finance Management Act'</i> <i>'Public Private Partnership'</i> <i>'qualifying investor'</i> <i>'REIT'</i> <i>'securities lending arrangement'</i> <i>'Share Blocks Control Act'</i> <i>'Short-term Insurance Act'</i> <i>'small business funding entity'</i> <i>'small, medium or micro-sized enterprise'</i></p>	

Reference to the legislation	Topics	Knowledge level
	Excluded (continued) <i>'South African Reserve Bank'</i> <i>'Trade Marks Act'</i> <i>'water services provider'</i>	
	Will be stated / amount given <i>'average exchange rate'</i> <i>'JSE Limited Listings Requirements'</i> <i>'listed company'</i> <i>'listed share'</i> <i>'living annuity'</i> (draw-down amounts will be given and it will be stated that it falls within the allowed percentages) <i>'pension fund'</i> (approved status will be given) <i>'pension preservation fund'</i> (approved status will be given) <i>'permanent establishment'</i> <i>'prescribed rate'</i> <i>'provident fund'</i> (approved status will be given) <i>'provident preservation fund'</i> (approved status will be given) <i>'retirement annuity fund'</i> (approved status will be given) <i>'retirement date'</i> (date given) <i>'retirement interest'</i> (amount given)	
	These definitions are on Level 3, with the following qualifications: <i>'contributed tax capital'</i> (<i>figure for 'tainted' capital in terms of previous dividend definition will be stated</i>) <i>'gross income'</i> (<i>excluding (j),(l) and (IA)</i>) <i>'remuneration proxy'</i> (<i>if not given, it must be calculated based on current legislation</i>) <i>'resident'</i> (<i>number of days will be provided and place of effective management will be stated</i>)	
S 2, 3, & 4A	Administration	3
S 5	Levy of normal tax and rates thereof 5(1), 5(2) & 5(7) 5(9) & 5(10)	3 <i>Excluded</i>
S 6	Normal tax rebates	3
S 6A	Medical scheme fees tax credit	3
S 6B	Additional medical expenses tax credit	3
S 6quat	Rebate or deduction in respect of foreign taxes on income <i>(amount of foreign tax will be provided in foreign currency)</i>	3
S 6quin	<i>Rebate in respect of foreign taxes on income from RSA source</i>	<i>Excluded</i>
S 7	When income is deemed to have accrued or to have been received 7(4), 7(6), 7(7) & 7(11)	3 <i>Excluded</i>
S 7A	<i>Date of receipt or accrual of antedated salaries or pensions and of certain retirement gratuities</i>	<i>Excluded</i>
S 7B	Timing of accrual and incurral of variable remuneration	3

Reference to the legislation	Topics	Knowledge level
S 7C	Loan or credit advanced to a trust by a connected person	3
S 8	Certain amounts to be included in income or taxable income 8(1)(a) to (c) 8(1)(d) to (g) <i>Holder of public office</i> 8(4) (unless listed below) 8(4)(b), (f), (l), (n) & (4A) 8(5)	3 <i>Excluded</i> 3 <i>Excluded</i> 3
S 8A	<i>Gains made by directors of companies or by employees in respect of rights to acquire marketable securities</i>	<i>Excluded</i>
S 8B	<i>Taxation of amounts derived from broad-based employee share plan</i>	<i>Excluded</i>
S 8C	Taxation of directors and employees on vesting of equity instruments	3
S 8CA	???(NEW WORDING when finalised)	<i>Excluded</i>
S 8E	<i>Dividends on certain shares deemed to be interest in relation to the recipient thereof.</i>	<i>Excluded</i>
S 8EA	<i>Dividends on third-party backed shares deemed to be income in relation to recipients thereof</i>	<i>Excluded</i>
S 8F	<i>Limitation of deduction of certain interest payments. Interest on hybrid debt instruments deemed to be dividends in specie</i>	<i>Excluded</i>
S 8FA	<i>Hybrid interest deemed to be dividends in specie</i>	<i>Excluded</i>
S 9	Source of income 9(2)(c), (d), (e), (f) and (l)	3 <i>Excluded</i>
S 9A	<i>Blocked foreign funds</i>	<i>Excluded</i>
S 9C	Circumstances in which certain amounts received or accrued from disposal of shares are deemed to be of a capital nature 9C(1) & (2) 9C(2A), (3), (4) & (4A) 9C(5), (6), (7) & (8)	3 <i>Excluded</i> 3
S 9D	Controlled foreign company	<i>Excluded</i>
S 9H	Change of residence (excluding controlled foreign company and headquarter company)	3
S 9HA	Disposal by deceased person	3
S 9I	<i>Headquarter companies</i>	<i>Excluded</i>
S 10	Exemptions: 10(1) (unless listed below) 10(1)(a), (bA) (c), (cA), (cE), (cG) to (cQ), (d), (iB), (e), (gE), (hA), (j), (k)(i)(dd) - (ii), (o)(i) & (iA), (r), (t), (y) & (yA) - (zK) 10(2) and (3)	3 <i>Excluded</i> 3
S 10A	Exemption of capital element of purchased annuities (capital element will be given)	3
S 10B	Exemption of foreign dividends and dividends paid or declared by headquarter companies 10B(2)(b) & (c), 10B(4) & (6)	3 <i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
S 10C	Exemption of non-deductible element of compulsory annuities	3
S 11	General deductions allowed in determination of taxable income – unless listed below <i>11(f)(v), 11(gA), 11(gD), 11(hB) & (IA)</i> <i>Further information that will be provided:</i> <i>11(h) (amount will be provided),</i> <i>11(j) It will be stated that debt considered doubtful meets the criteria set out in the public notice issued by the Commissioner</i> <i>11(w) (it will be stated if premiums were deductible)</i>	3 <i>Excluded</i>
S 11A	Deductions in respect of expenditure and losses incurred prior to commencement of trade	3
S 11D	<i>Deductions in respect of scientific or technological research and development</i>	<i>Excluded</i>
S 11E	<i>Deduction of certain expenditure incurred by sporting Bodies</i>	<i>Excluded</i>
S 11sex	<i>Deduction of compensation for railway operating losses</i>	<i>Excluded</i>
S 12B	Deduction in respect of certain machinery, plant, implements, utensils and articles used in farming or production of renewable energy <i>12B(1)(f), (3) – (6)</i>	2 <i>Excluded</i>
S 12C	Deduction in respect of assets used by manufacturers or hotelkeepers and in respect of aircraft and ships, and in respect of assets used for storage and packing of agricultural products (<i>excluding 12C(1)(bA) relating to the Automotive Production and Development Programme and also proviso (d) relating to R&D contemplated in s 11D</i>) <i>(Information will be provided as to whether a particular process is a manufacturing process or a process similar thereto)</i>	3
S 12D	<i>Deduction in respect of certain pipelines, transmission lines and railway lines</i>	<i>Excluded</i>
S 12DA	<i>Deduction in respect of rolling stock</i>	<i>Excluded</i>
S 12E	Deductions in respect of small business corporations and amendments <i>(Information will be provided as to whether a particular process is a manufacturing (or similar) process)</i>	3
S 12F	<i>Deduction in respect of airport and port assets</i>	<i>Excluded</i>
S 12H	Additional deduction in respect of learnership agreements (whether the agreement is a “registered learnership agreement” and date of registration will be given)	3
S 12I	<i>Additional investment and training allowances in respect of industrial policy projects</i>	<i>Excluded</i>
S 12J	<i>Deductions in respect of expenditure incurred in exchange for issue of venture capital company shares</i>	<i>Excluded</i>
S 12K	<i>Exemption of certified emission reductions</i>	<i>Excluded</i>
S 12L	<i>Allowance for energy efficiency savings</i>	<i>Excluded</i>
S 12M	<i>Deduction of medical lump sum payments</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
S 12N	Deductions in respect of improvements not owned by taxpayer (excluding Public Private Partnerships and Independent Power Producer Procurement Programme)	3
S 12NA	<i>Deductions in respect of improvements on property in respect of which government holds a right of use or occupation</i>	<i>Excluded</i>
S 12O	<i>Exemption in respect of films</i>	<i>Excluded</i>
S 12P	<i>Exemption of amounts received or accrued in respect of government</i>	<i>Excluded</i>
S 12Q	<i>Exemption of income in respect of ships used in international shipping</i>	<i>Excluded</i>
S 12R	<i>Special economic zones</i>	<i>Excluded</i>
S 12S	<i>Deductions in respect of buildings in special economic zones</i>	<i>Excluded</i>
S 12T	Exemption of amounts received or accrued in respect of tax free investments (it will be stated whether or not the investment meets the requirements to be a "tax-free investment") 12T(8) & (9)	3 <i>Excluded</i>
S 13	Deductions in respect of buildings used in a process of manufacture (Tax value and allowances of buildings erected prior to 1 January 1989 or during the 10% write-off period will be provided) 13(8)	3 <i>Excluded</i>
S 13bis	<i>Deductions in respect of buildings used by hotel keepers</i>	<i>Excluded</i>
S 13ter	<i>Deductions in respect of residential buildings</i>	<i>Excluded</i>
S 13quat	<i>Deductions in respect of erection or improvement of buildings in urban development zones</i>	<i>Excluded</i>
S 13quin	Deduction in respect of commercial buildings	3
S 13sex	Deduction in respect of certain residential units	3
S 13sept	<i>Deduction in respect of sale of low-cost residential units on loan account</i>	<i>Excluded</i>
S 15	<i>Deductions from income derived from mining operations</i>	<i>Excluded</i>
S 15A	<i>Amounts to be taken into account in respect of trading stock derived from mining operations</i>	<i>Excluded</i>
S 17A	<i>Expenditure incurred by a lessor of land let for farming purposes, in respect of soil erosion works</i>	<i>Excluded</i>
S18A	Deduction of donations to certain organisations 18A(1), (3), (3A) & (3B) (excl. collective investment schemes). (It will be stated that the s18A receipt was obtained.) Rest of section	3 <i>Excluded</i>
S 19	Reduction or cancellation of debt (context will indicate whether it is a commercial decision or a donation)	3
S 20	Set-off of assessed losses	3
S 20A	Ring-fencing of assessed losses of certain trades	3
S 20B	Limitation of losses from disposal of certain assets	3
S 20C	<i>Ring-fencing of interest incurred by headquarter co.</i>	<i>Excluded</i>
S 21	<i>Deduction of alimony, allowance or maintenance</i>	<i>Excluded</i>
S 22	Amounts to be taken into account in respect of values of trading stocks – other than listed below 22(1A),(2A),(3A), (4A), (4B) & (9)	3 <i>Excluded</i>
S 22A	<i>Schemes of arrangement involving trading stock</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
S 22B	<i>Dividends treated as income on disposal of certain shares</i>	<i>Excluded</i>
S 23	Deductions not allowed in determination of taxable income – other than listed below 23(n)	3 <i>Excluded</i>
S 23A	<i>Limitation of allowances granted to lessors of certain assets</i>	<i>Excluded</i>
S 23B	Prohibition of double deductions	3
S 23C	Reduction of cost or market value of certain assets	3
S 23D	Limitation of allowances granted in respect of certain assets	3
S 23F	Acquisition or disposal of trading stock 23F(2) – (3)	3 <i>Excluded</i>
S 23G	<i>Sale and leaseback arrangements</i>	<i>Excluded</i>
S 23H	Limitation of certain deductions	3
S 23I	<i>Prohibition of deductions in respect of certain intellectual property including amendments</i>	<i>Excluded</i>
S 23K	<i>Limitations of deductions in respect of reorganisation transactions</i>	<i>Excluded</i>
S 23L	<i>Limitations of deductions in respect of certain short-term insurance policies</i>	<i>Excluded</i>
S 23M	<i>Limitations of interest deductions in respect of debt owed to persons not subject to tax under this chapter</i>	<i>Excluded</i>
S 23N	<i>Limitations of interest deductions in respect of reorganisations and acquisition transactions</i>	<i>Excluded</i>
S 23O	<i>Limitation of deductions by small, medium or micro-sized enterprises in respect of amounts received or accrued from small business funding entities</i>	<i>Excluded</i>
S 24	Credit agreements and debtors allowance (<i>gross profit method only</i>)	3
S 24A	<i>Transactions whereby fixed property is or company shares are exchanged for shares</i>	<i>Excluded</i>
S 24BA	Transactions where assets are acquired as consideration for shares issued	3
S 24C	Allowance in respect of future expenditure on contracts (<i>The methods which must be used to make this determination will be given.</i>)	3
S 24D	<i>Deduction of certain expenditure incurred in respect of any National Key Point or specified important place or area</i>	<i>Excluded</i>
S 24E	<i>Allowance in respect of future expenditure by sporting bodies</i>	<i>Excluded</i>
S 24G	<i>Taxable income of toll road operators</i>	<i>Excluded</i>
S 24H	Persons carrying on trade or business in partnership 24H(1) and (3)	3 <i>Excluded</i>
S 24I	Gains or losses on foreign exchange transactions (<i>excluding re-classifications in s24I(10A) where it may be assumed that full loan is long term</i>)	3
S 24J	Sections 24J(2), (3), (5) & (10) Ss 24J(1) (only the definitions listed below) <i>'accrual amount', 'accrual period', 'adjusted initial amount', 'deferred interest', 'holder', 'income instrument', 'initial amount', 'instrument', 'interest', 'issue', 'issue price', 'issuer', 'yield to maturity' (basic calculation – not the provisos)</i> <i>Rest of the section</i>	3 3 <i>Excluded</i>
S 24JA	<i>Sharia compliant financing arrangement</i>	<i>Excluded</i>
S 24JB	<i>Fair value taxation in respect of financial instruments</i>	<i>Excluded</i>
S 24K	<i>Incurral and accrual of amounts i.r.o. interest rate agreements</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
S 24L	<i>Incurral and accrual of amounts i.r.o. of option contracts</i>	<i>Excluded</i>
S 24M	Incurral and accrual of amounts in respect of assets acquired or disposed of for unquantified amount	3
S 24N	<i>Incurral and accrual of amounts in respect of disposal or acquisition of equity shares</i>	<i>Excluded</i>
S 24O	Incurral and accrual in terms of certain debts deemed to be in production of income	3
S 24P	<i>Allowance in respect of future repairs to certain ships</i>	<i>Excluded</i>
S 25	Taxation of deceased estates	3
S 25A	<i>Determination of taxable incomes of permanently separated spouses</i>	<i>Excluded</i>
S 25B	Income of trusts and beneficiaries of trusts	3
S 25BA	<i>Amounts received by or accrued to portfolios of collective investment schemes in securities and holders of participatory interests in portfolios</i>	<i>Excluded</i>
S 25BB	<i>Taxation of REITs</i>	<i>Excluded</i>
S 25C	<i>Income of insolvent estates</i>	<i>Excluded</i>
S 25D	Determination of taxable income in foreign currency S 25D(2A),(4),(5), (6) & (7)	3 <i>Excluded</i>
S 26	<i>Determination of taxable income derived from farming</i>	<i>Excluded</i>
S 26A	Inclusion of taxable capital gain in taxable income	3
S 26B – 30C	<i>Taxation of oil and gas companies, co-operatives, insurers, PBO's, Recreational clubs, Associations & Small business funding entities</i>	<i>Excluded</i>
S 31	Taxable income in respect of international transactions to be based on arm's length principle. Arm's length terms and conditions will be given S 31(5), (6) and (7)	3 <i>Excluded</i>
S 33	<i>Assessment of owners or charterers of ships or aircraft who are not residents of the Republic</i>	<i>Excluded</i>
S 35A	Withholding of amounts from payments to non-resident sellers of immovable property S 35A(8) – (13)	3 <i>Excluded</i>
S 36	<i>Calculation of redemption allowance and unredeemed balance of capital expenditure in connection with mining operations</i>	<i>Excluded</i>
S 37	<i>Calculation of capital expenditure on sale, transfer, lease or cession of mining property</i>	<i>Excluded</i>
S 37A	<i>Closure rehabilitation company or trust</i>	<i>Excluded</i>
S 37B	<i>Deductions in respect of environmental expenditure</i>	<i>Excluded</i>
S 37C	<i>Deductions in respect of environmental conservation and maintenance</i>	<i>Excluded</i>
S 37D	<i>Allowance in respect of land conservation in respect of nature reserves or national parks</i>	<i>Excluded</i>
S 37F	<i>Determination of taxable income derived by persons previously assessable under certain other laws</i>	<i>Excluded</i>
S 37G	<i>Determination of taxable income derived from small business undertakings</i>	<i>Excluded</i>
S 38	<i>Classification of companies</i>	<i>Excluded</i>
S 39	<i>Redetermination of company's status</i>	<i>Excluded</i>
S 40A & 40B	<i>Conversions to a company</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
S 40C	Issue of shares or granting of options or rights for no consideration	3
S 40CA	Acquisition of assets in exchange for shares or debt issued	3
S 40D	<i>Communications licence conversions</i>	<i>Excluded</i>
S 40E	<i>Ceasing to be controlled foreign company</i>	<i>Excluded</i>
S 41	General	3
S 42	Asset-for-share transactions (foreign re-organisations (i.e. par (b) of definition of “asset-for-share transaction” in s 42(1)), hedge funds and anti-avoidance aspects contained in 42(5) – (8))	3 <i>Excluded</i>
S 43	<i>Substitutive share-for-share transactions</i>	<i>Excluded</i>
S 44	<i>Amalgamation transactions</i>	<i>Excluded</i>
S 45	Intra-group transactions (foreign re-organisations (i.e. par (b) of definition of “intra-group transaction” in s 45(1)) and anti-avoidance aspects contained in 45(4) – (5))	3 <i>Excluded</i>
S 46	<i>Unbundling transactions</i>	<i>Excluded</i>
S 46A	<i>Limitations of expenditure incurred in respect of shares held in an unbundling company</i>	<i>Excluded</i>
S 47	Transactions relating to liquidation, winding-up & deregistration (foreign re-organisations (i.e. par (b) of definition of “liquidation distribution” in s 47(1)) and anti-avoidance aspects contained in 47(3A) & (4))	3 <i>Excluded</i>
S 47A – 47K	<i>Withholding tax on entertainers and sportspersons</i>	<i>Excluded</i>
S 48 – 48C	<i>Turnover Tax for micro business</i>	<i>Excluded</i>
S 49A – 49H	<i>Withholding tax on royalties</i>	<i>Excluded</i>
S 50A – 50H	Withholding tax on interest S 50E – 50H	3 <i>Excluded</i>
S 54	Levy of donations tax	3
S 55	Definitions for purposes of this Part	3
S 56	Exemptions	3
S 57	Disposals by companies under donations at the instance of any person	3
S 57A	Donations by spouse married in community of property	3
S 58(1)	Property disposed of under certain transactions deemed to have been disposed of under a donation – subsection (2) is excluded	3
S 59	Persons liable for the tax	3
S 60	Payment and assessment of the tax	3
S 61	<i>Extension of scope of certain provisions of Act for purposes of donations tax</i>	<i>Excluded</i>
S 62 S 62(1)(a) – (c)	Value of property disposed of under donations (value of limited interests in property will be given based on different life expectancies or fixed period and candidates should select relevant amount based on application of provisos)	3
S 64	Rate of donations tax	3
S 64D	Definitions (It will be stated that an entity is a ‘regulated intermediary’)	3
S 64E	Levy of tax	3
S 64EA	Liability for tax	3
S 64EB	<i>Deemed beneficial owners of dividends</i>	<i>Excluded</i>
S 64F	Exemptions from tax	3

Reference to the legislation	Topics	Knowledge level
S 64FA	Exemption from and reduction of tax in respect of dividends in specie	3
S 64G	Withholding of dividend tax by companies declaring and paying dividends	3
S 64H	Withholding of tax by regulated intermediaries	3
S 64I	<i>Withholding of dividends tax by insurers</i>	<i>Excluded</i>
S 64J	<i>STC credits (deemed to be nil from 1 April 2015)</i>	<i>Excluded</i>
S 64K	Payment and recovery of tax	3
S 64L	<i>Refund of tax in respect of dividends declared and paid by the companies</i>	<i>Excluded</i>
S 64M	<i>Refund of tax in respect of dividends paid by regulated intermediaries</i>	<i>Excluded</i>
S 64N	Rebate in respect of foreign taxes on dividends	3
Chapter III General provisions		
Ss 66 – 72A	<i>Part I Returns (except s 67)</i>	<i>Excluded</i>
S 67	Registration as taxpayer	3
Part IIA		
S 80A - L	<i>Impermissible tax avoidance arrangements</i>	<i>Excluded</i>
Ss 89 - 91	<i>Part IV: Payment and Recovery of Tax</i>	<i>Excluded</i>
Part VI: Miscellaneous		
S 102	<i>Refunds and set off</i>	<i>Excluded</i>
S 103	Transactions, operations or schemes for purposes of avoiding or postponing liability for or reducing amounts of taxes on income	3
S 107	<i>Regulations</i>	<i>Excluded</i>
S 108	Prevention of or relief from double taxation Mauritius, Brazil, Netherlands and United Kingdom DTA's must be used to teach the following principles: - Resident - Place of effective management - Immovable property - Employment/ dependant services - Dividends and - Pensions (Applicable DTA's will be printed in the SAICA Student Handbook.)	3
<i>First Schedule</i>	<i>Farming operations</i>	<i>Excluded</i>
Second Schedule	Computation of gross income derived by way of lump sum benefits (excluding divorces) <i>Par 2A</i>	3 <i>Excluded</i>
Fourth Schedule	Amounts to be deducted or withheld by employers and provisional payments in respect of normal tax	3
<i>Sixth Schedule</i>	<i>Determination of turnover tax payable by micro businesses</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
Seventh Schedule	Benefits or advantages derived by reason of employment or the holding of any office (<i>repurchase rate</i> and “retail market value” (as determined by the Minister by Regulation) <i>will be given</i>)	3
Eighth Schedule	Determination of taxable capital gains and assessed capital losses and note the following: Par 1: “value shifting arrangement” - definition only (no calculations) Par 30: Time-apportionment base cost (<i>TAB amount will be given, but integration with other paragraphs stays very important</i>) Par 64C: Disposal of restricted equity instruments (only linked to s8C(4)(a))	3
<i>Par. 20A</i>	<i>Provisions relating to farming development expenditure</i>	<i>Excluded</i>
<i>Par. 23</i>	<i>Base cost in respect of a value shifting arrangement</i>	<i>Excluded</i>
<i>Par. 24</i>	<i>Base cost of an asset of a person who becomes a resident on or after valuation date</i>	<i>Excluded</i>
<i>Par. 25(2) & (3)</i>	<i>Redetermination of base cost</i>	<i>Excluded</i>
<i>Par. 28 & 29</i>	<i>Market values will be given</i>	<i>Excluded</i>
<i>Par. 31</i>	<i>Market values will be given</i>	<i>Excluded</i>
<i>Par. 35A</i>	<i>Disposal of certain debt claims</i>	<i>Excluded</i>
<i>Par 37</i>	<i>Assets of trusts and company</i>	<i>Excluded</i>
<i>Par. 40</i>	<i>Disposal to and from deceased estate</i>	<i>Excluded</i>
<i>Par. 41</i>	<i>Tax payable by heir of deceased estate</i>	<i>Excluded</i>
<i>Par 42</i>	<i>Short-term disposal and acquisitions of identical financial instruments</i>	<i>Excluded</i>
<i>Par. 43A</i>	<i>Dividends treated as proceeds on disposal of shares</i>	<i>Excluded</i>
<i>Par. 43B</i>	<i>Base cost of assets of controlled foreign companies</i>	<i>Excluded</i>
<i>Par. 51 & 51A</i>	<i>Transfer of residence from company or trust</i>	<i>Excluded</i>
<i>Par. 57A</i>	<i>Disposal of micro business assets</i>	<i>Excluded</i>
<i>Par. 63A, 63B & 64</i>	<i>PBO’s, Small business funding entities and assets used to produce exempt income</i>	<i>Excluded</i>
<i>Par. 64B(2) to (5)</i>	<i>Disposal of interest in equity share capital of foreign co.</i>	<i>Excluded</i>
<i>Par. 65B</i>	<i>Disposals by recreational clubs</i>	<i>Excluded</i>
<i>Par. 67B, C & D</i>	<i>Share block companies, Mineral rights and Communications Licence conversions</i>	<i>Excluded</i>
<i>Par 68</i>	<i>Attribution of capital gain to spouse</i>	<i>Excluded</i>
<i>Par 71</i>	<i>Attribution of capital gain subject to revocable vesting</i>	<i>Excluded</i>
<i>Par. 76 and 76A</i>	<i>Return of capital prior to 1 April 2012</i>	<i>Excluded</i>
<i>Par. 80(2A) and (3)</i>	<i>Trusts, section 8C instruments and foreign trusts</i>	<i>Excluded</i>
<i>Par. 83</i>	<i>Insolvent estate of a person</i>	<i>Excluded</i>
<i>Ninth Schedule</i>	<i>Public benefit activities</i>	<i>Excluded</i>
<i>Tenth Schedule</i>	<i>Oil and gas activities</i>	<i>Excluded</i>
<i>Eleventh Schedule</i>	<i>Government grants exempt from normal tax</i>	<i>Excluded</i>

Reference to the legislation	Topics	Knowledge level
Value-Added Tax Act		
S 1	Definitions <i>(It will be stated whether or not an “imported service” qualifies as an “electronic service”.)</i> <i>Lloyds, road accident fund, constitutional institution, controller, customs controlled area, customs controlled area enterprise, customs and excise act, designated entity, paragraph (d) for the definition of “exported”, inbound and tax free shop, Industrial Development Zone (IDZ), IDZ operator, service enterprise and transitional metropolitan council</i>	3 <i>Excluded</i>
S 2	Financial services, only debt security (c), provision of credit (f) & issue, allotment or transfer of ownership of an equity security (d) <i>Rest of section</i>	3 <i>Excluded</i>
S 3	Determination of ‘open market value’	3
Ss 4 - 6	<i>Administration</i>	<i>Excluded</i>
S 7	Imposition of value-added tax	3
S 8	Certain supplies of goods or services deemed to be made or not made <i>8(2A) – (2G), (17) – (19), (22) – (24) & (26)</i>	3 <i>Excluded</i>
S 8A	<i>Sharia compliant financing arrangements</i>	<i>Excluded</i>
S 9	Time of supply <i>9(3)(e) & (f) and 9(11)</i>	3 <i>Excluded</i>
S 10	Value of supply of goods or services <i>10(8) and (25)</i>	3 <i>Excluded</i>
S 11(1)	Zero-rating (supply of goods) <i>11(1)(a)(ii), (b), (c), (d), (f), (g), (hA), (i), (m), (mA), (n), (r), (s), (t), (u), (v)</i>	3 <i>Excluded</i>
S 11(2)	Zero-rating (supply of services) <i>11(2)(g), (h), (n), (q), (t), (u), (v), (x)</i>	3 <i>Excluded</i>
S 11(3)	Principle	3
S 12	Exempt supplies <i>Sub-sections (d), (e), (f), (k), (l) & (m)</i>	3 <i>Excluded</i>
S 13	Collection of tax on importation of goods, determination of value thereof and exemptions from tax <i>13(2A) Customs and Excise warehouse</i>	3 <i>Excluded</i>
S 14	Collection of value-added tax on imported services, determination of value thereof and exemptions from tax	3
S 15	Accounting basis	3
S 16	Calculation of tax payable	3
S 17	Permissible deductions in respect of input tax	3
S 18	Change in use adjustments <i>(excluding turnover tax provisions and s 18(10))</i>	3
S 18A	Adjustments in consequence of acquisition of going concern wholly or partly for purposes other than making taxable supplies	3
S 18B	Temporary letting of residential fixed property	3
S 19	Goods or services acquired before incorporation	3
S 20	Tax invoices	3
S 21	Credit and debit notes	3

Reference to the legislation	Topics	Knowledge level
Value-Added Tax Act (Continued)		
S 22	Irrecoverable debts	3
S 23	Registration of persons making supplies in the course of enterprises <i>23(3A) Biometrical information</i>	3 <i>Excluded</i>
S 24	Cancellation of registration	3
S 25	Vendor to notify change of status	3
S 26	Liabilities not affected by person ceasing to be vendor	3
Part IV Returns, Payments and Assessments		
S 27	Tax period (<i>category will be given</i>) 27(2) – (5)	3 <i>Excluded</i>
S 28 & 29	Returns and payments of tax; Special returns	<i>Excluded</i>
S 31	Assessments	<i>Excluded</i>
S 32	Part V: Objections to certain decisions or assessments	3
Ss 38 – 46	<i>Part VI and Part VII</i>	<i>Excluded</i>
Part VIII Special Provisions		
S 50	Separate enterprises, branches and divisions	3
S 50A	Separate persons carrying on same enterprise under certain circumstances deemed to be single person	3
S 51	Bodies of persons, corporate or un-incorporate (other than companies)	3
S 52	<i>Pooling arrangements</i>	<i>Excluded</i>
S 53	Death or insolvency of vendor (<i>excluding insolvency</i>)	3
S 54	Agents (excluding auctioneers) (<i>It will be clear from the information that there is an agent/principle relationship</i>)	3
Ss 55 - 87	<i>Parts IX and X (Compliance and Miscellaneous) (except for sections 64, 65 & 73)</i>	<i>Excluded</i>
S 64 & 65	Prices deemed to include tax and prices advertised of quoted	3
S 73	Schemes for obtaining undue tax benefits	<i>Excluded</i>
Schedule 2 (Part A and B)	Zero rate: Supply of goods used or consumed for agricultural, pastoral or other farming purposes and supply of goods consisting of certain foodstuffs	
Estate Duty Act		
S 1	Definitions	3
S 2	Levy of estate duty	3
S 3	What constitutes an estate	3
S 4	Net value of an estate	3
S 4A	Dutiable amount of an estate	3
S 5	Determination of value of property (<i>Value of limited interests in property will be given based on different life expectancies or fixed period and candidates should select relevant amount based on application of provisos</i>)	3
Ss 6 - 32	<i>Administrative provisions</i>	<i>Excluded</i>
	Except for:	
S 11	Person liable for duty	3
S 13	Right of recovery by executor	3
S 15	Recovery of duty paid in certain cases	3

Reference to the legislation	Topics	Knowledge level
	Estate Duty Act (continued)	
S 16(c)	Deduction of foreign death duties	3
S 20	Expenditure incurred by executor	3
First Schedule	Rate of estate duty Rapid succession	3 3
<i>Second schedule</i>	<i>Laws repealed</i>	<i>Excluded</i>
	Transfer Duty Act – only the listed sections	
S 2(1)(b)	Imposition of Transfer Duty (<i>value will be given</i>)	3
S 9	Only the following exemptions: 9(1)(e) & (i), 9(15) & (15A)	3
	Securities Transfer Tax Act – only the listed section	
S 2	Imposition of tax (<i>the taxable amount will be given</i>)	3
S 8	Only the following exemptions: 8(1)(a), (h), (j) & (r)	3
	Tax Administration Act – only the listed sections	
S 1	“business day”, “date of assessment”, self-assessment”	3
S 22	Registration requirements	3
S 29	Duty to keep records	3
S 98	Withdrawal of assessments	3
S 99	Period of limitation for issuance of assessments	3
S 102	Burden of proof	3
S 104	Objection against assessment or decision	3
S 164	Payment of tax pending objection or appeal	3
S 208 – 220	Chapter 15: Administrative non-compliance penalties	3
S 221 – 224	Chapter 16: Understatement penalty	3
S 239 - 243	Chapter 18: Registration of Tax Practitioners and Reporting of Unprofessional Conduct	3

4. IMPORTANT COURT DECISIONS

The list will primarily include Supreme Court Cases. It is up to each academic to decide which additional cases will be used as teaching aids.

Please note the following:

A mark will be allocated in the exam for stating the correct principles of important cases relevant to the discussion and marks will no longer be awarded for the case names.

Relevant to	Words or phrase considered	Name of the court case
Definition of gross income	Resident	Cohen v CIR CIR v Kuttel
Definition of gross income	Amount	CSARS v Brummeria CIR v Butcher Bros (Pty) Ltd CIR v Lategan
Definition of gross income	'from a source within ... the Republic'	CIR v Lever Brothers and Unilever Ltd
Definition of gross income	accrued to	CIR v People's Stores (Walvis Bay) (Pty) Ltd CIR v Witwatersrand Association of Racing Clubs Mooi v SIR
Definition of gross income	received by	Geldenhuis v Commissioner for Inland Revenue MP Finance Group CC (In Liquidation) v C:SARS Pyott Ltd v CIR
Definition of gross income	of a capital nature – intention	Elandsheuwel Farming (Edms) Bpk v SBI CIR v Richmond COT Southern Rhodesia v Levy
Definition of gross income	of a capital nature – scheme of profit-making	CIR v Pick 'n Pay Employee share purchase trust
Definition of gross income	of a capital nature – mixed or dual intention	CIR v Stott CIR v Nel
Definition of gross income	of a capital nature – change in intention	CIR v Nussbaum Natal Estates Ltd v SIR Berea West Estates (Pty) Ltd v SIR C:SARS v Founders Hill (Pty) Ltd (SCA) John Bell v SIR
Definition of gross income	of a capital nature – the nature of the 'asset'	CIR v Visser CIR v George Forrest Timber CIR v Nel
Definition of gross income	Damages and compensation	(WJ) Fourie Beleggings v C:SARS ZASCA 37 (31 March 2009) Stellenbosch Farmers' Winery Limited v C:SARS (25 May 2012)
Definition of gross income	the legality or otherwise of the business productive of Income	CIR v Delagoa Bay Cigarette Co Ltd MP Finance Group CC (in liquidation) v C:SARS
Special inclusion - definition of gross income	Annuity	KBI en 'n Ander v Hogan
	In respect of services rendered	Stevens v C:SARS [2006] SCA 145 (RSA)
Deductions – section 11(a)	The requirements of section 11(a) in general and then if income must be earned in the same year	Sub-Nigel Ltd v CIR
Deductions – section 11(a)	carrying on a trade	Burgess v CIR

Relevant to	Words or phrase considered	Name of the court case
Deductions – section 11(a)	in the production of income	Port Elizabeth Electric Tramway Co Ltd v CIR Joffe & Co (Pty) Ltd v CIR C:SARS v BP South Africa (Pty) Ptd BPSA (Pty) Ltd v C SARS Provider v COT CSARS v Mobile Telephone Networks Holdings (Pty) Ltd
Deductions – section 11(a)	dual purpose	CIR v Nemojin (Pty) Ltd
Deductions – section 11(a)	Expenditure actually incurred	Edgars Stores Ltd v CIR Nasionale Pers Bpk v KBI CIR v Golden Dumps (Pty) Ltd C:SARS v Labat (2011 SCA)
Deductions – section 11(a)	not of a capital nature	New State Areas Ltd v CIR Rand Mines (Mining & Services) Ltd v CIR BPSA (Pty) Ltd v C:SARS [2007] SCA 7 (RSA)
Deductions – section 11(d)	Repair	Flemming v KBI CIR v African Products Manufacturing Co Ltd
Trading stock	Definition and section 22	Ernst Bester Trust v C:SARS Eveready (Pty) Ltd
Section 23(g)		Warner Lambert SA (Pty) Ltd v C:SARS C:SARS v Scribante Construction (Pty) Ltd (2002)
Section 20		SA Bazaars (Pty) Ltd v CIR Robin Consolidated Industries v CIR
Section 7		CIR v Berold 1962 (3) SA 748 (A) C:SARS v Woulidge (2002 decision)
VAT	Barter transactions	South Atlantic Jazz Festival (Pty) Ltd v C: SARS (6 February 2015)
VAT	Recoveries	C:SARS v British Airways PLC
VAT	Zero-rated services	C:SARS v Stellenbosch Farmers' Winery Limited (25 May 2012) Master Currency (Pty) Ltd v C: SARS (20 March 2013)
VAT	Imported services, enterprise and input tax	De Beers (74 SATC 330)

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