
REPUBLIC OF SOUTH AFRICA

**TAXATION LAWS SECOND
AMENDMENT ACT**

REPUBLIEK VAN SUID-AFRIKA

**TWEEDE WYSIGINGSWET OP
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No 25, 2011

- (iv) monitor all research and development approved under subsection (9)—
 - (aa) to determine whether the objectives of this section are being achieved; and
 - (bb) to advise the Minister of Finance and the Minister of Science and Technology on any future proposed amendment or adjustment of this section;
- (v) for a specific purpose and on the conditions and for the period as it may determine, obtain the assistance of any person to advise the committee relating to any function assigned to that committee in terms of this section; and
- (vi) require any taxpayer applying for approval of research and development in terms of subsection (9), to furnish any information or documents necessary for the Minister of Science and Technology and the committee to perform their functions in terms of this section.

(13) A taxpayer carrying on research and development approved under subsection (9) must report to the committee annually with respect to the progress of that research and development within 12 months after the close of each year of assessment, starting with the year following the year in which approval is granted under subsection (9) in the form and in the manner that the Minister of Science and Technology may prescribe.

(14) Notwithstanding section 4, the Commissioner may disclose to the Minister of Science and Technology information in relation to research and development as may be required by that Minister for the purposes of submitting a report to Parliament in terms of subsection (17).

(15) The members of the committee appointed in terms of subsection (11) and any person whose assistance has been obtained by that committee may not—

- (a) act in any way that is inconsistent with the provisions of subsection (12)(a) or expose themselves to any situation involving the risk of a conflict between their responsibilities and private interests; or
- (b) use their position or any information entrusted to them to enrich themselves or improperly benefit any other person.

(16) The Minister of Science and Technology must—

- (a) provide written reasons for any decision to grant or deny any application for approval of any research and development under subsection (9), or for any withdrawal of approval contemplated in subsection (10);
- (b) inform the Commissioner of the approval of any research and development under subsection (9), setting out such particulars as are required by the Commissioner to determine the amount of the additional deduction in terms of subsection (3) or (4); and
- (c) inform the Commissioner of any withdrawal of approval in terms of subsection (10) and of the date on which that withdrawal takes effect.

(17) The Minister of Science and Technology must annually submit a report to Parliament advising Parliament of the direct benefits of the research and development in terms of economic growth, employment and other broader government objectives and the aggregate expenditure in respect of such activities without disclosing the identity of any person.

(18) Every employee of the Department of Science and Technology, every member of the committee appointed in terms of subsection (11) and any person whose assistance has been obtained by that committee—

- (a) must preserve and aid in preserving secrecy with regard to all matters that may come to their knowledge in the performance of their functions in terms of this section; and
- (b) and may not communicate any such matter to any person whatsoever other than to the taxpayer concerned or its legal representative, nor allow any such person to have access to any records in the possession or custody of the Department of Science and Technology or committee, except in terms of the law or an order of court.”.

(2) Subsection (1) comes into operation on 1 April 2012 unless a later date is determined by the Minister by notice in the *Gazette* and applies in respect of research and development on or after 1 April 2012, or such later date determined by the Minister by notice in the *Gazette*, but on or before 1 April 2022.

Amendment of section 12G of Act 58 of 1962, as inserted by section 12 of Act 19 of 2001 and amended by section 29 of Act 60 of 2001, section 22 of Act 74 of 2002 and section 27 of Act 35 of 2007

2. (1) Section 12G of the Income Tax Act, 1962, is hereby amended—
- (a) by the substitution in subsection (13) for the proviso of the following proviso: 5
 “Provided that the Minister of Trade and Industry or the Minister of Finance, as the case may be, may appoint alternative persons so employed if any person appointed in terms of paragraph (a) [of] or (b) is not available to perform any function as a member of the committee”;
 and 10
- (b) by the substitution in subsection (16)(e) for subparagraph (vi) of the following subparagraph:
 “(vi) any [**decisions**] decision not to withdraw the approval of a project, despite any material change in facts, as contemplated in paragraph (i) of the proviso to subsection (9).” 15
- (2) Subsection (1) comes into operation on 1 January 2012.

Amendment of section 4 of Act 91 of 1964, as amended by section 2 of Act 105 of 1969, section 2 of Act 110 of 1979, sections 3 and 15 of Act 98 of 1980, section 2 of Act 84 of 1987, section 4 of Act 59 of 1990, section 1 of Act 105 of 1992, section 1 of Act 98 of 1993, section 2 of Act 45 of 1995, section 34 of Act 34 of 1997, section 58 of Act 30 of 1998, section 47 of Act 53 of 1999, section 115 of Act 60 of 2001, section 43 of Act 30 of 2002, section 39 of Act 12 of 2003, section 133 of Act 45 of 2003, section 10 of Act 10 of 2006, section 9 of Act 21 of 2006, section 5 of Act 36 of 2007, section 25 of Act 61 of 2008 and section 24 of Act 8 of 2010 20

3. Section 4 of the Customs and Excise Act, 1964, is hereby amended— 25
- (a) by the deletion in the first proviso to subsection (3) of the word “or” after subparagraph (v);
- (b) by the substitution in the proviso to subsection (3) for the colon at the end of subparagraph (vi) of the expression “; and”;
- (c) by the addition to the proviso to subsection (3) after subparagraph (vi) of the following subparagraphs: 30
 “(vii) disclosing to the Director of the Financial Intelligence Centre, the information required for the performance of the functions of the Financial Intelligence Centre in terms of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001); or 35
 (viii) disclosing to the head of any organ of state administering legislation regulating the movement of goods or persons into or out of the Republic, the information necessary for enforcing that legislation.”; and
- (d) by the substitution for subsection (3A) of the following subsection: 40
 “(3A) The Statistician-General or the Director-General of the Department of Trade and Industry or the National Treasury as defined in the Exchange Control Regulations, 1961, or the Governor of the South African Reserve Bank or the National Commissioner of the South African Police Service or the National Director of Public Prosecutions or the Director-General of the National Treasury or the Chief Commissioner of the International Trade Administration Commission or the Director of the Financial Intelligence Centre or the head of any organ of state or any person acting under the direction and control of such Statistician-General or Director-General of the Department of Trade and Industry or Governor of the South African Reserve Bank or National Commissioner of the South African Police Service or National Director of Public Prosecutions or the Director-General of the National Treasury or the Chief Commissioner of the International Trade Administration Commission or the Director of the Financial Intelligence Centre or the head of any organ of state shall not disclose any information supplied under the proviso to subsection (3) to any person or permit any person to 55

have access thereto, except in the exercise of his or her powers or the carrying out of his or her duties under any Act from which such powers or duties are derived.”.

Amendment of section 119A of Act 91 of 1964, as inserted by section 32 of Act 18 of 2009

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4. Section 119A of the Customs and Excise Act, 1964, is hereby amended by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:

“Notwithstanding anything to the contrary contained in this Act, for the purposes of modernising customs or excise administration where—”.

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Continuation of amendments made under section 119A of Act 91 of 1964

5. Any rule made under section 119A of the Customs and Excise Act, 1964, or any amendment or withdrawal of or insertion in such rule during the period 1 June 2010 up to and including 31 July 2011 shall not lapse by virtue of section 119A(3) of that Act.

Short title and commencement

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6. (1) This Act is called the Taxation Laws Second Amendment Act, 2011.

(2) Save in so far as is otherwise provided for in this Act, or the context otherwise indicates, the amendments effected by this Act come into operation on the date of promulgation of this Act.

