

# ENS tax in brief

Below, please find issue 130 of ENS' tax in brief, a snapshot of the latest tax developments in South Africa.

## advance tax rulings

- **Binding private ruling 410 | Disposal by a controlled foreign company of equity shares in a foreign company**
  - This ruling determines the income tax and capital gains tax consequences on the disposal by a controlled foreign company of an investment in a foreign company.
  - Find the ruling [here](#).

## customs and excise

- **Weekly list of unentered goods**
  - Find the list of unentered goods [here](#).
- **Prohibited and Restricted Imports and Exports list**
  - ITAC Import permit is not required for Tariff heading 4911.

## SARS publications

- **Tax Directive Enhancements and Tax Implications of the Two-Pot Retirement System**
  - Members of pension funds, provident funds, pension preservation funds, provident preservation funds, and retirement annuity funds will be able to access a portion of their retirement savings in the member's retirement fund as a cash payment while still a member of that fund.
  - Retirement funds will not be split into three components:
    - Vested component.
    - Savings component.
    - Retirement component.
  - A member, who has already reached the normal retirement age but has not elected to retire, may transfer their retirement fund to another approved pension fund / provident fund when the employer, for example, establishes a new approved pension or provident fund without incurring any tax liability.
  - The tax directive system and application forms have been enhanced to accommodate requests for the Savings Withdrawal Benefit and for transfers of the Vested Component, Savings Component, and Retirement Component to another fund.
  - An overall view of the new Two-pot retirement system webpage with FAQs for taxpayers and the Funds can be accessed [here](#).
  - A two-pot retirement system calculator can be accessed [here](#). The calculator will assist pension fund members with an illustrative amount of what they can possibly expect as a payout. All relevant and accurate information must be provided to get a clear estimate of the payout. The same calculator is also available on eFiling, the MobiApp and WhatsApp.
- **Updated forms for the enhanced Tax Directives process**
  - The updated application for tax directives Gratuities and Two Pot Savings Withdrawal Benefit (IRP3a) Form can be accessed [here](#).

- The Request for Tax Deduction Directive Pension and Provident Funds (Form A&D) can be accessed [here](#).
- The Request for Tax Deduction Directive Pension and Provident Funds (Form B) can be accessed [here](#).
- The Request for Tax Deduction Directive Retirement Annuity Funds (Form C) can be accessed [here](#).
- The Recognition of Transfer between Approval Funds (Form ROT01) can be accessed [here](#).
- The Application by Non-Residents for a Directive for Relief from SA Tax for Pension and SWB (RST01 Form) can be accessed [here](#).
- **Updated Guides for the enhanced process**
  - The Completion Guide for IRP3(s) Forms can be accessed [here](#).
  - The Guide to Complete the lump sum Tax Directive Application Forms can be accessed [here](#).
  - The Guide to the Tax Directive functionality on eFiling can be accessed [here](#).
  - The Guide to Complete Submit and Cancel a Recognition of Transfer can be accessed [here](#).
  - The Guide to the SARS Online Query System can be accessed [here](#).
  - The Guide to submit your Individual Income Tax Return via eFiling can be accessed [here](#).
  - The Services offered via the SARS MobiApp can be accessed [here](#).
  - The Guide to SARS Mobile Tax Services can be accessed [here](#).
- **Scams**
  - Latest refund payment scams
    - The latest scam is an email indicating you are eligible for a refund.
    - To “complete your refund” the scam asks you to submit SARS FICA documents. The scam leads you to click a link, which is linking to a fraudulent website.

- See an example of the [latest refund scam here](#).
- Make sure the email or SMS is genuine before you click on any link.
- Protect yourself from scams and phishing:
  - Do not open or respond to emails from unknown sources.
  - Beware of emails or SMSs asking for personal, tax, banking or eFiling details.
  - SARS will never send you hyperlinks to other websites.
- Latest outstanding amount scam
  - The latest scam is an email indicating you have an outstanding amount to be paid to SARS. The scam asks you to click a link, which goes to a fraudulent website.
  - See an example of the [latest refund scam here](#).
- **Gauteng tax workshops for September 2024**
  - The Gauteng tax workshop schedule for September 2024 has been published and can be accessed [here](#).
- **Average exchange rates**
  - A list of the average exchange rates of selected currencies for a year of assessment as from December 2003 has been published as [Table A](#).
  - A list of the monthly average exchange rates to assist a person whose year of assessment is shorter or longer than 12 months has been published as [Table B](#).
  - The next update is expected in [December 2024](#).
- **Changes to SARS medical aid data reporting**
  - In line with SARS' strategic objective that aims to make it easy for all taxpayers to meet their personal tax obligations, SARS is implementing changes to the medical aid data reporting requirements. SARS has recognised the challenges faced by taxpayers in submitting medical aid data accurately and on time. To simplify this process and reduce the burden on taxpayers, SARS is making changes to the data that is required from medical aid schemes.

- Medical aid data changes include:
  - Provision of data on disabled principal members and their dependents.
  - Data of persons making payment on behalf of principal members.
  - Separate non-allowable from the allowable expenses, currently reported as claims not paid or covered by medical schemes on the IT3(f) certificate.
- For ease of reference, the changes in the latest [External Medical Scheme Contributions Business Requirement Specification \(BRS\) \(v1.09-2\)](#) are as follows:
  - Field 4, File Layout Version must be 3.
  - Updated the fields (**182 and 206**) for.
  - Updated the Medical Practitioner HPSCA number fields (**196 and 220**) for Principal Member and Dependant.
  - Updated the end date of disability fields (**195 and 219**) for Principal Member and Dependant.
  - Updated the non-allowable source code (**Appendix A**).
  - Updated the Logic validation for Third-Party Payor unique number field (**235**) under the Person Paying Account Financial Data.
- These changes will also allow SARS to reduce audit interventions, enable speedy assessment of tax returns and assist in allocating medical tax credits to the correct taxpayers.
- **Effective 5 October 2024**, medical scheme contributions must be provided in line with the requirements outlined in the new [BRS \(v10.9-2\)](#).
- The new Medical Scheme Contributions solution will be available via Connect: Direct® and Secured File Gateway [HTTPS].
- The medical aid data trade testing is scheduled from 16 September 2024 to 4 October 2024. Please ensure that all your submissions are completed within the specified period to facilitate a smooth submission process. Note that:
  - The Test Platform will remain open throughout the submission period to ensure that all the data files that you have submitted conform to the

specified BRS prior to being submitted to Production. Testing support is available to address any issues identified during testing.

- The Production Platform is also open. SARS encourages you to submit your third-party data for the 2024 tax year as soon as possible, but no later than **31 October 2024**.
- To ensure a smooth transition, SARS will grant a grace period of **six (6) months** for partial submission of the requested data, while stakeholders obtain resources to achieve full compliance. For cases of partial compliance, reasons and a commitment date for full compliance must be submitted to [Bus\\_Sys\\_CDsupport@sars.gov.za](mailto:Bus_Sys_CDsupport@sars.gov.za).
- **Preliminary amount of R4.1bn applied for in two pot system**
  - On 11 September SARS published a media release stating that it has received a total 161,607 tax directive applications. This includes the directives which have been cancelled. 159, 853 relates to Savings Withdrawal Benefits, which is 98.9% of the total number of applications received from Sunday 1 to 10 September 2024, which means SARS received an average of 17,964 tax directive applications a day.
  - Gross amount of the lumpsums for the applications received totals R4.1 billion.
  - Contributions made to a pension or retirement fund were not taxed at the time of payment to the fund but deferred to the time the person retires and then taxed at a reduced rate. However, when an individual withdraws now, they will be taxed at their marginal tax rate.
  - Find the media release [here](#).
- **Third Party Data Bi-annual Submissions**
  - The SARS Third Party Data Annual Submissions process for the period 1 March 2024 – 30 September 2024 opened on 1 September 2024 and will close on 31 October 2024.
  - Find more information [here](#).
- **The passing of former Minister Pravin Gordhan**
  - Former Minister Pravin Gordhan has passed away, leaving behind a legacy of public service and leadership.

- He served as Commissioner of SARS from 1999-2009, transforming it into a respected revenue authority.
- He championed the idea that SARS serves a higher purpose of fostering sustainable economic growth and social development.
- His leadership at SARS, and later as Minister of Finance, contributed to good governance and accountability in South Africa.
- He played a key role in the fight against apartheid and state capture, remaining a lifelong activist for justice and equality.
- SARS Commissioner Edward Kieswetter praised his dedication to improving the lives of South Africans and the nation's fiscal health.
- His legacy will continue to inspire ethical governance and economic justice. Thoughts and prayers go to his family and loved ones.

## international

- **The Organisation for Economic Co-Operation and Development (“OECD”) | Educational attainment and labour market outcomes are improving but more is needed on equality of opportunities**
  - The OECD published a media release which provides that educational attainment and labour market outcomes have improved for young adults most at risk of falling behind, but education systems can adapt further to improve results for all groups – including girls, women, and low-income students
  - Find more information [here](#).
- **Boosting business investment and labour supply are priorities to improve growth and fiscal sustainability in the United Kingdom (“UK”)**
  - The OECD published a media release which provides that the UK economy is gathering pace after a spell of weak growth in the context of challenging economic conditions around geopolitical tensions, elevated inflation and rising interest rates. A comprehensive reform agenda is needed to sustain the momentum and stimulate medium-term growth.

- Find more information [here](#).
- **Kingdom Boosting productivity and private sector dynamism, tackling labour market challenges, and advancing the climate transition will help Morocco accelerate growth and increase living standards**
- The OECD published a media release which provides that the economic development in Morocco continues to rebound from the COVID-19 pandemic and the energy crisis, despite the 2023 earthquake and repeating droughts. Growth has proven resilient while inflation is declining, and Morocco has now embarked on major reforms to encourage investment and enhance social protection.
- Find more information [here](#).

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