INCOME TAX: INDIVIDUALS AND TRUSTS
Tax rates (year of assessment ending 29 February 2008)

**Taxable Income (R) Rates of Tax (R)**

- 0 - 112 500 18%
- 112 501 - 180 000 20 250 + 25% of the amount above 112 500
- 180 001 - 250 000 37 125 + 30% of the amount above 180 000
- 250 001 - 350 000 58 125 + 35% of the amount above 250 000
- 350 001 - 450 000 93 125 + 38% of the amount above 350 000
- 450 001 and above 131 125 + 40% of the amount above 450 000

**Exemptions**

- **Medical and physical disability expenses**
  - Taxpayers under 65 may claim all qualifying medical expenses.
  - Taxpayers 65 and older may claim all qualifying expenditure.

- **Capital gains tax**
  - Any excess over R1 800 may be carried forward to the following year of assessment.

**Deductions in respect of donations to certain public benefit organisations**

- Are limited to 10% of taxable income before deducting medical expenses.

**Allowances**

- **Subsistence allowances and advances**
  - Where the recipient is entitled to a subsistence allowance and the accommodation to which the allowance or advance relates is in the Republic, the allowance or advance is treated as follows:
    - meals and incidental costs, an amount of R300 per day is deemed to have been expended.
  - incidental costs only, an amount of R300 for each day which falls within the period of time in which the tax payer is entitled to a subsistence allowance and the accommodation to which the allowance or advance relates is outside the Republic, an amount equal to US$200 per day is deemed to have been expended.

**Traveling allowance**

- Rates per kilometre which may be used in determining the allowable deduction for business-travel, where no records of actual costs are kept.

**Provisional Tax**

A provisional taxpayer is any person who earns income other than remuneration or an allowance or advance payable by the person's principal.

The following individuals are exempt from the payment of provisional tax—

- Individuals below the age of 65 who do not carry on a business and whose taxable income—
  - will not exceed the tax threshold for the tax year; or
- from interest, dividends and rental will be R10 000 or less for the tax year; or
- compressor equipment; or
- the lease of fixed property; and
- from interest, dividends and rental will be R10 000 or less for the tax year; or
- from medical scheme.

**Available for business purposes**

- The fixed cost must be reduced on a pro-rata basis if the vehicle is used for business purposes for less than a full year.
INCOME TAX: INDIVIDUALS AND TRUSTS

Tax rates (year of assessment ending 29 February 2008)

Current retirement annuity fund contributions

Taxpayers 65 and older may claim all qualifying expenditure

Arnar pensions fund contributions

Medical and physical disabilities

Forfeitures

Rates per kilometre which may be used in determining the allowable deduction for business travel, where no records of actual costs are kept.

Primary

Additional (Person under 65)

Taxable Income (R) Rates of Tax (R)

Provisional Tax

A provisional taxpayer is any person who earns income other than remuneration or an allowance or advance payable by the person's principal.

The following individuals are exempt from the payment of provisional tax —

- individuals below the age of 65 who do not carry on a business and whose taxable income — will not exceed the tax threshold for the tax year; or
- from interest, dividends and rental income for the tax year, or
- require a specific tax valuation for purposes of a specific transaction.

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INCOME TAX: INDIVIDUALS AND TRUSTS

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INCOME TAX: INDIVIDUALS AND TRUSTS

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</thead>
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</tr>
<tr>
<td>40 01 - 60 000</td>
<td>20%</td>
</tr>
<tr>
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<td>25%</td>
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<tr>
<td>80 001 - 100 000</td>
<td>30%</td>
</tr>
<tr>
<td>100 001 - 120 000</td>
<td>35%</td>
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<tr>
<td>120 001 - 140 000</td>
<td>40%</td>
</tr>
<tr>
<td>140 001 - 160 000</td>
<td>45%</td>
</tr>
<tr>
<td>160 001 - 180 000</td>
<td>50%</td>
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<tr>
<td>180 001 - 200 000</td>
<td>55%</td>
</tr>
<tr>
<td>200 001 - 220 000</td>
<td>60%</td>
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<tr>
<td>220 001 - 240 000</td>
<td>65%</td>
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<tr>
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<td>70%</td>
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<tr>
<td>260 001 - 280 000</td>
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<tr>
<td>280 001 - 300 000</td>
<td>80%</td>
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<tr>
<td>300 001 - 320 000</td>
<td>85%</td>
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<tr>
<td>320 001 - 340 000</td>
<td>90%</td>
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<tr>
<td>340 001 - 360 000</td>
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</tr>
<tr>
<td>360 001 and above</td>
<td>100%</td>
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</tbody>
</table>

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INCOME TAX: INDIVIDUALS AND TRUSTS

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<tr>
<td>120 001 - 130 000</td>
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<tr>
<td>130 001 - 140 000</td>
<td>70%</td>
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<tr>
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INCOME TAX: INDIVIDUALS AND TRUSTS

Tax rates (year of assessment ending 29 February 2008)

<table>
<thead>
<tr>
<th>Age Tax Threshold (R)</th>
<th>Provisional Tax</th>
<th>Rebates R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below age 65</td>
<td>43 000</td>
<td></td>
</tr>
<tr>
<td>Age 65 and over</td>
<td>69 000</td>
<td></td>
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Provisional Tax
A provisional taxpayer is any person who earns income other than remuneration or an allowance or advance payable by the person’s principal.

Individuals whose taxable income —
- from interest, dividends and rental will be R10 000 or less for the tax year; or
- do not exceed the tax threshold for the tax year;
- are limited to 10% of taxable income before deducting medical expenses.

Arrear pensions fund contributions
Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.

The following individuals are exempt from the payment of provisional tax —
- Individuals below the age of 65 who do not carry on a business and whose taxable income —
- will not exceed the tax threshold for the tax year; or
- whose taxable income —

Donations
Deductions in respect of donations to certain public benefit organisations are limited to 10% of taxable income before deducting medical expenses.

Substantiation allowances and advances
Where the recipient is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance or advance relates is outside the Republic, an amount equal to US$200 per day is deemed to have been expended.

Incidental costs only, an amount of R63.50 for each day which falls within the period is deemed to have been expended.

Where the accommodation to which that allowance or advance relates is outside the Republic, an amount equal to US$200 per day is deemed to have been expended.

Subsistence allowances and advances
Where the recipient is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance or advance relates is outside the Republic, an amount equal to US$200 per day is deemed to have been expended.

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Medical and physical disabilities

| Taxpayer or the taxpayer's spouse or child is a handicapped person. |
| Deductions which exceed 7.5% of taxable income |

Note:
The fixed cost must be reduced on a pro-rata basis if the vehicle is used for business purposes for less than a full year.

Travelling allowance

Note: Rebates which may be used in determining the allowable deduction for business travel, where no records of actual costs are kept.

Arrear pensions fund contributions

Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.

Current retirement annuity fund contributions

The greater of —

10% of taxable income other than from retirement funding employment, or
R5 200 was current deductions to a pension fund, or
R1 750.

Any excess may be carried forward to the following year of assessment.

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Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.

Current retirement annuity fund contributions

The greater of —

15% of remuneration from retirement funding employment, or
R1 600 was current deductions to a pension fund, or
R63.50.

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R63.50.

Any excess may be carried forward to the following year of assessment.

Arrear pension fund contributions

Maximum of R1 800 per annum. Any excess over R1 800 may be carried forward to the following year of assessment.
If the employee bears the full cost of maintaining the vehicle (including the cost of fuel) and uses the vehicle primarily for business purposes, the taxable value is reduced by 0.22 percentage points. If the employee bears the cost of all fuel used for the purposes of the private use of the vehicle (including travelling between the employee's place of residence and his/her place of employment) the monthly percentage to be applied is reduced by 0.10 percentage points.

The difference between interest charged, is to be included in gross income.

The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.

The taxable value is 2.5% of the determined value (usually the cash cost excluding VAT) per month. Where a second (and further) vehicle is made available to an employee or his family, and the vehicle is not used primarily for business purposes, the benefit is 2.5% per month on the vehicle with the highest value and 4% per month on the other vehicle(s).

Residents are based on their net income, subject to certain exclusions. Foreign tax on that income are allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

The tax is imposed at a rate of 0.25 per cent on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

Interest-free or low-interest loans

The following are some of the specific exclusions:

- Most personal use assets
- Retirement benefits
- Payments in respect of original long-term insurance policies
- Annual exclusions (R15 000 capital gain or capital loss) are granted to individuals and special trusts.
- The exclusion granted to individuals is R120 000 during the year of death.

Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.

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- Payments in respect of original long-term insurance policies
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- Annual exclusions (R15 000 capital gain or capital loss) are granted to individuals and special trusts.
- The exclusion granted to individuals is R120 000 during the year of death.
If the employee bears the full cost of maintaining the vehicle (including the vehicle's fair replacement value), the benefit is determined from the distance travelled, a monthly percentage to be applied reduced by 0.2% percentage points.

If the employee bears the full cost of maintaining the vehicle (including the vehicle's fair replacement value), the benefit is determined from the distance travelled, a monthly percentage to be applied reduced by 0.1% percentage points.

Interest-free or low-interest loans

The fringe benefit to be included in gross income is the greater of the benefit calculated by applying a prescribed formula or the cost to the employer.

The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.

INCOME TAX: COMPANIES

Financial years ending on any date between 1 April 2007 and 31 March 2008

<table>
<thead>
<tr>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
</tr>
<tr>
<td>Small businesses</td>
</tr>
<tr>
<td>100 000 – 300 000</td>
</tr>
<tr>
<td>300 001 and above</td>
</tr>
<tr>
<td>500 001 – 1 000 000</td>
</tr>
<tr>
<td>1 000 001 and above</td>
</tr>
</tbody>
</table>

TAXATION OF CAPITAL GAINS

Maximum effective rate of tax:

- Individuals: 10%
- Companies: 14.5%
- Trusts: 20%

OTHER TAXES AND DUTIES LEAVES

Transfer duty

Tax payable at the following rate on transactions which are not subject to VAT:

- Acquisition of property by natural persons:
  - 0% of the value above R1 000 000
- Acquisition of property by persons other than natural persons:
  - 0% of the value

RESIDENCE BASIS OF TAXATION

Residents are taxed on their worldwide income, subject to certain exclusions. Foreign tax on that income is allowed as a credit against South African tax payable.

OTHER TAX PROPOSALS

- Allow the write-off of commercial buildings over a period of 20 years
- Eliminate
- Increase the capital gain/loss ceiling of a primary residence
- Apply tax on international air travel

Other deductions

- Other than the deductions set out above an individual may only claim deductions against employment income or allowance in limited specified situations, e.g. bad debt in respect of salary and premiums on certain life protection policies.
- Benefits

- Employee-owned vehicles
- The taxable benefit is 25% of the deemed cost to the employee, or the vehicle as made available to the employee, or the value of the vehicle if the employee bears the cost of all fuel used for the purpose of business, the benefit is 25% per month on the vehicle's highest dutiable value in South Africa (exempt for agreements for a rental period of less than 5 years) - 0.5 per cent
- The employee bears the cost of all fuel used for the purpose of the private use of the vehicle.
- Residential accommodation
- The benefits are determined from the distance travelled, a monthly percentage to be applied reduced by 0.2% percentage points.
- In the case of a taxpayer who is not a natural person, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.
- Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.
- A skills development levy is payable by employers at a rate of 1% of the total remuneration paid to employees. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies.
- The fringe benefit to be included in gross income is the greatest of the benefit calculated by applying a prescribed formula or the cost to the employer.
Of the actual distance travelled during a tax year in the absence of a log book, it is deemed that the first 18 000 kilometres are travelled for private purposes and the balance, but not exceeding 14 000 kilometres are travelled for business purposes.

TAXATION OF CAPITAL GAINS

Capital gains on the disposal of assets are included in taxable income.

**Residence Basis of Assessment**

Residents are liable to tax on all their income, subject to certain exemptions. Foreign tax on income that is allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

**Employer-owned vehicles**

- The taxable benefit is 2.12% of the determined value (usually the cash cost excluding VAT) per month. Where a second (and further) vehicle is made available to an employee or his family, and the vehicle is not used primarily for business purposes, the benefit is 2.5% per month on the vehicle’s highest value (including registered value and any additions).
- Where the employee bears the cost of all fuel used for the purposes of the private use of the vehicle, the benefit is reduced by 0.22 percentage points.
- The employee bears the full cost of maintaining the vehicle (including the replacement of parts, servicing, lubrication and tyres) on an allowance paid by an employer to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The allowance is not available if other compensation in the form of an allowance is reimbursed to the employee in respect of the vehicle.
- The employee bears the full cost of maintaining the vehicle (including the replacement of parts, servicing, lubrication and tyres) on an allowance paid by an employer to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The allowance is not available if other compensation in the form of an allowance is reimbursed to the employee in respect of the vehicle.

**Other deductions**

- The deductions set out above an individual may only claim deductions against employment income or allowances in limited specified situations, e.g. bad debt in respect of salary and premiums on certain protection policies.
- The fringe benefit to be included in gross income is the greater of the benefit calculated by applying a prescribed formula or the cost to the employer.
- The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.
- The following are some of the specific exclusions:
  - R1,5 million gain/loss on the disposal of a primary residence
  - Events that trigger a disposal include a sale, donation, exchange, loan, death and emigration.
  - The following are some of the specific exclusions:
    - R1,5 million gain/loss on the disposal of a primary residence
    - Events that trigger a disposal include a sale, donation, exchange, loan, death and emigration.

**Residence Basis of Assessment**

Residents are based on their taxable income, subject to certain exclusions. Foreign tax on these incomes are allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

**Unemployment Insurance contributions**

Unemployment insurance contributions are payable monthly by employers on the basis of a contribution of 1 per cent of employee pay and 1 per cent by employees, based on employers’ remuneration below a certain amount. Employers not registered for NPIV or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner.

**Uncertified Securities Tax**

The tax is imposed at a rate of 0,25 per cent on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

**Taxes on international Air Travel**

Revenue earned by passengers departing on international flights excluding flights to SACU countries in which case the tax is R60.

**Other Tax Proposals**

- Replace STC with a dividend tax, reduce the rate from 12,5% to 10%
- Treat the sale of shares held for longer than 3 years on capital account of 0%
- Remove all interest on wages
- Wage subsidy and social security tax reform
- Allow the withdrawal of contributions exceeding R30 000 in a period of 20 years
- Eliminate ad valorem duties on dish washing machines, sunglasses, certain cameras and projectors

**Effective from 1 March 2007**

- Replace STC with a dividend tax, reduce the rate from 12,5% to 10%
- Treat the sale of shares held for longer than 3 years on capital account of 0%
- Remove all interest on wages
- Wage subsidy and social security tax reform
- Allow the withdrawal of contributions exceeding R30 000 in a period of 20 years
- Eliminate ad valorem duties on dish washing machines, sunglasses, certain cameras and projectors

**SARS INTEREST RATES**

- Late payments of VAT: 17.5% per annum
- Late payments of all other taxes: 25% per annum

**Interest-free or low-interest loans**

- The difference between interest charged at the official rate and the actual interest charged, is to be included in gross income.
- The fringe benefit to be included in gross income is the greater of the benefit calculated by applying a prescribed formula or the cost to the employer.
- The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.
- The following are some of the specific exclusions:
  - R1.5 million gain/loss on the disposal of a primary residence
  - Events that trigger a disposal include a sale, donation, exchange, loan, death and emigration.
  - The following are some of the specific exclusions:
    - R1.5 million gain/loss on the disposal of a primary residence
    - Events that trigger a disposal include a sale, donation, exchange, loan, death and emigration.

**Employment companies**

- The taxable benefit is 2.12% of the determined value (usually the cash cost excluding VAT) per month. Where a second (and further) vehicle is made available to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The benefit is reduced by 0.22 percentage points.
- Where the employee bears the cost of all fuel used for the purposes of the private use of the vehicle (including travelling between the employee’s place of residence and their place of employment), the monthly percentage to be applied is reduced by 0.22 percentage points.
- The employee bears the full cost of maintaining the vehicle (including the replacement of parts, servicing, lubrication and tyres) on an allowance paid by an employer to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The allowance is not available if other compensation in the form of an allowance is reimbursed to the employee in respect of the vehicle.
- The employee bears the full cost of maintaining the vehicle (including the replacement of parts, servicing, lubrication and tyres) on an allowance paid by an employer to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The allowance is not available if other compensation in the form of an allowance is reimbursed to the employee in respect of the vehicle.
The taxable employee bears the full cost of maintaining the vehicle (including the cost of repairs, servicing, lubrication and tyres) the monthly percentage to be applied is reduced by 0.18 percentage points.

Residential accommodation
The fringe benefit to be included in gross income is the greater of the benefit calculated by applying a prescribed formula or the cost to the employer.

The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.

INCOME TAX: COMPANIES

The following are some of the specific exclusions:

- R1.5 million gains/losses on the disposal of a primary residence
- most personal use assets
- retirement benefits
- payments in respect of original long-term insurance policies
- annual exclusions R150 000 is granted to individuals and special trusts

The exclusion granted to individuals is R120 000 during the year of death.

OTHER TAX DUTIES AND LEVIES

Transfer duty is payable at the following rate on transactions which are not subject to VAT:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential accommodation</td>
<td>0.25% of the value exceeding R1 000 000 (1.5% if residential accommodation is owned by the employer or an associated institution)</td>
</tr>
<tr>
<td>Foreign tax on immovable property in South Africa</td>
<td>1% of value exceeding R500 000</td>
</tr>
</tbody>
</table>

RESIDENCE BASIS OF TAXATION

Residents are taxed on their worldwide income, subject to certain exclusions.

Foreign tax on income that are allowed as credits against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

TAXATION OF CAPITAL GAINS

The following are some of the specific exclusions:

- Capital gains on the disposal of assets are included in taxable income.
- The capital gains tax rate is 18%.
- The formula will apply if the accommodation is owned by the employer, or an associated institution in relation to the employer, or under certain limited circumstances where it is not owned by the employer.

The following are some of the specific exclusions:

- A skills development levy is payable by employers at a rate of 1% of the total remuneration paid to employees. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies.
- The tax is imposed at a rate of 0.25% on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

Tax on International Air Travel

The tax is imposed at a rate of 0.25% on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

Estate Duty

The tax is imposed at a rate of 0.25% on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

Donations tax is levied at a flat rate of 20% on the value of property donated by a deceased person.

- The first R1 000 000 of property donated in any year by a natural person is exempt from donations tax.
- In the case of a taxpayer who is not a natural person, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.

- Donations are limited to casual gifts not exceeding R10 000 per annum in total.
- Donations to certain public benefit organisations are exempt from donations tax.

Stamp Duty

- Lease agreements of fixed property (except for agreements for a rental period of less than 3 years) – 0.25 per cent
- Registration of transfer and cancellation of unlisted marketable securities (except for banking and insurance securities) – 0.25 per cent

Uncertificated Securities Tax

The tax is imposed at a rate of 0.25% per annum on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

- Effective from 1 March 2007
- Alternative:
- Instead of the annual exclusion, the exclusion granted to individuals is limited to casual gifts not exceeding R10 000 per annum in total.

- Donations to certain public benefit organisations are exempt from donations tax.

- The tax is imposed at a rate of 0.25% per annum on a change in beneficial ownership (including cancellation) of listed securities which are not interest-bearing.

- Effective from 1 March 2007
- Alternative:
If the employee bears the full cost of maintaining the vehicle (including the actual distance travelled during a tax year, in the absence of a log book, it is deemed that the first 18,000 kilometres are travelled for private purposes and the balance, but not exceeding 14,000 kilometres are travelled for business purposes. A skills development levy is payable by employers at a rate of 1% of the total remuneration paid to employees. Employers paying annual remuneration of less than R500,000 are exempt from the payment of Skills Development Levies.

Alternatively:

- Where the distance travelled for business purposes does not exceed 8,000 kilometres per annum, no tax is payable on an allowance paid by an employer to an employee, up to the rate of 246 cents per kilometre regardless of the value of the vehicle.
- The alternative is not available if other compensation in the form of an allowance or reimbursement is received from the employer in respect of the use of the vehicle.

Other deductions

- Other than the deductions set out above an individual may only claim deductions against employment income or allowance in limited specified situations, e.g. bad debt in respect of salary and premiums on certain life protection policies.

Fringe Benefits

Employer-owned vehicles

- The taxable value of the determined value (usually the cash cost excluding VAT) per month. Where a second (and further) vehicle is made available to an employee the benefit is 2.5% per month on the vehicle with the highest value, and 4% per month on the other vehicle(s).
- The employee bears the cost of all fuel used for the purposes of the private use of the vehicle (exemption for interest-bearing securities) - 0.25 per cent.

Employer-owned vehicles:

- The taxable value is 2.5% of the determined value (usually the cash cost excluding VAT) per month. Where a second (and further) vehicle is made available to an employee or his family, and the vehicle is not used primarily for business purposes, the benefit is 2.5% per month on the vehicle with the highest value, and 4% per month on the other vehicle(s).
- The employee bears the cost of all fuel used for the purposes of the private use of the vehicle.

Residence basis of taxation

- Residents are taxed on their worldwide income, subject to certain exclusions. Foreign tax on that income is allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.
- The employee bears the cost of maintaining the vehicle (including the actual distance travelled during a tax year, in the absence of a log book, it is deemed that the first 18,000 kilometres are travelled for private purposes and the balance, but not exceeding 14,000 kilometres are travelled for business purposes.

TAXATION OF CAPITAL GAINS

Capital gains on the disposal of assets are included in taxable income.

- Minimum effective rate of tax:
  - Individuals 10%
  - Companies 14.5%
  - Trusts 20%

Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.

R1,5 million gain/loss on the disposal of a primary residence is exempt from donations tax.

In the case of a taxpayer who is not a natural person, the exempt donations are limited to casual gifts not exceeding R10,000 per annum in total.

Uncertainty in respect of the implementation of certain public benefit organisations are exempt from donations tax.

Stamp Duty

Transfer duty is payable at the following rate on transactions which are not subject to tax payable.

- Acquisition of property by natural persons:
  - R500,000 or less 0%
  - R500,001 – R1,000,000 5%
  - R1,000,001 and above 8%

Residence basis of taxation

- Residents are taxed on their worldwide income, subject to certain exclusions. Foreign tax on that income is allowed as a credit against South African tax payable. This is applicable to individuals, companies, close corporations and trusts.

Stamp Duty

Transfer duty is payable at the following rate on transactions which are not subject to tax payable.

- Acquisition of property by natural persons:
  - R500,000 or less 0%
  - R500,001 – R1,000,000 5%
  - R1,000,001 and above 8%