



national treasury

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National Treasury
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MEDIA STATEMENT

PUBLICATION OF GAZETTED NOTICE ON TAX EXEMPTION OF BULKING PAYMENTS TO FORMER MEMBERS OF CLOSED RETIREMENT FUNDS IN TERMS OF PARAGRAPH 2D OF THE SECOND SCHEDULE TO THE INCOME TAX ACT, 1962 (ACT NO 58 OF 1962)

The National Treasury and South African Revenue Service (SARS) today publish the gazetted Notice (**Government Gazette no. 3356 dated 3 May 2023**) on tax exemption of bulking payments to former members of closed retirement funds in terms of Paragraph 2D of the Second Schedule to the Income Tax Act, 1962 (Act No 58 of 1962, “the Act”) (Notice)

The Notice is aimed at ensuring a consistent tax treatment in respect of all bulking payments by providing a tax exemption in terms of Paragraph 2D of the Second Schedule to the Act in respect of bulking payments made by the fund administrators to former members of closed retirement funds, provided that they meet requirements specified in the notice. Since the Government does not wish to condone non-compliance, this will be the last opportunity availed in this regard to rectify the error.

The gazetting of the Notice follows a publication of the draft Notice for public comment on 6 March 2023. Taxpayers and stakeholders were given 30 days to submit their written comments, and the closing date for comments was 6 April 2023.

The effective date for the Notice is 3 May 2023.

The Notice and the accompanying Explanatory Memorandum containing comprehensive description of the proposed amendments, can be found on the National Treasury (www.treasury.gov.za) and SARS (www.sars.gov.za) websites.

Issued by National Treasury

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