
GOVERNMENT NOTICE

No. R.

February 2016

NATIONAL TREASURY

**REGULATIONS IN TERMS OF SECTION 12T(8) OF THE INCOME TAX ACT,
1962, ON THE REQUIREMENTS FOR TAX FREE INVESTMENT**

I, Pravin Jamnadas Gordhan, Minister of Finance, under section 12T(8) of the Income Tax Act, 1962 (Act No. 58 of 1962), hereby make the regulations as set out in the Schedule hereto.

Pravin Jamnadas Gordhan, MP

Minister of Finance

SCHEDULE

Definitions

1. In these regulations, “**the Regulations**” means the regulations published by Government Notice No. R 172 of 25 February 2015.

Amendment of regulation 9 of the Regulations

2. The Regulations are hereby amended by the substitution for regulation 9 of the following regulations:

“Certain transfers may not be accepted

9A. A product provider may not accept any amount in respect of a tax free investment if that product provider is unable to transfer any amount to another product provider in respect of any tax free investment.

Product providers may refuse to accept certain transfers

9B. A product provider may refuse to accept any transfer in respect of any amount in respect of a tax free investment if that transfer does not conform to the requirements of the tax free investment which the product provider to whom the amount is transferred applies to tax free investments.

Time period for transfers by product providers

9C. (1) Subject to regulation 9A and subregulation (2), a product provider must transfer any amount in respect of a tax free investment within 10 business days to another product provider after receipt of an instruction by an investor to transfer that amount.

(2) Despite subregulation (1) a product provider is not obliged to transfer any amount in respect of a tax free investment in respect of the

same natural person, or deceased estate or insolvent estate of the same natural person more than twice a year.

Transfer certificates

9D. (1) A product provider that transfers an amount in respect of a tax free investment must issue a certificate that contains the particulars stipulated in subregulation (2).

(2) A product provider that issues a certificate referred to in subregulation (1) must supply a copy of that certificate to—

(a) the investor; and

(b) the product provider to whom the amount is transferred.

(3) A product provider that issues a certificate referred to in subregulation (1), the investor and the product provider to whom the amount is transferred must respectively retain a copy of that certificate for a period of five years after that certificate has been issued.

(4) The certificate referred to in subregulation (1) must contain—

(a) the name and identity number, or tax reference number of the investor;

(b) the amount that is transferred;

(c) the date on which the amount is transferred;

(d) the particulars of the product provider that receives the amount;

(e) the total amount of contributions in respect of the year of assessment during which the amount is transferred;

(f) the words “transfer of tax free savings account”;

(g) the market value of any assets in respect of the tax free investment that is transferred on the date that the product provider receives the instruction from the investor to transfer those assets;

(h) a description of assets in respect of the tax free investment where the amount is transferred in respect of an asset other than cash;

(i) the market value of any assets in respect of the tax free investment where the amount is transferred in respect of an asset other than cash on the date that the asset is transferred;

(j) the number of assets transferred.”.

Commencement

3. These regulations come into operation on 1 November 2016.