



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Dear Sir/ Madam

## **INVITING TECHNICAL TAX PROPOSALS FOR ANNEXURE C OF THE BUDGET REVIEW**

### **I. Background**

The National Treasury invites taxpayers, tax practitioners and other interested parties or members of the public, to submit any technical proposals to improve or correct current tax legislation, including the closing of loopholes and unintended anomalies. Proposals received will be considered for possible inclusion in Annexure C of the 2014 Budget Review, released as part of the 2014 Budget Review.

The Budget Review contains announcements for upcoming tax legislation, with major tax proposals contained in Chapter 4. Minor or miscellaneous proposals that address unintended anomalies, loopholes and technical matters requiring correction are generally contained in Annexure C.

The proposals to be submitted are for Annexure C only, and not for any major tax proposals. Any other correspondence on a tax policy matter or major proposal should be addressed (under a separate cover) to the Deputy Director General: Tax and Financial Sector Policy, Mr Ismail Momoniat email: [Noeline.scholtz@treasury.gov.za](mailto:Noeline.scholtz@treasury.gov.za).

### **II. Criteria**

Proposed Annexure C changes must fit within the current tax policy framework, and must take into account potential revenue implications, as Annexure C proposals are not intended to have a significant revenue impact. It should further be emphasised that the timeframe for tax legislation remains limited. As such, so only critical matters will be considered with each matter being prioritised against other legislative tax proposals.

### **III. Format**

Please submit your proposals in the required format so that we can properly assess their merits and importance vis-à-vis other proposals. More specifically, each proposal should contain: (i) the legal nature of the problem, (ii) a “detailed” factual description of the relevant transaction (very important!), and (iii) the nature of the businesses impacted by the problem.

All proposals should be grouped in topic areas for ease of review. These groupings should be divided as follows: (i) income tax - individuals, employment and savings, (ii) income tax - domestic business, (iii) income tax – international, and (iv) other taxes (e.g. value-added tax as well as the mineral and petroleum royalty).

### **IV. Timing and workshop**

Annexure C proposals should be submitted no later than 29 November 2013.

To facilitate the review process, it is intended that workshops will be held on 4 and 5 December 2013. The workshop(s) will serve to clarify issues raised in the written submissions and to assist in the prioritisation of issues. Upon completion of the workshop, recommendations for Annexure C will be transmitted to the Minister of Finance for his consideration.

It should be noted that the mere discussion of tax proposals before the Budget is no guarantee that the proposals discussed will eventually be included in the Budget Review. The final decision to include proposals is the prerogative of the Minister of Finance. Any major tax proposals will not be the subject of discussion at the workshop.

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Please do not hesitate to contact us should you have any queries. All correspondence should be directed to Nombasa Nkumanda email: [nombasa.nkumanda@treasury.gov.za](mailto:nombasa.nkumanda@treasury.gov.za) or fax number 012 315 5516 and Adele Collins, email [acollins@sars.gov.za](mailto:acollins@sars.gov.za) or fax number 012 422 5192. You can also reach Nombasa Nkumanda at 012 395 6755 for any procedural queries.

Yours sincerely

**LUTANDO MVOVO**  
**ACTING CHIEF DIRECTOR: LEGAL TAX DESIGN**  
**DATE: 12 NOVEMBER 2013**

